



ACKNIT INDUSTRIES LIMITED

Annual Report And Accounts
2018-19

ACKNIT INDUSTRIES LIMITED

CIN : L01113WB1990PLC050020

Annual Report 2018-19

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf

Managing Director

Mr. Deo Kishan Saraf

Whole-Time Director & Chief Financial Officer

Mrs. Rashi Saraf

Non-Executive Non-Independent Director

Mr. Samir Kumar Ghosh

Independent Director

Mr. Mukul Banerjee

Independent Director

Mr. Jadav Lal Mukherjee (w.e.f. 30th May, 2018)

Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Bandana Saha

AUDITORS

SRB & Associates

Chartered Accountants

A-3/7, Gillanders House,

8, N.S. Road, Kolkata- 700 001

BANKERS

State Bank of India

Bank of Baroda

HDFC Bank Ltd.

REGISTERED OFFICE

817, Krishna,

224, A.J.C Bose Road,

Kolkata- 700 017

Ph : (033) 2287-8293

E-mail : calcutta@acknitindia.com

Website : www.acknitindia.com

CORPORATE OFFICE

“Ecostation”, Block - BP, Plot No. 7, Sector - V

5th Floor, Suit No. 504, Saltlake, Kolkata - 700 091

Ph : (033) 2367-5555

E-mail : cs@acknitindia.com

REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Street

Kolkata- 700 006

Ph: (033) 2219 4815 / 6797

E-mail: contact@skcinfo.com / skcdilip@gmail.com

Website: www.skcinfo.com



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NOTICE OF THE 29TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of ACKNIT INDUSTRIES LIMITED will be held on Tuesday, the 24th day of September, 2019 at 10.30 a.m. at 'GYAN MANCH' at 11, Pretoria Street, Kolkata-700071 to transact the following business:-

ORDINARY BUSINESS :

Item No. 1

To consider and adopt Audited Financial Statement for the Financial Year ended 31st March, 2019

To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2019, together with the Reports of the Directors and Auditors thereon.

Item No. 2

To declare dividend for the Financial Year ended 31st March, 2019

To declare dividend of Rs. 1.50/- per equity shares of Rs.10 each for the Financial Year ended 31st March, 2019.

Item No. 3

To appoint a Director in place of Mrs. Rashi Saraf (DIN: 07152647), who retires by rotation and being eligible offers herself for re-appointment

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

“RESOLVED THAT Mrs. Rashi Saraf (DIN: 07152647) who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS :

Item No. 4

To re-appoint Whole-Time Director cum CFO – Mr. Deo Kishan Saraf

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and the Articles of Association of the

Company and in terms of the recommendation of the Nomination and Remuneration Committee, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Deo Kishan Saraf (DIN- 00128804) as the Whole-Time Director cum CFO of the Company for a further period of 3(three) years w.e.f. 1st April, 2019 upon the terms and conditions as set out in the draft Agreement placed before the Meeting of the Board of Directors held on 29th May, 2019 and details whereof are given in the Explanatory Statement annexed to the notice convening this Meeting and that the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions including remuneration in such manner as may be agreed by the Board and Mr. Deo Kishan Saraf, subject to the limits as specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things including filing of necessary forms with Registrar of Companies and execute all such documents, instruments and writing as may be required to give effect to the aforesaid resolution.”

Item No. 5

To re-appoint Mr. Samir Kumar Ghosh as a Non-Executive Independent Director

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

“RESOLVED THAT pursuant to Section 149 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Samir Kumar Ghosh (DIN: 00129301) as a Non-Executive Independent Director, not being subject to retirement by rotation for a second term of 5(five) consecutive years w.e.f. 9th September, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby authorised to file necessary forms with Registrar of Companies and do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

**By Order of the Board of Directors
For Acknit Industries Limited**

**Place: Kolkata
Date: 01st July, 2019**

**Bandana Saha
Company Secretary & Compliance Officer
M.No.: A46329**

**Notes:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as proxy on behalf of members not exceeding 50(fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4 & 5 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings in respect of Director seeking appointment/re-appointment at the Annual General Meeting is also furnished hereof.
- Corporate members are requested to send to the Company's registered office, a duly certified copy of board resolution authorizing their representative to attend and vote at the meeting.
- Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 18th September, 2019 to Tuesday, 24th September, 2019 (both days inclusive) for payment of dividend on equity shares for the Financial Year ended on 31st March, 2019.
- The dividend for the Financial Year ended on 31st March, 2019, as recommended by the Board of Directors, if declared at the ensuing Annual General meeting, will be paid within 30days from the date of declaration to those members whose names appear in the register of members/statement of beneficial ownership furnished by the depositories as on the close of business hours on Tuesday, 17th September, 2019. Shareholders are requested to provide bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments in compliance with SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018.
- Members desiring any information on the Accounts for the Financial Year ended on 31st March, 2019 are requested to write to the Company at least 10 days in advance, so as to enable the management to keep the information ready at the meeting.

- Information under the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Accounts Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
- Those members who have so far not en-cashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will become due to be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to section 125 of the Companies Act, 2013 (or section 205C of the Companies Act, 1956) on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend from the Company.

Financial year ended	Last date of claiming unpaid dividend
31.03.2012	31.10.2019
31.03.2013	27.10.2020
31.03.2014	15.10.2021
31.03.2015	27.10.2022
31.03.2016	01.11.2023
31.03.2017	22.10.2024
31.03.2018	30.10.2025

- The Company has implemented the "GREEN INITIATIVE" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) by allowing paperless compliances by the Companies for service of documents to their members through electronic mode, which will be in compliance with section 20 of the Companies Act, 2013. Henceforth, the e-mail addresses indicated in your respective depository participant accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered e-mail address for serving notices/documents etc. In view of the above, the company has already dispatched the written communication to its members on April 21, 2014 requesting them to register their designated e-mail ID. However, members who wish to receive physical copy of the Notices, Annual Reports and other documents may forward their written requests to the Company for the same.



12. Electronic copy of the Annual Report for the Financial Year 2018-19 along with the notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for the Financial Year 2018-19 is being sent in the permitted mode.
13. The Notice of Annual General Meeting and the copies of Directors' Report, Audited Financial Statement, Auditors' Report etc. will also be displayed on the website of the company: www.acknitindia.com and may be accessed by the members.
14. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the members at the registered office of the Company during business hours on any working day up to the date of Annual General Meeting of the Company, with prior appointment.

Information and other instructions relating to e-voting are as under:

1. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Companies Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by National Securities Depository Limited ("NSDL"). The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting"). Instructions for e-voting are given herein below.
2. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
3. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at
<https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - a) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.



6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Other Instructions:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to rrekha1410@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The remote e-voting period commences on Saturday, 21st September, 2019 (9.00 a.m. IST) and ends on Monday, 23rd September, 2019 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Tuesday, 17th September, 2019 may cast

their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
6. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as per the Register of Members of the Company on Tuesday, 17th September, 2019.
7. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as on the cut-off date, i.e., Tuesday, 17th September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
8. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Annual General Meeting through ballot paper.
9. Ms. Rekha Goenka, Practicing Company Secretary (Membership No. ACS-17805), has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the Annual General Meeting in a fair and transparent manner.
10. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those members who are present but have not cast their vote electronically using the remote e-voting facility.
11. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
12. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
13. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.acknitindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

**By Order of the Board of Directors
For Acknit Industries Limited**

Place: Kolkata
Date: 01st July, 2019

Bandana Saha
Company Secretary & Compliance Officer
M.No.: A46329

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

Mr. Deo Kishan Saraf has been associated with the Company since incorporation and having vast experience of the business of the Company. His association with the Company as a Whole-Time Director cum CFO would be beneficial to the Company and his continued and active participation is required for further growth and development of the business of the Company.

Since the condition laid down in Section II of Part II of Schedule V appended to the Companies Act, 2013 have been fulfilled, approval of the shareholders of the Company is required for his re-appointment. An agreement with Mr. Deo Kishan Saraf will be entered to record the terms and conditions of appointment after getting the approval of shareholders.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Deo Kishan Saraf as the Whole-Time Director cum CFO of the Company for a period of 3(three) years w.e.f. 01.04.2019 on the terms and Conditions as set out hereunder:

(a) Period of Appointment

The appointment will be for a period of 3(three) years with effect from 1st April, 2019.

(b) Remuneration

In terms of Schedule V of the Companies Act, 2013 read with Section 196 & 197 of the Act and subject to the approval of the members in General Meeting by a Special Resolution the Whole-Time Director shall be paid the following remuneration:

- I. Salary: ₹ 4,00,000/- (Rupees Four Lakhs only) per month
- II. In addition to the Salary as above the Whole-Time Director shall be entitled to such perquisites as may be granted by the Board from time to time based on the recommendation of Nomination and Remuneration Committee provided always that the total amount of perquisites shall be limited to the ceiling prescribed under Schedule V of the Companies Act.
- III. The Whole-time Director shall be entitled to the following perquisites which shall not be considered as part of his remuneration:
 - a) Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 payable as per Rules of Company;
 - b) Gratuity payable at the rate of half month salary drawn last per year of service put in;
 - c) Earned leave on full pay as per the Rules of the Company and Encashment of accumulated un-utilized leave at the end of the term.
- IV. In addition to the above the Whole-time Director shall also be entitled to the following allowances or benefits which shall not be considered as part of perquisites in computation of his remuneration :
 - a) Provision of chauffer driven Company's Car for official use; and
 - b) Provision of telephonic connection at his resident free of cost for official use.

In view of the provision as stated above the Directors recommends the resolution set out at item no. 4 be adopted by the members in the interest of the Company.

Mr. Deo Kishan Saraf, Whole-time Director cum CFO is the younger brother of Mr. Shri Krishan Saraf, Managing Director of the Company.

Save and except Mr. Deo Kishan Saraf and Mr. Shri Krishan Saraf, none of the Directors and Key Managerial Personnel of the Company and/or their relatives, is interested or concerned, in the resolution set out at item No.4.

The draft Agreement to be entered will remain open for inspection by members at the registered office of the Company during 12 p.m. to 1.00 p.m. on all working days until the date of the ensuing AGM with prior appointment.

Item No. 5

Mr. Samir Kumar Ghosh, is an Associate Member of the Institute of Company Secretaries of India, hold a Master Degree in Commerce from the University of Calcutta and a qualified Cost Accountant from ICMA, London. He possess professional experience of more than 53 years. The Board of Directors of the Company thus recommends the resolution set out at item No. 5 in relation to re-appointment of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director of the Company, be adopted by the members in the interest of the Company.

No Director, Key Managerial Personnel and their relatives except Mr. Samir Kumar Ghosh, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 5.

Details of Director seeking Appointment/Re-appointment in the ensuing Annual General Meeting Pursuant to the Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

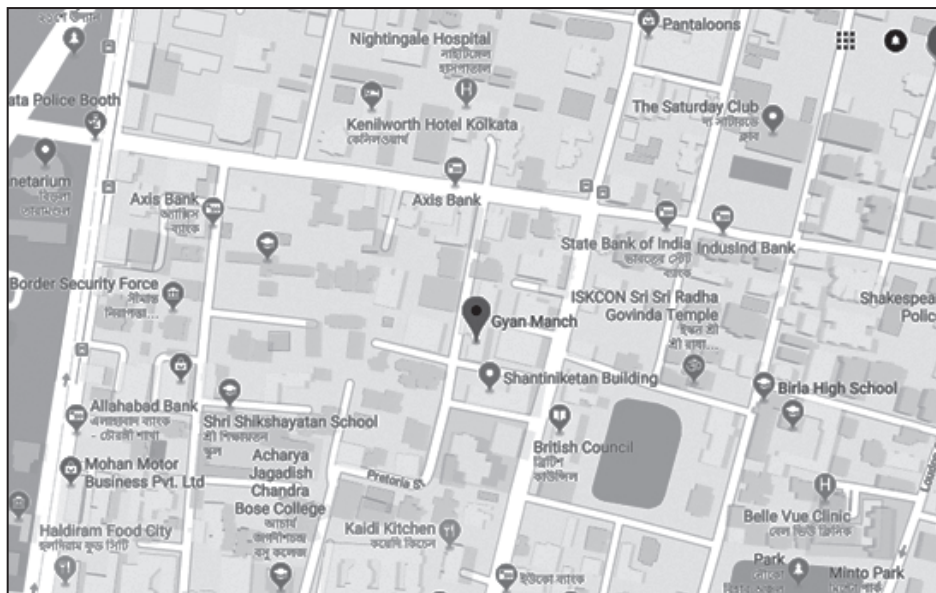
Name of Director	Mr. Deo Kishan Saraf	Mr. Samir Kumar Ghosh
DIN	00128804	00129301
Date of Birth	11-08-1966	07-09-1938
Date of first appointment	12-10-1990	30-04-2005
Expertise in specific functional area	Finance & Marketing	Secretarial
Qualification	B.Com	M.Com, ACS and Cost Accountant
Shareholding in the company	228532 equity shares	500 equity shares
Relationship with other Directors	Mr. Deo Kishan Saraf is the younger brother of Mr. Shri Krishan Saraf	NIL
Directorship in other listed Companies	NIL	NIL
Chairman/ Member in the Committees of the Boards of other listed companies	NIL	NIL

**By Order of the Board of Directors
For Acknit Industries Limited**

**Place: Kolkata
Date: 01st July, 2019**

**Bandana Saha
Company Secretary & Compliance Officer
M.No.: A46329**

ROUTE MAP



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report of the Company for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

The summarized results of your Company are given in the table below:

(₹ in Lakhs)

Particulars	Financial Year Ended 31.03.2019	Financial Year Ended 31.03.2018
Gross Revenue	17378.61	16209.12
Other Income	508.08	386.63
Total Revenue	17886.69	16595.75
Less: Total Expenditure	16571.20	15443.27
Gross Profit (before Depreciation & Finance Cost)	1315.49	1152.48
Less: Depreciation	226.91	226.19
: Finance Cost	498.32	507.24
Profit Before Tax (PBT)	590.26	419.05
Less: Provision for Income Tax	128.64	136.44
: Deferred Tax	(6.64)	(14.59)
Profit After Tax (PAT)	468.26	297.19
Other Comprehensive Income net of tax	(42.79)	0.21
Total Comprehensive Income	425.47	297.40
Balance B/F	188.90	370.36
Balance available for appropriation	614.37	667.76
Less: Dividend & Dividend Tax	54.97	45.50
Less: Transfer to General Reserve	350.00	250.00
Less: Adjustment relating to Fixed Assets	-	-
Add: Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge	-	(183.36)
Balance transfer to Balance Sheet	209.40	188.90

SUMMARY OF OPERATIONS

During the year under review, the total revenue has increased from ₹ 16,595.75 Lakhs to ₹ 17,886.69 Lakhs. PAT for the Financial Year 2018-19 was ₹ 468.26 Lakhs as against ₹ 297.19 Lakhs in the previous Financial Year 2017-18. For the Financial Year 2018-19 total comprehensive income stood at ₹ 425.47 Lakhs vis-à-vis ₹ 297.40 Lakhs in the previous Financial Year 2017-18.

SEGMENT-WISE PERFORMANCE

From the very inception, the Company's main activity is concentrated in the production and export of Industrial Safety gloves which are considered essential elements in minimizing health related risk at work places for over the two decades. With the passing of years, the Company has diversified its range of products encompassing various types of protective wears like industrial gloves of several varieties like leather, cotton, synthetic gloves, dotted gloves, industrial garments. The Company is planning to further diversify its range of products by manufacturing other safety products like shoes, both for export and domestic market.

Industrial Safety Hand Gloves:

During the year under review, the gross revenue from hand gloves accounted for 68% of the total revenue as against 69% in the previous year. Whereas, the segment result i.e. contribution to PAT from hand gloves accounted for 83% in the Financial Year 2018-19 as against 82% in the Financial Year 2017-18.

Garments:

The gross revenue of garment sector was increased marginally from 30.59% to 31.31% in the Financial Year 2018-19. The Company is monitoring various control measures like inventory control, debtors control, cost control and the like which gives booster to increase not only contribution to gross revenue but also to their respective shares in the PAT. The Company is coming up with new segments of garments which will result in adding new customers and extending export market.

