



# J. K. COTTON LIMITED

## ANNUAL REPORT 2014-2015



# J. K. COTTON LIMITED

(FORMERLY JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.)

## BOARD OF DIRECTORS :

SHRI YADUPATI SINGHANIA (*Chairman & Managing Director*)

SHRI NIDHIPATI SINGHANIA

SMT. VARSHA SINGHANIA

DR. KRISHNA BEHARI AGARWAL

SHRI ASHOK GUPTA

DR. JAGANNATH GUPTA

SHRI KRISHNA DAS GUPTA

SHRI PADAM KUMAR JAIN

SHRI RAVINDRA KUMAR TANDON

SHRI SHARAD PAT SINGHANIA

## CEO :

SHRI ABHISHEK SINGHANIA

## BUSINESS HEAD :

DR. ANIL GUPTA

## CFO :

MS. SONALI AGARWAL

## BANKERS :

ALLAHABAD BANK

AXIS BANK LTD.

BANK OF INDIA

ICICI BANK LTD.

IDBI BANK LTD.

ORIENTAL BANK OF COMMERCE

PUNJAB NATIONAL BANK

STATE BANK OF INDIA

YES BANK LTD.

## AUDITORS :

MESSRS. P. L. TANDON & CO.

*Chartered Accountants*

## REGISTERED OFFICE :

KAMLA TOWER, KANPUR

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*J. K. Cotton Ltd.*



A Life  
**that inspires**

**Dr. Gaur Hari Singhania,**  
Chairman & Managing Director  
12th June, 1935 - 4th February, 2015

*J. K. Cotton Ltd.*



A compassionate  
**leader**

**Shri Govind Hari Singhania,**  
Promoter Director

19th March, 1937 - 2nd October, 2014

# J. K. COTTON LIMITED

(Formerly Juggilal Kamlat Cotton Spinning & Weaving Mills Co. Ltd.)

CIN : L17111UP1924PLC000275

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

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

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

## NOTICE

Notice is hereby given that the 92nd Annual General Meeting of J.K.Cotton Limited (Formerly Juggilal Kamlat Cotton Spinning & Weaving Mills Co. Ltd.) will be held on Monday, the 10th August, 2015 at 11.30 A.M. at the Registered Office of the Company at Kamla Tower, Kanpur to transact the following business:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Nidhipati Singhania (DIN 00171211), who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint a Director in place of Shri Ashok Gupta (DIN 00135288), who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint Auditors (pursuant to Section 139 of the Companies Act, 2013) to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors M/s P.L. Tandon & Company, Chartered Accountants, Kanpur (ICAI Registration No.000186C), are, however eligible for re-appointment.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 25000/- plus service tax as applicable and reimbursement of actual traveling and out of pocket expenses for the Financial Year ending 31st March, 2016 as recommended by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 26th May, 2015, be paid to M/s R. M. Bansal & Co., Cost Accountants, for the conduct of the cost audit of the Company's Textile manufacturing unit at Kanpur for the year 2015-16, be and is hereby ratified and confirmed.”
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the

Company be and is hereby accorded to the appointment of Shri Yadupati Singhania (DIN: 00050364), as Chairman and Managing Director of the Company for a period of five years commencing from 26th May, 2015 to 25th May, 2020 without any remuneration/perquisites and on the terms and conditions as recommended by the Board of Directors and as set out in the explanatory statement annexed to the notice convening this meeting, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in exercise of its discretion to alter and vary from time to time the terms and conditions of the said appointment.

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

7. 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 149, 152 read with all other applicable provisions of the Companies Act, 2013 and Rules framed there under (including any statutory modification (s) or re-enactment thereof for the time being in force) Smt. Varsha Singhania (DIN: 01646846), who was appointed as an Additional Director by the Board of Directors w.e.f. 12th August, 2014, in terms of Section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-executive Non-Independent Woman Director of the Company, whose term of office shall be liable to retire by rotation at the Annual General Meeting.”
8. 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 and any other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri Ravindra Kumar Tandon (DIN 00159472), who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 30th September, 2014 in terms

# J. K. Cotton Ltd.

of section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years till respective Annual General Meeting.”

9. 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 and any other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement Shri Krishna Das Gupta (DIN 00374379), who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 30th September, 2014 in terms of section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years till respective Annual General Meeting.”

10. 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 and any other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement Shri Sharad Pat Singhania (DIN 01373865), who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 30th September, 2014 in terms of section 161 of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years till respective Annual General Meeting.”

11. 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 and any other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement Shri Padam Kumar Jain (DIN 00176945), who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 30th September, 2014 in terms of section 161 of the Companies Act,2013 and applicable provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years till respective Annual General Meeting.”

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

**A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is annexed herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority as applicable.**

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 3<sup>rd</sup> August, 2015 to Monday, 10<sup>th</sup> August, 2015 (both day inclusive).
4. Members/ proxies should bring their attendance slip duly filled in for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. 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.
7. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be re-distributed at the Meeting.
8. Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.
9. **The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents**

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including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members are requested to intimate their e-mail address, contact telephone number, PAN and Bank Account details at any of our e-mail address viz. (a) [rc.srivastava@jkcement.com](mailto:rc.srivastava@jkcement.com), (b) [harshit@jkcotton.com](mailto:harshit@jkcotton.com).

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members can submit their PAN details to the Company / RTA Agent of the Company.
11. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection by the members at the Registered Office of the Company during business hours on any working day excluding Saturday up to the date of the Annual General Meeting of the Company.

## Annexure A to the notice

### Instructions for the voting through electronic means

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on any or all of the businesses specified in the accompanying notice. Necessary arrangements have been made by the Company with Central Depository Services Ltd. (CDSL) to facilitate e-voting from a place other than venue of Annual General Meeting ("AGM") ("remote e-voting"). The detailed procedure is mentioned in this notice. The remote e-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting through ballot or polling paper.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 3rd August, 2015 only shall be entitled to avail the facility of remote e-voting/ voting through ballot or polling paper at the Meeting.

The instructions for voting electronically are as under:

- (i) The voting period begins on 7th August, 2015 (9.00 a.m.) and ends on 9th August, 2015 (5.00 p.m.). During this period shareholders of the Company, holding shares as on the cut-off date of 3rd August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now enter your User ID:- Members should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.
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- Members who have not updated their PAN

with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Suresh Kumar with sequence number 1 then enter SU00000001 in the PAN field.

DOB#	Enter the Date of Birth as recorded in the Company records for the said folio in dd/mm/yyyy format.
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Dividend Bank Details #	Enter the Dividend Bank Details as recorded in the Company records for the said folio.
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- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company please enter the folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering the details appropriately, click on "SUBMIT" tab.

(viii) Members will then directly reach the Company selection screen.

(ix) The details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) 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 NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on voting page.

(xvi) Note for Non-Individual Shareholders:

Non-Individual shareholders (i.e. Other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.



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A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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

(xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available

at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

12. The Company has appointed M/s. G.K.Banthia & Co., (Prop. Mr. G.K.Banthia) of Kanpur, Practicing Company Secretaries (C.P.No. 1405) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
13. A copy of this notice has been placed on the website of the Company and the website of CDSL.
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. 3rd August, 2015.
15. For abundant clarity, please note that the Shareholders who have already voted prior to the meeting date may also attend the meeting but shall not be entitled to vote at the meeting venue.
16. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

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

### **ITEM NO. 5 :-**

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

On recommendation of Audit Committee at its meeting held on 26th May, 2015, the Board has considered and approved appointment of M/s R.M. Bansal & Co., Cost Accountants for conduct of Cost Audit of the Company's Textile manufacturing unit at Kanpur at a remuneration of ₹25,000/- plus applicable service tax and reimbursement of actual travelling and out of pocket expenses for the Financial year ending 31st March, 2016.

The Resolution at item No. 5 of the Notice is set out as an Ordinary Resolution for approval and ratification by shareholders in terms of section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

### **ITEM NO. 6:-**

Shri Yadupati Singhania (DIN: 00050364) is B. Tech from IIT, Kanpur. He is associated with the Company as Promoter Director

since 1987. At present he is acting as Chairman & Managing Director of the Company. He has vast experience in Textile & Cement Industry. He is acting as Chairman and Managing Director of J.K. Cement Ltd. He is acting as Director of Employers Association of Northern India & President of Kanpur Productivity Council. As on 31.3.2015, he holds 4075000 Nos. of Equity Shares of the Company.

His contribution has put the Company into growth path. In accordance with the provisions of Section 196 of the Companies Act, 2013 and subject to the approval of the members of the Company in Annual General meeting and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 26th May, 2015 had appointed Shri Yadupati Singhania as Chairman & Managing Director of the Company for a period of 5 Years from 26th May, 2015 to 25th May, 2020 on the terms and conditions set out in the draft agreement to be entered into with him.

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

A copy of the agreement containing the terms and conditions of appointment of Shri Yadupati Singhania, Chairman & Managing Director is available for inspection without any fee by the Members



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at the Registered Office of the Company during normal business hours on any working day (except Saturday) upto and including the date of the Annual General Meeting.

The Board of Directors recommends the resolution for your approval. The notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement

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

## **ITEM NO. 7: -**

Smt. Varsha Singhania (DIN: 01646846) is acting as a Woman/ Non-Independent Director of the Company. She was appointed by Board at its meeting held on 12.08.2014 as an Additional Director and her term expires at the ensuing Annual General Meeting. She is a member of Stakeholders' Relationship Committee

Smt. Varsha Singhania is the driving force for running of Sir Padampat Singhania Education Centre, Kanpur She holds Directorship in two other companies i.e. Neelkanth Merchantile Ltd. And I A G Gases Pvt. Ltd.

The Company has received a notice in writing from a member alongwith the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under section 160 of the Companies Act, 2013, proposing the candidature of Smt. Varsha Singhania as a Woman/ Non Independent Director to be appointed under the provision of Section 149 and 152 of the Companies Act, 2013.

Smt. Varsha Singhania is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given consent to act as Director in Form DIR-2 and declaration that post appointment her number of directorships will be within the maximum number allowed under the Act.

The Resolution seeks the approval of members for the appointment of Smt. Varsha Singhania as Woman/ Non Independent Director of the Company, liable to retire by rotation.

In the Opinion of the Board of Directors, Smt. Varsha Singhania proposed to be appointed as Woman/ Non Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder. The Board recommends this Resolution for your Approval.

None of the Directors and/or Key managerial Personnel and their relative except Smt. Varsha Singhania herself may be deemed to be concerned or interested in the Resolution.

## **ITEM NO. 8: -**

Shri Ravindra Kumar Tandon (DIN 00159472) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th September, 2014. Shri Ravindra Kumar Tandon is a member of the Audit Committee of the Company. Given below is the brief resume of Shri Ravindra Kumar Tandon pursuant to clause 49 of the Listing Agreement:

Shri Ravindra Kumar Tandon is a science graduate and has a wide experience in the fields of Capital market, Banking and Industry. He is the Ex-President of U.P. Stock Exchange Association Ltd. and ex-chairman of United Mercantile Co-operative Bank Ltd. He is the founder vice president of Federation

of Indian Stock Exchanges, Delhi. He is a member and trustee of several charitable, social, educational & sport trusts. He is acting as Director in Tandon Stock and Share Broker Limited and Jaykay Enterprises Limited.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 along with Clause 49 of the Listing Agreement, Shri Ravindra Kumar Tandon being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director upto five consecutive years till respective Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Ravindra Kumar Tandon for the office of Director of the Company.

Shri Ravindra Kumar Tandon is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and declaration that post appointment his number of directorships will be within the maximum number allowed under the Act.

The Company has also received declaration from Shri Ravindra Kumar Tandon that he meets the criteria of Independence as prescribed both under sub section (6) of section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Ravindra Kumar Tandon fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri Ravindra Kumar Tandon as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. The said appointment letter would be uploaded in the Company's website.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ravindra Kumar Tandon as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Ravindra Kumar Tandon as an Independent Director, for the approval by the shareholders of the Company. The resolution at Item No. 8 of the Notice is set out as an Ordinary Resolution for approval by the members in terms of Section 149(10) of the Companies Act, 2013.

Except Shri Ravindra Kumar Tandon, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange(s).

## **ITEM NO. 9:-**

Shri Krishna Das Gupta (DIN 00374379) is acting as a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th September, 2014. Given below is the brief resume of Shri Krishna Das Gupta pursuant to clause 49 of the Listing Agreement:

# J. K. Cotton Ltd.

Shri Krishna Das Gupta is M.com, L.L.B, M.PHIL and Master in public administration. He is an ex-Commissioner of Income Tax with the Government of India. He is the director in U.P. Stock Exchange Limited, PTC Industries Limited and EMA India Limited.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 along with Clause 49 of the Listing Agreement, Shri Krishna Das Gupta, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director upto five consecutive years till respective Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Krishna Das Gupta for the office of Director of the Company.

