



# ACKNIT INDUSTRIES LIMITED

Annual Report And Accounts  
**2020-21**

# ACKNIT INDUSTRIES LIMITED

CIN : L01113WB1990PLC050020

## Annual Report 2020-21

### BOARD OF DIRECTORS

Mr. Shri Krishan Saraf

*-Managing Director*

Mr. Deo Kishan Saraf

*-Whole-Time Director*

Mrs. Rashi Saraf

*-Non-Executive Non-Independent Director*

Mr. Rajarshi Ghosh

*-Non-Executive Independent Director (Appointed on 30.06.2021)*

Mr. Mukul Banerjee

*-Non-Executive Independent Director*

Mr. Jadav Lal Mukherjee

*-Non-Executive Independent Director*

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Bishnu Kumar Kesan

### 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](mailto:calcutta@acknitindia.com)

Website: [www.acknitindia.com](http://www.acknitindia.com)

### CORPORATE OFFICE

"Ecostation", Block- BP, Plot No.7, Sector- V

5th Floor, Suit No. 504, Salt Lake, Kolkata-700091

Ph: (033) 2367-5555

Email: [cs@acknitindia.com](mailto:cs@acknitindia.com)

### REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutions Pvt. Ltd.

D/42, Katju Nagar Colony, Ground Floor,

PO & PS - Jadavpur, Kolkata - 700 032

Telephone No. - (033) 2412 0027/0029

E-mail: [contact@skcinfo.com](mailto:contact@skcinfo.com)/[skcdilip@gmail.com](mailto:skcdilip@gmail.com)

Website: [www.skcinfo.com](http://www.skcinfo.com)



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**NOTICE OF THE 31ST ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 31st Annual General Meeting of ACKNIT INDUSTRIES LIMITED will be held on Saturday, the 25th day of September, 2021 at 11.00 a.m. at 'GYAN MANCH', 11, Pretoria Street, Kolkata - 700071 to transact the following business:-

**ORDINARY BUSINESS:**

**Item No.1**

**To consider and adopt Audited Financial Statements for the Financial Year ended 31st March, 2021**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021, together with the Reports of the Directors and Auditors thereon.

**Item No. 2**

**To declare dividend for the Financial Year ended 31st March, 2021**

To declare dividend of Rs.1.50 per equity shares of Rs.10 each for the Financial Year ended 31st March, 2021.

**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(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Rashi Saraf (DIN:07152647), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS :**

**Item No. 4**

**Re-appointment of Mr. Shri Krishan Saraf (DIN: 00128999) as Managing 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 the provisions of Sections 196, 197, 203 and any other applicable provisions 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), if any, read with Schedule V of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Shri Krishan Saraf (DIN: 00128999) as the Managing

Director and Key Managerial Personnel of the Company for a further period of 3 (three) years w.e.f. 1st April, 2021 in terms of the agreement placed before the meeting of the Board of Directors held on 31st March, 2021, the details of which are given in the Explanatory Statement annexed hereto and that the authority be and is hereby given to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as the Board may deem fit and as may be acceptable to Mr. Shri Krishan Saraf, the Managing Director.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

**Item No. 5**

**Re-appointment of Mr. Mukul Banerjee (DIN: 07527632) 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 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. Mukul Banerjee (DIN: 07527632) as a Non-Executive Independent Director of the Company for the second term of 5(five) consecutive years w.e.f. 30th May, 2021, not being subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

**Item No. 6**

**Appointment of Mr. Rajarshi Ghosh (DIN: 05270177) as a Non-Executive Independent Director**

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

“RESOLVED THAT pursuant to Section 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and 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 appoint Mr. Rajarshi Ghosh (DIN: 05270177) as a Non-Executive Independent Director of the Company, who was appointed as an Additional Director by the Board of Directors at their meeting held on 30th June, 2021, not being subject to retirement by rotation, to hold office for a term of 5(five) consecutive years w.e.f. 30th June, 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be necessary, proper or expedient to give effect to the aforesaid resolution."

#### Item No. 7

#### **Appointment of Mr. Shankar Lal Bajaj (DIN: 00619282) 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, 150, 152, 160, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17(1A) and other 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 appoint Mr. Shankar Lal Bajaj (DIN: 00619282) as a Non-Executive Independent Director of the Company for a term of 5(five) consecutive years w.e.f. 25th September, 2021, not being subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be necessary, proper or expedient to give effect to the aforesaid resolution."

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

Sd/-

**Bandana Saha**

**Place:** Kolkata **Company Secretary & Compliance Officer**

**Date:** 24-08-2021

**M.No.:** A46329

#### Notes :

1. **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.

2. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4, 5 & 6 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 Directors seeking appointment and re-appointment(s) at the Annual General Meeting is also furnished hereof. The Directors have furnished requisite declarations for their appointment / re-appointment.
3. Corporate members are requested to send to the Company's Registered Office, a duly certified copy of Board Resolution authorising their representative to attend and vote at the meeting.
4. Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Sunday, 19th September, 2021 to Saturday, 25th September, 2021 (both days inclusive) for payment of dividend on equity shares for the Financial Year ended 31st March, 2021.
6. The dividend for the Financial Year ended 31st March, 2021, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting,



will be paid to those shareholders whose names appear in the register of members / statement of beneficial ownership furnished by the depositories as on the close of business hours on Saturday, 18th September, 2021, as per the mandate registered with the Company or with their respective Depository Participants. In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the bank account details, the Company shall dispatch the dividend warrants/draft to such shareholders by post.

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.

7. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making payment of the final dividend. In order to enable us to determine the appropriate TDS rate in compliance with TDS requirements, members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the RTA's email address – skcdivit@gmail.com or to the Company's email address – cs@acknitindia.com
8. Members desirous of asking any questions at the 31st Annual General Meeting of the Company 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.
9. 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.
10. Those members who have so far not en-cashed their dividend warrants/draft 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" established under section 125(1) of the Companies Act, 2013 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
31.03.2014	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
31.03.2019	24.10.2026
31.03.2020	02.11.2027

The shareholders are further intimated herein that pursuant to the provisions of Section 124(5) & 124(6) of the Companies Act, 2013 read together with the Rules made thereunder, all dividends and associated shares for which no dividend has been paid/claimed by the shareholders of the Company for a period of 7(seven) consecutive years shall be, by virtue of the provisions of the above section, transferred to the Investor Education and Protection Fund.

11. The Company has implemented the "GREEN INITIATIVE" as per circular nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 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. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's RTA/Depositories for receiving all communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.
12. **Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, transfer of shares in physical form by a shareholder is restricted with effect from 1st April, 2019. This restriction, however, shall not be applicable in case of transmission or transposition of shares. In view of the regulatory requirements, shareholders holding shares in physical form are requested to arrange the dematerialization of their**





shares at earliest to avoid any inconvenience for transferring those shares. Guidelines of Dematerialisation of Shares is uploaded on the Company's website [www.acknitindia.com](http://www.acknitindia.com).

13. Electronic copy of the Annual Report for the Financial Year 2020-21 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 2020-21 is being sent in the permitted mode.
14. The Notice of Annual General Meeting along with the Annual Report of the Company for the Financial Year 2020-21 will also be displayed on the website of the Company: [www.acknitindia.com](http://www.acknitindia.com).
15. Documents referred to in the Notice 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 INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER :-**

The remote e-voting period begins on Wednesday, 22nd September, 2021 at 09:00 A.M. and ends on Friday, 24th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 18th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, 18th September, 2021.

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

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below :

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.



Type of shareholders	Login Method
	<p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>





**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Share holders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Share holders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual Shareholders 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 to enter the 'initial password' and the system will force you to change your password.
- c) 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.



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](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose email ids are not registered with the depositories/Company for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company at [cs@acknitindia.com](mailto:cs@acknitindia.com) or to the Company's Registrar and Share Transfer Agent at [skcdilip@gmail.com](mailto:skcdilip@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the Company at [cs@acknitindia.com](mailto:cs@acknitindia.com) or to the Company's Registrar and Share Transfer Agent at [skcdilip@gmail.com](mailto:skcdilip@gmail.com).

If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual Shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**General Guidelines for shareholders:**

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](mailto:rrekha1410@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 2244 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  4. The remote e-voting period commences on Wednesday, 22nd September, 2021 (09.00 a.m. IST) and ends on Friday, 24th September, 2021 (05.00 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 Saturday, 18th September, 2021 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 Saturday, 18th September, 2021.
  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., Saturday, 18th September, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://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 to 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 the Annual General Meeting, first count the votes casted at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and submit 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](http://www.acknitindia.com) and on the website of NSDL: [www.evoting.nsdl.com](http://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 The BSE Limited and The 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  
For Acknit Industries Limited**

Sd/-

**Bandana Saha**

**Company Secretary & Compliance Officer**

**Place:** Kolkata

**Date:** 24-08-2021

**M.No.: A46329**

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

Mr. Shri Krishan Saraf, one of the Promoters of the Company, was re-appointed as the Managing Director of the Company for a period of 3(three) years w.e.f 01.04.2018. Mr. Shri Krishan Saraf is a Bachelor of Science from Calcutta University and aged about 67 years. He is a pivot of the Company's expansion and acquiring of international reputation in Manufacture and Supply of Industrial Safety Gloves & outfits and readymade garments. The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, has re-appointed him as the Managing Director of the Company for a further period of 3(three) years w.e.f. 01.04.2021 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, 2021.

**(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 Managing Director shall be paid the following remuneration:

I. Monthly consolidated salary Rs.5,00,000/- (Rupees Five Lakhs only) subject to an annual increment of such amount as may be recommended by the Nomination and Remuneration Committee and duly approved by the Board, irrespective of the limits stipulated under Schedule V to the Act and any amendments made hereafter in this regard in such manner as may be agreed between the Board and Mr. Shri Krishan Saraf, Managing Director.

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Shri Krishan Saraf, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, Bonus/Performance Linked Incentive, Long-Term Incentive as approved by the Board.

- II. Contribution to Provident Fund as per the Rules of the Company.
- III. Gratuity: As per the Rules of the Company.
- IV. Leave Salary : As per the Company's rules with the provision for accumulation of un-availed leave encashment at the end of the term.
- V. Leave travel concession: Reimbursement of return passage for self and family to any destination in India.

- VI. The expenses under item no. II to V shall not be included in the computation of his remuneration package in terms of Section IV of Part II of the Schedule V to the Act.

**The following additional information as required under Schedule V of the Companies Act, 2013 is given below :****I. General Information :**

1. **Nature of Industry:** 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 three 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 gloves, cotton gloves, synthetic gloves, dotted gloves, coated gloves and industrial shoes & safety garments as well as readymade garments.
2. **Date or expected date of commencement of commercial production:** 1st January, 1992
3. **In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
4. **Financial Performance based on given indicators :**

Particulars	Financial Year ended	
	31st March, 2021	31st March, 2020
Gross Revenue	17,006.70	17,146.00
Other Income	384.79	144.40
<b>Total Revenue</b>	<b>17,391.49</b>	<b>17,290.40</b>
Less: Total Expenditure	15,995.71	16,021.55
<b>Gross Profit (before Depreciation &amp; Finance Cost)</b>	<b>1,395.78</b>	<b>1,268.85</b>
Less: Depreciation	289.75	249.43
: Finance Cost	313.68	459.01
<b>Profit Before Tax (PBT)</b>	<b>792.35</b>	<b>560.41</b>
Less: Provision for Income Tax	205.11	141.93
: Deferred Tax	2.65	(18.29)
<b>Profit after Tax (PAT)</b>	<b>584.59</b>	<b>436.77</b>
Other Comprehensive Income net of tax	12.84	(13.97)
<b>Total Comprehensive Income</b>	<b>597.43</b>	<b>422.80</b>

5. **Foreign Investments and Collaborations :** The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.



## II. Information about the Appointee :

- 1. Background Details :** Mr. Shri Krishan Saraf is a Bachelor of Science from Calcutta University and aged about 67 years. He is a pivot of the Company's expansion and acquiring of international reputation in Manufacture and Supply of Industrial Safety Gloves & outfits and readymade garments.
- 2. Past remuneration:** During the Financial Year ended 31st March, 2021, Rs. 60,00,000/- was paid to Mr. Shri Krishan Saraf.
- 3. Recognition or awards :** Contributed towards securing number of awards for the Company.
- 4. Job profile and his suitability :** Mr. Shri Krishan Saraf (then aged about 36 years) in association with his younger brother Mr. Deo Kishan Saraf incorporated this Company. He is a pivot of the Company's expansion and acquiring of international reputation in Manufacture and Supply of Industrial Safety Gloves & outfits and readymade garments.
- 5. Remuneration proposed :** Rs.60,00,000/- per annum including other benefits as fully set out herein above.
- 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :** Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Shri Krishan Saraf, the remuneration proposed to be paid is commensurate with the remuneration packages paid in the similar industry in this Country.
- 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any :** Mr. Shri Krishan Saraf, Managing Director of the Company is the elder brother of Mr. Deo Kishan Saraf, Whole-time Director of the Company. He is also father-in-law of Mrs. Rashi Saraf, Non-Executive Non- Independent Director of the Company.