Windmill:

As compared to the aforesaid principal operating segments the Company has a third segment of operation i.e. generation of power through windmill. The revenue from windmill is ₹ 119.21 Lakhs i.e. about 0.69% of the total revenue. It may be highlighted that the Company having already liquidated its entire loan liability for installation of windmills at Dhule in Maharashtra, the entire revenue generated from this sector goes to add up to the profit realisation of the Company without having effect on the cost of financing to the Company.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint Venture or Associate Company.

DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 1.50 per equity share of ₹ 10 each for the Financial Year 2018-19 i.e. 15% on the paid up equity share capital of the company. The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting of the Company and it would result in appropriation of ₹ 54.97 Lakhs (including Corporate Dividend Tax of ₹ 9.37 Lakhs). Your Company retains the extra profit for future plans.

RESERVES

Your Company proposes to transfer a sum of ₹ 350 Lakhs to the General Reserve and carry forward a balance of ₹ 209.40 Lakhs in the Profit and Loss Account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provision of Section 124(5) of the Companies Act, 2013 your Company has transferred ₹ 84,806/- during the Financial Year 2018-19 to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of dividend for the Financial Year 2010-11.

Further the Company has also transferred 9,455 Equity Shares to the Investor Education and Protection Fund pursuant to the provision of Section 124(6) of the Companies Act, 2013 during the Financial Year 2018-19, in respect of which dividend had not been paid or claimed by the members for 7(seven) consecutive years or more.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statement relates and the date of this report.

**CHANGE IN NATURE OF BUSINESS, IF ANY**

During the Financial Year 2018-19, there has been no change in the nature of business of the Company.

SHARE CAPITAL

During the year, the Company did not issue/allot any Shares/Securities.

As on 31st March, 2019, the issued and subscribed capital of your Company stood at ₹ 3,52,00,000/-. The paid-up Capital of your Company stood at ₹ 3,04,00,000/- comprising of 30,40,000 Equity Shares of ₹ 10/- each fully paid.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board consists of the following persons:

Key Managerial Personnel

- 1) Mr. Shri Krishan Saraf – Managing Director
- 2) Mr. Deo Kishan Saraf – Whole-time Director & Chief Financial Officer
- 3) Ms. Bandana Saha – Company Secretary & Compliance Officer

Non-Executive, Non-Independent Directors

- 1) Mrs. Rashi Saraf

Non-Executive, Independent Directors

- 1) Mr. Samir Kumar Ghosh
- 2) Mr. Mukul Banerjee
- 3) Mr. Jadav Lal Mukherjee

None of the Directors of the Company is disqualified from being appointed as Directors under the provisions of section 164(2) of the Companies Act, 2013.

The Independent Directors has furnished required declarations pursuant to Section 149(7) of the Companies Act, 2013 confirming their respective independence status.

In accordance with the provisions of Companies Act, 2013 and the Company's Articles of Association, Mrs. Rashi Saraf (DIN: 07152647), Non-Executive Non-Independent Director of the Company, will be subject to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for re-appointment.

The above re appointment forms part of the ensuing Annual General Meeting.

The term of appointment of Whole-time Director expired with the closure of Financial Year 2018-19. The Board has thus passed a resolution for re-appointment of Mr. Deo Kishan Saraf as Whole-time Director cum CFO for a further period of 3(three) years subject to confirmation and approval of members in the ensuing Annual General Meeting.

The resolution for approval of such re-appointment forms part of the notice of the ensuing Annual General Meeting.

APPOINTMENT

– Mr. Jadav Lal Mukherjee (DIN: 06421227) has been appointed as the Non-Executive Independent Director of the Company w.e.f. 30th May, 2018.

FORMAL ANNUAL EVALUATION

The ultimate responsibility for good governance and prudent management of a Company lies with the Board of Directors of the Company. The Board is expected to exercise continuous proactive and effective decision making and implementation thereof with a view to achieve the desired goal. In this connection, the Nomination and Remuneration Committee had set out a framework of guidelines for the Board of Directors to undertake continuous evaluation of the performance of the Company while affirming the desired destination. The Board of Directors as a whole is required to display its commitment to Good Governance ensuring a constant improvement of processes and procedures wherein, each individual member of the Board is committed to contribute his best in the overall growth of the organisation.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2018-19, the Board of Directors of the Company, met seven(7) times on 16th April 2018, 30th May 2018, 20th July 2018, 13th August 2018, 13th November 2018, 11th February 2019 and 29th March 2019. Further, a separate meeting of the Independent Directors of the Company was also held on 11th February, 2019, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of Annual Return of the Company in Form MGT-9, as required under Section 92(3) of the Companies Act, 2013 is annexed herewith as **Annexure-I** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that :

- a) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had 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 Financial Year March 31, 2019 and the Profit or Loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Accounts for the Financial Year ended March 31, 2019 on a going concern basis.
- e) the Directors had laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls were adequate and operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**AUDITORS****1. STATUTORY AUDITOR**

At the Annual General Meeting (AGM) held on 21st September, 2017, M/s. SRB & Associates, Chartered Accountants (Firm Reg. No. 310009E) has been appointed as the Statutory Auditors of the Company in terms of the provisions of section 139 of the Companies Act, 2013 for a consecutive period of 5(five) years, subject to ratification by members in every Annual General Meeting. However, the requirement of ratification by members at every Annual General Meeting is dispensed with vide MCA commencement notification of Companies (Amendment) Act, 2017 dated 07th May, 2018.

Further, the report of the Statutory Auditors when read with Notes and Schedules as annexed are self-explanatory and therefore do not call for any further comments.

2. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company had appointed M/s Dhand & Co., Chartered Accountants as the Internal Auditor of the Company for the Financial Year 2018-19.

3. COST AUDITOR

In view of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the provisions of Cost Audit is not applicable on the products of the Company for the Financial Year 2018-19.

4. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, M/s Rekha Goenka & Associates, Practising Company Secretary, was appointed as the Secretarial Auditor of the Company to carry out the secretarial audit for the Financial Year ended 31st March, 2019.

SECRETARIAL AUDIT REPORT

Secretarial Audit Report given by the Secretarial Auditor is annexed to this Report as **Annexure-II**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in the Secretarial Audit Report.

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year as defined under Section 73 of the Companies Act, 2013. Deposit outstanding as on 31st March, 2019 including unclaimed deposit was Nil.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The Company has in place adequate internal financial controls with reference to Financial Statement. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the Financial Year ended 31st March, 2019 no Loan or Guarantees u/s 186 of the Companies Act, 2013 was provided by the Company. The particulars of investments made by the Company under Section 186 forms part of the notes to the Financial Statement annexed to this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Reference is made to the disclosures included in the notes to the Financial Statement pursuant to the provisions of Section 129 read with Schedule III to the Companies Act, 2013 which shows the Related Party Transactions entered into during the year. Particulars of material transactions at arm's length basis is annexed to this Report in Form AOC-2 as **Annexure-III**.

HUMAN RESOURCE

The total number of employees of the Company as on 31st March, 2019 was 155. Your Company believes that employees are the most valuable assets of an organization and the optimum utilization of the skill, knowledge and attitude they possess are instrumental to the growth of the organization.

INTERNAL COMPLIANT COMMITTEE

The Company has in place Policy on Prevention of Sexual Harassment of Women in line with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has duly constituted Internal Compliant Committee to prevent instances of sexual harassment and to receive and to effectively deal with complaints pertaining the same. No complaint has been received during the year under review.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company comprises of 4 (four) members, namely Mr. Samir Kumar Ghosh, Mr. Deo Kishan Saraf, Mr. Mukul Banerjee and Mr. Jadav Lal Mukherjee. Majority of them are Independent Directors with exception of Mr. Deo Kishan Saraf, who is a Whole-time Director cum CFO of the Company. Mr. Samir Kumar Ghosh, an Independent Director, is the Chairman of the Audit Committee. The committee met 5(five) times during the year on 16th April 2018, 30th May 2018, 13th August 2018, 13th November 2018 and 11th February 2019. The Board accepted the recommendations of the Audit Committee as were made by it during the year.

The composition of the Committee, number and dates of the Audit Committee meeting along with the attendance details of the members are given separately in the Corporate Governance Report annexed herewith as **Annexure-IV**.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has Nomination and Remuneration Committee pursuant to the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of 4(four) members namely Mr. Samir Kumar Ghosh, Mr. Mukul Banerjee, Mr. Jadav Lal Mukherjee and Mrs. Rashi Saraf. The functions of this Committee include identification of persons who are qualified to become Directors and who may be appointed as Senior Management, formulation of criteria for determining qualifications, positive attributes, independence, recommendations of their appointments to the Board, evaluation of every Director's performance, formulation of Remuneration Policy to include recommendation of remuneration for Directors, Key Managerial Personnel and Senior Management.

The Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees is available on the Company's website-<http://www.acknitindia.com/corporate-policies/nomination-and-remuneration-policy.pdf>

The details of terms of reference of the Nomination and Remuneration Committee, number and dates of the meetings held, attendance of the Directors and remuneration paid to all the Directors during the Financial Year ended 31st March, 2019, are given separately in the Corporate Governance Report annexed herewith as **Annexure-IV**.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has Stakeholders Relationship Committee pursuant to section 178 of the Companies Act, 2013 which comprises of 5(five) members, namely Mr. Samir Kumar Ghosh, Mr. Deo Kishan Saraf, Mr. Mukul Banerjee, Mr. Jadav Lal Mukherjee and Mrs. Rashi Saraf. The committee is headed by Mr. Samir Kumar Ghosh.

During the year under review, the Stakeholders Relationship Committee met four(4) times during the year on 30th May 2018, 13th August 2018, 13th November 2018 and 11th February 2019 in order to take on note the share transfer / transmission / remat of shares/sudivision as intimated by the RTA of the Company.



The composition of the Committee, number and dates of the Stakeholders Relationship Committee meeting along with the attendance details of the members are given separately in the Corporate Governance Report annexed herewith as **Annexure-IV**.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company's Whistle Blower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour and actual or suspected incidents of fraud or violation of the Acknit Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Whistle-blower Policy is available on the Company's corporate website- <http://www.acknitindia.com/corporate-policies/whistle-blower-policy-acknit.pdf>

RISK MANAGEMENT POLICY

The Company has in place a comprehensive risk management policy, which is reviewed periodically by the Board of Directors. As of now the Directors do not envisage any element of risk which may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is not covered under the purview of Section 135 of Companies Act, 2013, hence CSR provisions are not applicable.

CORPORATE GOVERNANCE

Your Company uphold the standard of good corporate governance and is compliant with the provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 both in letters and spirits. The Company's core values of honesty and transparency have been followed in every line of business decision making since its inception.

The Corporate Governance Report giving details as required under Paragraph C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure-IV**. The Certificate on Corporate Governance for the year ended 31st March, 2019 as issued by M/s Rekha Goenka & Associates, Practising Company Secretary is also attached hereto as **Annexure-V** which forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34(2) read with Paragraph B of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report is attached hereto as **Annexure-VI** which forms part of this Report.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached hereto as **Annexure – VII** which forms part of this Report.

PARTICULARS OF EMPLOYEES

The information on particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached hereto as **Annexure-VIII** which forms part of this Report.

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

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and/ or Company's operations in future.

CREDIT RATINGS

ICRA Ltd. vide their rating report of February, 2019 has assigned the following ratings of your Company's financial instruments:

Instrument	Rating action (February 2019)
Long-Term Cash Credit	[ICRA]BBB- Rating Reaffirmed with stable outlook
Long-Term Term Loan	[ICRA]BBB- Rating Reaffirmed with stable outlook
Long-Term Bank Guarantee	[ICRA]BBB- Rating Reaffirmed with stable outlook
Short-Term Non-Fund Based Limits	[ICRA]A3

LISTING OF SHARES

The shares of the Company are currently listed on The Calcutta Stock Exchange Ltd (CSE) and The Bombay Stock Exchange Ltd (BSE). It was reported in the earlier year that the Company has taken initiative for delisting its shares from CSE. The application of de-listing has been considered by CSE and as per its recommendations, necessary de-listing process has been initiated.

MANAGING DIRECTOR'S CERTIFICATE

Managing Director's Certificate under Regulation 34(3) read with Paragraph D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on compliance of Code of Conducts is attached hereto as **Annexure-IX** which forms part of this Report.

ACKNOWLEDGEMENT

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions and others concerned. The Company also extend its thankful appreciation of the services of the employees and staff of the Company without whose hard work and involvement the desired results of the Company could not be achieved. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders at large.

For and on behalf of the Board of Directors

For Acknit Industries Limited

Shri Krishan Saraf

Managing Director

DIN-00128999

Place: Kolkata

Date: 29th May, 2019

Deo Kishan Saraf

Whole-time Director & CFO

DIN-00128804



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	L01113WB1990PLC050020
2	Registration Date	12.10.1990
3	Name of the Company	ACKNIT INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
5	Address of the Registered office & contact details	817, Krishna, 224, A.J.C. Bose Road, Kolkata – 700 017 Telephone No.-(91-33)2287-8293/7617 Fax Nos. – (91-33)2287-8269 Email: calcutta@acknitindia.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Share Transfer Agent, if any.	S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006 Telephone No. : (033) 2219 6797 Fax Nos. – (033) 2219 4815 Email: contact@skcinfo.com, skcdilip@gmail.com

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)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of all types of Garments, Gloves (Both Cotton & Leather) and Other Apparels (Both Cotton & Leather).	141	97.55%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
NIL					

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

(i) **Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual / HUF	1354046	-	1354046	44.54	1445437	-	1445437	47.55	3.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	165000	-	165000	5.43	85000	-	85000	2.80	(2.63)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1519046	-	1519046	49.97	1530437	-	1530437	50.34	0.37
(2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	1519046	-	1519046	49.97	1530437	-	1530437	50.34	0.37



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	435129	150400	585529	19.26	413485	150400	563885	18.55	(0.71)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	511944	71656	583600	19.20	530268	57356	587624	19.33	0.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	316199	0	316199	10.40	308230	0	308230	10.14	(0.26)
c) Others (specify)									
i) Non Resident Indians	17875	4600	22475	0.74	22618	4600	27218	0.90	0.16
ii) Investor Education and Protection Fund (IEPF) Authority	13151	-	13151	0.43	22606	-	22606	0.74	0.31
iii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals	-	-	-	-	-	-	-	-	-
v) Clearing Members	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	1294298	226656	1520954	50.03	1297207	212356	1509563	49.66	(0.37)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1294298	226656	1520954	50.03	1297207	212356	1509563	49.66	(0.37)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2813344	226656	3040000	100.00	2827644	212356	3040000	100.00	-



ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Shri Krishan Saraf (HUF)	92406	3.04	-	137797	4.53	-	1.49
2	Shri Krishan Saraf	431047	14.18	8.22	433947	14.27	8.22	0.09
3	Deo Kishan Saraf	228532	7.52	4.93	228532	7.52	4.93	-
4	Deo Kishan Saraf (HUF)	136300	4.48	-	136300	4.48	-	-
5	Ritula Saraf	67696	2.23	-	67696	2.23	-	-
6	Kusum Saraf	159452	5.25	-	170452	5.61	-	0.36
7	Abhishek Saraf	127814	4.20	-	143914	4.73	-	0.53
8	Aditya Saraf	25799	0.85	-	41799	1.37	-	0.53
9	Saraf Capital Markets Ltd.	165000	5.43	-	85000	2.80	-	(2.63)
10	Rashi Saraf	85000	2.80	-	85000	2.80	-	-
	Total	1519046	49.97	13.15	1530437	50.34	13.15	0.37

iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Krishan Saraf (HUF)				
	At the beginning of the year	92406	3.04		
	Change during the year				
	Date				
	Reason				
	28.12.2018	45391	1.49	137797	4.53
	Market Purchase				
	At the end of the year			137797	4.53
2	Shri Krishan Saraf				
	At the beginning of the year	431047	14.18		
	Change during the year				
	Date				
	Reason				
	28.12.2018	2900	0.09	433947	14.27
	Market Purchase				
	At the end of the year			433947	14.27
3	Deo Kishan Saraf				
	At the beginning of the year	228532	7.52		
	Change during the year	-	-	-	-
	At the end of the year			228532	7.52
4	Deo Kishan Saraf (HUF)				
	At the beginning of the year	136300	4.48		
	Change during the year	-	-	-	-
	At the end of the year			136300	4.48
5	Ritula Saraf				
	At the beginning of the year	67696	2.23		
	Change during the year	-	-	-	-
	At the end of the year			67696	2.23