Shri Krishna Das Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and declaration that post appointment his number of directorships will be within the maximum number allowed under the Act.

The Company has also received declaration from Shri Krishna Das Gupta that he meets the criteria of Independence as prescribed both under sub section (6) of section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Krishna Das Gupta fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri Krishna Das Gupta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. The said appointment letter would be uploaded in the Company's website.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Krishna Das Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Krishna Das Gupta as an Independent Director, for the approval by the shareholders of the Company. The resolution at Item No. 9 of the Notice is set out as an Ordinary Resolution for approval by the members in terms of Section 149(10) of the Companies Act, 2013

Except Shri Krishna Das Gupta, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange(s).

#### **ITEM NO. 10:-**

Shri Sharad Pat Singhania (DIN 01373865) is acting as a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th September, 2014. Given below is the brief resume of Shri Sharad Pat Singhania pursuant to clause 49 of the Listing Agreement:

Shri Sharad Pat Singhania is Graduate in Commerce. He is

Director in Jasmine Leasing Ltd. and Vrindavan Holding Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 along with Clause 49 of the Listing Agreement, Shri Sharad Pat Singhania, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director upto five consecutive years till respective Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Sharad Pat Singhania for the office of Director of the Company.

Shri Sharad Pat Singhania is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and declaration that post appointment his number of directorships will be within the maximum number allowed under the Act.

The Company has also received declaration from Shri Sharad Pat Singhania that he meets the criteria of Independence as prescribed both under sub section (6) of section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Sharad Pat Singhania fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri Sharad Pat Singhania as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. The said appointment letter would be uploaded in the Company's website.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Sharad Pat Singhania as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Sharad Pat Singhania as an Independent Director, for the approval by the shareholders of the Company. The resolution at Item No. 10 of the Notice is set out as an Ordinary Resolution for approval by the members in terms of Section 149(10) of the Companies Act, 2013

Except Shri Sharad Pat Singhania, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange(s).

#### **ITEM NO. 11: -**

Shri Padam Kumar Jain (DIN 00176945) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th September, 2014. Shri Padam Kumar Jain is a member of the Audit Committee and Risk Management Committee of the Company. Given below is the brief resume of Shri Padam Kumar Jain pursuant to clause 49 of the Listing Agreement:

Shri Padam Kumar Jain holds the Master Degree in commerce. He is the ex-President of U.P. Stock Exchange Association Ltd.,

# J. K. Cotton Ltd.

Kanpur. He holds experience in secondary market operations for more than 33 years. He is a director in SPFL Securities Ltd., Padam Kumar Jain (Real Estate) (P) Ltd., Key Corp Ltd. and a member of Governing Council of Merchants Chamber of Uttar Pradesh.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 along with Clause 49 of the Listing Agreement, Shri Padam Kumar Jain, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director upto five consecutive years till respective Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Padam Kumar Jain for the office of Director of the Company.

Shri Padam Kumar Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and declaration that post appointment his number of directorships will be within the maximum number allowed under the Act.

The Company has also received declaration from Shri Padam Kumar Jain that he meets the criteria of Independence as prescribed both under sub section (6) of section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Padam Kumar Jain fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director

of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri Padam Kumar Jain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. The said appointment letter would be uploaded in the Company's website.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Padam Kumar Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Padam Kumar Jain as an Independent Director, for the approval by the shareholders of the Company. The resolution at Item No. 11 of the Notice is set out as an Ordinary Resolution for approval by the members in terms of Section 149(10) of the Companies Act, 2013

Except Shri Padam Kumar Jain being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange(s).

Place : Kanpur  
Dated : 26th May, 2015

By order of the Board  
ASHOK GUPTA  
*Director*

# J. K. Cotton Ltd.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming an integral part of the Annual Report. The developments in business operations are as below:

### Company

The operation in the Weaving, Processing and Yarn Dyeing Department of Textile unit of the Company continued during the year. The company is working aggressively to achieve the desired results. Steps have been taken for cost reduction and manufacturing quality product by new installed machines.

### Economy Overview

Global economy during the year remained sombre, growing at a modest 3.4%, same as the last year. The year saw a continued pickup in the growth of most advanced economies, and further slowdown in emerging markets and developing economies. The year also saw continued weakness in most commodity prices, especially crude, which benefited energy importers like India.

During the year, Indian economy displayed a few modest and early indicators of growth revival. As per Government's initial estimates, the economic growth during FY 2014-15 increased to 7.5% compared to 6.6% during the previous year.

### Indian Growth Rate of GVA at basic price at Constant (2011-12) prices (in %)

Sectors	2012-13	2013-14	2014-15
1. Agriculture, forestry & fishing	1.2	3.7	1.1
2. Industry	6.2	5.3	6.8
2a. Construction	-4.3	2.5	4.5
3. Services	8.0	9.1	10.6
GDP at market prices	4.9	6.6	7.5

Source: Central Statistics Office (CSO)

Sector wise, agricultural growth during the year was weak at 1.1% due to poor monsoon, while industry and services at 6.8% and 10.6% respectively saw a continued gradual strengthening.

Global factors, mainly the decline in crude prices and quietness in the global prices of most commodities helped central bank to finally tame headline inflation. Tighter monetary policy kept demand under check and helped to keep rupee stable. With inflation stabilizing at lower levels, the central bank finally loosened its tight monetary stance and reduced key policy rates by 50 basis points during the last quarter of FY 2014-15.

### Industry Structure and Developments

Indian Textile Industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. It contributes about 14% to industrial production, 4% to the gross domestic product (GDP), and 17% to the country's foreign exchange inflows. The textiles sector is the second largest provider of employment after agriculture. India is replete with natural resources like cotton, jute and silk. Enjoying a comparative advantage in terms of skilled manpower and cost of production over major textile producers, the sector has strong production base of wide range of fibre/ yarn from natural fibres like cotton/ jute, silk and wool to synthetic/ man-made fibres like polyester, viscose, nylon and acrylic. Indian products are known for fine designing, embellishment and craft.

Moreover, government's initiatives to revive Manufacturing Industry with textile as key segment in its 'Make in India' program also adds to the positive for the sector. Notably, Capital investments in the textile sector is witnessing a revival with projects worth hundreds of crore of rupees being announced in the past six months.

### Risk Management

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that 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.

Risk is an inherent part of any business. The Textile Industry is hampered by shortage of trained and specialized human capital. In today's scenario the textile industry face the challenge of high volatile raw material price, foreign exchange fluctuation, higher interest cost, labour cost, depreciating rupee value, free export of cotton and power cost. The main areas of risk and concerns are the price sensitiveness of cotton, the major input in spinning as well as in input like yarn for weaving and grey cloth for processing; the higher interest cost and high debt servicing obligations; the need for upgrading the technology and revamping some of the existing production facilities and utilities; and the cheaper imports of textile articles.

With reference to the BIFR, your Company has been discharged from the purview of SICA as on 25th February, 2015. The Company has developed general response strategies for management of risks. Hence the Company takes informed decisions to either avoid or reduce or transfer or accept the risk and mitigate the same.

## **Opportunities and Challenges**

There is a good scope for growth for the Textile Industry as India's share in the global trade in textile is weak compared to other countries. The free trade environment is a great opportunity for the Indian Textile Industry to increase its share in the global market. The Government of India is giving a good support by providing loans at concessional rates and Interest Subvention for Export. However, the Indian Textile Industry had been plagued by obsolescence, increased power cuts, labour problems, raw material vagaries and lack of modernization. Along with this there lies the challenge of stiff global competition which indirectly results in severe price wars and ultimately leads to pressure on margins. Hence, we are making all our efforts to cope with all these challenges by continuous efforts at cost reduction, process improvements, diversification of products and improving productivity by improving efficiencies.

The continuing demand sluggishness and under supply situation does not indicate any immediate upswing in the performance of the Industry. However, with a lot of global feedstock capacities expected to go on stream, softening of prices and improvement of margins is expected. Hence the Company can look forward to positive long term prospects.

## **Human Resources**

The company strongly believes that the growth of the organization can be sustained through the continuous development of its people who contribute to the business success. Company recognizes that nurturing and developing best human resources by recruiting the best talent which is vital to the long term success of the company. Employees are provided with continuous opportunities for active learning and development which are viewed as the key drivers of our growth and contribute to the success of the Company. It is the strategy of the leadership team and the execution skills of our people that will take the organization to the greater heights. The remuneration structure is linked directly with the performance and reward.

## **Health, Safety and Environment**

Health and safety are considered at highest priority and all efforts are made to ensure safe working for employees. All probable incidents are analyzed and corrective actions are

taken accordingly. Employees are trained in safe practices to be followed at work places at all the times. Our company even recognizes environment protection and it makes every effort to conserve and protect it. The company has been involved in ensuring green surroundings in its mill office also.

## **Internal Control System**

The company's internal control system is designed to ensure operational efficiency, 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 authorized, recorded and reported correctly. All operating parameters are monitored and controlled.

An independent firm of Chartered Accountants carries out Internal Audit on the random basis to detect flaws in the system. Internal Audit reports are prepared on the respective areas/ units to create awareness and corrective actions are taken to rectify them. These reports are reviewed by the management team and then by the Audit Committee of the Board for follow up action. The Audit Committee of the Board of Directors also reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

## **Cautionary Statement**

The statement in the Management Discussion and analysis Report which seeks to describe the Company's expectations or predictions may be forward looking within the meaning of applicable laws and regulations. As these assessments are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. The prime factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, forex markets & economic developments within India.



# J. K. Cotton Ltd.

## DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their 92nd Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2015.

### 1. Financial Results :

	2014-15 ₹/Lacs	2013-14 ₹/Lacs
Sales	3627.98	5105.55
Profit/(Loss) before Finance Cost and Depreciation	(292.57)	(515.68)
Finance Cost	(1380.58)	(1184.50)
Profit/(Loss) before Depreciation	(1673.15)	(1700.18)
Depreciation	(448.99)	(276.38)
Net Profit/(Loss) Before Exceptional Items	(2122.14)	(1976.56)
Exceptional Items	—	9485.36
Net Profit/(Loss) Before Tax	(2122.14)	7508.80
Less : Provision for Taxation		
- Current Year	—	—
Tax Adjustment for Previous Year	—	0.67
Profit/(Loss) after Tax	(2122.14)	7508.13

The Company achieved lower sales during the current year at ₹ 36.28 crores (compared to ₹ 51.05 crores in the previous year). Increase in finance cost, Depreciation, old age of plant and machinery and workforce contributed to loss. In view of continued losses, the Directors are unable to recommend any dividend.

### 2. MANAGEMENT DISCUSSION & ANALYSIS (MDA) STATEMENT

The MDA as required under Listing Agreement is annexed hereto and forms an integral part of this Report.

### 3. EXPANSION AND DIVERSIFICATION

During the year under review, your company for the purpose of undertaking Real Estate Business formed a separate division in the name and style of 'EMERALD GULISTAN Division of J.K. Cotton Ltd.' to carry on the business of development of the Company's J.K. Rayon Factory Land situated at Jajmau, Kanpur and to undertake work of constructions of building and other super structures on the said land. It is proposed to be developed in a phased manner for purpose of securing optimum price within reasonable time.

### 4. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchange(s), a report on Corporate Governance is enclosed as integral part of the Annual Report together with the Auditors' Certificate on its compliance.

### 5. EXTRACT OF ANNUAL RETURN

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

### 6. DIRECTORS

- 6.1 In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Nidhipati Singhania and Shri Ashok Gupta, Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.
- 6.2 Your Directors express their profound grief and sorrow on the sad demise of Dr. Gaur Hari Singhania, Chairman and Managing Director of the Company. Dr. Gaur Hari Ji was a well known figure in the business world and has been associated with several public corporate and Government Companies. Apart from his business interest, he was deeply involved with the educational, medical, sports, cultural and social activities of the Kanpur City. He was the founder Chairman of U.P. Stock Exchange and founder Patron of Associated Chamber of Commerce. He was President/Chairman of U.P. Cricket Association. His demise is a great loss not only to your Company but to the city of Kanpur and the state of U.P. Your Directors pay their respectful homage and tribute to this extraordinary human being, a great leader, an iconic industrialist and a leading statesman.
- 6.3 Your Directors also express their grief and sorrow on the sad demise of Shri Govind Hari Singhaia (DIN 00159580), Promoter Director of the Company. He had been the Director in the Company since 18th April, 1958. He held important positions viz. Past-President of the Associated Chambers of Commerce & Industry of India (ASSOCHAM), International Chamber of Commerce (ICC), Association of Synthetic Fiber Industry (ASFI), Association of Manmade Fiber Industry (AMFI), Merchants' Chamber of Uttar Pradesh and as Chairman of Board of Governors of Indian Institute of Technology (IIT), Kanpur. The Board remembered with gratitude leadership and advice provided by him.
- 6.4 Shri Jagendra Swarup, Director of the Company left for heavenly abode during the year. Your Directors express their grief and sorrow on his sad demise.  
Your Company expressed tribute and gratitude for their contribution to the Company.
- 6.5 In accordance with the provisions of the Companies Act, 2013, Smt. Varsha Singhania was appointed as an Additional Director in the category of Non Executive, Non-Independent Woman Director w.e.f 12th August, 2014 and to hold office upto the date of the ensuing Annual General Meeting and being eligible offers herself for appointment as Non Executive, Non Independent Woman Director.