## III. Other information :

- 1. Reasons of loss or inadequate profits:** Mr. Shri Krishan Saraf has been associated with the Company since its incorporation and has, even in this period of pandemic, contributed a great value in the growth and success of the Company and with his expertise in the industry where the Company operates. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint him as Managing Director on the terms and conditions set out herein above.

- 2. Steps taken or proposed to be taken for improvement:** The Company has actively taken strategic and operational measures to improve the performance of the Company. The Company has streamlined various processes which has improved the efficiency of the operations. Along with these and other measures taken by the Company and with improvement in business sentiments, the Company is confident of improving its performance and profitability in the coming years.
- 3. Expected increase in productivity and profits in measurable terms:** The Company has taken various initiatives to improve market share and financial performance. The Company expects a better performance in all measurable parameters in the coming years in view of the various measures taken by the Company to improve its performance.

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.

Save and except Mr. Shri Krishan Saraf, Mr. Deo Kishan Saraf and Mrs. Rashi 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.

### Item No. 5

Mr. Mukul Banerjee holds M.Com and LLB Degree from the University of Calcutta. He also holds CAIIB & PGDBM Degree. He is presently engaged in the profession of Advocate. He was previously employed in a Nationalized Bank as a senior Executive holding the position of AGM. He has a vast exposure in the matter of Finance over a period of 3 decades. Mr. Mukul Banerjee was appointed as a Non-Executive Independent Director of the Company for a term of 5(five) consecutive years with effect from 30th May, 2016. The Board feels that the presence of Mr. Mukul Banerjee on the Board is desirable and would be of immense benefit to the Company. Thus, the Board of Directors of the Company recommends the resolution set out at Item No. 5 in relation to re-appointment of Mr. Mukul Banerjee 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. Mukul Banerjee, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 5.

### Item No. 6

Mr. Rajarshi Ghosh holds B.Com(H) degree from the University of Calcutta and LLB Degree from FM University, Odisha and is also a qualified Company Secretary. Presently, he is a Practicing Company Secretary. He serves as an Independent





Director on the Boards of Bengal Energy Limited and was an Independent Director in K I C Metaliks Limited till 6th August, 2021. Currently, he is also associated with Jesserjee Business Solutions Private Limited as a Promoter Director. He is an active partner of SKR Ghosh & Associates LLP. Previously, he was associated with various renowned entities including listed entities as a senior executive and also acted as a Wholtime Company Secretary. He is having a vast exposure in Finance and Secretarial & Legal matter over a period of 2 decades.

Mr. Rajarshi Ghosh is appointed as an Additional Director of the Company in the capacity of a Non-Executive Independent Director w.e.f 30th June, 2021 till the conclusion of the ensuing Annual General Meeting.

The Company has received from Mr. Rajarshi Ghosh (i) Consent in writing to act as director in Form DIR-2 pursuant to section 152(5) of the Companies Act, 2013 read with rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of rule 14(1) Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under section 164(2) of the Companies Act, 2013, (iii) Interest in other entities in Form MBP-1 pursuant to 184(1) of the Companies Act, 2013 read with rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014 and (iv) A declaration to the effect that he satisfies the criteria of independence under section 149(6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Rajarshi Ghosh fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 for his appointment as a Non-Executive Independent Director of the Company and he is Independent of the Management. A copy of the letter for appointment of Mr. Rajarshi Ghosh as a Non-Executive Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working days up to the date of Annual General Meeting, with prior appointment.

The Board feels that presence of Mr. Rajarshi Ghosh on the Board is desirable and would be of immense benefit to the Company and hence the Board recommends the resolution set out at Item No. 6 in relation to appointment of Mr. Rajarshi 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. Rajarshi Ghosh, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 6.

**Item No. 7**

Mr. Shankar Lal Bajaj, an undergraduate has got extensive experience and expertise in the field of accounts and taxation. His last association was with M/S Ganges Printing Co Ltd, with a total experience of approximately 58 years.

The Company has received from Mr. Shankar Lal Bajaj (i) Consent in writing to act as director in Form DIR-2 pursuant to section 152(5) of the Companies Act, 2013 read with rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of rule 14(1) Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under section 164(2) of the Companies Act, 2013, (iii) Interest in other entities in Form MBP-1 pursuant to 184(1) of the Companies Act, 2013 read with rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014 and (iv) A declaration to the effect that he satisfies the criteria of independence under section 149(6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from Mr. Shiv Kishan Saraf proposing appointment of Mr. Shankar Lal Bajaj as a Director of the Company.

In the opinion of the Board, Mr. Shankar Lal Bajaj fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as a Non-Executive Independent Director of the Company and he is Independent of the Management.

The Board feels that presence of Mr. Shankar Lal Bajaj on the Board is desirable and would be of immense benefit to the Company and hence the Board recommends the resolution set out at Item No. 7 in relation to appointment of Mr. Shankar Lal Bajaj 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. Shankar Lal Bajaj and Mr. Shiv Kishan Saraf, is interested or concerned, in the resolution set out at Item No. 7.



**Details of Directors seeking appointment or re-appointment pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

Particulars	Mrs. Rashi Saraf	Mr. Shri Krishan Saraf	Mr. Mukul Banerjee	Mr. Rajarshi Ghosh	Mr. Shankar Lal Bajaj
DIN	07152647	00128999	07527632	05270177	00619282
Date of birth	26/05/1979	04/04/1954	23/03/1953	18/10/1972	07/05/1944
Date of first Appointment	26/09/2016	12/10/1990	30/05/2016	30/06/2021	Will be appointed in forth coming AGM
Brief resume	Mrs. Rashi Saraf holds Bachelor degree in Arts from University of Calcutta. She is associated with the Company as a Promoter Director. She is having vast exposure in the administration field for more than 16 years. She also plays a vital role in developing governance practices in the organisation.	Mr. Shri Krishan Saraf, aged about 67 years, is one of the promoter of the Company. He is associated with the Company since its incorporation. He is a pivot of the Company's expansion and acquiring of international reputation in Manufacturing and Supply of Industrial Safety Gloves & outfits and readymade garments. He is an industrialist with diversified business experience of more than 43 years.	Mr. Mukul Banerjee holds M.Com and LLB Degree from the University of Calcutta. He also holds CAIIB & PGDBM Degree. He is presently engaged in the profession of Advocate. He was previously employed in a Nationalized Bank as a senior Executive holding the position of AGM. He has a vast exposure in the matter of Finance over a period of 3 decades.	Mr. Rajarshi Ghosh holds B.Com(H) degree from the University of Calcutta and LLB Degree from FM University, Odisha and is also a qualified Company Secretary. Presently, he is a Practicing Company Secretary. He serves as an Independent Director on the Boards of Bengal Energy Limited and was an Independent Director in KIC Metaliks Limited till 6th August, 2021. Currently, he is also associated with Jesserjee Business Solutions Private Limited as a Promoter Director. He is an active partner of SKR Ghosh & Associates LLP. Previously, he was associated with various renowned entities including listed entities as a senior executive and also acted as a Wholtime Company Secretary. He is having a vast exposure in Finance and Secretarial & Legal matter over a period of 2 decades.	Mr. Shakar Lal Bajaj, an undergraduate has got extensive experience and expertise in the field of accounts and taxation. His last association was with M/S Ganges Printing Co Ltd, with a total experience of approximately 58 years.
Expertise in specific, general, functional area	Business Development, Product Identification and Organisational Governance Development	Business, Development, Financial Analysis, Product Identification Vendor Handling, Exim Planning, Forex Planning, General Management & Operational Leadership and Organisational Governance Development	Financial Analysis	Financial Analysis, Legal & Secretarial	Accounts, taxation and administration
Qualification	B.A	B.Sc	M.Com, LLB, CAIIB, PGDBM	B.Com, LLB, CS	Undergraduate
Relationship with other Directors	Daughter-in-law of Mr. Shri Krishan Saraf, Managing Director of the Company.	Elder brother of Mr. Deo Kishan Saraf, Whole-time Director & Father-in-law of Mrs. Rashi Saraf, Non-Executive Non-Independent Director.	Has no relationship with any other Directors of the Company.	Has no relationship with any other Directors of the Company.	Has no relationship with any other Directors of the Company.
Directorship in other listed Companies	Nil	Nil	Nil	K I C Metaliks Limited till 6th August, 2021	Nil
Chairman/ Member in the Committees of the Boards of other listed companies	Nil	Nil	Nil	Was a Member of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of KIC Metaliks Limited till 6th August, 2021	Nil
Shareholding in the Company	85,000	In Individual Capacity-433947 On behalf of HUF - 137797	Nil	Nil	Nil

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

Place: Kolkata  
Date: 24-08-2021

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

## ROUTE MAP



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report of the Company for the Financial Year ended 31st March, 2021.

**FINANCIAL HIGHLIGHTS**

The Financial Statements for the year ended 31st March, 2021 have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, as amended ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015. The summarized results of your Company are given in the table below:

( ₹ in Lakhs)

Particulars	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2020
Gross Revenue	17,006.70	17,146.00
Other Income	384.79	144.40
<b>Total Revenue</b>	<b>17,391.49</b>	<b>17,290.40</b>
Less: Total Expenditure	15,995.71	16,021.55
<b>Gross Profit (before Depreciation &amp; Finance Cost)</b>	<b>1,395.78</b>	<b>1,268.85</b>
Less: Depreciation	289.75	249.43
: Finance Cost	313.68	459.01
<b>Profit Before Tax (PBT)</b>	<b>792.35</b>	<b>560.41</b>
Less: Provision for Income Tax	205.11	141.93
: Deferred Tax	2.65	(18.29)
<b>Profit after Tax (PAT)</b>	<b>584.59</b>	<b>436.77</b>
Other Comprehensive Income net of tax	12.84	(13.97)
<b>Total Comprehensive Income</b>	<b>597.43</b>	<b>422.80</b>

**SUMMARY OF OPERATION**

During the financial year total revenue income has increased from Rs.17,290.40 Lakhs to Rs.17,391.49 Lakhs i.e. by Rs.101.09 Lakhs equivalent to increase of above 0.58% over the previous year. PAT for the Financial Year 2020-21 was Rs.584.59 Lakhs as against Rs.436.77 Lakhs in the previous Financial Year 2019-20. The total compressive income for the year was increased to Rs.597.43 Lakhs as against Rs.422.80 Lakhs in the previous year.

In view of the lockdown across the country due to the COVID-19 pandemic, manufacturing operations of the Company across all its locations were suspended partially during March and April-2020, in compliance with the directives/orders issued by the relevant authorities. The financial results for the year ended 31<sup>st</sup> March, 2021 were relatively impacted by disruptions owing to COVID-19. The Company has made an

assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current / non-current assets as of 31st March, 2021 and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. The Company is taking all the necessary steps and precautionary measures as per COVID-19 norms to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees.

**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 three 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 gloves, cotton gloves, synthetic gloves, dotted gloves, coated gloves and industrial shoes & safety garments as well as readymade garments.

The Company's manufacturing and business activities are broadly divided into four (4) distinct segments. They are -

1. Manufacturing of Hand Gloves of various materials and diverse qualities for industrial safety modules for both export and domestic markets;
2. Manufacturing of both industrial safety garments and readymade garments in bulk for both export as well as for domestic markets;
3. Power generation by operation of wind mills to supply on commercial base; and
4. Procurement, part processing and supply of non-conventional industrial safety gears in domestic market and in export.

**Hand Gloves :**

This is the oldest segment with which the Company commenced its journey of business operations and it is still the main Revenue earner for the Company. In the year under review, the total Revenue receipt from this segment was Rs.11,017.94 Lakhs as against Rs.10,456.70 Lakhs in the previous year. The segment surplus marginally reduced from Rs.1,268.89 Lakhs to Rs.1,262.43 Lakhs.

**Garment:**

This segment deals mostly in domestic market and registered reduced in revenue earnings from Rs.6,542.87 Lakhs to Rs.5,680.70 Lakhs with surplus being increased from



Rs.181.83 Lakhs to Rs.185.51 Lakhs as compared to previous year. The total revenue of the segment is reduced due to lockdown imposed for COVID-19 Pandemic.

#### **Power Generation:**

Because of unilateral cut down in purchase per unit of power by the sale recipient Government of Maharashtra, revenue income from this segment was drastically reduced from Rs.57.72 Lakhs to Rs.28.93 Lakhs resulting in a cut down of surplus earnings from Rs.15.51 lakhs to a loss of Rs.14.52 Lakhs.

However, since there has been no cost of financing operations in this sector and the entire surplus earned goes to add up to the profit of the Company no serious attention had so far been given to this segment. Whereas time has now come to examine viability of continuing with this segment in future.

#### **Others Non- Conventional Segment:**

This is the newest and not properly organized segment started on a trial basis only a couple of years back with prospective risk of minimum loss. The working experience and viability study has so far revealed immense prospect in a properly organized operation of the segment. The management has accordingly decided to set up appropriate infrastructure for the segment at the right moment in the near future. The current year operation has witnessed a loss of Rs.3.86 Lakhs in Financial Year 2020-21 as against Rs10.36 Lakhs in the previous year 2019-20. In the reporting year, the revenue earning has increased to Rs.279.13 Lakhs from Rs.88.71 Lakhs in the previous year.

