



Jaykay Enterprises Ltd.

Annual Report
2014-2015

Jaykay Enterprises Ltd.

Board of Directors

Dr. Krishna Behari Agarwal

Shri Kedar Nath Mehrotra

Shri Ravindra Kumar Tandon

Shri Anil Kumar Dalmia

Smt. Vidhi Nidhipati Singhania

Shri Ashok Gupta Managing Director

Sr. General Manager (Taxation) & Chief Financial Officer

Chandra Prakash Agarwal

Company Secretary & Compliance Officer

Prabhat Kumar Mishra

AUDITORS

Messrs P. L. Tandon & Co.
Chartered Accountants
Westcott Building,
The Mall, Kanpur-208 001

REGISTERED OFFICE

KAMLA TOWER,
Kanpur-208 001

BANKER

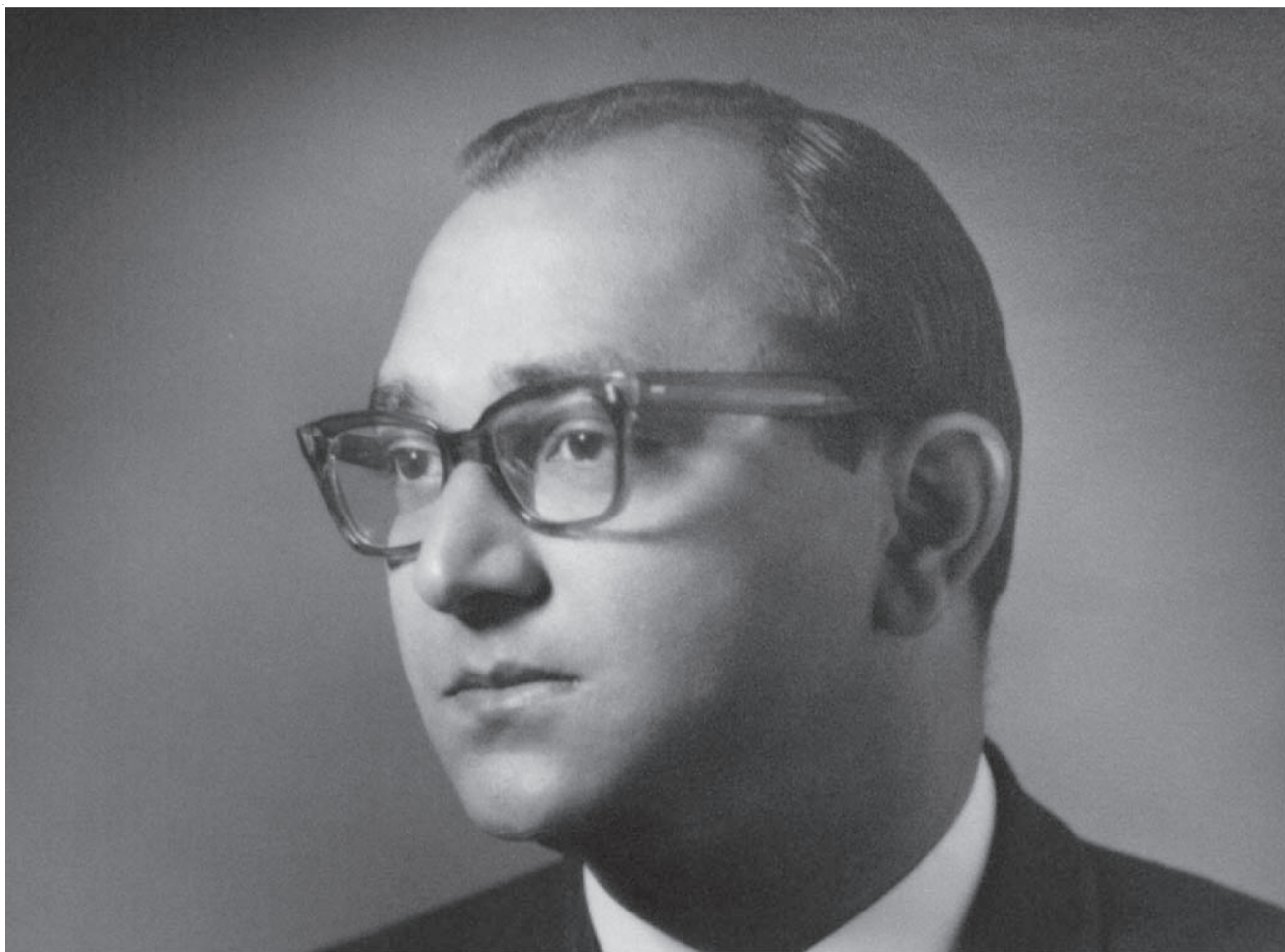
Oriental Bank of Commerce
IDBI Bank
State Bank of India

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Annual Report 2014-2015

Jaykay Enterprises Ltd.