6.6 In accordance with the provisions of the Companies Act, 2013, Shri Ravindra Kumar Tandon, Shri Krishna Das Gupta, Shri Sharad Pat Singhania and Shri Padam Kumar Jain were appointed as Additional Directors w.e.f September, 2014 in the category of Non Executive Independent Director and to hold office upto the date of the ensuing Annual General Meeting. They are eligible for being appointed as Non Executive, Independent Directors and has given their consent to act as Director of the Company. Four separate notices in writing have been received from members of the Company signifying their intention to propose the candidature of Shri Ravindra Kumar Tandon, Shri Krishna Das Gupta, Shri Sharad Pat Singhania and Shri Padam Kumar Jain for the office of Directors of the Company for the period upto five years.

6.7 The Company has received declarations from all the Independent Directors of the Company in terms of sub-section (7) of section 149 confirming that they meet the criteria of independence as prescribed both under the Companies Act 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

## 7. KEY MANAGERIAL PERSONNEL

As on date of report, the company has appointed the following persons as Key Managerial Personnel:

Sr. No.	Name of the Person	Designation
1.	Shri Yadupati Singhania	Chairman and Managing Director
2.	Ms. Sonali Agarwal	Chief Financial Officer

## 8. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## 9. MEETINGS OF THE BOARD OF DIRECTORS

The details of the number of meetings of the Board held during the Financial Year 2014-15 forms part of the Corporate Governance Report.

## 10. WHISTLE BLOWER POLICY/VIGIL MECHANISM SYSTEM

The company as per the section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement formulated 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.

## 11. REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of this policy is explained in the Corporate Governance Report.

## 12. RELATED PARTY TRANSACTIONS

There was no significant transaction of material nature with the related parties viz. Promoters, Directors or the Management or their subsidiaries or relatives during the year and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the Annual Report.

## 13. CODE OF CONDUCT

The Board of Directors has already adopted the code of Ethics & Business Conduct for the directors and Senior Managerial Personnel.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures except those mentioned in the notes to the Accounts;
- ii) the Directors have adopted 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 2014-15 and of the profit and loss of the Company for the year;
- iii) the Directors have taken proper and sufficient care to the extent possible in view of the prolonged closure of the Company's Mill, 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 fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a going concern basis;
- v) the Directors had laid down internal financial controls

# J. K. Cotton Ltd.

to be followed by the company and that such internal financial controls are adequate and were operating effectively and

- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 15. AUDITORS

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

15.2 The present Auditors, M/s. P.L.Tandon & Co., Chartered Accountants, will retire from their office at the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. You are requested to consider their appointment.

## 16. COST AUDITORS

The Board has appointed M/s R. M. Bansal & Co., Cost Accountants for conducting the audit of cost records of the Company for various segments for the financial year 2015-16.

## 17. SECRETARIAL AUDITOR

The Board has appointed M/s. G.K.Banthia & Co, Practising Company Secretaries (Prop. Mr. G.K.Banthia) of Kanpur, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. (See Annexure B)

## 18. INTERNAL CONTROLS

The company's internal control system is designed to ensure operational efficiency, 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 authorized, recorded and reported correctly. All operating parameters are monitored and controlled.

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

effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

## 19. PARTICULARS OF EMPLOYEES

There are no employees getting salary in excess of the limit as specified under the provisions of Section 197(12) of the Companies Act 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 20. AUDIT COMMITTEE

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

## 21. LOANS, GUARANTEE AND INVESTMENT

Your Company has not given any loan, guarantee and made any investment in accordance with the Section 186 of the Companies Act, 2013.

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

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

## 23. 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.

## 24. BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement with the Stock Exchanges is not applicable to your Company for the financial year ended March 31, 2015.

## 25. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

YADUPATI SINGHANIA

Place : Kanpur

Dated : 26th May, 2015 **Chairman & Managing Director**

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

As on financial year ended on 31.03.2015

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

**I. REGISTRATION & OTHER DETAILS :**

1. CIN	L17111UP1924PLC000275
2. Registration Date	24.10.1924
3. Name of the Company	J. K. COTTON LIMITED
4. Category/Sub-category of the Company	Public Limited Company
5. Address of the Registered office & contact details	Kamla Tower, Kanpur – 208 001 Tel. No. 0512-2371478-481 Website : www.jkcotton.com
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Jaykay Enterprises Limited Share Registrar and Transfer Agent Kamla Tower, Kanpur-208001 Email: jkshr@jkcement.com Contact- 2371478-81

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Fabrics	13121 & 13131	97.19

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

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

Category-wise Share Holding Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF		10307119	10307119	43.72		10307119	10307119	43.72	Nil
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.		11416228	11416228	48.42		11416228	11416228	48.42	Nil
e) Banks / FI						2063	2063	0.01	Nil
f) Any other		63	63						
<b>Total shareholding of Promoter (A)</b>		21723410	21723410	92.14		21725410	21725410	92.14	Nil
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI		6239	6239	0.03		6239	6239	0.03	Nil

# J. K. Cotton Ltd.

c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	99142	99142	0.42		99142	99142	0.42	Nil	
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B) (1):-</b>	<b>105381</b>	<b>105381</b>	<b>0.45</b>		<b>105381</b>	<b>105381</b>	<b>0.45</b>	<b>Nil</b>	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	440145	440145	1.87		440145	440145	1.87	Nil	
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1034140	1034140	4.39		1032140	1032140	4.38	Nil	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	73674	73674	0.31		73674	73674	0.31	Nil	
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts	50440	50440	0.21		50440	50440	0.21	Nil	
Societies	150560	150560	0.64		150560	150560	0.64	Nil	
<b>Sub-total (B)(2):-</b>	<b>1748959</b>	<b>1748959</b>	<b>7.41</b>		<b>1746959</b>	<b>1746959</b>	<b>7.41</b>	<b>Nil</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1854340</b>	<b>1854340</b>	<b>7.86</b>		<b>1852340</b>	<b>1852340</b>	<b>7.86</b>	<b>Nil</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>23577750</b>	<b>23577750</b>	<b>100</b>		<b>23577750</b>	<b>23577750</b>	<b>100</b>	<b>Nil</b>	

## B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Shares of the company	% of total Pledged / encumbered to total shares	% of Shares	
1.	Gaur Hari Singhania	1963246	8.33	-	1963246	8.33	-	Nil
2.	Govind Hari Singhania	12326	0.05	-	12326	0.05	-	Nil
3.	Yadupati Singhania	4075000	17.28	-	4075000	17.28	-	Nil

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

# J. K. Cotton Ltd.

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

SN	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Kailashpat Singhania Sports Foundation	105910	0.44	105910	0.44
2.	J.K. Credit and Finance Ltd.	88642	0.37	88642	0.37
3.	M/S Hilman Capital Finance Ltd.	81985	0.34	81985	0.34
4.	M/S Nav Bharat Vanijya Ltd.	58850	0.24	58850	0.24
5.	Surya Commercials Ltd.	58019	0.24	58019	0.24
6.	Pulp & Paper Research Institute	50000	0.21	50000	0.21
7.	The Oriental Insurance Co. Ltd.	47800	0.20	47800	0.20
8.	Sir Padampat Singhania Memorial Education Foundation	44270	0.18	44270	0.18
9.	Shyamadevi Agarwal	39100	0.16	39100	0.16
10.	Ridhi Sidhi Commercials Ltd.	34675	0.14	34675	0.14

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Shashi Kant Kedia				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	5	-
	At the end of the year	-	-	5	-
2.	Mr. Padam Kumar Jain				
	At the beginning of the year	30	-	30	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	30	-	30	-
3.	Mr. Yadupati Singhania				
	At the beginning of the year	4075000	17.28	4075000	17.28
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	4075000	17.28	4075000	17.28
4.	Dr. K.B. Agarwal				
	At the beginning of the year	5	0	5	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	5	0	5	0
5.	Dr. Gaur Hari Singhania				
	At the beginning of the year	1963246	8.33	1963246	8.33
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1963246	8.33	1963246	8.33
6.	Mr. Govind Hari Singhania				
	At the beginning of the year	12326	0.05	12326	0.05
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	12326	0.05	12326	0.05

# J. K. Cotton Ltd.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	95,00,00,000	3,00,00,000	98,00,00,000
ii) Interest due but not paid	NIL	13,72,40,873	NIL	13,72,40,873
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>				
* Addition	NIL	13,57,42,504	16,13,83,716	29,71,26,220
* Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	96,65,00,000	18,45,00,000	1,15,10,00,000
ii) Interest due but not paid	NIL	25,64,83,377	68,83,716	26,33,67,093
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

\*Deposits includes inter corporate deposits.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors									Total Amount
		Dr. K.B. Agarwal	Dr. J.N. Gupta	K.C. Agarwal	Dr. Anil Gupta	Jagendra Swarup	R.K. Tandon	K.D. Gupta	Sharadpat Singhania	P.K. Jain	
1.	Independent Directors										
	Fee for attending board committee meetings	79,100	61,000	NIL	50,000	NIL	35,000	10,000	15,000	28,000	2,78,100
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	79,100	61,000	NIL	50,000	NIL	35,000	10,000	15,000	28,000	2,78,100
2.	Other Non-Executive Directors										
	Yadupati Singhania										
	Govind Hari Singhania										
	Fee for attending board committee meetings	29,100	5,000	10,000	49,100	5,000					98,200
	Commission	NIL	NIL	NIL	NIL	NIL					NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL					NIL
	<b>Total (2)</b>	29,100	5,000	10,000	49,100	5,000					98,200
	<b>Total (B)=(1+2)</b>	1,08,200	66,000	10,000	99,100	5,000	35,000	10,000	15,000	28,000	3,76,300
	Total Managerial Remuneration										3,76,300
	Overall Ceiling as per the Act										

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

SN	Particulars of Remuneration	Key Managerial Personnel	
		CS & CFO	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,96,923	18,96,923
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total</b>	18,96,923	18,96,923

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties/punishment imposed during financial year 2014-15



### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2015

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

To,  
The Members,  
J. K. COTTON LIMITED  
Kamla Tower, Kanpur,  
Uttar Pradesh, 208001.

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

Based on our verification of the **J. K. Cotton Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31st, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **J. K. Cotton Limited** for the Financial Year ended on March 31st, 2015 according to the provisions of:

- i) The Companies Act, 2013 (The Act) and the Rules made there under ;

Redemption of Preference shares of Rs. 15,72,000/- were due on 30.09.2014, and Company has passed a special resolution in Extra ordinary general meeting held on 30.12.2014 for the same, but the matter was pending for action as on 31st March, 2015

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

The Public Shareholding in the company has fallen below from the prescribed limit i.e. 25%, on account of inclusion of funds by way of equity by the promoter group in view of order of Board of Industrial and Financial Reconstruction constituted under SICA Act, 1985.

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

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**.

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

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

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

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

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

The Company has already applied to the BIFR for delisting of shares and had deposited an amount of ₹ 1,94,14,940 against 1854340 shares at ₹ 10.47/- per share on 28 Feb, 2014 as directed by BIFR and calculated by IFCI (Monitoring Agency) for securing the minority interest. The company has forwarded the BIFR order for delisting to UPSE and DSE and pursuant to which UPSE has granted the NOC for delisting but comments /reply from DSE are still awaited.

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

# J. K. Cotton Ltd.

vi) **I further report that**, as per the management representation letter for Secretarial Audit, there is no specific law, applicable to the company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

**(Secretarial Standards although notified are not applicable to the Company during the period under Audit as same shall be effective from 1st July, 2015)**

ii. The Listing Agreements entered into by the Company with Delhi Stock Exchange and U. P. Stock Exchange to the extent applicable.