Sl. No.	Shareholder's Name	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
6	Kusum Saraf				
	At the beginning of the year	159452	5.25		
	Change during the year				
	Date Reason				
	28.12.2018 Market Purchase	11000	0.36	170452	5.61
	At the end of the year			170452	5.61
7	Abhishek Saraf				
	At the beginning of the year	127814	4.20		
	Change during the year				
	Date Reason				
	13.04.2018 Market Purchase	10000	0.33	137814	4.53
	22.06.2018 Market Purchase	1000	0.03	138814	4.56
	28.12.2018 Market Purchase	5100	0.17	143914	4.73
	At the end of the year			143914	4.73
8	Aditya Saraf				
	At the beginning of the year	25799	0.85		
	Change during the year				
	Date Reason				
	28.12.2018 Market Purchase	16000	0.52	41799	1.37
	At the end of the year			41799	1.37
9	Saraf Capital Markets Ltd.				
	At the beginning of the year	165000	5.43		
	Change during the year				
	Date Reason				
	28.12.2018 Market Sale	80000	2.63	85000	2.80
	At the end of the year			85000	2.80
10	Rashi Saraf				
	At the beginning of the year	85000	2.80		
	Change during the year	-	-	-	-
	At the end of the year			85000	2.80
	TOTAL	1519046	49.97	1530437	50.34

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	PBS INVESTMENTS PVT. LTD.	149900	4.93	NA	NIL	NA	149900	4.93
2	SHREE VINIYOG PVT LTD.	117075	3.85	NA	NIL	NA	117075	3.85
3	ALPS VINIYOG PVT. LTD.	116450	3.83	NA	NIL	NA	116450	3.83
4	SRI KRISHNA VINIYOG PRIVATE LTD.	116307	3.83	NA	NIL	NA	116307	3.83
5	PRABHA DEVI SARAF	36000	1.18	22.06.2018	1000	Sale	35000	1.15
6	DIPAK KANAYALAL SHAH	30000	0.99	18.05.2018	500	Buy	30500	1.00
7	GOPI KRISHAN SARAF	26000	0.86	NA	NIL	NA	26000	0.86
8	INVESTOR EDUCATION AND PROTECTION FUND	13151	0.43	06.12.2018	8583	Credited to the Fund pursuant to Section 124(6) of Companies Act, 2013	21734	0.71
				23.02.2019	872	Credited to the Fund pursuant to Section 124(6) of Companies Act, 2013	22606	0.74



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	NATIONAL STOCK EXCHANGE OF INDIA LIMITED	0	0	29.03.2019	18000	Buy	18000	0.59
10	NIKHIL JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
11	AKHIL JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
12	SONAL AKHIL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
13	ANISHA NIKHIL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
14	AKHIL KAMAL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
15	GOURI SHANKAR JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
16	KAMAL KUMAR JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
17	ASHADEVI KAMAL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
18	KAMAL KUMAR GOURISHANKAR JALAN	17000	0.56	NA	NIL	NA	17000	0.56
19	NIKHIL KAMAL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
20	RAJ KISHAN SARAF	18000	0.59	13.04.2018	10000	Sale	8000	0.26
21	AMRAPALI AADYA TRADING & INVESTMENT PVT. LTD.	18000	0.59	29.03.2019	18000	Sale	NIL	NIL

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri Krishan Saraf	431047	14.18	28.12.2018	2900	Market Purchase	433947	14.27
2	Deo Kishan Saraf	228532	7.52	NA	NIL	NA	228532	7.52
3	Samir Kumar Ghosh	1500	0.05	19.10.2018	1000	Market Sale	500	0.02
4	Rashi Saraf	85000	2.80	NA	NIL	NA	85000	2.80
5	Jadav Lal Mukherjee	1000	0.03	NA	NIL	NA	1000	0.03

The Following Directors / Key Managerial Personnel (KMP) did not hold any shares during the Financial Year 2018-19

- ◆ Mr. Mukul Banerjee
- ◆ Ms. Bandana Saha



V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,22,37,473	7,42,50,000	-	56,64,87,473
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47,22,37,473	7,42,50,000	-	56,64,87,473
Change in Indebtedness during the financial year				
* Addition	340,98,07,855	-	-	340,98,07,855
* Reduction	336,58,33,152	49,00,000	-	337,07,33,152
Net Change	439,74,703	(49,00,000)	-	390,74,703
Indebtedness at the end of the financial year				
i) Principal Amount	51,62,12,176	6,93,50,000	-	58,55,62,176
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	51,62,12,176	6,93,50,000	-	58,55,62,176

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shri Krishan Saraf - Managing Director	Deo Kishan Saraf - Whole-time Director & CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	48,00,000	108,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, Please specify	-	-	-
	Total (A)	60,00,000	48,00,000	108,00,000
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013 Ceiling is ₹ 84 lakhs. Whereas the aforesaid remuneration is approved by the shareholders by passing special resolution on 25.09.2018 w.e.f. 01.04.2018 pursuant to Schedule V of the Companies Act, 2013.		



B. Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Samir Kumar Ghosh	Mukul Banerjee	Jadav Lal Mukherjee	Rashi Saraf	
1	Independent Directors					
	Fee for attending board & committee meetings	74,500	68,500	42,500	-	1,85,500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	74,500	68,500	42,500	-	1,85,500
2	Other Non-Executive Directors					
	Fee for attending board & committee meetings	-	-	-	57,000	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	57,000	57,000
	Total (B) = (1+2)	74,500	68,500	42,500	57,000	2,42,500
	Total Managerial Remuneration (A+B)					108,00,000
	Overall Ceiling as per the Act	Not applicable, as only sitting fees paid.				

Note : Sitting fees paid to the Independent Directors & Non-Executive Director does not form part of total Managerial Remuneration.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1	Gross salary	-	3,01,875		-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	- others, specify...	-	-		-
5	Others : Please specify	-	-		-
	Total	-	3,01,875		-

Remuneration of Mr. Deo Kishan Saraf, Whole-time Director & CFO of the Company is mentioned in Point VI Part A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding B. DIRECTORS Penalty Punishment Compounding C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

**SECRETARIAL AUDIT REPORT****For the Financial Year Ended 31st March, 2019****[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

ACKNIT INDUSTRIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S ACKNIT INDUSTRIES 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 my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii) The Securities Contracts (Regulations) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2018;

- d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) As identified by the Management, following laws are specifically applicable to the Company:
- a) West Bengal Ground Water Resources (Management, Control and Regulation) Act, 2005.
 - b) West Bengal Fire Services Act, 1958.
 - c) Indian Factories Act, 1948.
 - d) Petroleum Act, 1934.
 - e) Petroleum Rules, 2002.
 - f) Provisions of Hazardous Waste (Management, Handling and Trans-boundary Movements) Rules, 2008.
 - g) Bengal Electricity Duty Act, 1935 and Rules thereunder.
 - h) Air (Prevention and Control of Pollution) Act, 1981.
 - i) Industrial Dispute Act, 1947.
 - j) SEZ Act, 2005;
 - k) Employees' Provident Fund and Miscellaneous Provisions Act, 1952
 - l) Employees' State Insurance Act, 1948
 - m) Various other Acts relating to Employment and Protection of Employees Interest as are applicable.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with The Bombay Stock Exchange and The Calcutta Stock Exchange.



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

I further report that :

- a) 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.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that:

- The Company has obtained all necessary approvals under the various provisions of the Act;
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, SEBI (LODR) Regulations and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers; and
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

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

I further report that during the audit period the Company has passed the following special resolutions:

1. Re-appointment of Mr. Shri Krishan Saraf as the Managing Director of the Company for further 3(three) consecutive years w.e.f. 1st April, 2018.
2. Revision of remuneration of Mr. Deo Kishan Saraf, Whole-time Director cum Chief Financial Officer (CFO).

3. Continuation of Directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director.

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

**For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice**

**REKHA GOENKA
Proprietor**

**Place: Kolkata
Date: 28th May, 2019**

**M. No. ACS : 17805
C P : 11357**

Annexure - A to the Secretarial Audit Report

To,

The Members

ACKNIT INDUSTRIES LIMITED

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice**

**REKHA GOENKA
Proprietor**

**Place: Kolkata
Date: 28th May, 2019**

**M. No. ACS : 17805
C P : 11357**



FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangements or transactions at arm's length basis.

Sl. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Acme Safety Wears Limited, a Company in which Shri Krishan Saraf and Deo Kishan Saraf, Directors of your Company holds more than 2% of its paid-up share capital.
b.	Nature of contracts/arrangements/transactions	Sale/ Purchase of goods and/or rendering/availing of services
c.	Duration of the contracts / arrangements / transactions	Ongoing
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	As per Company's requirements governed by market prices.
e.	Date of approval by the Board	20-07-2018
f.	Amount paid as advances, if any	Nil

Place: Kolkata

Date: 29th May, 2019

For and on behalf of the Board of Directors

For Acknit Industries Limited

Shri Krishan Saraf
Managing Director
DIN-00128999

Deo Kishan Saraf
Whole-time Director & CFO
DIN-00128804



REPORT ON CORPORATE GOVERNANCE

Annexure - IV

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors submit the following report on the Corporate Governance, for the information of the shareholders.

1. COMPANY'S PHILOSOPHY :

Your company believes that the Directors are the trustees of the Investors' capital and are obliged to maximise shareholders values over the long run while protecting the interests of all stakeholders such as employees, customers, business partners, suppliers and the society at large.

The Company believes and is committed to good corporate governance and adequate disclosure and it lays emphasis on transparency, accountability and integrity in all its operations and dealings and has complied with all the material aspects of the requirement specified in Listing Regulations.

2. BOARD OF DIRECTORS

i) Composition of Board :

The Board of Directors of the Company consists of 6 members comprising:

- One Managing Director
- One Whole-time Director
- Three Non-Executive Independent Directors
- One Non-Executive Non-Independent Director

The composition of the Board was in conformity with the provisions of the Corporate Governance Code of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2018-19, seven (7) Board Meetings were held on 16th April 2018, 30th May 2018, 20th July 2018, 13th August 2018, 13th November 2018, 11th February 2019 and 29th March 2019.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	No of other Directorship*	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies**	
					As Chairperson	As Member
Shri Krishan Saraf	Managing Director	6	Yes	Nil	Nil	Nil
Deo Kishan Saraf	Whole-time Director & CFO	5	Yes	1	Nil	Nil
Samir Kumar Ghosh	Non-Executive Independent Director	7	Yes	Nil	Nil	Nil
Mukul Banerjee	Non-Executive Independent Director	6	Yes	Nil	Nil	Nil
Jadav Lal Mukherjee	Non-Executive Independent Director	5	No	Nil	Nil	Nil
Rashi Saraf	Non-Executive Non-Independent Director	7	Yes	Nil	Nil	Nil

* Notes :

- None of the Directors of the Company is holding any directorship in any other listed entity.
- The Directorship as mentioned above does not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

** In accordance with Regulation 26 of the Listing Regulations, Memberships / Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee have been considered.

ii) Disclosure of relationships between Directors inter-se:

Mr. Shri Krishan Saraf, Managing Director of the Company is the elder brother of Mr. Deo Kishan Saraf, Whole-time Director & CFO. Mrs. Rashi Saraf, Non-Executive Non-Independent Director is the daughter-in-law of Mr. Shri Krishan Saraf, Managing Director.

iii) Number of shares and convertible instruments held by Non-Executive Directors:

Mr. Samir Kumar Ghosh, Non-Executive Independent Director holds 500 Equity Shares of Rs.10/- each in the Company as on 31.03.2019. Mr. Samir Kumar Ghosh has held these shares, in his individual capacity, prior to his appointment as a Director of Company.

Mr. Jadav Lal Mukherjee holds 1000 Equity Shares of Rs.10/- each in the Company jointly with his wife Mrs. Mitali Mukherjee.

Mrs. Rashi Saraf, Non-Executive Non-Independent Director holds 85,000 Equity Shares of Rs.10/- each in the Promoter Group of the Company.

iv) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The details regarding Independent Directors' Familiarisation Programmes are given under the 'Corporate Policies' section on the website of the Company and can be accessed at: <http://www.acknitindia.com/corporate-policies/familiarisation-programme-for-independent-directors.pdf>

v) Skills / expertise / competencies of the Board

The Board confirms that the following skills / expertise / competencies are available with the Board:

- Business Development
- Financial Analysis
- Product Identification
- Vendor Handling
- Exim Planning
- Forex Planning

3. COMMITTEES OF BOARD

The details of the Composition of the Committees of the Board of Directors are as under:

A. Audit Committee:

Terms of Reference

The terms of reference of Audit Committee broadly covers the prescribed detail under the provision of Section 177 of the Companies Act, 2013 as well as Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to Corporate Governance in a Listed Company.

During the year, the Committee had met 5 times on 16th April 2018, 30th May 2018, 13th August 2018, 13th November 2018 and 11th February 2019. The attendance details of the directors are as follows:

Sl. No.	Name	Chairman / Members	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. Samir Kumar Ghosh	Chairman	5	5
2	Mr. Deo Kishan Saraf	Member	5	4
3	Mr. Mukul Banerjee	Member	5	5
4	Mr. Jadav Lal Mukherjee*	Member	2	2

* Mr. Jadav Lal Mukherjee was inducted in the Audit Committee as a member by the Board by passing resolution on 13.08.2018.

**B. Nomination and Remuneration Committee:****Terms of Reference**

- To identify and ascertain the integrity, qualification, experiences and expertise of the person for appointment as Director, KMP and Senior Management level.
- To formulate the criteria for determining qualifications, positive attitude and independence of a Director and recommend to the Board a policy relating to the remuneration for Director, KMP and other senior level Management Personnel.
- To devise a policy on Board Diversity and Remuneration policy.

During the year, the Committee had met 3 times on 16th April 2018, 30th May 2018 and 13th August 2018. The attendance details of the directors are as follows:

Sl. No.	Name	Chairman / Members	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. Samir Kumar Ghosh	Chairman	3	3
2	Mr. Mukul Banerjee	Member	3	3
3	Mr. Jadav Lal Mukherjee*	Member	0	0
4	Mrs. Rashi Saraf*	Member	2	2

* Mrs. Rashi Saraf was induced in the Nomination and Remuneration Committee as a member by the Board by passing resolution on 16.04.2018.

Mr. Jadav Lal Mukherjee was induced in the Nomination and Remuneration Committee as a member by the Board by passing resolution on 13.08.2018.

Performance evaluation criteria for Independent Directors :

The Nomination and Remuneration Committee of the Board in its Meeting held on 30th May, 2018, laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the Financial Year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all Directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

The Board of Directors also confirms that all the Independent Directors of the Company are in compliant with all the criteria specified under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 149(6) of Companies Act, 2013.

Remuneration of Directors**• All pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company:**

- NIL except for the Sitting Fee to the Non-Executive Directors.

• Criteria of making payments to Non-Executive Directors:

The Company has adopted a Policy on appointment and remuneration of Directors, Key Managerial Personnel and Other Employees regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company: <http://www.acknitindia.com/corporate-policies/nomination-and-remuneration-policy.pdf>. The

Non-Executive Directors are entitled to sitting fees for attending Meetings of the Board and its Committees. The remuneration to the Managing Director and Whole-time Director is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting in compliance of the provisions of the Companies Act, 2013 read with Schedule V to the said Act.