A Life
that inspires

A tribute to
Dr. Gaur Hari Singhania,
Late Chairman, Jaykay Enterprises Ltd.
12th June, 1935 - 4th February, 2015



A compassionate leader

A tribute to
Shri Govind Hari Singhania,
Late Vice Chairman, Jaykay Enterprises Ltd.
19th March, 1937 - 2nd October, 2014

Jaykay Enterprises Ltd.

CIN: L99999UP1961PLC001187

Regd. Office: Kamla Tower, Kanpur – 208 001, U.P. (India) • Ph. No. 91 512 237 1478-81 * Fax: 91 512 233 2665

Email: prabhat.mishra@jkcement.com • Website: www.jaykayenterprises.com

NOTICE

Notice is hereby given that the Annual General Meeting of **Jaykay Enterprises Ltd.** will be held at the Registered Office of the Company at Kamla Tower, Kanpur-208001 on Monday the 10th day of August, 2015 at 12.30 PM to transact the following businesses:-

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 Ashok Gupta (DIN: 00135288), who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Messrs P.L. Tandon & Company, Chartered Accountants, Kanpur (Firm ICAI Registration No.000186C), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon mutually by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending March 31, 2016;

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or Shri Prabhat Kumar Mishra, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions:

AS ORDINARY RESOLUTION

4. Appointment of Smt. Vidhi Nidhipati Singhania as Non-Executive Non-Independent Woman Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Smt. Vidhi Nidhipati Singhania (holding DIN no : 00293520), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th August, 2014 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Non-Independent Woman Director of the Company whose period of office of the Director shall be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

AS SPECIAL RESOLUTION

5. To appoint Shri Ashok Gupta (DIN: 00135288) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Ashok Gupta (DIN: 00135288) as Managing Director of the Company, for a period of 2 (two) years with effect from September 1, 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter

and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Ashok Gupta (DIN: 00135288), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board



(PRABHAT KUMAR MISHRA)
Company Secretary

Dated : Kanpur
Place : 26th May, 2015

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY/PROXIES NEED NOT BE 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 Register of Members and Share Transfer Books of the Company will remain closed from August 3, 2015 to August 10, 2015 (both days inclusive).
3. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company at its Share Department in respect of their shareholding in physical segment by mentioning folio nos., etc, if any.
4. Members are requested to convert their share(s) lying in physical form to the Demat form for easy transferability of shares. For any help the shareholders may contact the Company Secretary & Compliance Officer at mail id. prabhat.mishra@jkcement.com.
5. Members are requested to bring their copies of the Annual Report, as Copies of the Report will not be re-distributed at the Meeting.
6. 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.
7. Members, who hold shares in Physical/Dematerialised Form, are requested to bring their Folio No./Depository Account Number and Client ID Number for identification.
8. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members, who have not registered so far, are requested to register their e-mail address, contact telephone number in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number at any of our e-mail address viz. (a) prabhat.mishra@jkcement.com, (b) rc.srivastava@jkcement.com, (c) investorservices@jkcement.com, (d) jkshr@jkcement.com
9. Your Company framed 'Investor Facilitator Scheme' to provide an opportunity to its Small Shareholders holding up to 1000 equity shares in physical form/segment, if they so desire to dispose of their holdings and realise the market value without



undergoing the process of dematerialisation of shares and other costs related thereto. If any shareholder is desirous to avail such opportunity may contact Shri Prabhat Kumar Mishra, Company Secretary & Compliance Officer, Jaykay Enterprises Ltd., Kamla Tower, Kanpur-208001 or at E-Mail Id: prabhat.mishra@jkcement.com.