## **We further report that:-**

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

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board Meeting and Committee Meeting are carried out unanimously as recorded in the minutes of the meetings of the Board or Committee of the Board as the case may be.

## **We further report that:-**

There exist 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.

However the same is needed to be further strengthened.

**We further report that** during the audit period the Company has:

(i) No instances of Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

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

(ii) No instances of Redemption / buy-back of securities.

(iii) Passed the resolution under section 180(1)(a) and 180(1)(c) to increase limit to sell, lease or otherwise dispose of the property and to increase the borrowing limit of the Company, in the general meeting and no other major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013.

(iv) No instances of Merger / amalgamation / reconstruction, etc.

(v) No instances of foreign technical collaborations.

**We further report that** the Company was a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act 1985 (SICA) from 24.01.1991 and IFCI was appointed as monitoring agency by BIFR. On the request of the Company, Hon'ble BIFR had extended the scheme upto 30.09.2014.

The Hon'ble AAIFR vide its order dated 25th February, 2015 discharged the company from the purview of SICA on the ground that its Net-Worth has turned positive w.e.f. 31st March, 2014.

Adesh Tandon & Associates  
Company Secretaries  
(Proprietor)  
FCS No :2253  
C P No :1121

Date : 26/05/2015

Place : Kanpur

### A. CONSERVATION OF ENERGY

Following conservation measures were taken up during the year

- 1) Installation of Variable Frequency Drive for ID and FD fans on both steam Boiler and Thermopack at Boiler House.
- 2) Installation of Variable Frequency Drive for Boiler at ETP Plant.
- 3) Installed Mahlo Moisture controller on Harish Stenter in Dye House.
- 4) One Electrical Transformer (750 KVA capacity) got offline {closed} and load shifted on other Transformer (1000 KVA) which was running overloaded.
- 5) One Variable Frequency Drive installed on Supply Air Fan in Humidification Plant of Picanol - Gamma Loom shed in Weaving Department.
- 6) Recovery of cooling water from Yarn Dyeing Machines in Yarn Dyeing got implemented.
- 7) One Borewell of 7.5 KW made operational and is in

use when Plant is not operational instead of 15.0 KW Borewell.

- 8) In QA Lab 4.5 Ton Capacity Air Conditioning done with Split A.C. and conditions maintained instead of 30.0 Ton Chiller in defined area {Zone} of Fabric and Yarn Dyeing.
- 9) In Dyeing water consumption per kg of Fabric and Yarn is reduced hence saving in energy.

### B. TECHNOLOGY ABSORPTION

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

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

# J. K. Cotton Ltd.

## DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2014-2015	2013-2014
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
<b>(A) Purchased:</b>		
Textile Segment		
Units/KWH (000)	4594.27	7191.40
Total Amount (₹ in Lacs)	348.68	512.83
Rate/Unit (₹)	7.59	7.13
<b>(B) Own Generation</b>		
Textile Segment		
(Through Diesel Generator)		
Units/KWH (000)	65.93	196.39
Unit per litre of Diesel	2.70	3.08
Rate/Unit (₹)	23.52	17.94
<b>2. Coal</b>		
Textile Segment		
Quantity (MT)	82	1938
Total Cost (₹ in Lacs)	9.66	149.91
Average Rate (₹ per MT)	11782.94	7735.55
<b>3. Husk</b>		
Textile Segment		
Quantity (MT)	6459	9705
Total Cost (₹ in Lacs)	281.31	396.68
Average Rate (₹ per MT)	4355.3	4087.34
<b>4. Diesel</b>		
Textile Segment		
Quantity (Ltrs)	24431	63753
Total Cost (₹ in Lacs)	15.51	35.23
Average Rate (₹ per Ltr)	63.47	55.26
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Electricity</b>		
Cloth (KWH/Metre)	1.87	1.72

## REPORT ON CORPORATE GOVERNANCE

In compliance with the requirements of clause 49 of the Listing Agreement with the Stock Exchanges, your Company submits the Annual Report on Corporate Governance.

### 1. Company philosophy on code of Governance

We view Corporate Governance in its widest sense, almost like trusteeship. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's object with a view to translate opportunities into reality.

Your Company continues to follow procedures and practice in conformity with the Code of Corporate Governance as outlined in clause 49 of the Listing Agreement.

The Company's philosophy on Corporate Governance is to:

- I. Ensure that the decision making process is transparent;
- II. Ensure that the Board and the Employees are fully committed to maximizing long-term value to the Members and the Company;
- III. Ensure protection of the Company's core values;
- IV. Ensure that the Company follows the best operating practices.
- V. Ensure that the quantity, quality and frequency of information, fully places the Board members in control of the Company's affairs;
- VI. Ensure that the Board exercises its responsibilities towards Shareholders and Creditors;
- VII. Ensure that the information is disclosed to investors to the maximum extent;

### Governance Structure

Company's Governance structure broadly comprises of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

### Board of Directors

The Board plays a pivotal role in ensuring that the Company runs on sound principles and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other Stakeholders.

### Committee of Directors

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the committees viz. Audit committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders' Relationship Committee. Each of these committees has been mandated to operate within a given framework.

### Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board and its various Committees.

### 2. Board of Directors

#### (a) Composition/Category

The strength of the Board of Directors as on 31st March, 2015 is 10 (Ten). The composition is given below:-

- One Promoter, Executive, Non-independent Director
- One Promoter, Non-Executive, Non-independent Directors
- Two Non-Executive, Non-independent Directors
- Six Non Executive, Independent Directors

The composition of the Board of Directors, the number of Directorship on the Board and Board Committees of other companies, of which the Directors are Members/Chairman under report is given as under :-

Sl. No.	Name of Director	Category	Inter-se Relationships between Directors		No. of other Directorships@	No. of Board Committees (Other than J.K. Cotton) in which\$	
			Director with whom related	Relation		Chairman	Member
1.	Dr. Gaur Hari Singhania <i>Former Chairman &amp; Managing Director (Deceased on 04th February, 2015)</i>	Promoter, Executive, Non Independent	Shri Govind Hari Singhania Shri Yadupati Singhania	Brother Son	5	-	-
2.	Shri Yadupati Singhania <i>Former Vice Chairman</i>	Promoter, Executive, Non Independent	Dr. Gaur Hari Singhania	Father	9	-	-
3.	Shri Govind Hari Singhania <i>(Deceased on 2nd October, 2014)</i>	Promoter, Non-Executive, Non Independent	Dr. Gaur Hari Singhania	Brother	2	-	-

# J. K. Cotton Ltd.

4.	Shri Nidhipati Singhania	Promoter, Non-Executive, Non Independent	-	-	-	-	-
5.	Smt. Varsha Singhania (appointed as Woman Director w.e.f 12th August, 2014)	Non-Executive Non Independent	-	-	1	-	-
6.	Shri Sharad Pat Singhania (appointed as Additional Director w.e.f 30th September, 2014)	Non- Executive, Independent	-	-	2	-	-
7.	Shri K.C. Aggarwal Nominee of Ayodhya Finlease Ltd. (Resigned w.e.f 23rd March, 2015)	Non-Executive, Independent	-	-	1	-	-
8.	Dr. Anil Gupta Nominee of BIFR (Resigned w.e.f 21st March, 2015)	Non-Executive, Independent	-	-	4	-	2
9.	Shri Jagendra Swarup (deceased on 30th July, 2014)	Non- Executive, Independent	-	-	3	-	3
10.	Shri Ashok Gupta	Non- Executive, Non- Independent	-	-	3	-	-
11.	Shri Ravindra Kumar Tandon (appointed as Additional Director w.e.f 30th September, 2014)	Non- Executive, Independent	-	-	2	-	1
12.	Shri Krishna Das Gupta (appointed as Additional Director w.e.f 30th September, 2014)	Non- Executive, Independent	-	-	3	1	4
13.	Dr. Jagannath Gupta	Non- Executive, Independent	-	-	3	-	-
14.	Shri Padam Kumar Jain (appointed as Additional Director w.e.f 30th September, 2014)	Non- Executive, Independent	-	-	2	-	-
15.	Dr. Krishna Behari Agarwal	Non- Executive, Independent	-	-	3	4	1

@ Excluding Private Limited Companies, foreign companies and Companies registered under section 8 of the Companies Act, 2013

\$ Chairman/Membership of Audit Committee and the Stakeholder's Relationship Committee alone has been considered,

**(b) Attendance of each Director at the Board Meetings and at the last Annual General Meeting**

During the financial year ended 31st March, 2015, Six Board Meetings were held on the following dates :-

- a) 29th May, 2014
- b) 12th August, 2014
- c) 30th September, 2014
- d) 13th November, 2014
- e) 12th February, 2015
- f) 30th March, 2015



Attendance of each Director at the Board Meetings and at the last Annual General Meeting was as under :

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at the Last AGM held on 12.08.14
1.	Dr. Gaur Hari Singhania Former Chairman & Managing Director (deceased on 04th February, 2015)	3	No
2.	Shri Yadupati Singhania Former Vice Chairman	3	No
3.	Shri Govind Hari Singhania (deceased on 2nd October, 2014)	1	Yes
4.	Shri Nidhipati Singhania	2	Yes
5.	Smt. Varsha Singhania (appointed as Woman Director w.e.f 12th August, 2014)	1	No
6.	Shri Sharad Pat Singhania (appointed as Additional Director w.e.f 30th September, 2014)	3	No
7.	Shri K.C. Aggarwal Nominee of Ayodhya Finlease Ltd. (Resigned w.e.f 23rd March, 2015)	-	No
8.	Dr. Anil Gupta Nominee of BIFR (Resigned w.e.f 21st March, 2015)	5	Yes
9.	Shri Jagendra Swarup (deceased on 30th July, 2014)	-	No
10.	Shri Ashok Gupta	6	Yes
11.	Shri Ravindra Kumar Tandon (appointed as Additional Director w.e.f 30th September, 2014)	4	No
12.	Shri Krishna Das Gupta (appointed as Additional Director w.e.f 30th September, 2014)	2	No
13.	Dr. Jagannath Gupta	6	Yes
14.	Shri Padam Kumar Jain (appointed as Additional Director w.e.f 30th September, 2014)	3	No
15.	Dr. Krishna Behari Agarwal	6	Yes

### c) Non-Executive Directors

#### Compensation and disclosures

Apart from sitting fees paid to Non-Executive Directors for attending Board/Committee meetings, no transaction has been made with Non-Executive Directors vis-à-vis your Company.

**The details of number of Equity Shares of the Company held by Non-Executive Directors are as under:**

Sl.No.	Name of Director	No. of Equity Shares held
1.	Shri Govind Hari Singhania	12326
2.	Dr. K.B. Agarwal	5
3.	Shri Padam Kumar Jain	30

### d) Independent Directors:

The Company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and according to the Provisions of section 149(6) of Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

#### Training of Independent Directors

Whenever new Non-Executive and Independent Directors are inducted in the Board, they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors & journalization programme for Independent Directors have been placed on the Company's website at [www.jkcotton.com](http://www.jkcotton.com).

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration.

Their presence on the Board is advantageous and fruitful in taking business decisions.

### 3. Audit Committee

#### (a) Composition of the Committee and Broad Terms of Reference

The Audit Committee of the Company comprises of the following Directors:

1. Dr. Jagannath Gupta : Independent,  
(Chairman) Non-Executive Director
2. Dr. Krishna Behari Agarwal : Independent,  
Non-Executive Director
3. Shri Padam Kumar Jain : Independent,  
Non-Executive Director
4. Shri Ravindra Kumar Tandon : Independent,  
Non-Executive Director
5. Dr. Anil Gupta : Independent,  
(Resigned from directorship w.e.f 21st March, 2015.) Non-Executive Director

# J. K. Cotton Ltd.

All these Directors possess knowledge of Corporate Finance / Accounts/ Company law / Industry. The Company Secretary of the Company is acting as Secretary for Audit Committee. The Committee reviews reports of the internal auditor, meet statutory auditors and discuss their findings, suggestions and other related matters. It also views major accounting policies followed by the Company.

The terms of reference of Audit Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 177 of Companies Act, 2013.

## (b) Meetings/Attendance

During the financial year ended 31st March, 2015, four meetings were held on 29nd May, 2014, 12th August, 2014, 13th November, 2014 and 12th February, 2015.

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
1. Dr. Jagannath Gupta	4
2. Dr. Krishna Behari Agarwal	4
3. Dr. Anil Gupta	2
4. Shri Padam Kumar Jain	2
5. Shri Ravindra Kumar Tandon	2

## 4. Nomination and Remuneration Committee

(a) The terms of reference of the committee are as follows:-

1. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board Diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal.