#### **DIVIDEND**

Your Directors are pleased to recommend dividend of Rs. 1.50 per equity share of Rs.10/- each for the Financial Year 2020-21 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 Rs.45.60 Lakhs (gross amount). Your Company retains the extra profit for future plans.

#### **RESERVES**

Your Company proposes to transfer a sum of Rs.400.00 Lakhs to the General Reserve and carry forward a balance of Rs.379.06 Lakhs in the Profit and Loss Account.

#### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY**

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

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provision of Section 124(5) of the Companies

Act, 2013 your Company has transferred Rs. 93,071/- during the Financial Year 2020-21 to the Investor Education and Protection Fund. This amount was lying unpaid/ unclaimed with the Company for a period of seven years after declaration of dividend for the Financial Year 2012-13.

Further, the Company has also transferred 6,301 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 2020-21, in respect of which dividend has 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**

No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year 2020-21 and the date of this Report.

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

During the Financial Year 2020-21, 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, 2021, the issued and subscribed capital of your Company stood at Rs. 3,52,00,000/-. The paid-up Capital of your Company stood at Rs. 3,04,00,000/- comprising of 30,40,000 equity shares of Rs. 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
- 3) Mr. Bishnu Kumar Kesan – Chief Financial Officer
- 4) Mrs. Bandana Saha – Company Secretary & Compliance Officer

##### **Non-Executive Non-Independent Director**

- 1) Mrs. Rashi Saraf

##### **Non-Executive Independent Directors**

- 1) Mr. Samir Kumar Ghosh (Demised on 17th April, 2021)
- 2) Mr. Mukul Banerjee
- 3) Mr. Jadav Lal Mukherjee
- 4) Mr. Rajarshi Ghosh (Appointed on 30th June, 2021)



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 requisite declarations pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 term of appointment of Managing Director expired with the closure of Financial Year 2020-21 i.e. on 31st March, 2021. The Board of Directors on recommendation of Nomination and Remuneration Committee approved re-appointment of Mr. Shri Krishan Saraf (DIN: 00128999) as a Managing Director of the Company for a further period of 3 (three) years subject to confirmation and approval of members in the ensuing Annual General Meeting.

The term of appointment of Mr. Mukul Banerjee (DIN: 07527632), Non-Executive Independent Director of the Company, has expired on 29th May, 2021. The Board of Directors on recommendation of Nomination and Remuneration Committee approved re-appointment of Mr. Mukul Banerjee as a Non-Executive Independent Director of the Company for the second term of 5(five) consecutive years, subject to the approval of the members in the ensuing Annual General Meeting.

Mr. Rajarshi Ghosh (DIN: 05270177) has been appointed as an Additional Director of the Company in the capacity of Non-Executive Independent Director by the Board on recommendation of Nomination and Remuneration Committee w.e.f. 30th June, 2021 till the conclusion of the ensuing Annual General Meeting. Further, the Board proposes to appoint Mr. Rajarshi Ghosh (DIN: 05270177) as a Non-Executive Independent Director of the Company for a term of 5(five) consecutive years w.e.f. 30th June, 2021 on approval being obtained from the members in the ensuing Annual General Meeting.

Resolutions for approval of such appointment and re-appointment(s) forms part of the notice of the ensuing Annual General Meeting.

#### **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 2020-21, the Board of Directors of the Company, met 8(eight) times on 21st April, 2020, 29th June, 2020, 14th August, 2020, 17th August, 2020, 14th September, 2020, 11th November, 2020, 11th February, 2021 and 31st March, 2021. Further, a separate meeting of the Independent Directors of the Company was also held on 11th February, 2021, 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.

#### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 is available on the Company's website on: <http://www.acknitindia.com/Annual-Return.html>

#### **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:

- in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 31st March, 2021 and the Profit or Loss of the Company for that period;
- 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;
- the Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2021 on a going concern basis;
- the Directors had laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls were adequate and operating effectively; and





- 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 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. (Firm Registration No. – 327662E), Chartered Accountants as the Internal Auditor of the Company for the Financial Year 2020-21.

### 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 2020-21.

### 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, 2021.

## SECRETARIAL AUDIT REPORT

Secretarial Audit Report given by the Secretarial Auditor is annexed to this Report as **Annexure-I**. 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, 2021 including unclaimed deposit was nil.

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

The Company has in place adequate internal financial controls with reference to Financial Statements. 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, 2021 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 Statements annexed to this Report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Reference is made to the disclosures included in the notes to the Financial Statements 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. However, it may be noted that all transactions with the related parties had been made in the normal course of business and at arm's length basis.

## HUMAN RESOURCE

The total number of employees of the Company as on 31st March, 2021 was 163. 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.

## 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 website and can be accessed through: <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 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 letter and spirit. 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 - II**. The Certificate on Corporate Governance for the year ended 31st March, 2021 as issued by M/s Rekha Goenka & Associates, Practicing Company Secretary is also attached hereto as **Annexure - III** which forms part of this Report.

#### **CREDIT RATINGS**

In terms of Regulation 34(2) read with Paragraph C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, credit rating details are given separately in the Corporate Governance Report annexed herewith as **Annexure - II**.

#### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of 4(four) members, namely Mr. Rajarshi 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 of the Company.

Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Former Chairman of the Audit Committee, demised on 17th April, 2021.

Mr. Rajarshi Ghosh, Additional Director of the Company in the capacity of Non-Executive Independent Director is appointed as the Chairman of the Audit Committee in the Board Meeting held on 30th June, 2021.

The Committee met 5(five) times during the year on 29th June, 2020, 14th September, 2020, 11th November, 2020, 11th

February, 2021 and 31st March, 2021. 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-II**.

#### **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. Rajarshi Ghosh, Mr. Mukul Banerjee, Mr. Jadav Lal Mukherjee and Mrs. Rashi Saraf.

Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Former Chairman of the Nomination and Remuneration Committee, demised on 17th April, 2021.

Mr. Rajarshi Ghosh, Additional Director of the Company in the capacity of Non-Executive Independent Director is appointed as the Chairman of the Nomination and Remuneration Committee in the Board Meeting held on 30th June, 2021.

The functions of this Committee includes 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 a policy for the selection and appointment of Directors, Senior Management Personnel and their remuneration.

The Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees is available on the Company's website and can be accessed through: <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, 2021, are given separately in the Corporate Governance Report annexed herewith as **Annexure-II**.

#### **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. Rajarshi Ghosh, Mr. Deo Kishan Saraf, Mr. Mukul Banerjee, Mr. Jadav Lal Mukherjee and Mrs. Rashi Saraf.

Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Former Chairman of the Stakeholders Relationship Committee, demised on 17th April, 2021.



Mr. Rajarshi Ghosh, Additional Director of the Company in the capacity of Non-Executive Independent Director is appointed as the Chairman of the Stakeholders Relationship Committee in the Board Meeting held on 30th June, 2021.

During the year under review, the Stakeholders Relationship Committee met 4(four) times on 29th June, 2020, 14th September, 2020, 11th November, 2020 and 11th February, 2021 in order to take on note the share transfer/transmission/remat of shares/subdivision 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-II**.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013 which comprises of 4(four) members, namely Mr. Rajarshi Ghosh, Mr. Shri Krishan Saraf, Mr. Mukul Banerjee and Mrs. Rashi Saraf.

Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Former Chairman of the Corporate Social Responsibility (CSR) Committee, demised on 17th April, 2021.

Mr. Rajarshi Ghosh, Additional Director of the Company in the capacity of Non-Executive Independent Director is appointed as the Chairman of the Corporate Social Responsibility (CSR) Committee in the Board Meeting held on 30th June, 2021.

The composition of the Committee, number and dates of the Corporate Social Responsibility (CSR) Committee meeting along with the attendance details of the members are given separately in the Corporate Governance Report annexed herewith as **Annexure - II**.

The CSR Policy has been placed on the Website of the Company and can be accessed through: <http://www.acknitindia.com/CSR-Policy.pdf>

The Annual Report on CSR activities in terms of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith and marked as **Annexure – IV** forming 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-V** 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 – VI** which forms part of this Report.

#### PARTICULARS OF EMPLOYEES

The information on particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached hereto as **Annexure-VII** 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.

#### LISTING OF SHARES

The shares of the Company are currently listed on The BSE Ltd. and The Calcutta Stock Exchange Ltd. (CSE). It was reported earlier 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-VIII** 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 staffs 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 stakeholders at large.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Shri Krishan Saraf	Deo Kishan Saraf
Place : Kolkata	Managing Director	Whole-time Director
Date : 30-06-2021	DIN: 00128999	DIN: 00128804



## Annexure - I

## SECRETARIAL AUDIT REPORT

for the Financial Year ended 31st March, 2021

[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

CIN: L01113WB1990PLC050020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ACKNIT INDUSTRIES LIMITED (hereinafter called "the Company") for the Financial Year ended 31st March, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2021 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, 2021, 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) 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 - Not applicable as there were no reportable event during the year under review;
- iv) 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 (Depositories and Participants) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2018 - Not applicable as there were no reportable event during the year under review;

- e. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009 – Not applicable as there were no reportable event during the year under review;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as there were no reportable event during the year under review;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as there were no reportable event during the year under review; and
  - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- v) 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 notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in compliance with the Act and Secretarial Standard. 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.
- d) The Compliances of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

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 SEBI (Depositories and Participants) Regulations, 2018 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 not passed any special resolution.

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**

Sd/-  
**(REKHA GOENKA)**  
Proprietor  
M. No.- ACS: 17805

Place: Kolkata  
Date: 29-06-2021

CP: 11357  
UDIN: A017805C000536356

**Annexure - A to the Secretarial Audit Report**

To,

**The Members**

**ACKNIT INDUSTRIES LIMITED  
CIN: L01113WB1990PLC050020**

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**

Sd/-  
**(REKHA GOENKA)**  
Proprietor  
M. No.- ACS: 17805  
CP: 11357  
UDIN: A017805C000536356

Place: Kolkata  
Date: 29-06-2021





## Annexure - II

**REPORT ON CORPORATE GOVERNANCE**

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 ON CODE OF GOVERNANCE :**

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 2020-21, 8 (eight) Board Meetings were held on 21st April, 2020, 29th June, 2020, 14th August 2020, 17th August, 2020, 14th September, 2020, 11th November, 2020, 11th February, 2021 and 31st March, 2021.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	No of other Directorship <sup>1</sup>	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies**	
					As Chairperson	As Member
Mr. Shri Krishan Saraf	Managing Director	8	Yes	Nil	Nil	Nil
Mr. Deo Kishan Saraf	Whole-time Director	8	No	1	Nil	Nil
Mr. Samir Kumar Ghosh (Demised on 17th April, 2021)	Non-Executive Independent Director	8	No	Nil	Nil	Nil
Mr. Mukul Banerjee	Non-Executive Independent Director	8	No	Nil	Nil	Nil
Mr. Jadav Lal Mukherjee	Non-Executive Independent Director	6	Yes	Nil	Nil	Nil
Mrs. Rashmi Saraf	Non-Executive Non-Independent Director	8	Yes	Nil	Nil	Nil

**Notes :**

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

\*\*In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of only the

Audit Committee and Stakeholders' Relationship Committee of the Public Limited Companies have been considered.

# Mr. Rajarshi Ghosh (DIN: 05270177) is appointed as an Additional Director of the Company in the capacity of Non-Executive Independent Director in the Board Meeting held on 30th June, 2021.

He serves as an Independent Director on the Board of Bengal Energy Limited – Unlisted Public Company and K I C Metaliks Limited - A Listed Company. He is the Chairman of the Audit Committee of Bengal Energy Limited and acts as a Member in the Audit Committee and the Stakeholders' Relationship Committee of K I C Metaliks Limited.

**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. Mrs. Rashmi 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 was holding 500 Equity Shares of Rs.10/- each in the Company as on 31st March, 2021. Mr. Samir Kumar Ghosh was holding these shares in his individual capacity, prior to his appointment as a Director of the Company.

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

Mrs. Rashmi 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 through: <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:



Sl. No.	Skills / expertise / competencies	Name of the Directors
1.	Business Development	1. Mr. Shri Krishan Saraf 2. Mr. Deo Kishan Saraf 3. Mrs. Rashi Saraf 4. Mr. Rajarshi Ghosh
2.	Financial Analysis	1. Mr. Deo Kishan Saraf 2. Mr. Mukul Banerjee 3. Mr. Jadav Lal Mukherjee 4. Mr. Rajarshi Ghosh
3.	Product Identification	1. Mr. Shri Krishan Saraf 2. Mr. Deo Kishan Saraf 3. Mrs. Rashi Saraf
4.	Vendor Handling	1. Mr. Shri Krishan Saraf
5.	Exim Planning	1. Mr. Shri Krishan Saraf 2. Mr. Deo Kishan Saraf
6.	Forex Planning	1. Mr. Shri Krishan Saraf 2. Mr. Deo Kishan Saraf
7.	Organisational Governance Development	1. Mr. Shri Krishan Saraf 2. Mr. Deo Kishan Saraf 3. Mrs. Rashi Saraf

### 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 Financial Year 2020-21, the Committee had met 5(five) times on 29th June, 2020, 14th September, 2020, 11th November, 2020, 11th February, 2021 and 31st March, 2021. 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	5
3	Mr. Mukul Banerjee	Member	5	5
4	Mr. Jadav Lal Mukherjee	Member	5	3

\* Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Chairman of the Audit Committee, demised on 17th April, 2021.