10. The shareholders, who have not received their physical share certificate(s) for new shareholding upon reduction of share capital may write to the Company by quoting their old Ledger Folio No. and complete address so that their status of new share holding could be communicated and the relative share certificate(s) could be dispatched, if the same is lying undelivered with the Company.
11. With a view to have quick communication with our shareholders and to make them updated with important issues, the Company is in process of developing complete record of shareholders. The Company therefore seeks co-operation from each shareholder (including joint shareholders) by sending the details as per Communication Form annexed at the last of this Annual Report.
12. Shareholders of physical segment who wish to notify change in their address may intimate complete new address with Pin code by quoting their Folio No. and proof of Address i.e. copy of telephone/ electricity bill or any receipt of Municipal Corporation etc.
13. The Shareholders who wish to make nomination may send their application in prescribed Form No. SH-13 [under section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]. The said form is available on Company's Website www.jaykayenterprises.com.
14. In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing its members the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting. 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.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. August 3, 2015.

A person, whose name is recorded in the register of members or in the register of beneficial owner maintained by the depositories as on cut-off date i.e. August 3, 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 shareholders voting electronically are as under:

- (i) The voting period begins on **August 7, 2015 at 9.00 AM** and ends on **August 9, 2015 at 5.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 3, 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.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

15. The Company has appointed M/s. Reena Jakhodia & Associates (Prop. Ms. R.

Jakhodia) of Kanpur Practicing Company Secretaries (C.P No. 6083) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

16. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
17. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the facility of ballot paper or polling paper shall be made available at the Meeting.

For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. 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. 4

Section 149 of the Companies Act 2013 read with Clause 49.II.A of the Listing Agreement with BSE the Company is required to appoint a Woman Director in the Board. Hence the Company appointed **Smt. Vidhi Nidhipati Singhania (DIN-00293520)** as an Additional Director of the Company w.e.f. 13.8.14, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with rules framed thereunder. Smt. Singhania, being eligible, offers herself for appointment, is proposed to be appointed as Non-Independent Non-Executive Director and designated as Woman Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

A Notice has been received from member proposing her candidature for the office of Director of the Company. In the opinion of the Board **Smt. Vidhi Nidhipati Singhania** fulfills the conditions specified in the Companies Act, 2013 and rules framed thereunder for her appointment as Non- Independent Non- Executive Woman Director.

Given below is the brief resume of **Smt. Vidhi Nidhipati Singhania** pursuant to Clause 49 of the Listing Agreement:

Smt. Vidhi Nidhipati Singhania is an enthusiast of art, penchant of classical music and is a designer epitomizing the perfect blend of traditional and contemporary fashion. A student of Cathedral and John Connon School, Mumbai, Smt. Vidhi Singhania moved to Kota, Rajasthan in 1994 and thus began her foray into the world of textiles and fashion. A veteran in the fashion industry, she has been a member of the Fashion Design Council of India (FDCI) for the last ten years. She is also a Director in other Indian Companies.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

ITEM NOS. 5

The Board of Directors of the Company (the 'Board'), at its meeting held on September 1, 2014 has, in accordance with Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of members, appointed Shri Ashok Gupta as Managing Director, for a period of 2 (two) years from the date of Board Meeting i.e. September 1, 2014, at the remuneration recommended by the Nomination and Remuneration Committee (the 'N & R Committee') of the Board and approved by the Board.

Shri Ashok Gupta (DIN-00135288) is a qualified Chartered Accountant having more than 3 decades of experience in the field of Finance and Accounts and working with the Company since 1978. Before the appointment as Managing Director he was working as Vice President (Accounts) & CFO of the Company.

Taking into consideration the valuable services rendered by him in the past and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on September 1, 2014 appointed Shri Ashok Gupta as Managing Director of the Company for a period of two (2) years from September 1, 2014 to August 31, 2016 on the terms and conditions set out in the aforesaid Board Resolution, subject to the approval of the members of the Company in General Meeting.

A summary of the said terms and conditions relating to appointment of Shri Ashok Gupta as Managing Director are as follows:

Term : for a period of two years from September 1, 2014 to August 31, 2016.

A. Minimum remuneration in case of absence or inadequacy of profits:

Where in any financial year during the currency of the tenure of Managing Director the Company earns nil profit or the profits are inadequate, Managing Director shall be paid remuneration as under:

1. Remuneration payable not exceeding the limit prescribed under Part II Section II of Schedule V of the Companies Act, 2013 based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961 and Rules framed thereunder;
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
4. Encashment of leave at the end of Financial Year.