The remuneration policy envisages payment of remuneration according to the qualification, experience and performance.

## (b) Composition

The Committee comprises of the following Directors:

1. Dr. Krishna Behari Agarwal : Independent,  
(Chairman) Non Executive Director
2. Shri Sharad Pat Singhania : Independent,  
Non Executive Director
3. Shri Krishna Das Gupta : Independent,  
Non Executive Director
4. Shri Nidhipati Singhania : Non Independent,  
Non Executive Director

The Company Secretary of the Company is acting as Secretary for the Committee

## (c) Meetings/ Attendance

The Company is not paying any remuneration to Executive and Non-Executive Directors except sitting fees to Non-Executive Directors. The Company has conducted no meeting during the financial year 2014-15.

## Details of Remuneration to the Directors for the year ended 31st March, 2015

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1.	Dr. Gaur Hari Singhania Former Chairman & Managing Director (deceased on 04th February, 2015)*	-	-	-	-
2.	Shri Yadupati Singhania Former Vice Chairman	-	-	29100	29100
3.	Shri Govind Hari Singhania (deceased on 2nd October, 2014)	-	-	5000	5000
4.	Shri Nidhipati Singhania	-	-	10000	10000
5.	Smt. Varsha Singhania (appointed as Woman Director w.e.f 12th August, 2014)	-	-	5000	5000
6.	Shri Sharad Pat Singhania (appointed as Additional Director w.e.f 30th September, 2014)	-	-	15000	15000
7.	Dr. Anil Gupta Nominee of BIFR (Resigned w.e.f 21st March, 2015)	-	-	50000	50000
8.	Shri Ashok Gupta	-	-	49100	49100
9.	Shri Ravindra Kumar Tandon (appointed as Additional Director w.e.f 30th September, 2014)	-	-	35000	35000
10.	Shri Krishna Das Gupta (appointed as Additional Director w.e.f 30th September, 2014)	-	-	10000	10000

# J. K. Cotton Ltd.

11.	Dr. Jagannath Gupta	-	-	61000	61000
12.	Shri Padam Kumar Jain (appointed as Additional Director w.e.f 30th September, 2014)	-	-	28000	28000
13.	Dr. Krishna Behari Agarwal	-	-	79100	79100

\* No Sitting fees was payable w.e.f. 30.10.2007 on appointment as Managing Director

#### (d) Nomination and Remuneration Policy :

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

As for the Non-executive Directors, their appointments 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.

#### 5. Stakeholders' Grievance Committee

##### (a) Composition

The Committee comprises of following Directors :

1. Dr. Jagannath Gupta : Independent,  
(Chairman) Non-Executive Director
2. Smt. Varsha Singhanian : Non-Independent,  
Non-Executive Director
3. Dr. Krishna Behari : Independent,  
Agarwal Non-Executive Director
4. Shri Ashok Gupta : Non-Independent,  
Non-Executive Director

The Company Secretary of the Company is acting as Secretary for the Committee

##### (b) Functions

To review the status of shareholders'/ Investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company had received only one complaint during the Financial Year 2014-15 and the same has been resolved and no complaint was pending as at the beginning and at the end of the Financial Year 2014-15.

##### (c) Meetings/Attendance

During the financial year ended 31st March, 2015, four meetings were held on 29th May, 2014, 12th

August, 2014, 13th November, 2014 and 12th February, 2015.

Name of Director	No. of Meetings attended
1. Dr. Jagannath Gupta	4
2. Smt. Varsha Singhanian	-
3. Shri Ashok Gupta	4
4. Dr. Krishna Behari Agarwal	2

#### 6. Risk Management Committee

##### (a) Composition

The Committee comprises of following Directors:

1. Dr. Krishna Behari Agarwal: Independent,  
(Chairman) Non Executive Director
2. Shri Padam Kumar Jain : Independent,  
Non Executive Director
3. Shri K. C. Aggarwal : Independent,  
Non Executive Director  
(Resigned from Directorship  
w.e.f 23rd March, 2015)
4. Shri Nidhipati Singhanian : Non - Independent,  
Non Executive Director

##### (b) Functions

To identify the risk impacting the company's business and document the process of risk identification, risk minimization, risk optimization as a part of risk management policy or strategy.

##### (c) Meetings/ Attendance

During the financial year ended 31st March, 2015, one meeting was held on 12th November, 2014.

The attendance at the Committee Meeting was as under:

Name of Director	No. of Meetings attended
1. Shri Nidhipati Singhanian	-
2. Shri K.C. Agarwal	-
3. Dr Krishna Behari Agarwal	1
4. Shri Padam Kumar Jain	1

#### 7. General Body Meetings

Dates and time of last four General Meetings held are given below :

Date	Financial Year	Type	Time	Place
13th August, 2012	2011-12	AGM	12.30 pm	Registered Office, Kamla Tower, Kanpur
13th August, 2013	2012-13	AGM	12.00 noon	Registered Office, Kamla Tower, Kanpur
12th August, 2014	2013-14	AGM	12.00 noon	Registered Office, Kamla Tower, Kanpur
30th December, 2014		EGM	12.30 pm	Registered Office, Kamla Tower, Kanpur

# J. K. Cotton Ltd.

## Special Resolution passed at the last four General Meetings

Date	Short particulars of Special Resolution passed at the General Meeting
13th August, 2012	No Special Resolution was passed
13th August, 2013	Special Resolution was passed a) Change of name of the Company
12th August, 2014	Special Resolution was passed a) Re-appointment of Directors as an Independent Director. b) To borrow money up to ₹ 500 Crores. c) To create mortgages/ charges/ hypothecation d) To approve/ adopt new Articles of Association/ Regulation in substitution of existing Articles of Association of the Company.
30th December, 2014	Special Resolution was passed a) re-classified of Cumulative Redeemable Preference Shares. b) to alter the Memorandum of Association of the Company. c) to issue and allot Cumulative Redeemable Preference Shares.

### 8. Disclosure

- There are no materially significant transactions with the related parties viz. Promoter, Directors or the Management, their Subsidiaries/ Associates or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.
- There are no pecuniary relationship or transactions of non-executive directors vis-à-vis the Company that have potential conflict with the interest of Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

### 9. Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management.

A copy of the Code of Conduct has been put on the Company's website [www.jkcotton.com](http://www.jkcotton.com).

The Code of Conduct has been circulated to all the members of the Board and Senior Management personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director in this regard is given below:

"I, Shri Yadupati Singhania, Chairman and Managing Director of J.K. Cotton Limited (Formerly Juggilal Kamlatpat Cotton Spg. & Wvg. Mills Co. Ltd.) hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with Code of Ethics

and Business Conduct framed for Directors and Senior Management Personnel in respect of the Financial Year 2014-15."

Shri Yadupati Singhania  
(Chairman & Managing Director)

### 10. Means of Communications

The Annual, Half Yearly and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement and the same are published regularly in the newspapers. All vital information relating to the Company and its performance, including quarterly results etc. are also posted on the Company's website [www.jkcotton.com](http://www.jkcotton.com).

### 11. CEO/CFO Certification

A Certificate in accordance with provision of Clause 49(IX) of the Listing Agreement in respect of the Financial Year 2014-15 duly signed by the CEO and CFO has been placed before the Board in its meeting held on 26th May, 2015.

### 12. General Shareholders Information

#### a) Annual General Meeting

Date /Time : Monday, 10th August, 2015 at 11.30 AM  
Venue : At the Registered Office of the Company,  
Kamla Tower, Kanpur

#### b) Financial Calendar

- First Quarter Results - On or before 14th August, 2015
- Second Quarter Results - On or before 14th November, 2015
- Third Quarter Results - On or before 14th February, 2016
- Results of the year ending 31st March, 2016 - On or before 30th May, 2016

c) **Date of Book Closure** : 3rd August, 2015 to 10th August, 2015 (Both Days Inclusive)

d) **Dividend payment date** : Not applicable (No dividend is proposed)

#### e) Listing Information

The details regarding payment of listing fee to the Stock Exchanges is given below:

Sl.No.	Name of Stock Exchange	Listing Fee paid upto	Stock Code No.
1.	U.P. Stock Exchange Ltd.	2014-15	J00011
2.	Delhi Stock Exchange Ltd.	2014-15	3114

#### f) Share Market Data

SEBI has categorized the Company's securities under compulsory demat trading on rolling basis. However, NSDL/CDSL have declined the Company's request for dematerialisation of its shares on the ground that its net worth was negative. Hence, there has not been any trading in Stock Exchange in the shares of the Company during the year.

# J. K. Cotton Ltd.

**g) Registrar/Transfer Agent**

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

**h) Share Transfer System**

Share Transfer work of physical segment is attended to by the Company's Registrar & Transfer Agents within the prescribed period under law and the Listing Agreements with Stock Exchanges. All share transfer etc. are approved by a Committee of Directors, which meets periodically.

**i) Distribution of Shareholding as on 31st March, 2015**

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	7774	96.32	749253	3.18
501 to 1000	178	2.20	136984	0.58
1001 to 2000	49	0.61	68662	0.29
2001 to 3000.	20	0.25	48864	0.21
3001 to 4000	10	0.12	35268	0.15
4001 to 5000	3	0.04	13550	0.06
5001 to 10000	11	0.14	74919	0.32
10001 and above	26	0.32	22450250	95.21
Total	8071	100.00	23577750	100.00

**j) Category wise Shareholding-Equity as on 31st March, 2015**

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Promoters and Promoter Group	16	0.20	21725410	92.14
Mutual Funds/UTI	-	-	-	-
Financial Institutions/Banks	18	0.22	6239	0.03
Insurance Companies	4	0.05	99142	0.42
FIs	-	-	-	-
Bodies Corporate	93	1.16	440145	1.86
Individuals	7934	98.30	1105814	4.70
Others	6	0.07	201000	0.85
Total	8071	100.00	23577750	100.00

**k) Plant Location**

Cotton Textile Unit of the Company is situated at 84/50, Kalpi Road, Kanpur and some of the machines are installed at Company premises at 84/29, Kalpi Road, Kanpur.

**l) Address for Correspondence**

J.K. Cotton Limited  
 (Formerly J. K. Cotton Spg. & Wvg. Mills Co. Ltd.)  
 Kamla Tower, Kanpur-208001  
 Tele. No. (0512) 2371478-481  
 Fax. (0512) 2332665  
 Email: harshit@jkcotton.com

**CHAIRMAN & MANAGING DIRECTOR/ CHIEF FINANCIAL OFFICER CERTIFICATION**

As required by sub-clause IX of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March, 2015, the Company has complied with the requirements of the said sub-clause.

For J.K. Cotton Limited

Place : Kanpur  
 Dated : 26th May, 2015

Yadupati Singhania  
 Chairman & Managing Director

Sonali Agarwal  
 Chief Financial Officer

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To, The Members of  
 J. K. COTTON LIMITED  
 (Formerly Juggilal Kamlatpat Cotton Spinning & Weaving Mills Co. Ltd.)

We have examined the compliance of conditions of Corporate Governance by J. K. COTTON LIMITED for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kanpur  
 Date : 26.05.2015

For P.L. TANDON & CO.,  
 Chartered Accountants  
 Firm Reg. No. 000186C  
 GIRISH KUMAR MITTAL  
 Partner  
 Membership No. 511729



# J. K. Cotton Ltd.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J. K. COTTON LIMITED  
(Formerly Juggilal Kamlatpat Cotton Spinning & Weaving Mills Co. Ltd.)