• Disclosures with respect to Remuneration:

Details of remuneration/ sitting fees paid to Directors during the Financial Year 2018-19 is given below:

Name of Director	Fixed Salary(Rs)				Bonus	Commission	Stock options	Total
	Basic Salary	Perquisites or Allowances	Rental Benefits	Sitting Fees				
Mr. Shri Krishan Saraf	60,00,000	-	-	-	-	-	-	60,00,000
Mr. Deo Kishan Saraf	48,00,000	-	-	-	-	-	-	48,00,000
Mr. Samir Kumar Ghosh	-	-	-	74,500	-	-	-	74,500
Mr. Mukul Banerjee	-	-	-	68,500	-	-	-	68,500
Mr. Jadav Lal Mukherjee	-	-	-	42,500	-	-	-	42,500
Mrs. Rashi Saraf	-	-	-	57,000	-	-	-	57,000

C. Stakeholders Relationship Committee:

i. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Companies Act, 2013.

ii. The broad terms of reference of the Stakeholders' Relationship Committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice /annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

During the year the Committee had met 4 times on 30th May 2018, 13th August 2018, 13th November 2018 and 11th February 2019. The attendance details of the directors are as follows:

Sl. No.	Name	Chairman / Members	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. Samir Kumar Ghosh	Chairman	4	4
2	Mr. Deo Kishan Saraf	Member	4	3
3	Mr. Mukul Banerjee	Member	4	4
4	Mr. Jadav Lal Mukherjee*	Member	2	2
5	Mrs. Rashi Saraf	Member	4	4

* Mr. Jadav Lal Mukherjee was induced in the Stakeholders Relationship Committee as a member by the Board by passing resolution on 13.08.2018.

• Name & Designation of Compliance Officer :

Ms. Bandana Saha, Company Secretary is the Compliance Officer of the Company.



● **Number of shareholders' complaints received so far :**

The number of shareholder grievances received and resolved during Financial Year 2018-19 is given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	15	15	Nil

● **Number not solved to the satisfaction of shareholders:**

None.

● **Number of pending complaints :**

Nil.

4. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are given below:

Financial Year	Date of AGM	Time	Venue	SPECIAL RESOLUTION PASSED
2017-18	25.09.2018	10.30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Re-appointment of Mr. Shri Krishan Saraf as the Managing Director of the Company for further 3(three) consecutive years w.e.f. 1st April, 2018. 2. Revision of remuneration of Mr. Deo Kishan Saraf, Whole-time Director cum Chief Financial Officer (CFO). 3. Continuation of Directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director.
2016-17	21.09.2017	4.30 P.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Issue of Equity Shares in the Capital of the Company on Preferential Allotment basis.
2015-16	26.09.2016	11.00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Re-appointment of Whole-Time Director pursuant to section 196 of the Companies Act, 2013

During the year under review, there was no such business which required passing of resolution through Postal Ballot.

5. MEANS OF COMMUNICATION:

● **Quarterly results:**

The Company publishes limited review un-audited financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

● **Newspapers wherein results normally published:**

The quarterly/ half-yearly/ annual financial results are published in Business Standard, English Edition & Arthik Lipi, Bengali edition.

● **Website, where displayed:**

The financial results are placed on the Company's website: www.acknitindia.com in the 'Investors Relation' section.

● **Official news releases:**

The Company does not displays official news releases as it is not relevant for the Company at present.

● **Presentations made to institutional investors or to the analysts:**

None of such presentation was made to institutional investors or to the analysts during the year.

6. General Shareholder Information :

i) **Annual General Meeting:**

Date & Time : Tuesday, 24th September, 2019 at 10:30 AM

Venue : Gyan Manch
11, Pretoria Street,
Kolkata - 700 071

ii) **Financial Year** : 1st April, 2018 to 31st March, 2019

iii) **Book Closure Date** : Wednesday, 18th September, 2019 to Tuesday, 24th September, 2019 (both days inclusive)

iv) **Dividend Payment Date** : Within 30 days from the date of AGM, i.e. on or before 23rd October, 2019, if declared in AGM.

v) **Shares of the company are listed with the following stock exchanges. Stock code and ISIN of Equity Shares are mentioned there against :**

Name of the Stock Exchange	Stock Code	ISIN of Equity Shares
The Bombay Stock Exchange Ltd. (BSE) P.J.Towers, Dalal Street Mumbai- 400 001	530043	INE 326C01017
The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata- 700 001	10011078	INE 326C01017

The annual listing fees for the Financial Year 2018-19 has been duly paid to BSE and CSE.

vi) **Market Price Data :**

The Market Price of Equity Shares of the Company during the year 2018-19 are given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2018	106.95	94.15
May, 2018	111.50	87.00
June, 2018	100.90	83.00
July, 2018	97.00	81.30
Aug, 2018	112.85	84.00
Sept, 2018	148.00	105.00
Oct, 2018	174.00	120.20
Nov, 2018	151.90	110.00
Dec, 2018	142.80	115.10
Jan, 2019	137.90	107.00
Feb, 2019	115.00	74.80
Mar, 2019	97.00	82.15

vii) **Performance of the share price of the company in comparison to BSE Sensex**



viii) **In case the securities are suspended from trading, the directors report shall explain the reason thereof:**

Though the Company have been compliant vis-à-vis all SEBI regulations to both BSE & CSE due to some alleged compliance issues raised by CSE, the shares of the Company were suspended by CSE. These issues being explained and continuously follow-up process being done by the Company CSE has ultimately waived the suspension on the shares of the Company.

ix) **Registrar and Share Transfer Agent :**

S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street, Kolkata- 700 006
Contact Person- Dilip Bhattacharya
Phone: (033) 2219 4815/6797
E-mail: contact@skcinfo.com, skcdilip@gmail.com

x) **Share Transfer System:**

Share Transfer Requests valid and complete in all respects are normally processed within 30 days. Necessary power and authority in this regard has been delegated to Stakeholders Relationship Committee and the Registrar and Share Transfer Agent. The Company's shares are compulsorily traded in dematerialised mode w.e.f 01.04.2019.

**xi) Shareholding Pattern :**

Shareholding Pattern as on 31.03.2019 is given below:

CATEGORY	NO. OF SHARES	%
Promoter Group		
Indian Promoters	1530437	50.34
Foreign Promoters	Nil	Nil
Total : Promoter Group	1530437	50.34
Non-Promoter Group		
Resident Individual	895854	29.47
Bodies Corporate	563885	18.55
NRI/OCB	27218	0.90
IEPF	22606	0.74
Institutional Investor (Bank)	Nil	Nil
Total: Non-Promoter Group	1509563	49.66
Grand Total	3040000	100

xii) Distribution of shareholding :

Distribution of shareholding as on 31.03.2019 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	1820	85.28	224415	7.38
501 to 1000	155	7.26	122913	4.04
1001 to 2000	71	3.33	104012	3.42
2001 to 3000	25	1.17	66632	2.20
3001 to 4000	14	0.66	49987	1.64
4001 to 5000	9	0.42	42580	1.40
5001 to 10000	7	0.33	50456	1.66
10001 to 50000	20	0.94	390635	12.85
50001 to 100000	3	0.14	237696	7.82
100001 and above	10	0.47	1750674	57.59
Grand Total	2134	100.00	3040000	100.00

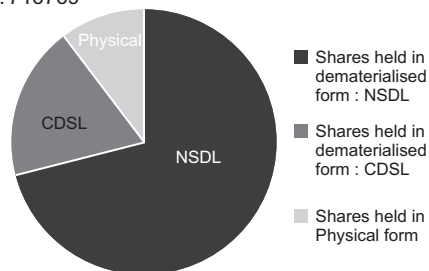
xiii) Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2019, 28,27,644 shares representing 93.01% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity Shares of the Company are actively traded in BSE Ltd.

No. of Shares as on 31st March, 2019:**Physical Mode:** 212356**Electronic Mode:**

-NSDL: 2110875

-CDSL: 716769



Your company does not have any outstanding GDRs/ADRs/Warrants or any other convertible instruments.

xiv) Hedging Activities:

Since the Company, in its normal business procedure is required to be engaged in export/import activities, to ensure optimum utilisation of forex volatility benefits, Company is required to follow hedging processes. The benefits associated with such hedging relates to ensuring the Company avoid forex fluctuation losses for its imports/exports.

xv) Plant Location :

- Falta Special Economic Zone, Sector-I, Falta, South 24 Parganas, WB
- Falta Special Economic Zone, Sector-II, Falta, South 24 Parganas, WB
- 144, Old Jessore Road, Ganganagar, Madhyamgram, Kolkata-700 132, WB
- Katakhal, Vill + Post – Ganganagar, Madhyamgram, Kolkata-700 132, WB
- Zone 2 Plot 151, Calcutta Leather Complex, Bantala, Kolkata – 743 502, WB
- Gopalpur Chandigarh, Chandigarh Rohanda Gram Panchayat, PO – Ganganagar, PS – Madhyamgram, North 24 Parganas, Kolkata – 700 132, WB
- Vill. Chhadvel (Karde), Tuluk Sakri Dhule, Maharashtra – 424305
- Village – Saraberia, Para – Saraberia, Police Station – Duttapukur, Post Office – Kadamgachi, Barasat, Kolkata, West Bengal, 700125

xvi) Address for Correspondence:

Members are requested to correspond with the company through email to get faster response.

Address for correspondence is-

Registered office	Corporate Office
817, Krishna, 224 A. J. C. Bose Road, Kolkata - 700 017 Phone No. – (033) 2287 8293 Email Id: calcutta@acknitindia.com	Ecostation, Block- BP, Plot No.7, Sector- V, 5th Floor, Suit No. 504, Salt Lake, Kolkata-700091 Phone No.-(033)2367 5555 Email Id: cs@acknitindia.com

7. OTHER DISCLOSURES**i) Materially Significant Related Party Transactions:**

All contracts / arrangements / transactions entered by the Company during the Financial Year 2018-19 with related parties were in the ordinary course of business and on an arm's length basis. Details of the transactions effected with the related parties have been reported separately in the Annual Report.

ii) Details of non - compliances :

There had been no case of non-compliance during the last three Financial Year.

iii) Vigil Mechanism

The Board of Directors has approved and adopted a 'Whistle Blower Policy' wherein all employees and Directors of the Company are eligible to make protected disclosures to the competent authority i.e. the Chairman of the Audit Committee with respect to any improper activity concerning the Company. The policy provides for direct access to the Chairman of the Audit Committee. During the year under review, neither any case was reported under the Whistle Blower Policy nor was anyone denied access to the said competent authority or the Audit Committee. The details of establishment of the above vigil mechanism forms part of the Directors' Report. The 'Whistle Blower Policy' is uploaded on the website of the Company and can be accessed at: <http://www.acknitindia.com/corporate-policies/whistle-blower-policy-acknit.pdf>

**iv) Details of compliance with mandatory requirements and adoption of the non mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

v) Web link where policy for determining 'material' subsidiaries is disclosed:

The Company does not have any 'material' subsidiary.

vi) Web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is available on the website of the Company under 'Corporate Policies' section and can be accessed at <http://www.acknitindia.com/corporate-policies/policy-on-related-party-transaction.pdf>

vii) Proceeds from preferential issues:

Details of utilization of funds raised through preferential allotment are as follows:

Date of allotment	Amount raised	Amount utilised	Field of utilisation of fund
05.10.2017	6,24,00,000	6,24,00,000	For working capital

viii) Certificate on Non-Disqualifications of Directors

Your Company has obtained certificate from M/s Rekha Goenka & Associates, Practising Company Secretary, certifying the fact that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, which is enclosed herewith as Annexure to this Corporate Governance Report.

ix) Fees paid to the Statutory Auditor

Amount of Rs.3,00,000/- was paid to M/s SRB & Associates, Chartered Accountants during the Financial Year 2018-19.

8. COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the requirements of Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to Part E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Compliance Certificate from the PCS regarding compliance of conditions of Corporate Governance by the Company forms part of the Directors' Report.

9. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company has transferred 22,606 Equity Shares to the DEMAT Account of Investor Education and Protection Fund (IEPF) Authority pursuant to sub-section 6 of Section 124 of the Companies Act, 2013.

For and on behalf of the Board of Directors
For Acknit Industries Limited

Shri Krishan Saraf
Managing Director
DIN: 00128999

Place: Kolkata
Date: 29th May, 2019

**ANNEXURE TO CORPORATE GOVERNANCE REPORT
CERTIFICATE OF NON-DISQUALIFICATION OF
DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C of clause (10) (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

To,

The Members

ACKNIT INDUSTRIES LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/S ACKNIT INDUSTRIES LIMITED having CIN L01113WB1990PLC050020 and having registered office at 817, Krishna, 224, A.J.C Bose Road, Kolkata- 700 017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	DEO KISHAN SARAF	00128804	12.10.1990
2.	SHRI KRISHAN SARAF	00128999	12.10.1990
3.	SAMIR KUMAR GHOSH	00129301	30.04.2005
4.	MUKUL BANERJEE	07527632	30.05.2016
5.	RASHI SARAF	07152647	26.09.2016
6.	JADAV LAL MUKHERJEE	06421227	30.05.2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate 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.

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

(REKHA GOENKA)
Proprietor

Place: Kolkata
Date: 28th May, 2019

M. No. - ACS : 17805, C P. 11357



Annexure - V

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

ACKNIT INDUSTRIES LIMITED

I have examined the compliance of Corporate Governance by Acknit Industries Limited ("the Company") for the period between 1st April, 2018 and 31st March, 2019 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable to the said Company with reference to the Listing Agreement with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to review of the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representation made by the Directors, the management and the company's officers, I certify that the Company has complied with conditions of Corporate Governance as stipulated in above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

(REKHA GOENKA)

Proprietor

Place: Kolkata

Date: 28th May 2019

M No. - ACS : 17805, C P. 11357

Annexure - VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GENERAL ECONOMIC STATE:

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Financial Year 2018-19 marked a significant economic measure by the government. The Goods and Service Tax (GST) implemented from July 2017. Once fully implemented and linked with direct taxes, would benefit the economy, help bring in transparency, make small businesses strong, create more employment and ultimately reduce tax burden for the common man. Amid slowing global merchandise trade growth, India's exports in the Financial Year 2018-19 registered a high score.

OPERATING SEGMENTS IN THE COMPANY:

The company operates in three distinct segments –

1. Manufacturing of hand gloves
2. Manufacturing of garments
3. Power Generation – through wind mill

SEGMENT WISE PRODUCT ANALYSIS:

The company has been in the business of manufacturing and export of hand gloves and other acclaimed industrial safety wears of every description to cater the needs of industrial safety measures at workplaces. Over the years the Company gradually diversified its product range by addition to cotton & synthetic knitted gloves, the other varieties of PU Latex & nitrile coating, dotted gloves and leather gloves and protective garments and wears for industrial safety measures which are considered as essential to minimize risks at workplaces across the world. The Company has also diversified its activity in the area of manufacturing garments for kids wear for the "Brand Market" with further expansion programme to venture in fashion categories.

After having its duly established presence as manufacturer and supplier of various types of Industrial Safety Wears and gadgets in the International Industrial Market and ensuring a steady flow of orders and fresh enquiries, the Company turned its attention to expansion programme through diversification of business modules.

In this regard, the Company after thorough investigation of domestic market demands and Company's own capability to properly serving the market demands commenced its new venture of manufacturing 'Kids Wears' for supply in bulk to the order of leading 'Brand' leaders in the market as per their specifications.

Thus the Garment Division of the Company commenced its operation around 2007-08 and in stages started new units at 3 rented premises in North 24 Parganas. After overcoming the initial teething phase, the Garment Division have since started contributing to the Company's turnover as well as profit margins which is being increased day by day substantially.

The Garment Division is now planning to expand its area of operation and exploring the area of Fashion Designing and supplying to the orders of the Market.

On the other hand, around the year 2006-07, the Company as a part of its Tax Planning, established 2 windmills at 'Dhule' in Maharashtra with the Finance of 'Suzlon'. The entire production of Power generated by the windmills are fully purchased by the State of Maharashtra. The entire loan of 'Suzlon' has since been paid off and thereby entire revenue from windmills after deduction of operation cost, goes to add up to the Net Profit of the Company. The Company may consider to add up further units as may be advised.

CHALLENGES:

- Strategies like innovation of products and improvisations calls for investments in the company; these involve additional finance costs and therefore generates risks in the business;
- The industry endures low profitability and lower cash accruals. Further, low operating profitability is sensitive to Government incentives as well;
- Foreign dumping specially from China has been creating severe challenges in the manufacturing industry of industrial protective gears as well as garment industries;
- Incentive credit period for the power generation segment being over, the business requires proper power buy-out offers from the Governments at justified mark-ups to ensure sustainability as the same is not the core business of the company.