The Company has inadequate profits during the Current Financial Year and earlier years too. In accordance with the Schedule V of the Companies Act, 2013, and as per recommendations of the Nomination and Remuneration Committee and the resolution duly passed in the Meeting of Board of Directors held on September 1, 2014 the remunerations for the F.Y. 2014-15 is as follows:-

- A) Salary: Rs. 1,00,000/- (Rs. One Lac Only) per month with such yearly increment as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time;
- B) Perquisites and other benefits: As per Company's Policy;
- C) Contribution to Provident Fund: As per Company's policy;
- D) Encashment of un-availed leave: As per Company's policy;
- E) Gratuity: As per Company's policy.

For the purpose of calculating the above ceiling the perquisites and allowances shall be evaluated as per Income Tax Laws, wherever applicable. In absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or the Amendment thereto, the Board Resolution as passed earlier shall continue to remain in force and the reference to various provisions of the Companies Act, 2013, or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

Other Terms & Conditions:

- A. He shall not be entitled to any sitting fee for attending the meeting of the Board or Committee thereof;
- B. The Company and/or Shri Ashok Gupta may terminate this appointment by giving three calendar months prior notice in writing to either party;
- C. During his tenure he shall not be liable to retire by rotation except in order to comply the requirement of Section 152(6) of the Companies Act, 2013.

A detail of the total remuneration paid is being provided in Notes to Account attached with Balance Sheet forming an integral part of the Annual Report for the F.Y. 2014-15.



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The appointment and the remuneration proposed fulfils the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of the Government of India is not required. The relevant information containing the terms and conditions of appointment of Shri Ashok Gupta, Managing Director is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto and including the date of the Annual General Meeting.

Shri Ashok Gupta, Managing Director holds directorships in the following companies:

S. No.	Name of the Company	Nature of Interest
1	J. K. Cotton Limited	Director
2	Khandelwal Extractions Limited	Director
3	Ridhi Sidhi Commercials Limited	Director
4	Sarvashaktiman Traders Pvt. Ltd	Director

Information required under Section II, Part II of Schedule V of the Companies Act, 2013

I. General Information	
Nature of Industry	Financial other Services
Date or expected date of commencement of commercial production	May 9, 1961
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	The details of financial performance of the Company for the years 2013-14 and 2014-15 are provided in the Annual Report 2015 which accompanies this Notice.
Foreign Investments or collaborations, if any	The Company has not entered into any material Foreign collaboration and no direct capital investment has been made in the Company. Foreign Investors, mainly comprising NRIs, FIIs and/or Foreign Nationals are investors in the Company on account of past issuances of securities / secondary market purchases. The Company has no subsidiaries as on 31.03.2015.
II. Information about the appointee	
Background details	Shri Ashok Gupta was an employee of the Company since 1978 and was occupying various position in the Company
Past remuneration	Not applicable
Recognition and awards	Not applicable
Job Profile and his suitability	Shri Gupta is a qualified Chartered Accountant having more than 3 decades of experience in the field of Accounts and Finance and working with Company since 1978. He was working as Vice President (Accounts) & CFO of the Company before the appointment.
Remuneration proposed	Details of proposed remuneration are presented above
Comparative remuneration profile with respect to industry, size of the Schedule Company, profile of the position and person (in case of expatriates the Companies relevant details would be with respect to the Country of her origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with V and is comparable to the remuneration of Managing Director levels of similar sized in India.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL
III. Other information	
Reasons of loss or inadequate profits	The Company was a sick and under the purview of BIFR.
Steps taken or proposed to be taken for improvement	The proceeding under the provisions of Sick Industrial Companies Act is undergoing before BIFR. The Audited Balance Sheet of the Company as at 31.03.2013 shows that the Company's Net worth turned positive. As per legal advice the Company moved an application before BIFR seeking de-registration from BIFR in order to come out from the purview of SICA and the said application is pending for disposal.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken/to be taken by the Company are expected to improve further the Company's performance and profitability in the future
IV. Disclosure : As required, the information is provided under Corporate Governance Section of the Annual Report, 2014-2015.	

The notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement. The Board recommends the resolution set forth in Item 5 for the approval of the Members.