### Report on the Financial Statements

We have audited the accompanying financial statements of J.K.COTTON LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit

evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified



## J. K. Cotton Ltd.

- 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, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements – Refer Note 41(A) to the financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

GIRISH KUMAR MITTAL  
*Partner*  
Membership No. 511729

Place : Kanpur  
Date : 26.05.2015

# J. K. Cotton Ltd.

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT Re: J.K.COTTON LIMITED

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2015, we report that:**

- i. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets acquired during the year 1961 and onwards other than Furniture and Fittings, Office Equipments and a part of Plant and Machinery comprising Electric Fittings and Equipments.
  - b) A part of Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- ii. In respect of its Inventories:
  - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanations given to us :

The Company has not granted any Loan to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. As the Company has not granted any loans secured or unsecured to parties listed in the register maintained under section 189 of the Companies Act, 2013, the provisions of paragraphs 3 (iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015 are therefore, not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal

control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, therefore, the provisions of the Companies (Auditor's Report ) order, 2015, 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, wealth tax, service tax, duty of custom , duty of excise, value added tax , cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other material Statutory dues were in arrear as at 31st March, 2015 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, sales tax, wealth tax, service tax, custom duty, excise duty or value added tax and cess which have not been deposited on account of any dispute.
  - c) According to the information and explanations given to us, the amount which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

## J. K. Cotton Ltd.

- viii. The company's accumulated losses at the end of the financial year are more than its net worth. The Company has incurred Cash Losses during the financial year covered by our audit and the immediately preceeding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders.
- x. According to the information and explanations given to us, the company has not given any Guarantee for Loans taken by others from Banks or Financial Institutions.
- xi. According to the information and explanations given to us, no term loan has been raised during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

GIRISH KUMAR MITTAL  
*Partner*  
Membership No. 511729

Place : Kanpur  
Date : 26.05.2015

# J. K. Cotton Ltd.

## BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at 31.3.2015 (₹)	As at 31.3.2014 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	23,73,49,500	23,73,49,500
(b) Reserves & Surplus	2	61,91,93,778	83,14,08,224
		<u>85,65,43,278</u>	<u>1,06,87,57,724</u>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	3	26,28,57,142	35,14,28,571
(b) Other Long Term Liabilities	4	2,40,939	2,40,939
(c) Long Term Provisions	5	2,88,54,810	2,89,31,767
		<u>29,19,52,891</u>	<u>38,06,01,277</u>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	6	65,10,00,000	47,00,00,000
(b) Trade Payables	7	6,05,99,790	6,56,72,174
(c) Other Current Liabilities	8	56,48,43,040	44,92,80,493
(d) Short Term Provisions	9	52,12,565	55,05,000
		<u>1,28,16,55,395</u>	<u>99,04,57,667</u>
		<u><b>2,43,01,51,564</b></u>	<u><b>2,43,98,16,668</b></u>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	60,26,82,257	61,46,29,019
(ii) Intangible Assets		33,59,532	35,72,482
(iii) Capital Work-In-Progress		1,46,76,899	-
(b) Non Current Investments	11	9,12,255	9,12,255
(c) Long Term Loans and Advances	12	86,54,394	95,73,778
		<u>63,02,85,337</u>	<u>62,86,87,534</u>
<b>(2) Current Assets</b>			
(a) Inventories	13	1,67,74,03,173	1,54,72,53,098
(b) Trade Receivables	14	3,55,20,621	9,26,04,131
(c) Cash and Cash Equivalent	15	5,56,24,910	13,67,67,525
(d) Short Term Loans and Advances	16	2,94,87,996	3,10,66,361
(e) Other Current Assets	17	18,29,527	34,38,019
		<u>1,79,98,66,227</u>	<u>1,81,11,29,134</u>
		<u><b>2,43,01,51,564</b></u>	<u><b>2,43,98,16,668</b></u>

Significant Accounting Policies & Notes on  
Financial Statements 1-41

As per our Report attached

For P. L. TANDON & CO.,  
Chartered Accountants  
GIRISH KUMAR MITTAL  
Partner

Place : Kanpur  
Dated : 26th May, 2015

YADUPATI SINGHANIA  
Chairman & Managing Director

SONALI AGARWAL  
Chief Finance Officer

KRISHNA BEHARI AGARWAL  
JAGANNATH GUPTA  
ASHOK GUPTA

} Directors

# J. K. Cotton Ltd.

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	Year Ended 31.3.2015 (₹)	Year Ended 31.3.2014 (₹)
Revenue from operations	18	36,44,47,980	51,20,09,703
Other Income	19	19,68,03,628	13,10,02,664
<b>Total Revenue</b>		<b><u>56,12,51,608</u></b>	<b><u>64,30,12,367</u></b>
<b>Expenses</b>			
Cost of Materials Consumed	20	21,20,40,475	32,60,94,189
Purchases of Stock-In-Trade		1,76,69,145	1,90,34,488
Changes in Inventories of Finished Goods, Work-In-Progress and Stock In Trade	21	(13,90,43,778)	(4,50,33,122)
Employee Benefits Expense	22	11,14,46,250	12,46,36,845
Finance Costs	23	13,80,57,829	11,84,50,016
Depreciation and Amortization Expense		4,48,99,257	2,76,37,788
Other Expenses	24	38,83,96,876	26,98,48,154
<b>Total Expenses</b>		<b><u>77,34,66,054</u></b>	<b><u>84,06,68,358</u></b>
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		(21,22,14,446)	(19,76,55,991)
Exceptional Items	25	—	(94,85,35,643)
Profit/(Loss) Before Tax		<b><u>(21,22,14,446)</u></b>	<b><u>75,08,79,652</u></b>
Tax Expenses			
Tax Adjustment for Earlier Year		—	66,434
Profit/(Loss) for the Year		<b><u>(21,22,14,446)</u></b>	<b><u>75,08,13,218</u></b>
Earning per Equity Share of face value of Rs. 10/- each			
Basic & Diluted.		(9.01)	31.84

Significant Accounting Policies &  
Notes on Financial Statements 1-41

As per our Report attached

For P. L. TANDON & CO.,  
*Chartered Accountants*  
GIRISH KUMAR MITTAL  
*Partner*  
Place : Kanpur  
Dated : 26th May, 2015

YADUPATI SINGHANIA  
*Chairman & Managing Director*  
  
SONALI AGARWAL  
*Chief Finance Officer*

KRISHNA BEHARI AGARWAL  
JAGANNATH GUPTA  
ASHOK GUPTA  
} *Directors*

# J. K. Cotton Ltd.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-2015 (₹)	2013-2014 (₹)
<b>A. Cash flow from operating Activities</b>		
Profit/(Loss) before Tax	(21,22,14,446)	75,08,79,652
Adjustments for:		
Depreciation	4,48,99,257	2,76,37,788
Profit on Sale of Assets	(15,85,89,264)	(8,00,76,435)
Dividend Received	(55,208)	(45,076)
Interest income	(61,28,358)	(37,31,219)
Interest expenses	13,52,48,829	11,56,41,016
Provision for diminuation in value of Stock	29,65,999	-
Provision for doubtful debts excess of last year	(37,30,900)	(8,67,426)
Liability Written Back	-	(94,85,35,643)
Bad Debts	49,02,501	-
Provision for Doubtful Debts	1,63,80,571	23,50,352
Loss on Sale of Fixed Assets	57,37,947	2,19,124
<b>Operating Loss before Working Capital Changes</b>	<u>(17,05,83,072)</u>	<u>(13,65,27,867)</u>
(Increase)/Decrease in Inventories	(13,31,11,022)	(1,65,60,290)
(Increase)/Decrease in Trade & Other Receivables	4,34,50,834	3,94,64,112
Increase/(Decrease) Trade Payable & Other liabilities	<u>(9,45,76,878)</u>	<u>8,05,27,638</u>
Cash Utilised in Operations	(35,48,20,138)	(3,30,96,407)
Taxes Paid	-	(66,434)
<b>Net Cash Used in Operating Activities</b>	<u><b>(35,48,20,138)</b></u>	<u><b>(3,31,62,841)</b></u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(5,90,12,536)	(11,72,41,038)
Interest Income	63,15,103	34,72,020
Sale of Fixed Assets	16,44,42,357	8,44,30,032
<b>Net Cash used in Investing Activities</b>	<u><b>11,17,44,924</b></u>	<u><b>(2,93,38,986)</b></u>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Secured Loan	-	(1,05,29,336)
Proceeds from Unsecured Loan	17,10,00,000	15,90,00,000
Dividend Received	55,208	45,076
Interest paid	(91,22,609)	(74,68,622)
<b>Net Cash Flow From Financing Activities</b>	<u><b>16,19,32,599</b></u>	<u><b>14,10,47,118</b></u>
Net (Decrease) in Cash & Cash equivalents	(8,11,42,615)	7,85,45,291
Opening Balance of Cash & Cash equivalents	13,67,67,525	5,82,22,234
Closing Balance of Cash & Cash equivalents	5,56,24,910	13,67,67,525

As per our Report attached

For P. L. TANDON & CO.,  
Chartered Accountants  
GIRISH KUMAR MITTAL  
Partner

Place : Kanpur  
Dated : 26th May, 2015

YADUPATI SINGHANIA  
Chairman & Managing Director

SONALI AGARWAL  
Chief Finance Officer

KRISHNA BEHARI AGARWAL  
JAGANNATH GUPTA  
ASHOK GUPTA

} Directors



# J. K. Cotton Ltd.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31.3.2015 (₹)	As at 31.3.2014 (₹)		
<b>1. SHARE CAPITAL</b>				
<b>AUTHORISED :</b>				
24500000 Equity Shares of ₹ 10/- each	24,50,00,000	24,50,00,000		
5000 6% Cumulative Preference Shares of ₹ 100/- each	–	5,00,000		
6000 8.5% Cumulative Preference Shares of ₹ 100/- each	–	6,00,000		
4720 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	–	4,72,000		
34280 14% Cumulative Redeemable Preference Shares of ₹ 100/- each	–	34,28,000		
15000 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	15,00,000	–		
35000 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	35,00,000	–		
	<b>25,00,00,000</b>	<b>25,00,00,000</b>		
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>				
23577750 Equity Shares of ₹10/- each	23,57,77,500	23,57,77,500		
5000 6% Cumulative Preference Shares of ₹ 100/- each	5,00,000	5,00,000		
6000 8.5% Cumulative Preference Shares of ₹ 100/- each	6,00,000	6,00,000		
4720 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	4,72,000	4,72,000		
	<b>23,73,49,500</b>	<b>23,73,49,500</b>		
 (a) The reconciliation of the number of shares outstanding is set out below -				
	Equity	Preference		
Shares at the beginning of the year	No. of Shares 2,35,77,750	No. of Shares 15,720		
	(2,35,77,750)	(15,720)		
Shares at the end of the year	2,35,77,750	15,720		
	(2,35,77,750)	(15,720)		
Figures in brackets are in respect of previous year				
(b) Preference shares of ₹ 15,72,000/- were due for redemption on 30.09.2014.				
(c) Details of Shareholders holding more than 5% Shares of the Company -				
	% of holding	31.3.2015 No. of Shares	% of holding	31.3.2014 No. of Shares
<b>EQUITY SHARES</b>				
1. M/s Yadu International Ltd.	7.30	17,20,000	7.30	17,20,000
2. Mrs. Sushila Devi Singhania	8.04	18,95,000	8.04	18,95,000
3. Dr. Gaur Hari Singhania	8.33	19,63,246	8.33	19,63,246
4. Mrs. Kavita Singhania	9.97	23,50,000	9.97	23,50,000
5. Mr. Yadupati Singhania	17.28	40,75,000	17.28	40,75,000
6. M/s Jaykay Enterprises Ltd.	40.34	95,10,360	40.34	95,10,360
<b>PREFERENCE SHARES</b>				
1. 6% Cumulative Preference Shares of ₹ 100/- each				
(i) M/s Life Insurance Corporation of India	–	–	100.00	5,000
(ii) Surya Commercials Ltd.	100.00	5,000	–	–
2. 8.5% Cumulative Preference Shares of ₹ 100/- each				
(i) National Insurance Co. Ltd.	66.67	4,000	66.67	4,000
(ii) Surya Commercials Ltd.	31.25	1,875	31.25	1,875
3. 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each				
(i) Lala Kailashpat Singhania Sports Foundation	5.28	249	5.28	249
(ii) Shri Lakshmiapat Singhania Education Foundation	8.41	397	8.41	397
(iii) Surya Commercials Ltd.	75.00	3,540	75.00	3,540

# J. K. Cotton Ltd.

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
<b>2. RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Balance Sheet		1,36,63,34,372		1,36,63,34,372
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet		31,86,800		31,86,800
<b>Share Premium Account</b>				
As per last Balance Sheet		2,09,98,650		2,09,98,650
<b>Surplus</b>				
As per last Balance Sheet	(55,91,11,598)		(1,30,99,24,816)	
Add : Balance in Profit & Loss Statement	(21,22,14,446)	(77,13,26,044)	75,08,13,218	(55,91,11,598)
		<u>61,91,93,778</u>		<u>83,14,08,224</u>

	As at 31.3.2015 (₹)	As at 31.3.2014 (₹)
<b>3. LONG TERM BORROWINGS</b>		
Unsecured Loan from related party	26,28,57,142	35,14,28,571
	<u>26,28,57,142</u>	<u>35,14,28,571</u>

#### Maturity Profile

Year	Oct., 2020	Oct., 2019	Oct., 2018	Oct., 2017	Oct., 2016	Total
Amount ₹	2,85,71,426	2,85,71,429	2,85,71,429	8,85,71,429	8,85,71,429	26,28,57,142

#### 4. OTHER LONG TERM LIABILITIES

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

#### 5. LONG TERM PROVISIONS

a) Gratuity	2,32,24,810	2,45,27,767
b) Leave Encashment	56,30,000	44,04,000
	<u>2,88,54,810</u>	<u>2,89,31,767</u>

#### 6. SHORT TERM BORROWINGS

##### Unsecured

a) From Others	42,65,00,000	41,00,00,000
b) From Related Party	4,00,00,000	4,00,00,000
c) From Inter-Corporate Deposits	18,45,00,000	2,00,00,000
	<u>65,10,00,000</u>	<u>47,00,00,000</u>

# J. K. Cotton Ltd.

	As at 31.3.2015 (₹)	As at 31.3.2014 (₹)
<b>7. TRADE PAYABLES</b>		
a) Micro, Small and Medium Enterprises	–	–
b) Others	6,05,99,790	6,56,72,174
	<b>6,05,99,790</b>	<b>6,56,72,174</b>

<b>8. OTHER CURRENT LIABILITIES</b>		
a) Current Maturity of Long Term Debts - Unsecured	23,71,42,858	14,85,71,429
b) Other Payables	6,21,12,589	14,88,63,191
c) Interest accrued and due on borrowings	26,33,67,093	13,72,40,873
d) Deposits	22,20,500	1,46,05,000
	<b>56,48,43,040</b>	<b>44,92,80,493</b>

Other payables include employees liabilities, advance from customers, provision for rebate to customers etc.