Note: Mr. Rajarshi Ghosh is appointed as the Chairman of the Audit Committee by the Board at their meeting held on 30th June, 2021.

#### 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 Financial Year 2020-21, the Committee had met 3(three) times on 29th June, 2020, 11th November, 2020 and 31st March, 2021. 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	3	2
4	Mrs. Rashi Saraf	Member	3	3

\* Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Chairman of the Nomination and Remuneration Committee, demised on 17th April, 2021.

Note: Mr. Rajarshi Ghosh is appointed as the Chairman of the Nomination and Remuneration Committee by the Board at their meeting held on 30th June, 2021.

#### Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Committee of the Board, in its Meeting held on 29th June, 2020, laid out evaluation report on the performance of the Board (including of all the Independent Directors), in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation was carried out by the entire Board (excluding the Director being evaluated) in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The Directors expressed their satisfaction with the evaluation process.

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-à-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 and can be accessed through: <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 Schedules V to the said Act.





● **Disclosures with respect to Remuneration :**

Details of remuneration/ sitting fees paid to Directors during the Financial Year 2020-21 is given below :

Name of Director	Fixed Salary(Rs)				Sitting Fees	Bonus	Commission	Stock options	Total
	Basic Salary	Perquisites or Allowances	Rental Benefits						
Mr. Shri Krishan Saraf	60,00,000	-	-	-	-	-	-	-	60,00,000
Mr. Deo Kishan Saraf	48,00,000	-	-	-	-	-	-	-	48,00,000
Mr. Samir Kumar Ghosh	-	-	-	85,500	-	-	-	-	85,500
Mr. Mukul Banerjee	-	-	-	85,500	-	-	-	-	85,500
Mr. Jadav Lal Mukherjee	-	-	-	58,500	-	-	-	-	58,500
Mrs. Rashi Saraf	-	-	-	70,500	-	-	-	-	70,500

**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 Financial Year 2020-21, the Committee had met 4(four) times on 29th June, 2020, 14th September, 2020, 11th November, 2020 and 11th February, 2021. 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	4
3	Mr. Mukul Banerjee	Member	4	4
4	Mr. Jadav Lal Mukherjee	Member	4	3
5	Mrs. Rashi Saraf	Member	4	4

\* Mr. Samir Kumar Ghosh, Non-Executive Independent Director, the Chairman of the Stakeholders Relationship Committee, demised on 17th April, 2021.

Note : Mr. Rajarshi Ghosh is appointed as the Chairman of the Stakeholders Relationship Committee by the Board at their meeting held on 30th June, 2021.

● **Name & Designation of Compliance Officer:**

Mrs. 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 2020-21 is given below:

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

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

● **Number of pending complaints: Nil**

**D. Corporate Social Responsibility (CSR) Committee:**

In terms of Section 135(1) of the Companies Act, 2013, the Company has Corporate Social Responsibility Committee consisting of following Directors :

Sl. No.	Name	Chairman / Members
1	Mr. Rajarshi Ghosh (Appointed on 30th June, 2021)	Chairman
2	Mr. Shri Krishan Saraf	Member
3	Mrs. Rashi Saraf	Member
4	Mr. Mukul Banerjee	Member

Note : Mr. Samir Kumar Ghosh, Non-Executive Independent Director, former Chairman of the Corporate Social Responsibility (CSR) Committee, demised on 17th April, 2021.

**Terms of reference**

The terms of reference of Corporate Social Responsibility Committee includes the following :

- To formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred in the Corporate Social Responsibility Policy; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the Financial Year 2020-21, the Committee met 2 (two) times on 11th February, 2021 and 31st March, 2021.

The CSR Policy of your Company is uploaded on the website of the Company and can be accessed through: <http://www.acknitindia.com/CSR-Policy.pdf>

**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
2019-20	27.09.2020	11.00 A.M	'Ecostation', Bock – BP, Plot No.7, Sector V, 5th Floor, Suit No.503, Salt Lake, Kolkata - 700091	None
2018-19	24.09.2019	10.30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Re-appointment of Mr. Deo Kishan Saraf as the Whole-time Director cum CFO of the Company for a further period of 3(three) years w.e.f. 1st April, 2019. 2. Re-appointment of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director of the Company for a second term of 5(five) consecutive years w.e.f. 9th September, 2019.
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.

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 Unaudited Financial Results of first three quarter of the Financial Year. 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 & *Ekdin*, Bengali edition.

**● Website, where displayed:**

The financial results are placed on the Company's website: [www.acknitindia.com](http://www.acknitindia.com) in the 'Investors Relation' section.

**● Official news releases:**

The Company does not display 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** : Saturday, 25th September, 2021 at 11:00 a.m.

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

**II. Financial Year** : 1st April, 2020 to 31st March, 2021

**III. Book Closure Date** : Sunday, 19th September, 2021 to Saturday 25th September, 2021 (both days inclusive)

**IV. Dividend Payment Date** : The dividend, if declared by the shareholders at the ensuing Annual General Meeting, will be paid within 30 days from the date of declaration.

**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 BSE Ltd. P. J. Towers, Dalal Street Mumbai - 400 001	530043	INE326C01017
The Calcutta Stock Exchange Ltd.(CSE) 7, Lyons Range, Kolkata- 700 001	10011078	

The annual listing fees for the Financial Year 2020-21 has been duly paid to BSE. And payment to CSE is duly made against the invoices raised by CSE till date.

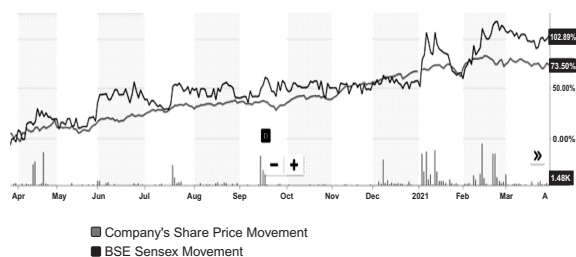
**VI. Market Price Data :**

The Market Price of Equity Shares of the Company during the Financial Year 2020-21 are given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2020	59.95	40.00
May, 2020	58.00	48.20
June, 2020	76.90	45.00
July, 2020	72.70	56.00
Aug, 2020	74.00	59.25
Sept, 2020	83.95	52.50
Oct, 2020	78.10	60.00
Nov, 2020	73.00	57.05
Dec, 2020	77.95	63.05
Jan, 2021	96.65	66.35
Feb, 2021	103.00	70.65
Mar, 2021	99.45	82.00



### VII. Performance of the share price of the Company in comparison to BSE Sensex



VIII. The Company is active in both the Stock Exchanges i.e. The BSE Ltd. and The Calcutta Stock Exchange Ltd. (CSE)

### IX. Registrar and Share Transfer Agent :

S. K. Infosolutions Pvt. Ltd.  
D/42, Katju Nagar Colony, Ground Floor,  
PO & PS - Jadavpur, Kolkata - 700 032  
Telephone No.- (033) 2412 0027/0029  
Fax No.- (033) 2412 0027  
Email: contact@skcinfo.com, skcdilip@gmail.com

### X. Share Transfer System

Necessary power and authority in this regard has been delegated to the Stakeholders' Relationship Committee and the Registrar and Share Transfer Agent. The Company's shares are compulsorily traded in dematerialised mode.

### XI. Shareholding Pattern:

Shareholding Pattern as on 31.03.2021 is given below:

CATEGORY	NO. OF SHARES	%
<b>Promoter Group</b>		
Indian Promoters	1530437	50.34
Foreign Promoters	Nil	Nil
<b>Total: Promoter Group</b>	<b>1530437</b>	<b>50.34</b>
<b>Non-Promoter Group</b>		
Foreign Portfolio Investors	13325	0.44
Resident Individual	778730	25.62
Bodies Corporate	504789	16.60
NRI	12040	0.40
HUF	154294	5.08
Clearing Member	14736	0.48
IEPF	31649	1.04
<b>Total: Non-Promoter Group</b>	<b>1509563</b>	<b>49.66</b>
<b>Grand Total</b>	<b>3040000</b>	<b>100</b>

### XII. Distribution of shareholding :

Distribution of shareholding as on 31.03.2021 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	1586	84.54	188597	6.20
501 to 1000	141	7.52	110464	3.63
1001 to 2000	63	3.36	93310	3.07
2001 to 3000	18	0.96	45549	1.50
3001 to 4000	11	0.58	40338	1.33
4001 to 5000	11	0.59	51498	1.69
5001 to 10000	12	0.64	77932	2.56
10001 to 50000	20	1.07	382942	12.60
50001 to 100000	4	0.21	298696	9.83
100001 and above	10	0.53	1750674	57.59
<b>Grand Total</b>	<b>1876</b>	<b>100.00</b>	<b>3040000</b>	<b>100.00</b>

### XIII. Dematerialization 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 Limited (CDSL). As on 31st March, 2021, 2840370 shares representing 93.43% of the issued capital are in demat holding by the investors and bulk of transfers takes place in the demat form. The Equity Shares of the Company are actively traded in BSE Ltd.

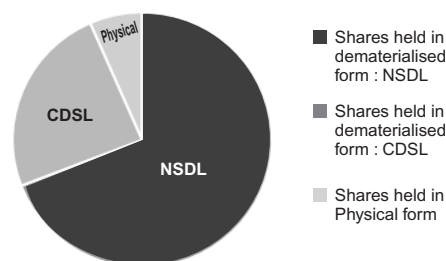
### No. of Shares as on 31st March, 2021:

**Physical Mode** :199630

**Electronic Mode:**

–NSDL: 2102226

–CDSL: 738144



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
- Plot No.1676, Zone No. 09, Kolkata Leather Complex, Bantala, South 24 Parganas, WB
- 1 No. Katakhal, P.O.-Ganganagar, 24 Parganas (North), West Bengal-700 132
- Gopalpur Chandigarh, Chandigarh Rohanda Gram Panchayat, PO – Ganganagar, PS – Madhyamgram, North 24 Parganas, Kolkata – 700 132, WB



g. Mouza-95, Sikdeshpukuria, 1st and 2nd Floor, Madhyapara, P.O.Chhotojagulia, PS:Duttapukur, North 24 Parganas, Pin – 743294, WB

h. Vill. Chhadvel (Karde), Tuluk Sakri Dhule, Maharashtra – 424305.

#### 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

#### XVII. Credit Ratings :

ICRA Ltd. vide their rating report of February, 2021 has assigned the following ratings of your Company's financial instruments :

Instrument	Rating action (February 2021)
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

#### 7. OTHER DISCLOSURES

##### i) Materially Significant Related Party Transactions:

All contracts / arrangements / transactions entered by the Company during the Financial Year 2020-21 with related parties were in the ordinary course of business and on an arm's length basis. Related party transactions as per requirements of Indian Accounting Standard (Ind-AS 24) "Related Party Disclosures" are given in the Notes to the Financial Statements of the Company for the year ended 31st March, 2021.

##### ii) Details of non-compliances:

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

##### iii) Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no person has been denied access to the Audit Committee:

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 through: <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 through: <http://www.acknitindia.com/corporate-policies/policy-on-related-party-transaction.pdf>

##### vii) Certificate on Non-Disqualifications of Directors:

Your Company has obtained certificate from M/s Rekha Goenka & Associates, Practicing 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.

##### viii) Acceptance of recommendations of any Committee of the Board

All the recommendations made by any Committee of the Board during the Financial Year 2020-21 have been duly accepted and taken on record by the Board of Directors of the Company.

##### xi) 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 2020-21.

##### x) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has constituted Internal Complaint Committee pursuant to Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. During the Financial Year 2020-21, the Committee submitted its Annual Report as prescribed in the said Act and there was no complaint of sexual harassment received by the Committee during the financial year.

**8. COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS**

The Company has complied with all the requirements of Corporate Governance 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 Practicing Company Secretary 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 6,301 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 during the Financial Year 2020-21.

**For and on behalf of the Board of Directors**

Sd/-

**Shri Krishan Saraf**  
**Managing Director**  
**DIN: 00128999**

**Place :** Kolkata  
**Date :** 30-06-2021

**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 Requirements) Regulations, 2015]*

**To,**  
**The Members**  
**ACKNIT INDUSTRIES LIMITED**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 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 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, 2021 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.	SHRI KRISHAN SARAF	00128999	12.10.1990
2.	DEO KISHAN SARAF	00128804	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

\* Further be noted that Mr. Samir Kumar Ghosh (DIN: 00129301), Non-Executive Independent Director of the Company demised on 17th April, 2021.