By Order of the Board

(PRABHAT KUMAR MISHRA)
Company Secretary

Dated : 26th May, 2015

Place : Kanpur

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors presents the Annual Report and Audited Statements of Account for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

	2014-15 (Rs. in Lacs)
Revenue from operations	33.25
Other Income	521.98
Profit before Depreciation & Tax	113.28
Depreciation	8.90
Profit before Tax	104.38
Tax Expenses (MAT)	18.20
Profit After Tax For the Year	86.18
Balance brought forward from Previous Year	3439.34
Adjustment of Depreciation	4.55
Balance carried to Balance Sheet	3520.97

2. OVERALL PERFORMANCE:-

During the year under report your Company's main income has been from Registrar and Share Transfer Agent's activities. Besides, the Company also earned income from interest and rent. After meeting fixed overheads, the profit before depreciation and tax remained Rs.113.28 Lacs. Since Company's net worth had become positive as on 31st March, 2013, therefore, as per provisions of Income Tax Act, 1961, the Company has provided liability towards Minimum Alternate Tax (MAT) amounting to Rs.18.20 Lacs, during the year under report. However, there is no Income Tax liability for the year due to brought forward losses and unabsorbed depreciation.

Thus after adjustment of depreciation and MAT liability, profit for the year remained Rs.86.18 lacs.

3. REHABILITATION PACKAGE

As reported earlier proceeding under the provisions of The Sick Industrial Companies Act, 1985 (the 'SICA') is undergoing before Board for Industrial & Financial Reconstruction ('BIFR'). The Audited Balance Sheet of the Company as at 31.03.2013 shows that the Company's Net worth turned positive. As per legal advice your Company moved an application before BIFR seeking de-registration from BIFR in order to come out from the purview of SICA and the said application is pending for disposal.

4. SUBSIDIARY COMPANY/ASSOCIATE COMPANY

The Company has no Subsidiary Company but only one Associate Company, J.K. Cotton Ltd. In terms of 3rd proviso to Rule 6 of the Companies (Accounts) Rules, 2014 and as per Board's decision attaching the report on performance and financial position of the Associate Company has been dispensed with.

5. DIVIDEND

Your Directors have not recommended any dividend for the year under report.

6. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2015 stood at Rs. 3,71,34,752/-. During the year under review, the Company has not issued any further shares.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

8. PERSONNEL

No employee drawn remuneration in excess of the limits as specified under the amended provisions of Section 134 of the Companies Act, 2013 read with Companies (Appointment & Remuneration) Rules 2014 throughout or part of the financial year under review.

None of the employee is a relative of any Director of the Company. None of the employee hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No	Name	Designation	Remuneration paid		Increase in Remuneration from previous year	Ratio/time per Median of employee remuneration
			2014-15	2013-14		
1	Mr. Ashok Gupta*	Managing Director (KMP)	1240519	N. A.	N. A.	4.01
2	Mr. Chandra Prakash Agarwal**	Sr. General Manager (Taxation) & Chief Financial Officer (KMP)	725802	N. A.	N. A.	2.35
3	Mr. Prabhat Kumar Mishra	Dy. Manager (Legal) & Company Secretary (KMP)	673173	N. A.	N. A.	2.18

* Appointed as Managing Director w.e.f. September 1, 2014

** Appointed as CFO w.e.f. September 1, 2014

9. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR(S) OR COURT(S)/MATTER OF EMPHASIS

No significant or material order has been passed by the Regulator or Courts or Tribunals during the financial year.

10. CORPORATE GOVERNANCE

A report on Corporate Governance alongwith the Auditors' Certificate on its compliance, forms an integral part of this Report.

11. PUBLIC DEPOSITS

Your Company has not invited any deposits from public/shareholders under Section 73 and 74 of the Companies Act, 2013.

12. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances, if any. The Whistle Blower Policy has been posted on the website of the Company.

13. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided in annexed Corporate Governance Report. The Risk Management Policy has been posted on the website of the Company.

14. REMUNERATION POLICY

The Board of Directors has, on the recommendation of the Nomination & Remuneration Committee, framed a policy which lays down a framework concerning remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also covers criteria for selection and appointment of Board Members and Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

15. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and Board for approval. Board of Directors approves yearly pecuniary transaction limits with individual related party. The transactions entered into pursuant to the approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationship on transactions vis-a-vis the Company.

16. AUDITORS' REPORT

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgements relating to the financial



statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2015.

Auditors' Report to the shareholders does not contain any qualification in the financial statements for the year under report.

17. INTERNAL CONTROLS

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the quarterly Internal Audit Reports.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL.