<b>9. SHORT TERM PROVISIONS</b>		
Gratuity	52,12,565	55,05,000
	<b>52,12,565</b>	<b>55,05,000</b>

## 10. FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 1.04.2014 ₹	Addi- tions ₹	Sales/ Adjust- ments* ₹	As at 31.3.2015 ₹	As at 1.4.2014 ₹	Sales/ Adjust- ments ₹	For the year ₹	Upto 31.3.2015 ₹	As at 31.3.2015 ₹	As at 31.3.2014 ₹
<b>Tangible Assets</b>										
Land	3,80,99,133	–	31,377	3,80,67,756	–	–	–	–	3,80,67,756	3,80,99,133
Buildings	8,63,06,816	22,51,770	42,47,370	8,43,11,216	3,69,79,133	18,84,625	18,92,924	3,69,87,432	4,73,23,784	4,93,27,683
Plant & Machinery	90,10,24,532	3,98,55,885	2,32,99,466	91,75,80,951	38,56,77,747	1,42,83,386	3,93,76,868	41,07,71,229	50,68,09,722	51,53,46,785
Furniture & Fittings	63,27,151	12,33,573	–	75,60,724	6,44,756	–	10,05,872	16,50,628	59,10,096	56,82,395
Office Equipments.	25,46,924	3,14,238	–	28,61,162	6,66,730	–	10,92,736	17,59,466	11,01,696	18,80,194
Vehicles	53,22,899	–	2,90,576	50,32,323	10,30,070	1,09,739	6,42,789	15,63,120	34,69,203	42,92,829
	1,03,96,27,455	4,36,55,466	2,78,68,789	1,05,54,14,132	42,49,98,436	1,62,77,750	4,40,11,189	45,27,31,875	60,26,82,257	61,46,29,019
<b>Intangible Assets</b>										
Computer Software	44,65,603	6,80,171	–	51,45,774	8,93,121	–	8,93,121	17,86,242	33,59,532	35,72,482
	44,65,603	6,80,171	–	51,45,774	8,93,121	–	8,93,121	17,86,242	33,59,532	35,72,482
<b>Total</b>	<b>1,04,40,93,058</b>	<b>4,43,35,637</b>	<b>2,78,68,789</b>	<b>1,06,05,59,906</b>	<b>42,58,91,557</b>	<b>1,62,77,750</b>	<b>4,49,04,310</b>	<b>45,45,18,117</b>	<b>60,60,41,789</b>	<b>61,82,01,501</b>
Capital Work In Progress	–	4,74,23,131	3,27,46,232	1,46,76,899	–	–	–	–	1,46,76,899	–
Previous Year	93,18,90,990	19,70,10,569	8,48,08,501	1,04,40,93,058	47,84,89,549	8,02,35,780	2,76,37,788	42,58,91,557		

Note :

\* ₹ 1,39,23,259/- of sale value of Plant & Machinery of which cost is not ascertainable.

# J. K. Cotton Ltd.

11. NON CURRENT INVESTMENTS	Nominal Value of each Share (₹)	No. of Shares	As at 31.03.2015		As at 31.03.2014	
			Book Value* (₹)	No. of Shares	Book Value* (₹)	No. of Shares
<b>Other Investments - Long Term</b>						
<b>In Equity Shares - Quoted fully paid up</b>						
Bengal & Assam Company Ltd.	10/-	10,351	9,00,114	10,351	9,00,114	
J.K.Lakshmi Cement Ltd.	5/-	102	2,541	102	2,541	
Accurate Finman Services Ltd.	10/-	2,070	–	2,070	–	
<b>In Equity Shares of Associate Companies</b>						
<b>Quoted fully paid up</b>						
Jaykay Enterprises Ltd.	1/-	240	9,600	240	9,600	
J.K.Cement Ltd.	10/-	48	–	48	–	
			<b>9,12,255</b>		<b>9,12,255</b>	
Aggregate Market Value of Quoted Investments.			51,10,366		36,98,173	

\* Investments have been valued at or below cost.

# J. K. Cotton Ltd.

	As at 31.3.2015 (₹)		As at 31.3.2014 (₹)	
<b>12. LONG TERM LOANS AND ADVANCES</b>				
(Unsecured Considered Good)				
a) Capital Advances				
Considered Good	27,42,770		54,35,620	
Doubtful	15,42,116		-	
	<u>42,84,886</u>		<u>54,35,620</u>	
Less : Provision for Doubtful Advances	15,42,116		-	
	<u>27,42,770</u>		<u>54,35,620</u>	
b) Deposits	59,11,624		41,38,158	
	<u>86,54,394</u>		<u>95,73,778</u>	
<b>13. INVENTORIES</b>				
a) Raw Materials	1,27,08,444		1,94,29,192	
Less : Provision of Diminuation in Value of Stock of Yarn	26,12,336	1,00,96,108	-	1,94,29,192
b) Stores & Spare Parts	1,64,38,902		1,56,45,858	
Less : Provision of Diminuation in Value of Stock of Dye & Chemical	3,53,663	1,60,85,239	-	1,56,45,858
c) Finished goods		6,32,00,824		5,31,24,237
d) Goods In Process - Textiles		6,63,66,005		8,91,20,749
e) Work In Progress - Real Estate		1,52,16,54,997		1,36,99,33,062
		<u>1,67,74,03,173</u>		<u>1,54,72,53,098</u>
<b>14. TRADE RECEIVABLES</b>				
Unsecured				
a) Outstanding for more than six months				
Considered Good		23,76,738		2,19,76,278
Doubtful		1,29,44,791		37,30,900
b) Others - Considered Good		3,31,43,883		7,06,27,853
		<u>4,84,65,412</u>		<u>9,63,35,031</u>
Less: Provision for Doubtful Receivables		1,29,44,791		37,30,900
		<u>3,55,20,621</u>		<u>9,26,04,131</u>
<b>15. CASH AND CASH EQUIVALENT</b>				
a) Cash on Hand		1,27,076		4,14,714
b) Balances with Banks		2,83,71,711		2,95,57,547
c) Fixed Deposits with Banks *		2,71,26,123		10,67,95,264
		<u>5,56,24,910</u>		<u>13,67,67,525</u>
* Fixed Deposits with Banks includes				
i) ₹ 1,18,10,011 /- (P.Y. ₹ 1,93,82,628/-) tied up against Bank Overdraft & Other Commitments				
ii) ₹ 80,65,332/- (P.Y. ₹ 37,88,800/-) with maturity of more than 12 months				
<b>16. SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured Considered Good)				
a) Advance Tax & TDS		48,02,186		45,34,667
b) Prepaid Expenses		15,94,867		20,21,808
c) Claim Receivables		36,46,839		36,46,839
d) Others				
Considered Good	1,94,44,104		2,08,63,047	
Doubtful	18,93,664		-	
	<u>2,13,37,768</u>		<u>2,08,63,047</u>	
Less: Provision for Doubtful Advances	18,93,664	1,94,44,104	-	2,08,63,047
	<u>2,94,87,996</u>		<u>3,10,66,361</u>	
<b>17. OTHER CURRENT ASSETS</b>				
a) Interest accrued on FDR with Banks		6,60,524		8,47,269
b) Others		11,69,003		25,90,750
		<u>18,29,527</u>		<u>34,38,019</u>

# J. K. Cotton Ltd.

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	(₹)	(₹)	(₹)	(₹)
<b>18. REVENUE FROM OPERATIONS</b>				
Cloth Sales		36,27,98,062		51,05,54,759
Sundry Sales		–		4,50,000
Duty Drawback		16,49,918		10,04,944
		<u>36,44,47,980</u>		<u>51,20,09,703</u>
<b>19. OTHER INCOME</b>				
a) Interest	61,28,358		37,31,219	
b) Dividend received	55,208		45,076	
c) Rent	96,16,634		93,86,519	
d) Miscellaneous Receipt	74,53,630	2,32,53,830	36,17,037	1,67,79,851
<b>Other Non Operating Income</b>				
a) Profit on Sale of Fixed Assets	15,85,89,264		8,00,76,435	
b) Sundry Sales	54,75,426		59,60,861	
c) Profit from Trading Business	94,85,108	17,35,49,798	2,81,85,517	11,42,22,813
		<u>19,68,03,628</u>		<u>13,10,02,664</u>
<b>20. COST OF MATERIALS CONSUMED</b>				
Raw Material Consumed (Yarn)		21,20,40,475		32,60,94,189
<b>21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
<b>a) Real Estate</b>				
Opening Stock of WIP	1,36,99,33,062		1,36,99,33,062	
Less: Closing Stock of WIP	<u>1,52,16,54,997</u>		<u>1,36,99,33,062</u>	
Changes in WIP		(15,17,21,935)		–
<b>b) Textile Unit</b>				
Opening Stock of Finished Goods	5,31,24,237		4,30,78,959	
Less : Closing Stock of Finished Goods	<u>6,32,00,824</u>		<u>5,31,24,237</u>	
Changes in Finished Goods		(1,00,76,587)		(1,00,45,278)
Opening Stock of WIP	8,91,20,749		5,41,32,905	
Less: Closing Stock of WIP	<u>6,63,66,005</u>		<u>8,91,20,749</u>	
Changes in WIP		2,27,54,744		(3,49,87,844)
<b>Net Changes in Inventories of Finished Goods &amp; WIP</b>		<u>(13,90,43,778)</u>		<u>(4,50,33,122)</u>
<b>22. EMPLOYEE BENEFITS EXPENSE</b>				
a) Salaries and Wages		9,70,46,385		10,92,10,790
b) Contribution to Provident and other Funds		1,00,40,210		1,14,82,405
c) Staff welfare expenses		43,59,655		39,43,650
		<u>11,14,46,250</u>		<u>12,46,36,845</u>
<b>23. FINANCE COST</b>				
a) Interest Expenses (Gross)	14,02,11,116		12,08,43,636	
Less: Interest capitalised	<u>49,62,287</u>	13,52,48,829	<u>52,02,620</u>	11,56,41,016
b) Other borrowing costs		28,09,000		28,09,000
		<u>13,80,57,829</u>		<u>11,84,50,016</u>