RISKS AND CONCERNS:

- Company's results are affected by competitive conditions and customer preferences;
- Higher manpower costs, strict labour laws and looming labour shortage creates major risk concerns;
- Being export oriented company, international markets and policies creates forex fluctuations thus making the company subject to exchange rate fluctuation risks.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

The company has appropriate internal control system for business process across various divisions with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations. The company has kept highly skilled technical and administrative people at our mill, due to which the internal control systems are strictly maintained i.e. increasing productivity and cutting cost at every stage. Under the supervision of highly experienced technical people, we are able to produce highest quality of products for export market. Regular internal audits and checks ensure that responsibility is executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

FINANCIAL PERFORMANCE:

The Company could achieve a turnover of ₹ 17378.61 Lakhs and total comprehensive income of ₹ 425.47 Lakhs during the year under review.

Segment-wise performance:

(₹ in Lakhs)

PARTICULARS	2018-19	2017-18
Manufacturing of hand gloves :		
Segment Revenue	₹ 11817.86	₹ 11163.63
Segment Results	₹ 1163.02	₹ 1071.52
Manufacturing of garments :		
Segment Revenue	₹ 5441.54	₹ 4958.66
Segment Results	₹ 163.91	₹ 183.10
Power Generation – through wind mill :		
Segment Revenue	₹ 119.21	₹ 86.83
Segment Results	₹ 74.67	₹ 47.50

HUMAN RESOURCE:

The company ensures to stick to its policy of proper human resource procurement, development and utilisation. Compliance with proper state human resource laws and uniform human resource policies in the company ensure early mitigation of all human resource issues in the company. The cost of staff and workers is increasing abnormally due to high cost of living and there is a shortage of skilled workers. The Company has had very harmonious relations with its workforce during the year.

For and on behalf of the Board of Directors
For Acknit Industries Limited

Shri Krishan Saraf
Managing Director
DIN: 00128999

Place: Kolkata
Date: 29th May, 2019

Annexure - VII

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2019:

A. CONSERVATION OF ENERGY

- (i) **Steps taken or impact on conservation of energy:** The Company continues to give priority to the conservation of energy on an on-going basis. The measures for conserving the energy resources already exists in the Company and the management continuously observe those measures on a regular basis to ensure proper utilization of energy resources.
- (ii) **Steps taken by the Company for utilizing alternate source of energy:** The Company has already made necessary expenditure on plant and equipment to conserve energy and to make optimum utilization thereof.
- (iii) **The capital investment on energy conservation equipments :** The Company has already made necessary expenditure on energy conservation equipments impact of which is expected to reflect in the years to come.

B. TECHNOLOGY ABSORPTION

- i) **Efforts made towards technology absorption:** The R&D department of the Company continued to play a vital role in the following areas:
- Better control in the processes for improving the quality of output
 - Finding out ways and means for saving of energy and cost
 - Development of new products/ grades/ discovering new methods of analysis
 - Re-cycling of waste and research on the utilization of waste
 - Finding out ways to increase the operational efficiencies by improving yields.
- ii) **The benefits derived like product improvement, cost reduction, product development, import substitution:**
- Benefits derived as a result of the above R&D:
- Maintaining the leading position in the domestic market
 - Achievement of better efficiency in fuel consumption
 - Better control on inputs and thereby, improving the quality of the output to match international specifications
 - Optimization of resource usage and refinement of process technology
 - Usage of different combination of inputs in the manufacturing

iii) Expenditure incurred on Research and Development:

Capital expenditure as well as recurring expenditure incurred from time to time during the year on laboratory items, tools, spares, handling equipments and salaries of research personnel remain merged with various heads.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	FY 2018-19	FY 2017-18
Total foreign exchange earned in terms of actual inflows	11,823.88	10,556.07
Total foreign exchange outgo in terms of actual outflow	1,626.01	2,250.74



Annexure - VIII

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Sl. No.	Particulars			
i.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a.	Mr. Shri Krishan Saraf, Managing Director	44.94
		b.	Mr. Deo Kishan Saraf, Whole-time Director & CFO	35.95
		None of the other Directors has received any remuneration other than sitting fees during FY 2018-19.		
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	a.	Company Secretary	-13.70%
		b.	Mr. Shri Krishan Saraf, Managing Director Mr. Deo Kishan Saraf, Whole-time Director & CFO No change in the remuneration of Non-Executive Directors and they are entitled for sitting fees only.	63.64%
iii.	The percentage increase in the median remuneration of employees in the financial year	4.32%		
iv.	The number of permanent employees on the rolls of Company	155 employees		
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	*Average salary increase of employees is 10.75%. Average salary increase of managerial personnel is 63.64% there are no exceptional circumstances in the increase of managerial remuneration.		
vi.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company			

* Note : Average salary of employees doesn't include salaries of Key Managerial Personnel.

Details of top ten employees in terms of remuneration drawn:

Sl. No.	Details	1	2	3	4	5	6	7	8	9	10
1.	Employee Names	Shri Krishan Saraf	Deo Kishan Saraf	Aditya Saraf	Abhishek Saraf	Joydeep Sengupta	Swapan Kr. Chakraborty	Satyajit Das	Chayan Kumar Bakshi	Niranjan Shenoy Renjal	Bishnu Kumar Kesan
2.	Designation of Employees	Managing Director	Whole-time Director & CFO	Vice President (Readymade Garment Division)	Vice President (Leather Division)	Business Head Safety Garments Division	Works Manager Faltia Division	Production Manager-FEZ-II	Factory Manger	Senior Merchandiser	General Manger
3.	Remuneration/ Salary received	6,000,000	4,800,000	1,625,000	1,625,000	840,000	775,000	752,900	659,614	656,880	600,000
4.	Nature of Employment, Whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
5.	Qualifications	Bachelor of Science	Bachelor of Commerce	Bachelor of Business Management	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Science (Hons.) and Diploma in Production Management	Master of Business Administration & Bachelor of Science (Chemistry Hons.)	Diploma in Mechanical Engineering	Diploma in Apparel Design and Fabrication Technology	Bachelor of Commerce (Hons.)
6.	Experience of the Employees	42 Years	34 Years	14 Years	19 Years	16 Years	52 Years	17 Years	37 Years	14 Years	39 Years
7.	Date of Commencement of Employment	12/10/1990	12/10/1990	01/04/2015	01/07/2006	14/12/2015	06/11/2000	03/02/2008	01/01/2018	01/09/2015	18/10/2004
8.	Age of Employee	65	53	34	39	36	72	40	62	33	55
9.	The last Employment held by such Employee before joining the Company	Family Business	Family Business	Acme Safety Wears Limited	Family Business	Superhouser Limited	Cycle Corporation of India	Mallcom India Limited	Ashoka Footwears (P) Ltd.	JPM Exports Pvt. Ltd	SKFM Limited
10.	Whether any such Employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager	Yes Brother of Mr. Deo Kishan Saraf	Yes Brother of Mr. Shri Krishan Saraf	Yes Son of Mr. Shri Krishan Saraf	Yes Son of Mr. Shri Krishan Saraf	No	No	No	No	No	No



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March, 2019.

For and on behalf of the Board of Directors
For ACKNIT INDUSTRIES LIMITED

Place: Kolkata
Date: 29th May, 2019

Shri Krishan Saraf
Managing Director
DIN: 00128999



INDEPENDENT AUDITOR'S REPORT

To the Members of "ACKNIT INDUSTRIES LIMITED".

Report on the Audit of the Financial Statements

Opinion :

We have audited the accompanying financial statements of **Acknit Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of Changes in Equity, and the Cash Flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Respons
1.	<p>Revenue Recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1 to the Standalone Financial Statements - Significant Accounting Policies</p>	<p>Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. Evaluating the design and implementation of Company's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.
2.	<p>Litigations –Contingencies The Company is periodically subject to challenges/scrutiny on range of matters relating to direct tax, indirect tax. Further, potential exposures may also arise from general legal proceedings environmental issues etc. in the normal course of business.</p> <p>Assessment of contingent liabilities disclosure requires Management to make judgements and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.</p>	<p>Principal Audit Procedures Our audit procedures included:</p> <ul style="list-style-type: none"> We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities. We used our subject matter experts to assess the value of material contingent liabilities in light of the nature of exposures, applicable regulations and related correspondence with the authorities. We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors. We assessed the adequacy of disclosures made. We discussed the status in respect of significant provisions with the Company's internal tax and legal team. We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

**Information Other than the Financial Statements and Auditor's Report Thereon:**

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

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

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

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

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. 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 knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Cash Flows 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 Ind As specified under Section 133 of the Act.
 - e. On the basis of written representations received from Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A to this report;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SRB & Associates

Chartered Accountants
Firm Reg. No. : 310009E

Sunil Shah
(Partner)
Membership No. : 052841

Place: Kolkata

Date: 29th May, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 (f) under "Report on other legal and regulatory requirements" section of our report to the members of Acknit Industries Ltd of even date]

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

We have audited the internal financial controls over financial reporting of "ACKNIT INDUSTRIES LTD". as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

**Meaning of Internal Financial controls over Financial Reporting;**

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRB & Associates

Chartered Accountants
Firm Reg. No. : 310009E

Sunil Shah
(Partner)
Membership No. : 052841

Place: Kolkata

Date: 29th May, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our Report of even date]

- I. In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - c. According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the company and accordingly the requirements under clause 3(i)(c) of the order are not applicable to the Company.
- II. In respect of Inventories:

The management has conducted physical verification of the inventories at regular intervals. According to information and explanation given to us no material discrepancies were noticed on such verification.
- III. In respect of Loan:

The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.
- IV. In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to parties covered under section 185 and 186 of the company act, 2013.
- V. The company has not accepted any deposits during the year and accordingly the question of complying with section 73 and 76 of the companies Act, 2013 does not arise.
- VI. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services rendered by the company.
- VII. In respect of Statutory dues:
 - a. According to the records of the company the company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, investor education protection fund, income tax, Goods and service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it with appropriate authorities.



- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and service tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2019, for a period of more than six months from the date they became payable."
- c. According to the information and explanations given to us, there are no dues of sales tax, Goods and service tax income tax, custom duty, excise duty and Cess which have not been deposited on account of any dispute except the following

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Year to which the amount relates	Forum where the dispute is Pending
West Bengal Value Added Tax Act, 2003	VAT	8.07	2007-08	West Bengal Commercial Taxes, Appellate & Revisional Board
Income Tax Act, 1961	Income tax	13.28	2011-12	Appellate Authority – upto Commissioner's Level
Income Tax Act, 1961	Income tax	1.57	2011-12	Appellate Authority – upto Commissioner's Level

- VIII. In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to a financial institution, bank or Government.
- IX. According to the information and explanation given by the management, the company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

- X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year.
- XI. According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.
- XII. In our opinion, the company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.

- XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3 (xiv) are not applicable to the company and, not commented upon.
- XV. According to the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him.
- XVI. According to the information and explanations given to us, we report that the company is not required to register under section 45-1A of the Reserve Bank of India Act, 1934.

For **SRB & Associates**
Chartered Accountants
Firm Reg. No. : 310009E

Sunil Shah
(Partner)
Membership No : 052841

Place: Kolkata

Date: 29th May, 2019



Balance Sheet as at March 31, 2019

Amount in ₹

	Notes	As at 31.03.2019	As at 31.03.2018
I ASSETS			
(1) Non Current Assets			
Property, Plant and Equipments	3	26,84,04,946	24,38,27,327
Capital work-in-progress	3	66,38,491	2,87,01,092
Intangible Assets	3	2,30,085	4,63,771
Financial Assets			
(i) Investment	4	80,556	86,348
(ii) Loans	5	5,52,159	7,53,839
(iii) Other Financial Assets	6	1,55,04,584	1,17,44,011
Other non-current assets	7	47,66,247	44,94,058
(2) Current Assets			
Inventories	8	43,03,40,376	42,46,48,234
Financial Assets			
(i) Trade receivables	9	30,52,32,282	29,21,93,001
(ii) Cash and cash equivalents	10	89,12,248	85,25,159
(iii) Other bank balances	11	48,34,634	67,60,225
(iv) Loans	5	9,95,222	3,15,050
(v) Other Financial Assets	6	3,36,653	4,19,168
Current Tax Asset (Net)	12	26,12,806	16,09,873
Other current assets	7	19,34,25,029	15,58,64,083
Total Assets		1,24,28,66,318	1,18,04,05,239
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share capital	13	3,04,00,000	3,04,00,000
Other Equity		41,98,71,384	38,28,20,835
(2) Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	8,63,19,712	10,17,20,926
Deferred tax liabilities(Net)	15	2,23,25,842	2,29,90,326
Other non current liabilities	16	14,10,500	15,50,174
(3) Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	48,52,66,998	42,66,63,664
(ii) Trade payables	17	13,11,08,187	16,15,22,176
(iii) Other financial liabilities	18	2,42,62,851	2,23,62,370
Other current liabilities	16	4,19,00,844	3,03,74,768
Total Equity and Liabilities		1,24,28,66,318	1,18,04,05,239

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **SRB & ASSOCIATES**

Chartered Accountants
(Firm Reg. No.310009E)

Sunil Shah

Partner

Membership No.52841

Kolkata

Date: 29th May, 2019

For and on behalf of the Board of Directors

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Bandana Saha

Company Secretary

M. No. A46329



Statement of Profit and Loss for the year ended March 31, 2019

Amount in ₹

	Notes	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
I Revenue			
Revenue From Operations	19	1,73,78,61,001	1,62,09,11,873
Other Income	20	5,08,07,895	3,86,63,025
Total Revenue (I)		1,78,86,68,906	1,65,95,74,898
II Expenses			
Cost of Material Consumed	21	1,00,48,64,332	94,71,21,600
Purchases of Stock in trade	22	1,46,30,168	3,42,83,057
Changes in inventories of finished goods, work in progress and Stock in trade	23	(3,38,874)	1,24,06,914
Excise / Custom duty on sale of goods		1,77,26,333	1,03,36,837
Employee Benefits Expense	24	5,95,06,754	5,02,01,017
Finance Costs	25	4,98,32,462	5,07,23,856
Depreciation and amortization expense			
a) Tangible Assets	3	2,24,57,636	2,23,84,908
b) Intangible Assets	3	2,33,686	2,33,776
Other Expenses	26	56,07,30,627	48,99,78,260
Total expenses (II)		1,72,96,43,124	1,61,76,70,225
III Profit before tax (I-II)		5,90,25,782	4,19,04,673
IV Tax expense			
(i) Current Tax	27	1,28,63,610	1,36,44,421
(ii) Deferred Tax	27	(6,64,484)	(14,58,918)
V Profit for the period (III-IV)		4,68,26,656	2,97,19,170
VI Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(42,78,785)	20,818
Re-measurement gains / (losses) on defined benefit plans		(42,72,993)	(1,18,719)
Changes in revaluation surplus		(5,792)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1,39,537)
VII Total Comprehensive Income for the period (V+VI) (Comprising Profit / (Loss) / Other Comprehensive Income for the period)		4,25,47,871	2,97,39,988
VIII Earnings per equity share:			
(1) Basic	28	15.40	10.73
(2) Diluted	28	15.40	10.73

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For **SRB & ASSOCIATES**Chartered Accountants
(Firm Reg. No.310009E)**Sunil Shah**Partner
Membership No.52841
Kolkata
Date: 29th May, 2019**Shri Krishan Saraf**Managing Director
DIN 00128999**Deo Kishan Saraf**Whole Time Director & Chief Financial Officer
DIN 00128804**Samir Kumar Ghosh**

Director

DIN 00129301

Bandana SahaCompany Secretary
M. No. A46329



Statement of Changes in Equity for the year ended March 31, 2019

Amount in ₹

a) Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during theyear	Balance at the end of the reporting year
For the year ended 31st March, 2018	2,52,00,000	52,00,000	3,04,00,000
For the year ended 31st March, 2019	3,04,00,000	-	3,04,00,000

b) Other equity

Particulars	Reserve & Surplus				Total
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at 1st April,2017	20,65,344	1,22,88,500	26,50,00,000	3,70,35,723	31,63,89,567
Profit for the year	-	-	-	2,97,19,170	2,97,19,170
Other comprehensive income (net of tax)	-	-	-	20,818	20,818
Total comprehensive income for the year	-	-	-	2,97,39,988	2,97,39,988
Issue of equity Share on preferential basis	-	5,72,00,000	-	-	5,72,00,000
Transfer from Share forfeited account	23,77,000	-	-	-	23,77,000
Dividend	-	-	-	-	-
- Ordinary Dividend	-	-	-	(37,80,000)	(37,80,000)
Income tax on Dividend Paid	-	-	-	(7,69,519)	(7,69,519)
Adjustment relating to Properties, Plant & Equipment	-	-	-	(1,83,36,201)	(1,83,36,201)
Transfer from retained earnings	-	-	2,50,00,000	(2,50,00,000)	-
Balance as at 31st March, 2018	44,42,344	6,94,88,500	29,00,00,000	1,88,89,991	38,28,20,835
Profit for the year	-	-	-	4,68,26,656	4,68,26,656
Other comprehensive income (net of tax)	-	-	-	(42,78,785)	(42,78,785)
Total comprehensive income for the year	-	-	-	4,25,47,871	4,25,47,871
Dividend	-	-	-	-	-
- Ordinary Dividend	-	-	-	(45,60,000)	(45,60,000)
Income tax on Dividend Paid	-	-	-	(9,37,322)	(9,37,322)
Transfer from retained earnings	-	-	3,50,00,000	(3,50,00,000)	-
Balance as at 31st March,2019	44,42,344	6,94,88,500	32,50,00,000	2,09,40,540	41,98,71,384

Capital Reserve: This Reserve represents the value of amount paid by the share applicant on account of share forfeited.