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**

Sd/-  
**(REKHA GOENKA)**  
**Proprietor**  
**M. No.- ACS: 17805**  
**CP : 11357**

**Place :** Kolkata  
**Date :** 29-06-2021

**UDIN: A017805C000537236**





## Annexure – III

## Annexure–IV

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
ACKNIT INDUSTRIES LIMITED

I have examined the compliance of Corporate Governance by Acknit Industries Limited ("the Company") having CIN: L01113WB1990PLC050020 for the period between 1st April, 2020 and 31st March, 2021 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

Sd/-

(REKHA GOENKA)

Proprietor

M. No.- ACS: 17805

CP : 11357

Place : Kolkata  
Date : 29-06-2021

UDIN: A017805C000537126

## ANNUAL REPORT OF CSR ACTIVITIES

## 1. Brief outline of the Corporate Social Responsibility (CSR) Policy of the Company:

The Company adopted CSR Policy as recommended by the CSR Committee and the scopes of the Policy are given hereunder :

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science,



technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- (x) Rural development projects;
- (xi) Slum area development;
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

**2. The Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Samir Kumar Ghosh (Demised on 17th April, 2021)	Non-Executive Independent Director	2	2
2	Mr. Shri Krishan Saraf	Managing Director	2	2
3	Mrs. Rashi Saraf	Non-Executive Non-Independent Director	2	2
4	Mr. Mukul Banerjee	Non-Executive Independent Director	2	2
5	Mr. Rajarshi Ghosh (Appointed on 30th June, 2021)	Additional Director in the capacity of Non-Executive Independent Director	2	0

**3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

- (a) Composition of CSR Committee - <http://www.acknitindia.com/organisation.html>
- (b) CSR Policy - <http://www.acknitindia.com/CSR-Policy.pdf>
- (c) CSR Projects approved by the Board - <http://www.acknitindia.com/CSR-Projects.html>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 – Not applicable**

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Nil			

**6. Average net profit of the Company as per section 135(5) – ₹ 500.50 Lakhs**

**7. (a) Two percent of average net profit of the Company as per section 135(5) – ₹10.10 Lakhs**

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

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

**(d) Total CSR obligation for the financial year (7a+7b-7c) - ₹10.10 Lakhs**

**8. (a) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 10.50 Lakhs	Nil	NA	NA	Nil	NA

**(b) Details of CSR amount spent against ongoing projects for the Financial Year :**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

**(c) Details of CSR amount spent against other than ongoing projects for the Financial Year :**

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Promoting health care including preventive health care (Through implementing agency: for setting up of "The Brain and Mind Research Institute")	Item no. i. Promoting health care including preventive health care	Yes	West Bengal	Kolkata	₹10.50 Lakhs	No	Maitreyi Charitable Trust	-

**(d) Amount spent in Administrative Overheads – Nil****(e) Amount spent on Impact Assessment – Not applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 10.50 Lakhs****(g) Excess amount for set off, if any**

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	10.10
(ii)	Total amount spent for the Financial Year	10.50
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	0.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.40

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

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-2020	Nil	₹ 10.20 Lakhs	NA	Nil	NA	Nil

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
Not applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) :**

- (a) Date of creation or acquisition of the capital asset(s)—Not applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset - Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not applicable.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not applicable.

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

For ACKNIT INDUSTRIES LIMITED

For ACKNIT INDUSTRIES LIMITED

Sd/-

Shri Krishan Saraf

Managing Director

DIN: 00128999

Sd/-

Rajarshi Ghosh

Chairman - CSR Committee

DIN: 05270177

Place : Kolkata  
Date : 30-06-2021

**Annexure - V****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**GENERAL ECONOMIC STATE :**

Global growth in the year 2020-21 recorded a very weak pace since the global financial crisis due to worldwide COVID-19 pandemic as a cause of the Wuhan virus, reflecting common influences across countries and country-specific factors. Worsening macroeconomic stress related to tighter financial conditions, geopolitical tensions and social unrest rounded out the difficult picture. The global economy, which was facing headwinds due to structural barriers in international trade from last couple of years mainly due to USA-China trade tensions, got severe jolt of COVID-19 led crisis. Increasing trade barriers as well as trade uncertainty stemming from rising trade tensions, especially between US and China as well as India and China, also resulted in declining business confidence and further limited trade. This led to drastic reduction in all kind of economic activities of consumption and investment leading to damping of consumers', investors' and industry's sentiments. The global economy grew by 2.9% in CY 2019, recording its weakest pace since the global financial crisis of 2008. The global economy contracted by 3.3% in CY 2020, as all major economies barring China slipped into recession with COVID-19 induced lockdowns and chiefly attributed to demand destruction. Amidst a weak environment for global manufacturing & trade and challenges in the domestic financial sector, as per provisional National Income estimates released by the National Statistical Office, India's Gross Domestic Product (GDP) contracted 7.3% in 2020-21 after the country had entered a technical recession in the first half of the year.

**OPERATING SEGMENTS IN THE COMPANY :**

The Company operates through four (4) broad segments. They are -

1. Manufacturing Hand Gloves of various materials and diverse qualities for industrial safety modules for both export and domestic markets;
2. Manufacturing of both industrial safety garments and readymade garments in bulk for both export as well as for domestic markets;
3. Power generation by operation of wind mills to supply on commercial base; and
4. Procurement, part processing and supply of non-conventional industrial safety gears in domestic market and in export.

The Company has also taken an initiative to explore into the area of manufacturing industrial safety shoes; once the COVID situation improves, the expansion in this area is contemplated.

**CHALLENGES:**

During this small span of current year i.e. from the closing weeks of the Financial Year 2019-20 till date, this Country vis-à-vis the world economy has witnessed so many critical upheavals that posed serious challenges at every step.

- Firstly the initial Lock Down extended and a very little relief witnessed a subsequent surge and devastation due to the second wave of COVID-19 in India as well as all over the world. Almost 2,00,000 people including a good number of doctors who have been tirelessly trying to serve the people and the country. This has made the people to be forced to remain in further Locked Down at homes, though with some relaxations in one hand while at the same time through working from their homes trying utmost to maintain Economic stability of Country through new innovation that is a great paramount challenge for the day.
- Secondly in addition to the above, part of Country was hit by devastating "Yaash" cyclone causing extensive damages to assets and properties adding up to economic calamity. This unforeseen challenge to move ahead despite such obstacles could be effectively contented through advance planning and Insurance coverage.
- Last but not the least in seriousness the challenge offered to the Economic Development posed by the post Ind-Chinese face off at the Galwan Valley in India which led to the Indian Government taking a stern view of the situation and declaring a policy of Boycotting Chinese material at each and every point followed by cancellation of all Chinese Imports which presently constitute 80% of Indian Economic Resource.

This situation invites strategies like Branding, innovation, sustainability and improvisations of Investments, enduring low probability with lower cash accruals, undertaking risk in business opportunities, lessening the finance costs and special attention for power generation through low cost solar energies. This way, India is confident to meet the challenges and to acquire Global Economic Leadership at the end of the day.

**Challenges facing the Company vis-à-vis the Country:**

- i. The first and foremost challenge which poses the most important and immediate before the Country is to tackle the unprecedented 'CORONA' pandemic which has engulfed the entire world, both for the 'humanities' as also its economy with its multiple waves and continuous mutation effects.





- ii. The entire Global Economy has suddenly suspended with every efforts concentrated in fighting the epidemic first.
- iii. Nobody can predict how and when this emergency would come to all end and normal activities in all sectors including economic interaction could revive.
- iv. Beside "Corona Pandemic" there had been a further set back caused to the Indian Economy due to sudden cyclonic hit to a part of the Country by "Yaash".
- v. The above is not the end of the list. Around mid-June, there was sudden invasion of Chinese attack on Indian soil at the North causing serious disruption in Indo-Chinese Trade and Economic relationship, which constitute 80% of Indian Foreign Trade.

**RISKS AND CONCERNS:**

Risk is integral to any business and Acknit is no exception. The Company has evolved robust governance architecture to identify and assess potential risks, and formulate an appropriate mitigation strategy.

Rising Input Costs	Company has been very much keen in managing and rationalising the input costs.
Labour Availability	The Company is endlessly aims at improving its employees' vocational skill levels. It is also focusing on improving labour retention and reducing attrition.
Poor Economic Environment And Consumer Sentiment	The Company is trying to address these risks through geographic diversification into new markets.
Competition	Company's strategy of providing end-to-end solutions and innovative products, and maintaining strong relationship with clients helps in reducing competitive risks.
Currency Movements	The company continuously hedges its forex exposures.
Change in Indian Government Policies	The Company continuously monitors Government policies and takes measures to minimize any adverse impact.
Trade Barriers	Trade barriers imposed by restricting countries are being seen as advantages to venture into new arenas of market opportunities as well as product innovations and diversifications.
Operational Risks	To ensure elevated functioning competence, the internal control system in the Company effectively handles the internal processes in terms of technology absorption and capital efficiencies.
Concentration	The Company is constantly pursuing prospects in increasing market presence across new geographies in order to alleviate risk.

**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, 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 Rs.17,006.70 Lakhs and total comprehensive income of Rs.597.43 Lakhs during the year under review.

**Segment-wise performance:**

(₹ in Lakhs)

PARTICULARS	2020-21	2019-20
Manufacturing of hand gloves: Segment Revenue	11,017.94	10,456.70
Segment Results	1,262.43	1,268.89
Manufacturing of garments: Segment Revenue	5,680.70	6,542.87
Segment Results	185.51	181.83
Power Generation – through windmill: Segment Revenue	28.93	57.72
Segment Results	(14.52)	15.51
Others: Segment Revenue	279.13	88.71
Segment Results	(3.86)	(10.36)

**HUMAN RESOURCE:**

The Company ensures to stick to its policy of proper human resource procurement, development and utilization. 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 very harmonious relations with its workforce during the year.

For ACKNIT INDUSTRIES LIMITED

Place : Kolkata  
Date : 30-06-2021

Sd/-  
Shri Krishan Saraf  
Managing Director  
DIN : 00128999



## Annexure –VI

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, 2021:

**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 2020-21	FY 2019 -20
Total foreign exchange earned in terms of actual inflows	11,526.03	11,315.12
Total foreign exchange outgo in terms of actual outflows	1,120.57	1,640.98



Annexure - VII

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	44.74
		b.	Mr. Deo Kishan Saraf, Whole-time Director	35.80
		None of the other Directors has received any remuneration other than sitting fees during FY 2020-21.		
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	a.	Company Secretary	49.02
		b.	Directors (including sitting-sees paid to Non-Executive Directors)	6.25
iii.	The percentage increase in the median remuneration of employees in the financial year	1.73		
iv.	The number of permanent employees on the rolls of Company	163		
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 (4.84%) Average salary increase of managerial personnel is Nil		
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	Abhishek Saraf	Aditya Saraf	Joydeep Sengupta	Swapan Kr. Chakraborty	Satyajit Das	Sumit Murarka	Niranjn Shenoy Renjal	Bishnu Kumar Kesan
2	Designation of Employees	Managing Director	Whole-time Director	Vice President (Leather Division)	Vice President (Garment Division)	Business Head - Safety Garments Division	Works Manager-Falta Division	Production Manager-FEZ-II	Accounts Manager	Senior Merchandiser	Chief Financial Officer
3	Remuneration/Salary received	60,00,000	48,00,000	19,25,000	19,25,000	7,68,826	7,80,000	7,57,900	8,14,499	6,26,881	6,00,000
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 Commerce	Bachelor of Business Management	Bachelor of Commerce	Bachelor of Science (Hons.) and Diploma in Production Management	Master of Business Administration & Bachelor of Science (Chemistry Hons.)	Bachelor of Commerce (Hons.) and Chartered Accountant	Diploma in Apparel Design and Fabrication Technology	Bachelor Degree in Commerce (Hons)
6	Experience of the Employees	44 Years	36 Years	21 Years	16 Years	18 Years	54 Years	19 Years	6 Years	16 Years	40 years
7	Date of Commencement of Employment	12-10-1990	12-10-1990	01-07-2006	01-04-2015	14-12-2015	06-11-2000	03-02-2008	04-12-2017	01-09-2015	18-10-2004
8	Age of Employee	67	55	41	36	38	74	42	31	35	58
9	The last Employment held by such Employee before joining the Company	Family Business	Family Business	Family Business	Acme Safety Wears Limited	Superhouser Limited	Cycle Corporation of India	Malcom India Limited	KIC Metaliks Limited	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 Deo Kishan Saraf	Yes Brother of Shri Krishan Saraf	Yes Son of Shri Krishan Saraf	Yes Son of Shri Krishan Saraf	No	No	No	No	No	No

Annexure-VIII

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, 2021.

For ACKNIT INDUSTRIES LIMITED

Place : Kolkata  
Date : 30-06-2021

Sd/-  
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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Cash Flows statement for the year 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, 2021, 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.

**Emphasis of Matter :**

We draw attention to the financial results with related to COVID-19 that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges.

The extent to which the COVID-19 pandemic will impact the Company's assets and future results will depend on the future developments, which are highly uncertain. Hence the impact of the pandemic may be different from that estimated as at the date of approval of these financial results.