# J. K. Cotton Ltd.

		Year Ended 31.03.2015		Year Ended 31.03.2014
	(₹)	(₹)	(₹)	(₹)
<b>24. OTHER EXPENSES</b>				
<b>a) Consumption of Stores &amp; Spares</b>		5,18,94,405		6,79,25,330
<b>b) Power &amp; Fuel</b>				
Power Consumption	3,64,18,497		5,48,06,016	
Coal Consumption	9,66,201		1,49,91,492	
Husk Consumption	2,81,30,908	6,55,15,606	3,96,67,679	10,94,65,187
<b>c) Sundry Manufacturing Expenses</b>		53,38,614		55,92,302
<b>d) Repairs &amp; Maintenance</b>				
Buildings	35,89,698		56,21,340	
Machinery	2,11,89,722	2,47,79,420	2,48,45,393	3,04,66,733
<b>e) Administration &amp; Sundry Expenses</b>				
Rent	56,32,091		49,91,070	
Rates & Taxes	46,21,731		23,35,394	
Insurance	18,50,453		14,84,307	
Travelling & Conveyance	40,43,146		57,40,993	
Directors' Fees (including Service tax)	4,22,813		2,73,376	
Remuneration to Auditors:				
As Audit Fee (Including Service Tax)	2,24,720		2,24,720	
As Tax Audit Fee (Including Service Tax)	56,180		-	
For other services	16,854		50,562	
Provision for Doubtful Debts & Advances	1,63,80,571		23,50,352	
Bad Debts/Advances Write off	49,02,501		-	
Provision of Diminuation in Value of Stock	29,65,999		-	
Expenses relating to previous years	10,69,872		10,90,401	
Loss on sale of Fixed Assets	57,37,947		2,19,124	
Other Expenses	3,10,25,195	7,89,50,073	2,82,29,527	4,69,89,826
<b>f) Selling &amp; Distribution Expenses</b>				
Advertisement & Publicity	15,09,880		30,19,587	
Commission on Sale	64,45,045		43,62,608	
Selling Expenses	22,41,898	1,01,96,823	20,26,581	94,08,776
<b>g) Land Development Expenses (Refer Note No.26)</b>		15,17,21,935		-
		<b>38,83,96,876</b>		<b>26,98,48,154</b>
<b>25. EXCEPTIONAL ITEMS</b>				
Liabilities Written Back		-		94,85,35,643
		-		<b>94,85,35,643</b>
<b>26. Land Development Expenses Includes:</b>				
Salaries, Wages & Bonus				17,45,083.00
Contribution to Provident & Other Funds				1,37,444.00
Paid to KDA & Jalkal Vibhag				13,91,67,780.00
Architect Fee				13,24,725.00
Finance Cost				49,62,287.00
Repair & Maintenance				16,55,768.00
Security Expenses				7,20,144.00
Rent				1,65,000.00
Rates & Taxes				1,47,489.00
Travelling & Conveyance				2,05,150.00
Electric Consumption				5,76,710.00

# J. K. Cotton Ltd.

Printing, Stationery & Publications	28,032.00
Welfare Expenses	32,895.00
Charges General	6,26,696.25
Service Tax	1,81,479.00
Telephone Expenses	40,200.00
Depreciation	5,052.68
	<b>15,17,21,934.93</b>

27. Balances of personal accounts of Trade Receivable, Creditors, Deposits, Loans & Advances and dues of secured lenders from others are subject to confirmation and reconciliation.
28. Disclosure of Sundry Creditors is based on the information available with Company regarding status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
29. Deferred Tax assets have not been recognised on account of virtual uncertainty as per Accounting Standard 22 on Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.
30. Impairment losses, as per Accounting Standard 28 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.

## 31. EARNING PER SHARE (EPS)

	<b>2014-15</b>	2013-14
	<b>₹ in lacs</b>	₹ in lacs
(a) Net Profit/(Loss)	(2,122.14)	7,508.13
(b) Weighted average number of equity shares used as denominator for calculation of EPS	2,35,77,750	2,35,77,750
(c) Basic and diluted earning per share of ₹ 10/- each	(9.01)	31.84

## 32. DISCLOSURE IN TERMS OF AS-15 ARE AS FOLLOWS :

### a. Defined contribution plan

Contribution to defined contribution plan recognized as expenses for the year 2014-15 are as under :

Employer's contribution to provident fund ₹ 30,11,336/-

### 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.

	<b>₹ in Lacs</b>	
	<b>Gratuity unfunded</b>	<b>Leave Encashment unfunded</b>
	<b>2014-15</b>	<b>2014-15</b>
<b>I. EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED</b>		
1. Current Service Cost	38.74	20.97
2. Interest Cost	39.42	2.96
3. Expected Return on Plan Assets	0.00	0.00
4. Past Service Cost	0.00	0.00
5. Net Actuarial(Gains)/Losses	(49.94)	12.47
Total Expenses	28.22	36.40

# J. K. Cotton Ltd.

₹ in Lacs

	Gratuity unfunded 2014-15	Leave Encashment unfunded 2014-15
<b>II NET ASSETS/(LIABILITY) RECOGNIZED IN THE BALANCE SHEET AS AT 31.03.2015</b>		
1. Present Value of Defined Benefit Obligation	429.19	56.30
2. Fair Value of Plan Assets	0.00	0.00
3. Funded Status [Surplus/(Deficit)]	(429.19)	(56.30)
4. Net Asset/Liability	(429.19)	(56.30)
<b>III CHANGE IN OBLIGATION DURING THE YEAR ENDED</b>		
1. Present Value of Defined Benefit Obligation at beginning of the Year	451.37	44.04
2. Current Service Cost	38.74	20.97
3. Interest Cost	39.42	2.96
4. Plan Amendment Cost	0.00	0.00
5. Actuarial (Gains)/Losses	(49.94)	12.47
6. Benefits Payments	(50.40)	(24.14)
7. Present Value of Defined Benefit Obligation at the end of the Year	429.19	56.30
<b>IV CHANGE IN ASSETS DURING THE YEAR ENDED</b>		
1. Plan Assets at the Beginning of the Year	0.00	0.00
2. Expected Return on Plan Assets	0.00	0.00
3. Contributions by Employer	0.00	0.00
4. Actual Benefits Paid	0.00	0.00
5. Actuarial Gains/(Losses)	0.00	0.00
6. Plan Assets at the end of the Year	0.00	0.00
<b>V. ACTUARIAL ASSUMPTIONS</b>		
1. Discount Rate	7.80%	7.80%
2. Expected Rate of Return on Plan Assets	N/A	N/A
3. Mortality	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
4. Turnover Rate	1% of all ages	1% of all ages
5. Salary Escalator	10%	10%
6. Maximum Limit	₹ 10 lacs	

### 33. RELATED PARTY DISCLOSURES:

- (a) Key management personnel & their Relatives
- i) Dr. Gaur Hari Singhania – Chairman & Managing Director
  - ii) Shri Yadupati Singhania – Vice Chairman
  - iii) Shri Govind Hari Singhania – Director
  - iv) Shri Abhishek Singhania – Chief Executive Officer

# J. K. Cotton Ltd.

(b) Enterprises significantly influenced by Key Management Personnel or their Relatives :

- i) Jaykay Enterprises Ltd.
- ii) J.K. Cement Ltd.
- iii) Yadu International Ltd.

Following are the transactions with related parties as defined under Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India.

<b>Details of transactions are as follows</b>	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
i) Jaykay Enterprises Ltd.		
a) Rent received	12,00,000	12,00,000
b) Rent paid	12,69,000	14,06,800
c) Others	7,84,752	7,09,262
ii) J.K. Cement Ltd.		
a) Rent received	44,41,368	45,08,784
b) Cloth sales	5,80,120	2,00,579
c) Material purchased	—	1,07,443
iii) Yadu International Ltd		
(a) Loan received		
Balance at the beginning of the year	50,00,00,000	50,00,00,000
Balance at the end of the year	50,00,00,000	50,00,00,000
(b) Interest paid	7,45,95,729	6,68,02,836
(c) Finance charges paid	28,09,000	28,09,000
iv) Key management personnel & their Relatives		
(a) Shri Yadupati Singhania		
(i) Sitting Fees	29,100	35,500
(ii) Loan Received		
Balance at the beginning of the year	4,00,00,000	Nil
Loan received during the year	Nil	4,00,00,000
Balance at the end of the year	4,00,00,000	4,00,00,000
(b) Shri Govind Hari Singhania		
Sitting Fees	5,000	15,000
(c) Shri Abhishek Singhania		
Remuneration including PF		
Contribution	6,60,000	6,60,000
	<b>2014-15</b>	<b>2013-14</b>
<b>34. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS</b>		
Raw Material	44,50,610	Nil
Components and Spare parts	89,440	20,45,846
Capital Goods	3,14,32,502	1,09,59,315

# J. K. Cotton Ltd.

## 35. VALUE OF RAW MATERIALS CONSUMED

	2014-15		2013-14	
	Amount ₹	Percentage of total Consumption	Amount ₹	Percentage of total Consumption
i) Imported	44,50,610	2.10%	Nil	Nil
ii) Indigenous	20,75,92,460	97.90%	32,60,94,189	100%

## 36. VALUE OF STORES AND SPARE CONSUMED

i) Imported	Nil	Nil	1,93,979	0.29%
ii) Indigenous	5,18,94,405	100%	6,77,31,351	99.71%

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

	2014-15 (₹)	2013-14 (₹)
<b>37. EXPENDITURE IN FOREIGN CURRENCY</b>		
i) Travelling expenses	92,572	2,98,315
ii) Commission on Export Sale	10,42,163	4,84,894
iii) Others	27,474	40,613
<b>38. EARNING IN FOREIGN CURRENCY :</b>	<b>3,18,50,162</b>	<b>1,87,67,804</b>

39. The useful life of fixed Assets have been revised in accordance with schedule II of the companies Act, 2013. The depreciation for the year is higher by ₹136.53 lacs due to change in useful life of Fixed Assets.

40. Previous year figures have been regrouped and recasted wherever necessary to confirm to the classification for the year.

## 41. (A) Contingent Liabilities

- (i) Claims against the company not acknowledged as debts - Amount unascertainable.
- (ii) Arrears of dividend on preference shares – ₹ 14,53,440/- (Previous Year ₹ 13,92,880/-)
- (iii) Bonds executed with commissioner of custom, Mumbai along with counter indemnity provided in respect of bank guarantee for importing machinery at a concessional rate of duty under EPCG scheme ₹ 4,67,09,597/- (Previous Year ₹ 3,31,68,021/-)

## (B) Commitments.

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 21,12,344/- (Previous year ₹ 68,93,428/-)

# J. K. Cotton Ltd.

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Concepts

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

### 2. Fixed Assets

Gross Block of Fixed Assets is at historical Cost.

### 3. Depreciation

#### i) Tangible Assets

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

#### ii) Intangible Assets

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

### 4. Investments

Investments are valued at or below cost.

### 5. Inventories

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

### 6. Revenue Recognition

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

### 7. Retirement benefits

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

### 8. Borrowing Cost

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

### 9. Provision for Current and Deferred Tax

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

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

### 10. Provision/Contingency

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



PROXY FORM

**J. K. COTTON LIMITED**

**(Formerly Juggilal Kamlapat Cotton Spinning & Weaving Mills Co. Ltd.)**

(CIN : L17111UP1924PLC000275)

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

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

E-mail: harshit@jkcotton.com

Website: www.jkcotton.com

Name of the member(s) : .....

Registered address : .....

E-mail ID : .....

Folio No. : .....

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

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

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

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

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

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

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

TEAR HERE

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 92nd Annual General Meeting of the Company to be held at the Registered Office of the Company at Kamla Tower, Kanpur on Monday, the 10th August, 2015 at 11.30 A.M. and at any adjournment thereof in respect of such resolutions are indicated below :

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**Resolution No. RESOLUTIONS**

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**Ordinary Business**

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1. Adoption of Financial Statements for the year ended 31st March, 2015.
  2. Re-appointment of Shri Nidhipati Singhania as a Director who retires by rotation.
  3. Re-appointment of Shri Ashok Gupta as a Director who retires by rotation.
  4. Appointment of M/s P.L.Tandon & Company, Chartered Accountants as Auditors and fixing their remuneration.
- 

**Special Business/Ordinary Resolution**

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5. Ratification/Confirmation of remuneration of Cost Auditor for the FY 2015-16.
  6. Appointment of Shri Yadupati Singhania as Chairman and Managing Director of the Company.
  7. Appointment of Smt. Varsha Singhania as a Non-executive Non-Independent Woman Director.
  8. Appointment of Shri Ravindra Kumar Tandon as an Independent Director.
  9. Appointment of Shri Krishna Das Gupta as an Independent Director.
  10. Appointment of Shri Sharad Pat Singhania as an Independent Director.
  11. Appointment of Shri Padam Kumar Jain as an Independent Director.
- 

Signed this.....day of August, 2015.

Signature of shareholder.....

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

Affix Revenue Stamp of Rs. 1/-
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**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 92nd Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

ATTENDANCE SLIP  
J. K. COTTON LIMITED

(Formerly Juggilal Kamlapat Cotton Spinning & Weaving Mills Co. Ltd.)

(CIN : L17111UP1924PLC000275)

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

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

92nd ANNUAL GENERAL MEETING

2015

I/We hereby record my/our presence at the 92<sup>nd</sup> Annual General Meeting of the Company at the Registered Office at Kamla Tower, Kanpur on Monday, the 10<sup>th</sup> August, 2015 at 11.30 A.M.

Member's Folio No.

Member's/Proxy's name In Block Letters

Member's /Proxy's Signature

**Note:**

1. Please complete the Folio No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Physical copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members of the Company.

TEAR HERE

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

[solarknp@gmail.com](mailto:solarknp@gmail.com)