Securities Premium Account: This Reserve represents the premium on issue of shares and can utilized in accordance with the provisions Companies Act 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another not being an item of Other Comprehensive Income The same can be utilized by the Company in accordance with the provisions of the Companies act 2013.

Retained Earnings : This Reserve represents the cumulative profits of the company and effects of remeasurement of difined benefit obligations. This reserve can be utilized in accordance with the provisions of the companion Act 2013.

Equity Instruments through other Comprehensive Income: This Reserve represents the cumulative gains (net losses) arising on the revaluation of Equity Instruments measured at fair value through Other Comprehensive Income net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For **SRB & ASSOCIATES**

Chartered Accountants
(Firm Reg. No.310009E)

Sunil Sah

Partner
Membership No.52841
Kolkata
Date: 29th May, 2019

Shri Krishan Saraf

Managing Director
DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer
DIN 00128804

Samir Kumar Ghosh

Director
DIN 00129301

Bandana Saha

Company Secretary
M. No. A46329



Cash Flow Statement for the year ended March 31, 2019

Amount in ₹

	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
A. Cash Flow From Operating Activities		
1 Profit for the year	4,25,47,871	2,97,39,988
2 Adjustments for :		
Income tax expenses recognised in profit or loss	1,21,99,126	1,20,45,966
Depreciation of property, plant and equipment	2,24,57,636	2,23,84,908
Amortisation of intangible assets	2,33,686	2,33,776
Loss/(gain) on disposal of property, plant and equipments (net)	2,46,876	-
Net (gain)/loss arising on Investments mandatorily measured at fair value through profit and loss	5,792	-
Interest income	(10,51,263)	(6,72,514)
Subsidy Received	(1,39,674)	(1,39,674)
Finance costs	4,98,32,462	5,07,23,856
3 Operating Profit before Working Capital Changes (1+2)	12,63,32,512	11,43,16,306
4 Change in Working Capital:		
Trade receivables, loans and advances and other assets	(4,93,54,809)	25,89,101
Non current Financial Assets, loans & advances & other non current assets	(38,31,082)	(3,44,651)
Inventories	(56,92,142)	(3,18,20,611)
Trade payables other liabilities and provisions	(1,88,87,913)	(1,60,42,834)
Change in Working Capital	(7,77,65,946)	(4,56,18,994)
5 Cash generated From Operations (3+4)	4,85,66,566	6,86,97,313
6 Less : Taxes paid	(1,38,66,543)	(1,55,18,523)
7 Net Cash Flow from Operating Activities (A) (5-6)	3,47,00,023	5,31,78,790
B Cash Flow from Investing Activities:		
Purchase of fixed assets	(2,83,36,138)	(4,04,56,005)
Sale of fixed assets	31,16,608	-
Payables for capital goods	61,47,390	(23,77,570)
Interest received	11,33,778	8,75,078
Net Cash Generated/(Used) in Investing Activities (B):	(1,79,38,362)	(4,19,58,497)
C Net Cash Flow From Financing Activities:		
Proceeds from issue of share capital including premium	-	6,24,00,000
Short term secured loan	5,86,03,335	(4,45,13,420)
Short term unsecured loan	-	(1,00,00,000)
Proceeds from/(repayment) of long term unsecured loan	(54,08,489)	1,23,70,587
Repayment of Secured long term loan	(1,41,20,143)	1,84,39,454
Interest and financing charges	(4,98,32,462)	(5,07,23,856)
Dividend & dividend tax paid	(56,16,814)	(44,50,743)
Net Cash Used in Financing Activities (C) :	(1,63,74,573)	(1,64,77,978)
D Net Change in Cash & cash equivalents (A+B+C)	3,87,089	(52,57,685)
E-1 Cash & cash equivalents as at end of the year	89,12,248	85,25,159
E-2 Cash & cash equivalents as at the beginning of year	85,25,159	1,37,82,845

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For **SRB & ASSOCIATES**

Chartered Accountants

(Firm Reg. No.310009E)

Sunil Shah

Partner

Membership No.52841

Kolkata

Date: 29th May, 2019

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Bandana Saha

Company Secretary

M. No. A46329

**NOTES TO THE FINANCIAL STATEMENTS****Note 1****SIGNIFICANT ACCOUNTING POLICIES****Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Basis of preparation and measurement

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosures in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of their vision and future periods if the revision affects both current and future periods.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, plant and equipment-Tangible Assets**Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Building	30-60 Years
Leasehold improvements	Shorter of lease period or estimate useful life
Plant and Equipment	7-25 Years
Furniture and Fixture	8-10 Years
Vehicles	8-10 Years
Office Equipment	5 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.



NOTES TO THE FINANCIAL STATEMENTS

Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss arising out of fluctuations in the exchange rates are recognized in the Statement of Profit and Loss in the period in which they arise, except in respect of fixed assets where exchange variance is adjusted in the carrying amount of respective fixed assets.

To account for differences between the forward exchange rates and the exchanges rates at the date of transactions as income or expense over the life of the contracts.

To account for profit / loss arising on cancellation or renewal of forward exchange contracts as income / expenses for the period.

To recognize the net mark to market losses& gain in the Statement of Profit and Loss on the outstanding portfolio of forwards as at the Balance Sheet date.

Financial instruments, financial assets, financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the

acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at: amortised cost, where the financial assets are held solely for collection of cash flows arising from payments

of principal and/or interest.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Revenue Recognition

Revenue from business and other activities consist primarily of revenue earned on a "time and material" basis. The related revenue is recognized as and when the material supplied / services performed. Sales are recognized inclusive of duty if any but net of sales tax. Export Incentives are accounted on accrual basis and include estimated realisable value / benefits from Duty Drawback, Duty Free Import Authorization Scheme (DFIA), Merchandise Export Incentive Scheme (MEIS) and Focus Product Scheme. The expenditures are recognized on accrual basis. Where the certainty for ultimate collection of debts is lacking, same being accounted for in the year in which the certainty is lacking.

Sales & Export Incentives

Sales are recognized, net of return, on dispatch of goods to customers and are reflected in the accounts at gross realizable value net of taxes but inclusive of excise / customs duties.

Export incentives are accounted on accrual basis and include estimated realizable value / benefits from Duty Free Import Authorization Scheme (DFIA), DEPB, Merchandise Export Incentive Scheme and Focus Product Scheme.



NOTES TO THE FINANCIAL STATEMENTS

Investment Income

To account for income from investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from dividends when the right to receive such dividends is established.

Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant.

Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Employee Benefits

The Employee benefits are provided in accordance with INDAS 19 and are dealt in the following manner:

- (i) Contribution to Provident Fund and other Funds are accounted on accrual basis.
- (ii) Gratuity Liability is determined by actuarial valuation done at the end of the year and the current year charge is debited in the Statement of Profit and Loss.

Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

"Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

**Note 2****USE OF ESTIMATE AND JUDGEMENT**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

4. Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

3 Property, Plant and Equipments

Amount in ₹

PARTICULARS	TANGIBLE ASSETS									CAPITAL WORK IN PROGRESS	INTANGIBLE ASSETS Computer Softwares
	Land		Buildings	Plant & Machineries	Furniture & Fixtures	Vehicles	Office Equipment	Other - Electric Installations	Total Tangible Assets		
	Freehold	Leasehold									
Gross Block											
Balance as at March 31, 2017	2,11,48,702	97,50,000	5,97,03,292	13,89,73,202	1,15,66,049	47,56,030	29,86,031	1,28,53,326	26,17,36,632	1,68,13,336	7,29,480
Additions & Adjustment	8,71,326	-	1,18,18,620	72,48,557	15,50,344	55,83,402	8,47,492	6,48,508	2,85,68,249	2,54,01,092	-
Deletions & Adjustment	-	-	-	-	-	-	-	-	-	1,35,13,336	-
Balance as at March 31, 2018	2,20,20,028	97,50,000	7,15,21,912	14,62,21,759	1,31,16,393	1,03,39,432	38,33,523	1,35,01,834	29,03,04,881	2,87,01,092	7,29,480
Additions & Adjustment	-	-	5,99,820	4,44,29,801	24,11,821	12,17,771	8,14,698	9,24,828	5,03,98,739	2,54,67,530	-
Deletions & Adjustment	-	-	-	45,72,379	-	58,986	-	-	46,31,365	4,75,30,131	-
Balance as at March 31, 2019	2,20,20,028	97,50,000	7,21,21,732	18,60,79,180	1,55,28,214	1,14,98,217	46,48,221	1,44,26,662	33,60,72,254	66,38,491	7,29,480
Accumulated Depreciation											
Balance as at March 31, 2017	-	-	51,19,977	1,49,74,616	13,36,983	2,01,660	7,48,186	17,11,224	2,40,92,646	-	31,933
Additions & Adjustment	-	-	38,31,277	1,38,03,135	12,82,375	9,77,778	7,61,318	17,29,025	2,23,84,908	-	2,33,776
Deletions & Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	-	89,51,254	2,87,77,751	26,19,358	11,79,438	15,09,504	34,40,249	4,64,77,554	-	2,65,709
Additions & Adjustment	-	-	43,26,677	1,28,26,535	15,81,488	12,91,326	6,55,842	17,75,768	2,24,57,636	-	2,33,686
Deletions & Adjustment	-	-	-	12,67,882	-	-	-	-	12,67,882	-	-
Balance as at March 31, 2019	-	-	1,32,77,931	4,03,36,404	42,00,846	24,70,764	21,65,346	52,16,017	6,76,67,308	-	4,99,395
Net Block											
Balance as at March 31, 2018	2,20,20,028	97,50,000	6,25,70,658	11,74,44,008	1,04,97,035	91,59,994	23,24,019	1,00,61,585	24,38,27,327	2,87,01,092	4,63,771
Balance as at March 31, 2019	2,20,20,028	97,50,000	5,88,43,801	14,57,42,776	1,13,27,368	90,27,453	24,82,875	92,10,645	26,84,04,946	66,38,491	2,30,085

Note:

1. Building Freehold include ₹ 4,59,67,403/- (Previous Year - ₹ 4,53,67,583/-), aggregate cost of Building on Leasehold Land situated at various locations.
2. The company imported plant & machineries under concessional rate or zero customs duty under Export Promotion Capital Goods Scheme (EPCG Scheme). Under the scheme, the company is obliged to export goods equivalent to 6 times of duty saved on capital goods. The company is required to meet this export obligation over a period of 6 years from the date of issue of authorisations. Out of the above, the company has pending export obligation of USD 1.73 Lakhs upto 31.03.2019.

4 Investment

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current
	Investment in equity instruments			
In others				
Unquoted				
Bharat NRE Coke Limited 8,871 (P.Y. 8,871) shares of ₹ 10 each, fully paid	-	77,556	-	83,348
West Bengal Hosiery Park Infrastructure Ltd 300 (P.Y. 300) shares of ₹ 10 each, fully paid	-	3,000	-	3,000
Total	-	80,556	-	86,348

5 Loans

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current
	(Unsecured, considered good unless otherwise stated)			
Loan to Employees	9,95,222	5,52,159	3,15,050	7,53,839
Total	9,95,222	5,52,159	3,15,050	7,53,839
Loan to employees are given as per company's policy				



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

6 Other Financial Assets

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current
Bank deposit with more than 12 months maturity	-	40,92,235	-	4,92,227
Other Financial Assets				
Advances	-	16,29,880	-	16,29,880
Deposits	-	97,82,469	-	96,21,904
Interest Accrued on Deposits	3,36,653	-	4,19,168	-
Total	3,36,653	1,55,04,584	4,19,168	1,17,44,011

7 Other Assets

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current
Security deposits	-	47,66,247	-	44,94,058
Deposits with body corporate and others				
Considered good	36,67,461	-	36,67,461	-
Considered doubtful	-	-	-	39,00,000
Advances				
To Related Parties	-	-	-	-
To Suppliers & Others	8,14,90,486	-	2,43,48,135	-
Export incentives & Receivables from govt. authorities	10,05,84,404	-	12,34,91,071	-
Prepaid expenses	76,82,678	-	43,57,416	-
	19,34,25,029	47,66,247	15,58,64,083	83,94,058
Less: Provision for doubtful advances	-	-	-	39,00,000
Total	19,34,25,029	47,66,247	15,58,64,083	44,94,058

8 Inventories

Particulars	As at 31.03.2019	As at 31.03.2018
Inventories (lower of cost and net realisable value)		
Raw Materials	20,02,44,155	20,22,50,844
Work-in-progress	14,73,83,444	14,99,98,213
Finished Products (Manufactured)	6,58,99,425	6,27,37,667
Stock-in-trade (Goods purchased for re-sale)	-	2,08,115
Stores and Spares	1,68,13,352	94,53,395
Total	43,03,40,376	42,46,48,234
The above includes goods in Transit as under :-		
Raw Materials	85,64,061	2,33,76,469
Work-in-progress	-	-
Finished Products	-	-
Stock-in-trade	-	-
Stores and Spares	1,32,719	-
Total	86,96,780	2,33,76,469
The inventory also includes Goods lying with third party		
Raw Materials	1,99,83,080	1,00,32,758
Work-in-progress	1,51,07,013	2,71,05,103
Finished Products	-	-
Stock-in-trade	-	-
Stores and Spares	-	-
Total	3,50,90,092	3,71,37,861



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

9 Trade receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good	30,52,32,282	29,21,93,001
Doubtful	-	64,800
	30,52,32,282	29,22,57,801
Less : Provision for Doubtful receivables	-	64,800
Total	30,52,32,282	29,21,93,001

10 Cash and Cash Equivalents *

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks		
Current Account	52,50,096	36,27,344
EEFC Account	3,21,032	84,807
In Deposit Account	13,82,801	37,50,484
Cheques on hand	3,03,287	-
Cash on hand	16,55,032	10,62,524
Total	89,12,248	85,25,159

* Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

11 Other bank balances

Particulars	As at 31.03.2019	As at 31.03.2018
Other Bank Balances		
Fixed Deposit Account*	41,93,888	59,97,020
Earmarked Balances	6,40,746	7,63,205
Total	48,34,634	67,60,225

*Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months form the Balance Sheet date.

12 Current Tax Assest (Net)

Particulars	As at 31.03.2019	As at 31.03.2018
Current Tax Assets (Net of Income Tax Provision)	26,12,806	16,09,873
Total	26,12,806	16,09,873



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

13 Equity Share Capital

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Authorised: Ordinary Shares of ₹ 10 each fully paid up	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
Issued and Subscribed Ordinary Shares of ₹ 10 each fully paid up	35,20,000	3,52,00,000	35,20,000	3,52,00,000
Paid-up Ordinary Shares of ₹ 10 each fully paid up	30,40,000	3,04,00,000	30,40,000	3,04,00,000
	30,40,000	3,04,00,000	30,40,000	3,04,00,000

A. Reconciliation of No. of Ordinary Shares Outstanding

	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the Beginning of the year	30,40,000	3,04,00,000	25,20,000	2,52,00,000
Add: Issue of Shares on Preferential basis	-	-	5,20,000	52,00,000
At the end of the year	30,40,000	3,04,00,000	30,40,000	3,04,00,000

B Details of shareholders holdings more than 5% shares

Name of the Shareholder	As at 31.03.2019		As at 31.03.2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Shri Krishan Saraf	4,33,947	14.27%	4,31,047	14.18%
Deo Kishan Saraf	2,28,532	7.52%	2,28,532	7.52%
Kusum Saraf	1,70,452	5.61%	1,59,452	5.25%
Saraf Capital Market Ltd	85,000	2.80%	1,65,000	5.43%

C Rights, Preference and Restriction attached to Shares

The company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

The Board of Directors have proposed a dividend of Rs 1.5 per equity share of ₹ 10/- each for the financial year ended 31st March 2019.