**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 Response
1	<p><b>Revenue Recognition</b></p> <p>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><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>● Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>● Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>● 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.</li> <li>● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>
2.	<p><b>Litigations -Contingencies</b></p> <p>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><b>Principal Audit Procedures</b></p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>● We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities.</li> <li>● 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.</li> <li>● 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.</li> <li>● We assessed the adequacy of disclosures made.</li> <li>● We discussed the status in respect of significant provisions with the Company's internal tax and legal team.</li> <li>● We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>



Sl No.	Key Audit Matter	Auditor's Response
3	<p><b>Capitalisation of property, plant and equipment.</b></p> <p>During the year ended March 31, 2021, the Company has incurred significant capital expenditure. Total additions to property, plant and equipment was Rs 3.63 crore in the current year.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run.</li> </ul> <p>Reviewed the project completion / handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management.</p>
4.	<p><b>Allowance for Credit Losses</b></p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others:</p> <p>We tested the effectiveness of controls over the</p> <ol style="list-style-type: none"> <li>development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions</li> <li>completeness and accuracy of information used in the estimation of probability of default and</li> <li>computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</li> </ol> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>

**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 scepticism 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, 2021, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021, 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. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provision of section 197 read with Schedule V to the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Registration No: 310009E**

**Biswanath Paul**  
**(Partner)**  
**M. No. 068186**  
**UDIN:21068186AAAES7032**

**Place:** Kolkata  
**Date:** 30.06.2021

**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, 2021 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 safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

**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, 2021 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 Registration No: 310009E**

**Biswanath Paul  
(Partner)  
M. No. 068186  
UDIN:21068186AAAAES7032**

**Place: Kolkata  
Date: 30.06.2021**

**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:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- II. In respect of Inventories :
- The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year.
- In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items in a regular interval.
- 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:
- 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.
  - 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, 2021,

for a period of more than six months from the date they became payable."

- 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.
- 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. 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 Registration No: 310009E**

**Biswanath Paul**  
**(Partner)**  
**M. No. 068186**  
**UDIN:21068186AAAES7032**

**Place:** Kolkata  
**Date:** 30.06.2021



Balance Sheet as at March 31, 2021

Amount in ₹

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
<b>I ASSETS</b>			
<b>(1) Non Current Assets</b>			
Property, Plant and Equipments	3	31,51,63,013	31,87,40,780
Capital work-in-progress	3	3,04,60,127	1,48,02,791
Intangible Assets	3	50,562	50,622
Financial Assets			
(i) Investment	4	80,556	80,556
(ii) Loans	5	5,94,000	4,50,299
(iii) Other Financial Assets	6	1,89,45,201	1,78,37,752
Other non-current assets	7	52,61,825	51,91,209
<b>(2) Current Assets</b>			
Inventories	8	43,72,40,680	50,17,42,474
Financial Assets			
(i) Trade receivables	9	24,04,05,650	21,69,79,694
(ii) Cash and cash equivalents	10	44,07,524	74,97,848
(iii) Other bank balances	11	13,62,685	27,32,212
(iv) Loans	5	4,86,950	8,16,590
(v) Other Financial Assets	6	3,51,067	5,61,646
Current Tax Asset (Net)	12	12,18,107	26,75,565
Other current assets	7	12,98,52,094	10,22,84,947
<b>Total Assets</b>		<b>1,18,58,80,041</b>	<b>1,19,24,44,985</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
Equity Share capital	13	3,04,00,000	3,04,00,000
Other Equity		51,18,36,818	45,66,53,951
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	14	6,26,77,411	7,25,86,210
Provisions	15	—	4,19,232
Deferred tax liabilities(Net)	16	2,07,61,538	2,04,96,500
Other non current liabilities	17	11,31,152	12,70,826
<b>(2) Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	14	35,93,58,582	37,71,63,552
(ii) Trade payables	18	11,89,83,268	13,14,41,424
(iii) Other financial liabilities	19	4,64,38,156	3,64,43,874
Other current liabilities	17	3,42,93,116	6,55,69,416
<b>Total Equity and Liabilities</b>		<b>1,18,58,80,041</b>	<b>1,19,24,44,985</b>

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For SRB &amp; ASSOCIATES

Chartered Accountants

Firm Reg. No. 310009E

Biswanath Paul

Partner

Membership No. 068186

UDIN:21068186AAAAES7032

Kolkata

Date: 30th June, 2021

Shri Krishan Saraf

Managing Director

DIN 00128999

Bishnu Kumar Kesan

Chief Financial Officer

For and on behalf of the Board of Directors

Deo Kishan Saraf

Whole Time Director

DIN 00128804

Bandana Saha

Company Secretary

M. No. A46329



## Statement of Profit and Loss for the year ended March 31, 2021

Amount in ₹

Particulars	Notes	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
<b>I REVENUE</b>			
Revenue From Operations	20	1,70,06,70,217	1,71,45,99,543
Other Income	21	3,84,79,267	1,44,40,438
<b>Total Revenue (I)</b>		<b>1,73,91,49,484</b>	<b>1,72,90,39,981</b>
<b>II EXPENSES</b>			
Cost of Material Consumed	22	92,13,10,381	91,46,71,454
Purchases of Stock in trade	23	6,89,05,554	2,19,43,801
Changes in inventories of finished goods, work in progress and stock-in-trade	24	64,74,940	(5,37,18,100)
Custom duty on sale of goods		1,59,67,898	1,53,52,836
Employee Benefits Expense	25	5,56,78,750	5,71,34,955
Finance Costs	26	3,13,68,168	4,59,00,826
Depreciation and amortization expense			
a) Tangible Assets	3	2,89,75,235	2,47,63,670
b) Intangible Assets	3	60	1,79,463
Other Expenses	27	53,12,33,794	64,67,70,033
<b>Total Expenses (II)</b>		<b>1,65,99,14,778</b>	<b>1,67,29,98,938</b>
<b>III Profit before tax (I-II)</b>		<b>7,92,34,706</b>	<b>5,60,41,043</b>
<b>IV Tax expense:</b>			
(1) Current Tax	28	2,05,10,870	1,41,93,250
(2) Deferred Tax	28	2,65,038	(18,29,342)
<b>V Profit for the period (III-IV)</b>		<b>5,84,58,798</b>	<b>4,36,77,135</b>
<b>VI Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		<b>12,84,069</b>	<b>(13,97,246)</b>
Re-measurement gains (losses) on defined benefit plans		12,84,069	(13,97,246)
<b>VII Total Comprehensive Income for the period (V + VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>5,97,42,867</b>	<b>4,22,79,889</b>
<b>VIII Earnings per equity share:</b>			
(1) Basic	29	19.23	14.37
(2) Diluted	29	19.23	14.37

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For SRB &amp; ASSOCIATES

Chartered Accountants

Firm Reg. No. 310009E

Biswanath Paul

Partner

Membership No. 068186

UDIN:21068186AAAAES7032

Kolkata

Date: 30th June, 2021

Shri Krishan Saraf

Managing Director

DIN 00128999

Bishnu Kumar Kesan

Chief Financial Officer

For and on behalf of the Board of Directors

Deo Kishan Saraf

Whole Time Director

DIN 00128804

Bandana Saha

Company Secretary

M. No. A46329





## Statement of Changes in Equity for the year ended March 31, 2021

Amount in ₹

## a) Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2020	3,04,00,000	-	3,04,00,000
For the year ended 31st March, 2021	3,04,00,000	-	3,04,00,000

## b) Other equity

Particulars	Reserve & Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
<b>Balance as at 31st March, 2019</b>	<b>44,42,344</b>	<b>6,94,88,500</b>	<b>32,50,00,000</b>	<b>2,50,83,090</b>	<b>(41,42,550)</b>	<b>41,98,71,384</b>
Profit for the period	-	-	-	4,36,77,135	-	4,36,77,135
Other comprehensive income (net of tax)	-	-	-	-	(13,97,246)	(13,97,246)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,36,77,135</b>	<b>(13,97,246)</b>	<b>4,22,79,889</b>
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)	-	-
<b>Balance as at 31st March, 2020</b>	<b>44,42,344</b>	<b>6,94,88,500</b>	<b>36,00,00,000</b>	<b>2,82,62,903</b>	<b>(55,39,796)</b>	<b>45,66,53,951</b>
Profit for the period	-	-	-	5,84,58,798	-	5,84,58,798
Other comprehensive income (net of tax)	-	-	-	-	12,84,069	12,84,069
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,84,58,798</b>	<b>12,84,069</b>	<b>5,97,42,867</b>
Dividend	-	-	-	(45,60,000)	-	(45,60,000)
Transfer from retained earnings	-	-	4,00,00,000	(4,00,00,000)	-	-
<b>Balance as at 31st Mar, 2021</b>	<b>44,42,344</b>	<b>6,94,88,500</b>	<b>40,00,00,000</b>	<b>4,21,61,701</b>	<b>(42,55,727)</b>	<b>51,18,36,818</b>

**Capital Reserve :** This Reserve represents the value of amounts 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. This reserve can be utilized in accordance with the provisions of the Companies Act 2013.

**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 and effect of measurement of defined benefit obligation.

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

Biswanath Paul  
Partner  
Membership No. 068186  
UDIN:21068186AAAAES7032

Kolkata  
Date: 30th June, 2021

For and on behalf of the Board of Directors

Shri Krishan Saraf  
Managing Director  
DIN 00128999

Deo Kishan Saraf  
Whole Time Director  
DIN 00128804

Bishnu Kumar Kesan  
Chief Financial Officer

Bandana Saha  
Company Secretary  
M. No. A46329



## Cash Flow Statement for the year ended March 31, 2021

Amount in ₹

	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
<b>A Cash Flow from Operating Activities</b>		
<b>1 Profit before Tax</b>	<b>7,92,34,706</b>	<b>5,60,41,043</b>
<b>2 Adjustments for :</b>		
Depreciation and amortization expense	2,89,75,295	2,49,43,133
Finance costs	3,13,68,166	4,59,00,826
Interest income	(15,92,394)	(15,70,046)
Loss/(gain) on disposal of property, plant and equipments (net)	1,64,230	90,077
Subsidy Received	(1,39,674)	(1,39,674)
<b>3 Operating Profit before working capital changes (1+2)</b>	<b>13,80,10,329</b>	<b>12,52,65,359</b>
<b>4 Change in Working Capital:</b>		
(Increase)/Decrease in Inventories	6,45,01,794	(7,14,02,098)
(Increase)/Decrease in Trade Receivables	(2,34,25,956)	8,82,52,588
(Increase)/Decrease in Current and Non Current Financial Assets	4,48,017	49,746
(Increase)/Decrease in Current and Non Current Non Financial Assets	(2,76,37,763)	9,07,15,120
(Increase)/Decrease in Trade Payable	(1,24,58,156)	3,33,237
Remeasurement Loss on Defined Benefit Obligation	8,64,837	(9,78,014)
(Increase)/Decrease in Current and Non Current Non Financial Liabilities	(3,12,76,300)	2,36,68,572
<b>Change in Working Capital</b>	<b>(2,89,83,527)</b>	<b>13,06,39,151</b>
<b>5 Cash Generated from Operations (3+4)</b>	<b>10,90,26,802</b>	<b>25,59,04,510</b>
<b>6 Taxes paid</b>	<b>(1,90,53,412)</b>	<b>(1,42,56,009)</b>
<b>7 Net Cash Flow from Operating Activities (A) (5-6)</b>	<b>8,99,73,390</b>	<b>24,16,48,501</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(5,52,49,851)	(8,33,92,981)
Sale of fixed assets	1,40,30,817	39,100
Payables for capital goods	71,27,306	(20,94,823)
Interest received	18,02,973	13,45,053
<b>Net Cash Generated/(Used) in Investing Activities (B):</b>	<b>(3,22,88,755)</b>	<b>(8,41,03,651)</b>
<b>C Net Cash Flow from Financing Activities:</b>		
Short term secured loan	(3,21,04,970)	(10,81,03,446)
Proceeds from/(repayment) of long term unsecured loan	(5,17,30,188)	(52,49,875)
Repayment of Secured long term loan	6,35,66,241	6,00,586
Interest and financing charges	(3,58,52,971)	(4,06,70,028)
Dividend & dividend tax paid	(46,53,071)	(55,36,487)
<b>Net Cash Used in Financing Activities (C):</b>	<b>(6,07,74,959)</b>	<b>(15,89,59,250)</b>
<b>D Net Change in Cash &amp; cash equivalents (A+B+C)</b>	<b>(30,90,324)</b>	<b>(14,14,400)</b>
<b>E - 1 Cash &amp; cash equivalents as at end of the year</b>	<b>44,07,524</b>	<b>74,97,848</b>
<b>E - 2 Cash &amp; cash equivalents as at the beginning of year</b>	<b>74,97,848</b>	<b>89,12,248</b>

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

Biswanath Paul  
Partner  
Membership No. 068186  
UDIN:21068186AAAAES7032

Kolkata  
Date: 30th June, 2021

Shri Krishan Saraf  
Managing Director  
DIN 00128999

Bishnu Kumar Kesan  
Chief Financial Officer

For and on behalf of the Board of Directors

Deo Kishan Saraf  
Whole Time Director  
DIN 00128804

Bandana Saha  
Company Secretary  
M. No. A46329

**Note 1****Notes to the financial statements****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 revision 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.

#### **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, RODTEP, Merchandise Export Incentive Scheme (MEIS), Rebate of State & Central Taxes and Levis Receivable, etc. 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.