- 18.1 Your Directors express their profound grief and sorrow on the sad demise of **Dr. Gaur Hari Singhania (DIN 00054848)**, Promoter Director and Chairman of the Board of Directors. 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.
- 18.2 Your Directors also express their grief and sorrow on the sad demise of **Shri Govind Hari Singhania (DIN 00159580)**, Promoter Director and Vice-Chairman of the Company. He had been the Director in the Company since 1980. 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.
- 18.3 **Shri Yadupati Singhania (DIN 00050364)** a Promoter Director has relinquished from the office of Managing Director & CEO of the Company due to preoccupation. The Board records its appreciation for the contribution rendered by Shri Yadupati Singhania during his tenure.
- 18.4 After the resignation of Shri Yadupati Singhania from the office of Managing Director & CEO, on September 1, 2014 **Shri Ashok Gupta (DIN 00135288)** has been appointed as Managing Director of the Company.
- 18.5 **Shri Ramapati Singhania (DIN 00247419)**, a Promoter Director has relinquished from Directorship of the Company due to preoccupation. The Board records its appreciation for the contribution rendered by Shri Ramapati Singhania during his tenure.
- 18.6 **Shri Jagendra Swarup (DIN 00164708)**, Independent Director have left for heavenly abode. Your Company expressed tribute and gratitude for his contribution to the Company.
- 18.7 **Smt. Vidhi Nidhipati Singhania (DIN 00293520)**, who was appointed by the Board as an Additional Director pursuant to Section 161 of the Companies Act, 2013 with effect from August 13, 2014 holds office upto the date of the ensuing AGM. The Company has received requisite Notice from a Member under section 160 of the Companies Act, 2013 proposing the name of Smt. Vidhi Nidhipati Singhania for appointment as Director of the Company.
- 18.8 In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, **Shri Ashok Gupta (DIN 00135288)** will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- 18.9 With the coming into force of the Companies Act 2013, the Board appointed the existing Independent Directors viz Dr. Krishna Behari Agarwal, Shri Ravindra Kumar Tandon, Shri Anil Kumar Dalmia and Shri Kedar Nath Mehrotra as Independent Directors each for a term upto five years under the Act. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

19. KEY MANAGERIAL PERSONNEL

During the year under report, the Company has ratified the appointment and/or appointed the following Officials as Key Managerial Personnel:-

S.No	Name of the Official	Designation
1	Shri Ashok Gupta	Managing Director*
2	Shri Chandra Prakash Agarwal	Sr. General Manager (Taxation) & CFO**
3	Shri Prabhat Kumar Mishra	Dy. Manager (Legal) & Company Secretary

* Appointed as Managing Director w.e.f. September 1, 2014

** Appointed as CFO w.e.f. September 1, 2014

20. Meetings of the Board of Directors

During the year 2014-15, five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

21. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors also evaluated the performance of Chairman and other Non-Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. The Board of Directors also evaluated the functioning/performance of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Committee of Directors and expressed satisfaction with their functioning/performance.

22. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 do hereby confirm that:

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis; and
- The proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

23. STATUTORY AUDITOR

M/s. P.L. Tandon & Co., Chartered Accountants, Kanpur, Statutory Auditors of the Company, will retire from their office at the ensuing Annual General Meeting. They are, however, eligible for re-appointment. They have furnished a Certificate to the effect that their appointment will be in accordance with limits specified in Section 139 read with Section 141 of the Companies Act, 2013. You are requested to consider their appointment.

24. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Banthia & Company, Kanpur, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year 2014-15 is annexed herewith as "Annexure - A".

There is no secretarial audit qualification for the year under report.

25. STATUTORY INFORMATION:-

25.1. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

As there has been no manufacturing operation during the year, there is nothing to be reported with regard to conservation of energy and technology absorption. However, the details of foreign exchange earnings and out go are given in the additional information in the Annual Report.

25.2. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 as required under Section 92 of the Companies Act, 2013 is annexed hereto as "Annexure -B" and forms an integral part of this Report.

26. ACKNOWLEDGEMENTS

Your Directors wishes to thanks the employees for their dedication and hard work. Your Directors also wishes to thank the Shareholders/Stakeholders.

FOR AND ON BEHALF OF THE BOARD

	ASHOK GUPTA	Dr. K. B. AGARWAL
Place : Kanpur	Managing Director	Director
Dated : 26th May, 2015	DIN 00135288	DIN - 00339934