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

14 Borrowings (at amortised cost)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-current	Current	Non-current
SECURED				
(a) Term Loan				
From Bank*	-	1,35,59,311	-	2,36,20,699
(b) Repayable on Demand				
From Bank**				
Cash credit	17,95,62,911		19,02,21,323	
EPC	29,45,58,672		21,34,21,819	
Bill Discounting	1,11,45,415	-	82,39,282	-
Buyer's Credit	-	-	1,47,81,239	-
Total Secured Borrowing (A)	48,52,66,998	1,35,59,311	42,66,63,664	2,36,20,699
UNSECURED				
Vehicle Loan from Banks	-	34,10,401	-	38,50,227
Rupee Loan from Others		6,93,50,000		7,42,50,000
Total Un-secured Borrowing (B)	-	7,27,60,401	-	7,81,00,227
Total Borrowing (A+B)	48,52,66,998	8,63,19,712	42,66,63,664	10,17,20,926

a) Secured Loans are covered by :

From Bank*

Term Loan from bank is secured by way of first pari passu charge on machineries and other fixed assets to be procured by way of availing Term Loan and secured by way of hypothecation of plant & machineries and other fixed assets of the company.

From Bank**

Secured by way of hypothecation first charge on Raw Material, Stock-in-process, Finished Goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other Banker

b) Repayment Terms of outstanding long term borrowings (including current maturities) as on March 31, 2019 :-

The Scheduled maturity of the Long-term borrowings is summarised as under:

Banks & Corporates Vehicle & Inter Corporate Loan		Bank Term Loan	
As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
14,14,220	14,82,883	1,25,61,245	1,66,20,000
14,14,220	14,82,883	1,25,61,245	1,66,20,000
13,69,109	11,08,013	80,00,000	1,25,61,245
14,49,397	10,33,383	55,59,311	80,00,000
5,91,895	17,08,832	-	30,59,454
34,10,401	38,50,227	1,35,59,311	2,36,20,699

Borrowings Repayable

In the first year (Note 18)

Current maturities of long-term debt

In the second year

In the third year

In the fourth year and onwards

Long Term Borrowings

c) **Period of Continuing Default**

There is no continuing default in repayment of Long Term Borrowings.

d) **Unsecured Loan from Others includes**

i) Related party (bearing interest)

ii) Intercorporates (Bearing interest)

e) **Long Term Borrowings from Related Party :**

Prince Vanijya Pvt. Ltd.

As at 31.03.2019	As at 31.03.2018
1,00,00,000	1,00,00,000
5,93,50,000	6,42,50,000
6,93,50,000	7,42,50,000
1,00,00,000	1,00,00,000
1,00,00,000	1,00,00,000



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

15 Deferred tax liabilities (Net)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax liabilities	2,23,25,842	2,46,60,082
Less: Deferred tax assets	-	16,69,756
Total	2,23,25,842	2,29,90,326

Movement in deferred tax liabilities /assets balances	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities/assets in relation to:				
On fiscal allowances on property, plant and equipment etc.				2,23,25,842
	2,46,60,082	(23,34,240)	-	
Other timing differences	-	-	-	-
Total deferred tax liabilities	2,46,60,082	(23,34,240)	-	2,23,25,842
On provision for doubtful debts/advances	13,10,900	(13,10,900)	-	-
Other timing differences	3,58,856	(3,58,856)	-	-
Total deferred tax assets	16,69,756	(16,69,756)	-	-
Deferred tax liabilities (Net)	2,29,90,326	(6,64,484)	-	2,23,25,842

16 Other Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current		
Deferred revenue arising from Government grant	14,10,500	15,50,174
Total	14,10,500	15,50,174
Current		
Statutory Liabilities	1,06,10,422	15,05,193
Advances from Customers	59,35,619	66,21,352
Deferred revenue arising from Government grant related to assets	1,39,674	1,39,674
Others	2,52,15,129	2,21,08,549
Total	4,19,00,844	3,03,74,768

17 Trade payables (at amortised cost)

Particulars	As at 31.03.2019	As at 31.03.2018
Outstanding dues of Creditors of Micro, Small and Medium Enterprises	1,30,25,103	62,41,458
(i) Creditors for Supplies and Services		
Total outstanding dues of micro enterprises and small enterprises	1,30,25,103	62,41,458
Outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Dues to Related Parties	-	-
(ii) Creditors for Supplies and Services	11,80,83,084	15,52,80,718
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,80,83,084	15,52,80,718
Total	13,11,08,187	16,15,22,176

Terms and conditions of the above financial liabilities :

► A sum of ₹ 130,25,103 /- payable to Micro and Small Enterprises as at 31st March, 2019. There are ₹ 40,23,653/- Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

18 Other Financial Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Current maturities of long-term debt (refer note 14)	1,39,75,465	1,81,02,883
Unpaid dividends *	6,40,746	7,60,238
Payables for fixed assets	96,46,640	34,99,249
Total	2,42,62,851	2,23,62,370

*Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013

19 Revenue From Operations

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Gross Revenue from sale of products (including Duties)	1,64,48,51,684	1,53,10,65,790
Other operating revenues	9,30,09,327	8,98,46,083
Total	1,73,78,61,011	1,62,09,11,873
Details of products sold		
A. Finished goods sold		
Hand Gloves	1,10,15,94,178	99,66,21,712
Garment	50,29,66,775	46,25,36,122
Windpower	1,18,23,142	86,30,500
Total (A)	1,61,63,84,095	1,46,77,88,334
B. Raw material & traded goods sold		
Yarn, fabrics, chemicals and other traded goods	2,84,67,589	6,32,77,456
Total (B)	2,84,67,589	6,32,77,456
Total (A+B)	1,64,48,51,684	1,53,10,65,790
Break-up of Other operating revenues		
Scrap sales	2,79,540	2,37,660
Export Incentives	9,15,54,518	8,75,10,776
Discount Received	50,175	17,24,751
Other Operating Income	11,25,094	3,72,896
Total	9,30,09,327	8,98,46,083

20 Other income

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest income on		
Bank Deposits	7,14,277	6,72,514
Others	3,36,986	-
Other Gains and Losses*	4,88,22,848	3,56,63,438
Other Non-operating income **	9,33,784	23,27,073
Total	5,08,07,895	3,86,63,025
*Other gains and losses:		
Net foreign exchange gain/(loss)	4,88,22,848	3,56,63,438
Total	4,88,22,848	3,56,63,438
**Other Non-operating income		
Subsidy Received	4,18,023	1,39,674
Other Misc. Income	4,44,422	15,62,800
Rent Received	-	6,00,000
Sample Income	71,339	24,599
Total	9,33,784	23,27,073



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

21 Cost of Raw Materials consumed

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Opening Balance	20,22,50,844	16,11,85,289
Add : Purchases	1,00,28,57,643	98,81,87,155
	1,20,51,08,487	1,14,93,72,444
Less :Closing stock	20,02,44,155	20,22,50,844
Total	1,00,48,64,332	94,71,21,600
Details of raw materials consumed		
Yarn	10,19,11,240	9,73,22,254
Fabrics	18,82,62,799	17,66,73,290
Leathers	53,58,49,568	46,59,63,874
Chemicals	6,15,05,617	3,81,50,282
Others	11,73,35,108	16,90,11,900
Total	1,00,48,64,332	94,71,21,600
Value of Raw materials consumed during the year		
Imported	15,21,59,203	14,91,45,303
Indigenous	85,27,05,129	79,79,76,297
Total	1,00,48,64,332	94,71,21,600

22 Purchases of Stock in trade

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Hand Gloves	1,70,200	2,47,14,969
Garments	1,44,59,968	95,68,088
Total	1,46,30,168	3,42,83,057

23 Changes in inventories of Finished Goods, Work in Progress & Stock-in-Trade

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Opening Stock		
Work-in-progress	14,99,98,212	13,82,67,266
Finished goods	6,27,37,667	7,85,48,131
Traded goods	2,08,116	85,35,512
	21,29,43,995	22,53,50,909
Closing Stock		
Work-in-progress	14,73,83,444	14,99,98,212
Finished goods	6,58,99,425	6,27,37,667
Traded goods	-	2,08,116
	21,32,82,869	21,29,43,995
Total	(3,38,874)	1,24,06,914
Details of inventories		
Work-in-progress		
Hand gloves	2,71,60,456	2,30,27,051
Garments	12,02,22,988	12,69,71,161
Total	14,73,83,444	14,99,98,212
Finished goods		
Hand gloves	6,22,64,713	5,97,03,337
Garments	36,34,712	30,34,330
Total	6,58,99,425	6,27,37,667
Traded goods		
Hand gloves	-	1,10,000
Garments	-	98,116
	-	2,08,116



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

24 Employee Benefits Expense

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, wages, bonus etc	5,07,78,307	4,31,67,479
Contribution to provident and other funds	45,20,814	37,63,614
Gratuity expenses	11,60,864	7,81,447
Staff welfare expenses	30,46,769	24,88,477
Total	5,95,06,754	5,02,01,017

Disclosure on Employee Benefits is given in Note No. 30.A

25 Finance Costs

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Expense	4,82,41,795	4,71,28,310
Others borrowing cost	15,90,667	35,95,546
Total	4,98,32,462	5,07,23,856

26 Other expenses

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Consumption of stores, spares & packing materials	5,74,85,997	3,17,68,486
Power & fuels	3,65,71,243	3,12,61,254
Rent, rates & taxes etc.	1,45,69,434	1,08,34,303
Packing & finishing charges	1,09,75,134	87,32,661
Printing & stationary	19,64,269	13,46,605
Processing charges	32,44,98,742	29,97,23,798
Bank Charges	42,16,091	51,02,577
Travelling & conveyance expenses	1,13,92,973	84,10,517
Auditor's remuneration *	3,60,000	4,18,725
Insurance charges	65,33,787	89,62,218
Postage & telephone expenses	34,45,444	39,44,552
Motor car expenses	25,55,365	14,81,304
Repairs & maintenance		
Plant & machinery	40,21,751	36,90,794
Building	3,42,260	4,57,062
Others	1,45,54,197	1,15,75,218
Commission on sales	30,95,632	17,17,450
Sales promotion expenses	66,85,342	72,77,251
Coolie, cartage, freight & forwarding charges	3,38,94,119	3,46,00,781
Quality Claim on Sales / Exports	10,41,512	3,29,957
Loss On Sale Of Fixed Assets	2,46,876	-
Sundry Balance Written Off	87,24,103	12,50,439
Sales Tax Expenses	20,59,251	84,83,823
Misc. expenses	1,09,77,587	85,57,993
Prior Period items	5,19,518	50,494
Total	56,07,30,627	48,99,78,260
* Auditors' remuneration and expenses		
Audit Fees	3,00,000	3,00,000
Tax Audit Fees	60,000	60,000
Other Matters	-	58,725
Total	3,60,000	4,18,725



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

27 Income Tax Expense

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Amount recognised in profit or loss		
Current Tax		
Income tax for the year		
Current Tax	1,28,63,610	1,43,28,134
Adjustments/(credits) related to previous years - Net Current Tax	-	(6,83,713)
Total Current tax	1,28,63,610	1,36,44,421
Deferred tax		
Deferred tax for the year	(6,64,484)	(14,58,918)
Adjustment/(credits) related to previous years -Net	-	-
Total Deferred tax	(6,64,484)	(14,58,918)
Total	1,21,99,126	1,21,85,503

B. Amount recognised in other comprehensive Income

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

Deferred tax

On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	-	(1,39,537)
Total	-	(1,39,537)

28 Earnings per share

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit After Taxation (₹)	4,68,26,656	2,97,19,170
Weighted average number of Ordinary shares (Nos.) *	30,40,000	27,70,740
Basic Earnings Per Share (₹)	15.40	10.73
Diluted Earnings Per Share (₹)	15.40	10.73

*After Considering the preferential allotment of ordinary shares on 5th October 2017.

29 Contingent Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Claims against the company not acknowledged as debts		
(i) Sales Taxes claims disputed by the company relating to issues of applicability classification and disallowance.	8,07,300	8,07,300
(ii) Tax liability demanded by the Kolkata Municipal Tax Authorities*.	-	21,02,421
(iii) Income Tax matters	14,86,883	14,86,883
(b) Guarantees		
(i) Letter of Credit	1,49,34,084	1,67,80,975
(ii) Counter Guarantee Given	43,66,706	51,22,031
(c) Other money for which company is contingently liable		
(i) Bills discounted by the Bank	1,11,45,415	82,39,282

* Tax liability demanded by the Kolkata Municipal Tax Authorities was set aside by the Municipal Assessment Tribunal in their order no. 08 dtd. 30.06.2016 vide M.A.A. 423 of 2016 and directed the Hearing Officer concerned to make a fresh assessment of the liabilities. The company has deposited, on account on several dates, a total sum of ₹ Nil (Previous Year - ₹ 21,02,421/-). The amount so paid will be adjusted with the final assessment.



NOTES TO THE FINANCIAL STATEMENTS

30A. Additional Notes to Defined Benefit Plans/Long Term Compensated Absences

Defined Contribution Plans -

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Provident Fund, Pension and Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Pension Plans are based on employees' pensionable remuneration and length of service. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk

Investment Risks: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Valuation as at	
	As at 31.03.2019	As at 31.03.2018
Discount rate (s)	7.70%	7.75%
Expected rate(s) of salary increase	6.00%	6.00%
Mortality	IALM 06-08 ULTIMATE	



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:-

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Past Service cost	-	-
Current service cost	12,90,456	8,53,830
(Gain)/loss from settlements	-	-
Net interest expense	-	-
Total Service cost	12,90,456	8,53,830
Interest Expense on DBO	8,99,203	7,95,428
Interest (Income) on Plan Assets	(10,28,795)	(8,67,811)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	(1,29,592)	(72,383)
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	11,60,864	7,81,447
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	(39,01,853)	20,85,557
Remeasurements - Due to Experience Adjustments	80,38,601	(19,50,279)
(Return) on Plan Assets (Excluding Interest Income)	1,36,245	(16,559)
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	42,72,993	1,18,719
Total Defined Benefit Cost recognized in P&L and OCI	54,33,857	9,00,166

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Defined benefit obligation	1,78,24,733	1,18,57,584
Fair value of plan assets	1,91,05,968	1,33,60,970
Funded status	(12,81,235)	(15,03,386)
Effect of Asset Ceiling / oneros Liability	-	-
Net liability/ (asset) arising from defined benefit obligation	(12,81,235)	(15,03,386)

Movements in the present value of the defined benefit obligations are as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Opening defined benefit obligations	1,18,57,584	1,04,54,125
Current service cost	12,90,456	8,53,830
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	8,99,203	7,95,428
Benefit Payments from Plan Assets	(3,53,258)	(3,81,077)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	(39,01,853)	20,85,557
Remeasurements - Due to Experience Adjustments	80,38,601	(19,50,279)
Closing defined benefit obligation	1,78,24,733	1,18,57,584



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Movements in the fair value of the plan assets are as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Opening fair value of plan assets	1,33,60,970	1,11,96,838
Interest Income	10,28,795	8,67,755
Employer Contributions	52,11,706	16,60,895
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	(3,59,258)	(3,81,077)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(1,36,245)	16,559
Closing fair value of plan assets	1,91,05,968	1,33,60,970

Particulars	As at 31.03.2019	As at 31.03.2018
Investment Details	Gratuity Funded	Gratuity Funded
Investment with Insurer (LIC)	100%	100%