**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 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. 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 equipment, Capital Work In Progress & Intangible Assets

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									
<b>Gross Block</b>											
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
Additions & Adjustment	-	-	4,07,57,859	1,96,57,752	51,94,858	13,61,162	4,95,585	77,61,465	7,52,28,681	1,12,82,689	-
Deletions & Adjustment	-	-	-	1,56,017	-	-	-	-	1,56,017	31,18,389	-
<b>Balance as at March 31, 2020</b>	<b>2,20,20,028</b>	<b>97,50,000</b>	<b>11,28,79,591</b>	<b>20,55,80,915</b>	<b>2,07,23,072</b>	<b>1,28,59,379</b>	<b>51,43,806</b>	<b>2,21,88,127</b>	<b>41,11,44,918</b>	<b>1,48,02,791</b>	<b>7,29,480</b>
Additions & Adjustment	-	-	15,68,810	2,93,00,406	5,75,529	64,676	5,57,025	42,26,069	3,62,92,515	3,70,15,452	-
Deletions & Adjustment	-	97,50,000	-	13,54,702	-	-	-	-	1,11,04,702	2,13,58,116	-
<b>Balance as at March 31, 2021</b>	<b>2,20,20,028</b>	<b>-</b>	<b>11,44,48,401</b>	<b>23,35,26,619</b>	<b>2,12,98,601</b>	<b>1,29,24,055</b>	<b>57,00,831</b>	<b>2,64,14,196</b>	<b>43,63,32,731</b>	<b>3,04,60,127</b>	<b>7,29,480</b>
<b>Accumulated Depreciation</b>											
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
Additions & Adjustment	-	-	46,31,112	1,42,35,213	18,80,364	14,32,719	5,93,788	19,90,474	2,47,63,670	-	1,79,463
Deletions & Adjustment	-	-	-	26,840	-	-	-	-	26,840	-	-
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>1,79,09,043</b>	<b>5,45,44,777</b>	<b>60,81,210</b>	<b>39,03,483</b>	<b>27,59,134</b>	<b>72,06,491</b>	<b>9,24,04,138</b>	<b>-</b>	<b>6,78,858</b>
Additions & Adjustment	-	-	48,51,856	1,72,64,135	21,69,374	17,69,941	5,99,371	23,20,558	2,89,75,235	-	60
Deletions & Adjustment	-	-	-	2,09,655	-	-	-	-	2,09,655	-	-
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>2,27,60,899</b>	<b>7,15,99,257</b>	<b>82,50,584</b>	<b>56,73,424</b>	<b>33,58,505</b>	<b>95,27,049</b>	<b>12,11,69,718</b>	<b>-</b>	<b>6,78,918</b>
<b>Net Block</b>											
Balance as at March 31, 2020	2,20,20,028	97,50,000	9,49,70,548	15,10,36,138	1,46,41,862	89,55,862	23,84,672	1,49,81,636	31,87,40,780	1,48,02,791	50,622
Balance as at March 31, 2021	2,20,20,028	-	9,16,87,502	16,19,27,362	1,30,48,017	72,50,631	23,42,326	1,68,87,147	31,51,63,013	3,04,60,127	50,562

Note:

1. Building Freehold include ₹ 4,59,67,403/- (Previous Year ₹ 4,59,67,403/-), 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 8.20 Lakhs upto 31.03.2021

4 Investment

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non-Current	Current	Non-Current
<b>Investment in equity instruments</b>				
In others				
<b>Unquoted</b>				
Bharat NRE Coke Limited 8,871 (P.Y. 8,871) shares of ₹10 each, fully paid	-	77,556	-	77,556
West Bengal Hosiery Park Infrastructure Ltd 300 (P.Y. 300) shares of ₹10 each, fully paid	-	3,000	-	3,000
<b>Total</b>	<b>-</b>	<b>80,556</b>	<b>-</b>	<b>80,556</b>

5 Loans

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non-Current	Current	Non-Current
(Unsecured, considered good unless otherwise stated)				
Loan to Employees	4,86,950	5,94,000	8,16,590	4,50,299
<b>Total</b>	<b>4,86,950</b>	<b>5,94,000</b>	<b>8,16,590</b>	<b>4,50,299</b>
Loan to employees are given as per company's policy				



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 6 Other Financial Assets

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non-Current	Current	Non-Current
Term deposit with Banks more than 12 months maturity *	-	49,02,463	-	39,54,010
Deposits	-	1,40,42,738	-	1,38,83,742
Interest Accrued on Deposits	3,51,067	-	5,61,646	-
<b>Total</b>	<b>3,51,067</b>	<b>1,89,45,201</b>	<b>5,61,646</b>	<b>1,78,37,752</b>

\* Term deposit with Banks held on collateral security / margin money against various credit facilities availed by company.

## 7 Other Assets

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non-Current	Current	Non-Current
Security deposits	-	51,16,004	-	51,91,209
Deposits with body corporate and others Considered good	1,67,461	-	36,67,461	-
Advances				
To Related Parties	-	-	-	-
To Suppliers & Others	3,91,30,711	-	3,80,66,814	-
Receivables				
From govt. authorities for Export incentives	6,58,74,311	-	5,25,57,097	-
From Others	1,72,57,980	-	-	-
Net Defined Benefit Asset	-	1,45,821	-	-
Prepaid expenses	74,21,631	-	79,93,575	-
<b>Total</b>	<b>12,98,52,094</b>	<b>52,61,825</b>	<b>10,22,84,947</b>	<b>51,91,209</b>

## 8 Inventories

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Inventories (lower of cost and net realisable value)</b>		
Raw Materials	18,85,33,205	22,28,19,569
Work-in-progress	14,75,77,422	17,19,80,512
Finished Products (Manufactured)	9,09,65,046	9,49,32,216
Stock-in-trade (Goods purchased for re-sale)	4,41,249	88,241
Stores and Spares	97,23,758	1,19,21,936
<b>Total</b>	<b>43,72,40,680</b>	<b>50,17,42,474</b>
<b>The above includes goods in Transit as under :-</b>		
Raw Materials	92,14,217	15,20,361
Finished Products	60,59,386	2,76,075
Stores and Spares	18,36,538	68,996
<b>Total</b>	<b>1,71,10,141</b>	<b>18,65,432</b>
<b>The inventory also includes Goods lying with third party</b>		
Raw Materials	1,88,42,658	2,62,10,154
Work-in-progress	3,51,92,210	2,27,24,460
Finished Products	66,000	1,32,000
<b>Total</b>	<b>5,41,00,868</b>	<b>4,90,66,614</b>



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 9 Trade receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, Considered Good	24,04,05,650	21,69,79,694
<b>Total</b>	<b>24,04,05,650</b>	<b>21,69,79,694</b>

## 10 Cash and Cash Equivalents \*

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Balances with Banks</b>		
Current Account	2,12,482	17,25,890
EEFC Account	12,92,161	37,69,525
In Deposit Account	17,98,000	8,49,386
Cash on hand	11,04,881	11,53,047
<b>Total</b>	<b>44,07,524</b>	<b>74,97,848</b>

\* 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 31.03.2021	As at 31.03.2020
Fixed Deposit Account*	8,54,174	21,30,631
Earmarked Balances	5,08,511	6,01,581
<b>Total</b>	<b>13,62,685</b>	<b>27,32,212</b>

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

## 12 Current Tax Assest (Net)

Particulars	As at 31.03.2021	As at 31.03.2020
Current Tax Assets (Net of Income Tax Provision)	12,18,107	26,75,565
<b>Total</b>	<b>12,18,107</b>	<b>26,75,565</b>



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 13 Equity Share Capital

Particulars	As at 31.03.2021		As at 31.03.2020	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
<b>Authorised:</b> Ordinary Shares of ₹10 each fully paid up	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
<b>Issued and Subscribed</b> Ordinary Shares of ₹10 each fully paid up	35,20,000	3,52,00,000	35,20,000	3,52,00,000
<b>Paid-up</b> Ordinary Shares of ₹10 each fully paid up	30,40,000	3,04,00,000	30,40,000	3,04,00,000
	<b>30,40,000</b>	<b>3,04,00,000</b>	<b>30,40,000</b>	<b>3,04,00,000</b>

## A. Reconciliation of No. of Ordinary Shares Outstanding

Particulars	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the Beginning of the year	30,40,000	3,04,00,000	30,40,000	3,04,00,000
<b>At the end of the year</b>	<b>30,40,000</b>	<b>3,04,00,000</b>	<b>30,40,000</b>	<b>3,04,00,000</b>

## B. Details of shareholders holdings more than 5% shares

Name of the Shareholder	As at 31.03.2021		As at 31.03.2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Shri Krishan Saraf	4,33,947	14.27%	4,33,947	14.27%
Deo Kishan Saraf	2,28,532	7.52%	2,28,532	7.52%
Kusum Saraf	1,70,452	5.61%	1,70,452	5.61%

## C Rights, Preference and Restriction attached to Shares

The company has only one class of equity shares having par value of Rs.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 1.50 per equity share of Rs 10/- each for the financial year ended 31st March 2021.





## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 14 Borrowings

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non-current	Current	Non-current
<b>SECURED</b>				
(a) Term Loan				
From Bank*	-	6,16,48,491	-	54,09,188
(b) Repayable on Demand				
From Bank**				
Cash Credit	13,98,54,462	-	14,07,61,992	-
EPC	19,25,06,354	-	21,76,03,416	-
Bill Discounting	1,26,97,766	-	1,87,98,144	-
(c) Vehicle Loan from Banks	-	10,28,920	-	28,27,022
<b>Total Secured Borrowing (A)</b>	<b>34,50,58,582</b>	<b>6,26,77,411</b>	<b>37,71,63,552</b>	<b>82,36,210</b>
<b>UNSECURED</b>				
Rupee Loan from Others	1,43,00,000	-	-	6,43,50,000
<b>Total Un-secured Borrowing (B)</b>	<b>1,43,00,000</b>	<b>-</b>	<b>-</b>	<b>6,43,50,000</b>
<b>Total Borrowing (A+B)</b>	<b>35,93,58,582</b>	<b>6,26,77,411</b>	<b>37,71,63,552</b>	<b>7,25,86,210</b>

## 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, 2021 :-

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. 2021	As at 31.03. 2020	As at 31.03. 2021	As at 31.03. 2020
<b>Borrowings Repayable</b>				
In the first year (Note 19)	18,65,638	17,47,724	2,86,38,892	2,13,11,954
Current maturities of long-term debt	<b>18,65,638</b>	<b>17,47,724</b>	<b>2,86,38,892</b>	<b>2,13,11,954</b>
In the second year	10,28,920	18,61,410	2,67,54,055	54,09,188
In the third year	-	9,65,612	2,55,66,672	-
In the fourth year and onwards	-	-	93,27,764	-
<b>Long Term Borrowings</b>	<b>10,28,920</b>	<b>28,27,022</b>	<b>6,16,48,491</b>	<b>54,09,188</b>

## c) Period of Continuing Default

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

## d) Unsecured Loan from Others includes

- Related party (bearing interest)
- Intercorporates (Bearing interest)

	As at 31.03. 2021	As at 31.03. 2020
	-	50,00,000
	1,43,00,000	5,93,50,000
	<b>1,43,00,000</b>	<b>6,43,50,000</b>
	-	50,00,000
	-	<b>50,00,000</b>

## e) Long Term Borrowings from Related Party :

Prince Vanijya Pvt. Ltd.



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 15 Provisions

Particulars	As at 31.03.2021	As at 31.03.2020
Post Employment defined benefits Retirement gratuity	-	4,19,232
<b>Total</b>	<b>-</b>	<b>4,19,232</b>

## 16 Deferred tax liabilities (Net)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred tax liabilities (Net)	2,07,61,538	2,04,96,500
<b>Total</b>	<b>2,07,61,538</b>	<b>2,04,96,500</b>

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.	2,04,96,500	2,65,038	-	2,07,61,538
<b>Total deferred tax liabilities</b>	<b>2,04,96,500</b>	<b>2,65,038</b>	<b>-</b>	<b>2,07,61,538</b>

## 17 Other Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Non Current</b>		
Deferred revenue arising from Government grant	11,31,152	12,70,826
<b>Total</b>	<b>11,31,152</b>	<b>12,70,826</b>
<b>Current</b>		
Statutory Liabilities	20,77,943	19,70,099
Advances from Customers	1,08,34,832	2,54,66,046
Deferred revenue arising from Government grant related to assets	1,39,674	1,39,674
Others	2,12,40,667	3,79,93,597
<b>Total</b>	<b>3,42,93,116</b>	<b>6,55,69,416</b>



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 18 Trade payables

Particulars	As at 31.03.2021	As at 31.03.2020
Outstanding dues of Creditors of Micro, Small and Medium Enterprises		
(i) Dues to Related Parties	3,31,510	10,57,679
(ii) Creditors for Supplies and Services	11,86,255	43,41,113
<b>Total outstanding dues of micro enterprises and small enterprises</b>	<b>15,17,765</b>	<b>53,98,792</b>
Outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Dues to Related Parties	–	8,16,267
(ii) Creditors for Supplies and Services	11,74,65,503	12,52,26,365
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>	<b>11,74,65,503</b>	<b>12,60,42,632</b>
<b>Total</b>	<b>11,89,83,268</b>	<b>13,14,41,424</b>

**Terms and conditions of the above financial liabilities:**

⇒ A sum of Rs 15,17,765/- payable to Micro and Small Enterprises as at 31st March, 2021. There are no 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, 2021. 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.