Net Defined Benefit Liability / (Asset) reconciliation

Particulars	As at 31.03.2019	As at 31.03.2018
Net Defined Benefit Liability/(Asset) at beginning of year	(15,03,386)	(7,42,713)
Defined Benefit Cost included in P & L	11,60,864	7,81,503
Total Remeasurements included in OCI	42,72,993	1,18,719
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	(52,11,706)	(16,60,895)
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at end of year	(12,81,235)	(15,03,386)

Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below

Particulars	DBO as at 31.03.2019
Under Base Scenario	1,78,24,733
Salary Escalation (Up by 1%)	2,32,47,605
Salary Escalation (Down by 1%)	2,05,65,054
Withdrawal Rates (Up by 1%)	2,19,67,201
Withdrawal Rates (Down by 1%)	2,16,65,899
Discount Rates (Up by 1%)	2,05,25,699
Discount Rates (Down by 1%)	2,32,97,002

Maturity Analysis Of The Benefit Payments

Particulars	
1. Year 1	91,43,999
2. Year 2	90,10,197
3. Year 3	6,47,039
4. Year 4	7,32,987
5. Year 5	7,57,109
6. Next 5 Years	52,01,699



NOTES TO THE FINANCIAL STATEMENTS

30. Additional Notes to the Financial statement

	For the Year Ended 31.03.2019	Amount in ₹ For the Year Ended 31.03.2018
C. Expenditure In Foreign Currency		
(Amount remitted in foreign currency by way of letter of credit arrangements / others)		
For purchase of Capital goods on CIF basis	1,23,78,581	2,73,88,269
For purchase of Raw Materials, stores, spares & Finished Goods	13,97,39,174	19,12,07,394
For Travelling Expenses	37,54,321	51,62,840
On other accounts	67,28,619	64,78,711
Total	16,26,00,695	23,02,37,214
D. Earnings In Foreign Currency On (Fob Basis)		
Export of goods	1,18,23,37,590	1,05,31,26,017
Other income	50,175	24,81,115
Total	1,18,23,87,765	1,05,56,07,132

E. Derivative Instruments

The company uses forward exchange contracts to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on derivative instruments is as follows:-

Forward exchange contracts outstanding as at year end:-

Currency	Cross Currency	As at 31.03.2019		As at 31.03.2018	
		Buy	Sell	Buy	Sell
US Dollar (\$)	Indian Rupees (₹)	-	45,89,089.40	-	24,04,213.62
Euro (€)	Indian Rupees (₹)	-	24,76,898.90	-	2,43,455.59



NOTES TO THE FINANCIAL STATEMENTS

32 Segment Reporting

The company's operating business are organized and managed separately according to the nature of products. The four identified reportable segments are (i) Industrial hand gloves, (ii) Garments (iii) Power generation segment. The secondary segment is the geographical segment based on the location of manufacturing unit.

The Chief Executive Officer (CODM) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently.

Information regarding Segment Reporting as per Ind AS-108

Primary Segment Information

Amount in ₹

	2018-19			2017-18		
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
A. SEGMENT REVENUE						
Hand Gloves	1,18,17,85,573	-	1,18,17,85,573	1,11,63,62,957	-	1,11,63,62,957
Garments	54,41,54,537	-	54,41,54,537	49,58,66,188	-	49,58,66,188
Power Generation	1,19,20,901	-	1,19,20,901	86,82,728	-	86,82,728
Segment Total	1,73,78,61,011	-	1,73,78,61,011	1,62,09,11,873	-	1,62,09,11,873
Elimination			-			-
Total Revenue			1,73,78,61,011			1,62,09,11,873
B. SEGMENT RESULTS						
Hand Gloves			11,63,01,618			10,71,51,726
Garments			1,63,91,144			1,83,10,150
Power Generation			74,66,801			47,50,144
Segment Total			14,01,59,563			13,02,12,019
Unallocated corporate expenses.			(4,57,99,977)			(3,49,76,926)
Unallocated corporate income			1,34,47,395			(27,10,517)
Profit before finance cost , tax			10,78,06,981			9,25,24,577
Finance cost			(4,98,32,462)			(5,12,92,418)
Interest on loan, deposits, etc.			10,51,263			6,72,514
Profit before tax			5,90,25,782			4,19,04,673
Tax expense			(1,21,99,126)			(1,21,85,503)
C. PROFIT AFTER TAXATION			4,68,26,656			2,97,19,170
D. OTHER INFORMATION						
			2018-19	2017-18		
			Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Hand Gloves			80,24,80,931	52,16,42,200	70,62,73,241	46,74,01,927
Garments			34,84,94,772	23,84,97,317	37,20,95,212	27,07,36,104
Power Generation			3,27,00,467	31,588	3,69,64,806	28,841
Segment Total			1,18,36,76,170	76,01,71,105	1,11,53,33,259	73,81,66,872
Unallocated Corporate Assets / Liabilities			5,91,90,148	3,24,23,829	6,51,31,863	2,90,77,415
Total			1,24,28,66,318	79,25,94,934	1,18,04,65,122	76,72,44,287

	2018-19			2017-18		
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation
Hand Gloves	4,40,64,761	1,48,38,051	-	1,94,96,608	1,53,81,837	-
Garments	50,74,050	38,19,267	-	32,02,500	33,83,152	-
Power Generation	-	22,54,337	-	-	22,54,628	-
Segment Total	4,91,38,811	2,09,11,655	-	2,26,99,108	2,10,19,617	-
Unallocated Expenditure	12,59,928	17,79,667	-	58,69,141	15,99,067	-
Total	5,03,98,739	2,26,91,322	-	2,85,68,249	2,26,18,684	-



NOTES TO THE FINANCIAL STATEMENTS

SECONDARY SEGMENT INFORMATION	Amount in ₹	
	2018-19	2017-18
Segment Revenue		
Within Special Economic Zone	23,64,20,538	23,91,87,999
Outside Special Economic Zone	1,50,14,40,473	1,38,17,23,874
Segment Assets		
Within Special Economic Zone	29,96,87,836	33,14,21,534
Outside Special Economic Zone	94,31,78,482	84,90,43,588
Capital Expenditure		
Within Special Economic Zone	4,07,88,098	1,71,35,256
Outside Special Economic Zone	96,10,641	1,14,32,993

32 RELATED PARTY DISCLOSURES

Related Party Disclosures, as required by IND-AS 24, " Related Party Disclosures" , are given below:

1. COMPANIES / FIRMS WHERE THERE IS A SIGNIFICANT INFLUENCE	:	(a) Acme Safetywears Limited (b) Saraf Capital Markets Limited (c) Prince Vanijya Private Limited (d) Century Safety Wears Private Limited (e) Rosinate India Company
2. KEY MANAGEMENT PERSONNEL	:	(a) Mr. Shri Krishan Saraf (b) Mr. Deo Kishan Saraf (c) Ms. Shruti Poddar (d) Ms. Bandana Saha
3. RELATIVE OF KEY MANAGEMENT PERSONNEL	:	(a) Mr. Abhishek Saraf (b) Mr. Aditya Saraf (c) Mr. Utkarsh Saraf (d) Ms. Priya Saraf
4. OTHERS	:	(a) Mr. Swapan Kumar Chakraborty (b) Mr. Bishnu Kumar Kesan

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2019

Particulars	Parties referred to in (1) above		Parties referred to in (2,3,4) above		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Purchase of goods	6,14,15,930	4,96,74,880	-	-	6,14,15,930	4,96,74,880
Acme Safetywears Ltd	6,14,15,930	4,96,74,880	-	-	6,14,15,930	4,96,74,880
Sale of goods	12,98,76,754	9,86,71,386	-	-	12,98,76,754	9,86,71,386
Acme Safetywears Ltd	12,98,76,754	9,86,71,386	-	-	12,98,76,754	9,86,71,386
Rent paid	13,35,000	8,40,000	-	-	13,35,000	8,40,000
Century Safety Wears Pvt. Ltd	13,35,000	8,40,000	-	-	13,35,000	8,40,000
Interest Income	-	-	-	-	-	-
Interest expenses	15,00,000	15,00,000	-	-	15,00,000	15,00,000
Prince Vanijya Private Ltd	15,00,000	15,00,000	-	-	15,00,000	15,00,000
Processing charges	25,92,109	23,57,660	-	-	25,92,109	23,57,660
Acme Safetywears Ltd	9,02,823	6,05,660	-	-	9,02,823	6,05,660
Rosinate India Company	16,89,286	17,52,000	-	-	16,89,286	17,52,000
Remuneration to KMP	-	-	1,11,01,875	69,01,188	1,11,01,875	69,01,188
Shri Kishan Saraf	-	-	60,00,000	42,00,000	60,00,000	42,00,000
Deo Kishan Saraf	-	-	48,00,000	24,00,000	48,00,000	24,00,000
Shruti Poddar	-	-	-	2,52,437	-	2,52,437
Bandana Saha	-	-	3,01,875	48,751	3,01,875	48,751
Remuneration to others	-	-	53,35,000	46,71,250	53,35,000	46,71,250
Abhishek Saraf	-	-	16,25,000	15,00,000	16,25,000	15,00,000
Aditya Saraf	-	-	16,25,000	15,00,000	16,25,000	15,00,000
Utkarsh Saraf	-	-	3,25,000	3,21,250	3,25,000	3,21,250
Priya Saraf	-	-	3,60,000	90,000	3,60,000	90,000
Bishnu Kumar Kesan	-	-	6,25,000	6,00,000	6,25,000	6,00,000
S K Chakraborty	-	-	7,75,000	6,60,000	7,75,000	6,60,000
Balance as on 31st March	-	-	-	-	-	-
Creditors / Payable	36,74,985	65,76,394	-	-	36,74,985	65,76,394
Acme Safetywears Ltd	29,44,912	62,41,458	-	-	29,44,912	62,41,458
Rosinate India Company	7,30,073	3,34,936	-	-	7,30,073	3,34,936
Debtors / Receivable	3,51,31,003	1,30,86,903	-	-	3,51,31,003	1,30,86,903
Acme Safetywears Ltd	3,51,31,003	1,30,86,903	-	-	3,51,31,003	1,30,86,903
Loan Taken	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000
Prince Vanijya Private Ltd	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000
Security Deposit	50,00,000	50,00,000	-	-	50,00,000	50,00,000
Century Safety Wears Pvt. Ltd	50,00,000	50,00,000	-	-	50,00,000	50,00,000



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

33 Financial Instruments and Related Disclosures

1. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

Particulars	Note	As at 31.03.2019		As at 31.03.2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	10	89,12,248	89,12,248	85,25,159	85,25,159
ii) Other bank balances	11	48,34,634	48,34,634	67,60,225	67,60,225
iii) Loans	5	15,47,381	15,47,381	10,68,889	10,68,889
iv) Trade receivables	9	30,52,32,282	30,52,32,282	29,21,93,001	29,21,93,001
v) Other financial assets	6	1,58,41,237	1,58,41,237	1,21,63,179	1,21,63,179
Sub-total		33,63,67,782	33,63,67,782	32,07,10,453	32,07,10,453
b. Measured at Fair value through OCI					
i) Equity shares	4	80,556	80,556	86,348	86,348
Sub-total		80,556	80,556	86,348	86,348
Total financial assets		33,64,48,338	33,64,48,338	32,07,96,801	32,07,96,801

Particulars	Note	As at 31.03.2019		As at 31.03.2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
B. Financial Liabilities					
a) Measured at amortised cost					
i) Cash credit facilities	14	48,52,66,998	48,52,66,998	42,66,63,664	42,66,63,664
ii) Trade payables	17	13,11,08,187	13,11,08,187	16,15,22,176	16,15,22,176
iii) Other financial liabilities	18	2,42,62,851	2,42,62,851	2,23,62,370	2,23,62,370
Sub-total		64,06,38,036	64,06,38,036	61,05,48,209	61,05,48,209
Total Finance liabilities		64,06,38,036	64,06,38,036	61,05,48,209	61,05,48,209

C. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Liquidity Risk

The Company's Current assets aggregate to ₹ 94,66,89,250 (2018 - ₹ 89,03,34,793) including Cash and cash equivalents and Other bank balances of ₹ 1,37,46,882 (2018 - ₹ 1,54,85,383) against an aggregate Current liability of ₹ 68,25,38,880 (2018 - ₹ 64,09,22,977); Non-current liabilities due between one year to three years amounting to ₹ 10,94,64,158 (2018 - ₹ 12,14,93,140) and Non-current liability due after three years amounting to ₹ 5,91,896 (2018 - ₹ 47,68,286) on the reporting date.

Further, while the Company's total equity stands at ₹ 41,98,71,384 (2018 - ₹ 38,28,20,835), it has borrowings of ₹ 8,63,19,712 (2018 - ₹ 10,17,20,926). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

**NOTES TO THE FINANCIAL STATEMENTS****Market Risks**

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Senior officer that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist personnel's that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar & Euro) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, including the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows :

	USD	Euro
As at 31st March, 2019		
Financial Assets	15,21,796	10,02,720
Financial Liabilities	3,01,603	1,52,236
As at 31st March, 2018		
Financial Assets	13,23,521	8,33,003
Financial Liabilities	7,10,043	1,08,284

D. Fair value measurement**Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels :

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.



NOTES TO THE FINANCIAL STATEMENTS

33. Financial Instruments and Related Disclosures (Contd.)

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March 2019	As at 31st March 2018
A. Financial assets			
a) Measured at amortised cost			
i) Loans*	3	15,47,381	10,68,889
ii) Other Financial assets*	3	1,58,41,237	1,21,63,179
Sub-total		1,73,88,618	1,32,32,068
b) Measured at Fair value through OCI			
i) Equity shares - Un-Quoted	2	80,556	86,348
Sub-total		80,556	86,348
Total financial assets		1,74,69,174	1,33,18,416
B. Financial liabilities			
a) Measured at amortised cost			
i) Other Financial liabilities*	3	2,42,62,851	2,23,62,370
Sub-total		2,42,62,851	2,23,62,370
Total financial liabilities		2,42,62,851	2,23,62,370

*Represents Fair value of Non-current Financial Instruments

34. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

35. Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on 29th May 2019.

For and on behalf of the Board of Directors

In terms of our report attached
For **SRB & ASSOCIATES**
Chartered Accountants
(Firm Reg. No.310009E)

Sunil Shah
Partner
Membership No.52841
Kolkata
Date: 29th May, 2019

Shri Krishan Saraf
Managing Director
DIN 00128999
Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
DIN 00128804
Samir Kumar Ghosh
Director
DIN 00129301
Bandana Saha
Company Secretary
M. No. A46329



ACKNIT INDUSTRIES LIMITED
CIN-L01113WB1990PLC050020

Regd. Office: 817 Krishna, 224 A. J. C. Bose Road, Kolkata- 700 017
Ph: (033) 2287 8293, Fax: (033) 2287 8269
Email: calcutta@acknitindia.com , Website: www.acknitindia.com

**Form No MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : _____
Registered address : _____
E-mail Id : _____
Folio No. / DP ID / Client Id : _____

I / We, being the member (s) ofshares of Acknit Industries Limited, hereby appoint

- Name : Address.....
E-mail ID : Signatureor failing him/her,
- Name : Address.....
E-mail ID : Signatureor failing him/her,
- Name : Address.....
E-mail ID : Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Tuesday, 24th September, 2019 at 10.30 a.m. at "Gyan Manch", 11, Pretoria Street, Kolkata - 700071 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Directors and the Auditors thereon.		
2.	Declaration of dividend of Rs. 1.50/- per equity shares of Rs. 10 each for the Financial Year ended 31st March, 2019.		
3.	Appointment of a Director in place of Mrs. Rashi Saraf (DIN: 07152647) who retires by rotation and, being eligible, offers herself for re-appointment.		
Special Business			
4.	Re-appointment of Mr. Deo Kishan Saraf as the Whole-time Director cum CFO of the Company for further 3(three) consecutive years w.e.f. 1st April, 2019.		
5.	Re-appointment of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director for further 5(Five) consecutive years w.e.f. 9th September, 2019.		

Signed this.....day of.....2019

Signature of Shareholder.....

Signature of Proxyholder(s).....



Note :

- 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 the Commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 29th Annual General Meeting.
- *3. It is optional to put a '✓' in the appropriate column against the Resolution as indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



If undelivered please return to :

ACKNIT INDUSTRIES LIMITED

817, KRISHNA
224, A. J. C. Bose Road,
Kolkata - 700 017