## 19 Other Financial Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Current maturities of long-term debt (refer note 14)	3,05,04,530	2,30,59,678
Interest Accrued	7,45,993	52,30,798
Unpaid dividends *	5,08,510	6,01,581
Payables for fixed assets	1,46,79,123	75,51,817
<b>Total</b>	<b>4,64,38,156</b>	<b>3,64,43,874</b>

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



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 20 Revenue From Operations

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Gross Revenue from sale of products (including Duties)	1,64,23,13,906	1,63,42,73,720
Other operating revenues	5,83,56,311	8,03,25,823
<b>Total</b>	<b>1,70,06,70,217</b>	<b>1,71,45,99,543</b>
<b>Details of products sold</b>		
<b>A.Finished goods sold</b>		
Hand Gloves	1,03,58,19,211	97,33,06,072
Garment	51,09,71,953	61,80,85,975
Windpower	28,92,961	57,71,650
Others	71,68,963	–
<b>Total (A)</b>	<b>1,55,68,53,088</b>	<b>1,59,71,63,697</b>
<b>B. Raw material &amp; traded goods sold</b>		
Yarn, fabrics, chemicals and other traded goods	8,54,60,818	3,71,10,023
<b>Total (B)</b>	<b>8,54,60,818</b>	<b>3,71,10,023</b>
<b>Total (A+B)</b>	<b>1,64,23,13,906</b>	<b>1,63,42,73,720</b>
<b>Break-up of Other operating revenues</b>		
Scrap sales	1,50,060	1,92,938
Export Incentives	5,68,72,514	7,94,67,614
Other Operating Income	13,33,737	6,65,271
<b>Total</b>	<b>5,83,56,311</b>	<b>8,03,25,823</b>

## 21 Other income

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest income on		
Bank Deposits	3,89,584	4,46,828
Others	12,02,810	11,23,218
Other Gains and Losses*	3,34,40,277	1,17,93,748
Other Non-operating income **	34,46,596	10,76,644
<b>Total</b>	<b>3,84,79,267</b>	<b>1,44,40,438</b>
*Other gains and losses:		
Net foreign exchange gain/(loss)	3,34,40,277	1,17,93,748
<b>Total</b>	<b>3,34,40,277</b>	<b>1,17,93,748</b>
<b>**Other Non-operating income</b>		
Subsidy Received	1,39,674	1,39,674
Other Misc. Income	32,43,349	7,59,511
Profit on sale of Property, Plant & Equipment	24,487	–
Sample Income	39,086	1,77,459
<b>Total</b>	<b>34,46,596</b>	<b>10,76,644</b>



NOTES TO THE FINANCIAL STATEMENTS

22 Cost of Raw Materials Consumed

Amount in ₹

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Opening Balance	22,28,19,569	20,02,44,155
Add: Purchases	88,78,60,151	93,72,46,868
	1,11,06,79,720	1,13,74,91,023
Less : Loss due to Amphan	8,36,134	–
Less: Closing stock	18,85,33,205	22,28,19,569
<b>Total</b>	<b>92,13,10,381</b>	<b>91,46,71,454</b>
<b>Details of raw materials consumed</b>		
Yarn	9,28,03,408	11,67,70,563
Fabrics	18,23,78,428	23,25,27,245
Leathers	42,29,81,630	39,05,71,302
Chemicals	4,30,02,679	3,30,99,958
Others	18,01,44,236	14,17,02,386
<b>Total</b>	<b>92,13,10,381</b>	<b>91,46,71,454</b>
<b>Value of Raw materials consumed during the year</b>		
Imported	9,69,22,060	15,51,88,064
Indigenous	82,43,88,321	75,94,83,390
<b>Total</b>	<b>92,13,10,381</b>	<b>91,46,71,454</b>

23 Purchases of Stock in trade

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Hand Gloves	2,59,69,186	59,01,526
Garments	2,97,56,775	77,84,276
Others	1,31,79,593	82,57,999
<b>Total</b>	<b>6,89,05,554</b>	<b>2,19,43,801</b>

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

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Opening Stock</b>		
Work-in-progress	17,19,80,512	14,73,83,444
Finished goods	9,49,32,216	6,58,99,425
Traded goods	88,241	–
	<b>26,70,00,969</b>	<b>21,32,82,869</b>
<b>Closing Stock</b>		
Work-in-progress	14,75,77,422	17,19,80,512
Finished goods	9,09,65,046	9,49,32,216
Traded goods	4,41,249	88,241
	<b>23,89,83,717</b>	<b>26,70,00,969</b>
Less : Loss due to Amphan	2,15,42,312	–
<b>Total</b>	<b>64,74,940</b>	<b>(5,37,18,100)</b>
<b>Details of inventories</b>		
<b>Work-in-progress</b>		
Hand Gloves	2,93,61,074	2,03,08,701
Garments	11,25,35,102	15,16,71,811
Others	56,81,246	–
<b>Total</b>	<b>14,75,77,422</b>	<b>17,19,80,512</b>
<b>Finished goods</b>		
Hand Gloves	8,08,85,259	9,01,54,246
Garments	52,78,306	47,77,970
Others	48,01,481	–
<b>Total</b>	<b>9,09,65,046</b>	<b>9,49,32,216</b>
<b>Traded goods</b>		
Hand Gloves	–	10,041
Garments	1,29,249	78,200
Others	3,12,000	–
	<b>4,41,249</b>	<b>88,241</b>





## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 25 Employee Benefits Expense

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries, wages, bonus etc	4,90,58,027	5,03,92,160
Contribution to provident and other funds	42,94,062	44,94,153
Gratuity expenses	11,68,068	10,52,828
Staff welfare expenses	11,58,593	11,95,814
<b>Total</b>	<b>5,56,78,750</b>	<b>5,71,34,955</b>

Disclosure on Employee Benefits is given in Note No. 33

## 26 Finance Costs

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest Expense	2,65,01,462	4,32,54,714
Others borrowing cost	48,66,704	26,46,112
<b>Total</b>	<b>3,13,68,166</b>	<b>4,59,00,826</b>

## 27 Other expenses

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Consumption of stores, spares & packing materials	5,87,28,022	7,61,51,108
Power & fuels	3,62,08,380	3,36,64,848
Rent, rates & taxes etc.	1,32,93,109	1,48,27,081
Packing & finishing charges	1,06,76,566	1,07,38,340
Printing & stationary	17,27,787	17,59,747
Processing charges	31,03,14,137	39,45,97,326
Bank Charges	28,64,528	32,47,215
Travelling & conveyance expenses	22,06,458	97,15,855
Auditor's remuneration	3,00,000	3,00,000
Insurance charges	59,65,178	67,18,722
Postage & telephone expenses	28,09,297	38,61,439
Motor car expenses	22,86,498	24,18,391
Repairs & maintenance		
Plant & machinery	1,31,87,365	1,12,97,802
Building	4,29,088	93,817
Others	84,83,561	72,46,369
Commission on sales	24,39,664	53,55,093
Sales promotion expenses	16,38,614	82,00,400
Coolie, cartage, freight & forwarding charges	4,37,30,645	3,47,00,052
Quality Claim on Sales	33,470	1,11,792
Loss on Sale of Property, Plant & Equipment	1,88,717	90,077
Sundry Balance Written Off	5,58,502	93,91,605
Sales Tax Expenses	—	31,99,008
CSR Contribution	20,70,000	—
Misc. expenses	1,10,94,208	90,83,946
<b>Total</b>	<b>53,12,33,794</b>	<b>64,67,70,033</b>



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 28 Income Tax Expense

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A. Amount recognised in profit or loss</b>		
<b>Current Tax</b>		
Income tax for the year		
Current Tax	2,05,00,000	1,41,93,250
Adjustments/(credits) related to previous years - Net	10,870	—
<b>Total Current tax</b>	<b>2,05,10,870</b>	<b>1,41,93,250</b>
<b>Deferred tax</b>		
Deferred tax for the year	2,65,038	(18,29,342)
<b>Total Deferred tax</b>	<b>2,65,038</b>	<b>(18,29,342)</b>
<b>Total</b>	<b>2,07,75,908</b>	<b>1,23,63,908</b>

## 29 Earnings per share

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Profit After Taxation (₹)	5,84,58,798	4,36,77,135
Weighted average number of Ordinary shares (Nos.)	30,40,000	30,40,000
Basic Earnings Per Share (₹)	19.23	14.37
Diluted Earnings Per Share (₹)	19.23	14.37

## 30 Contingent Liabilities

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>(a) Claims against the company not acknowledged as debts</b>		
(i) Sales Taxes claims disputed by the company relating to issues of applicability classification and disallowance.	—	29,03,878
(ii) Income Tax matters	—	13,28,960
<b>(b) Guarantees</b>		
(i) Letter of Credit	2,72,02,144	1,44,77,806
(ii) Counter Guarantee Given	68,74,905	51,42,399
<b>(c) Other money for which company is contingently liable</b>		
Bills discounted by the Bank	1,26,97,766	1,87,98,144



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 31 Additional Notes to the Financial statement

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A. Expenditure In Foreign Currency</b>		
(Amount remitted in foreign currency by way of letter of credit arrangements / others)		
For purchase of Capital goods on CIF basis	1,36,83,417	2,03,71,963
For purchase of Raw Materials, stores, spares & Finished Goods	9,68,57,232	13,30,22,178
For Travelling Expenses	–	45,47,300
On other accounts	15,15,991	61,56,379
<b>Total</b>	<b>11,20,56,640</b>	<b>16,40,97,820</b>
<b>B. Earnings In Foreign Currency On (Fob Basis)</b>		
Export of goods	1,15,25,35,535	1,13,06,10,625
Other income	67,778	9,01,477
<b>Total</b>	<b>1,15,26,03,313</b>	<b>1,13,15,12,102</b>
<b>C. Derivative Instruements</b>		
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 instruements is as follows:-		
<b>Forward exchange contracts outstanding as at year end:-</b>		
Currency	Cross Currency	
		<b>As at 31.03.2021</b>
		<b>Buy</b>
		<b>Sell</b>
		<b>As at 31.03.2020</b>
		<b>Buy</b>
		<b>Sell</b>
US Dollar	Indian Rupees (₹)	- 32,76,693.38
Euro	Indian Rupees (₹)	- 26,88,297.71
		- 39,99,712.05
		- 27,85,029.28

## 32 Impact of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories and other assets, etc. For this purpose, the company has used internal and external sources of information upto the date of approval of these financial statements including economic forecasts and consensus estimates. The company does not expect any significant impact on such carrying values. The final impact of COVID-19 on the Company's financial statement may differ from that estimates as at the date of approval of Financial Statements.



## NOTES TO THE FINANCIAL STATEMENTS

## 33. Additional Notes to Defined Benefit Plans/Long Term Compensated Absences

**Defined Contribution Plans -**

The employees' 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 31.03.2021	As at 31.03.2020
Discount rate (s)	6.90%	7.00%
Expected rate (s) of salary increase	4.00%	4.00%
Mortality	IALM (2012-14) 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 31.03.2021	For the year ended 31.03.2020
Past Service cost	-	-
Current service cost	11,52,645	11,80,343
(Gain)/loss from settlements	-	-
Net interest expense	-	-
<b>Total Service cost</b>	<b>11,52,645</b>	<b>11,80,343</b>
Interest Expense on DBO	15,10,882	13,72,504
Interest (Income) on Plan Assets	(14,95,459)	(15,00,019)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
<b>Total Net Interest Cost</b>	<b>15,423</b>	<b>(1,27,515)</b>
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	11,68,068	10,52,828
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	1,12,739	(17,47,747)
Remeasurements - Due to Experience Adjustments	(15,37,748)	29,54,192
(Return) on Plan Assets (Excluding Interest Income)	1,40,940	1,90,801
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
<b>Total Remeasurements in OCI</b>	<b>(12,84,069)</b>	<b>13,97,246</b>
<b>Total Defined Benefit Cost recognized in P &amp; L and OCI</b>	<b>(1,16,001)</b>	<b>24,50,074</b>

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 31.03.2021	As at 31.03.2020
Defined benefit obligation	2,27,71,298	2,15,84,025
Fair value of plan assets	2,29,17,119	2,11,64,793
<b>Funded status</b>	<b>(1,45,821)</b>	<b>4,19,232</b>
Effect of Asset Ceiling / oneros Liability	-	-
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>(1,45,821)</b>	<b>4,19,232</b>

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

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Opening defined benefit obligations	2,15,84,025	1,78,24,733
Current service cost	11,52,645	11,80,343
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	15,10,882	13,72,504
Benefit Payments from Plan Assets	(51,245)	-
Remeasurements - Due to Financial Assumptions	1,12,739	(17,47,747)
Remeasurements - Due to Experience Adjustments	(15,37,748)	29,54,192
<b>Closing defined benefit obligation</b>	<b>2,27,71,298</b>	<b>2,15,84,025</b>





## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

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

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Opening fair value of plan assets	2,11,64,793	1,91,05,968
Interest Income	14,95,459	15,00,019
Employer Contributions	4,49,052	7,49,607
Employer Direct Benefit Payments	–	–
Employer Direct Settlement Payments	–	–
Benefit Payments from Plan Assets	(51,245)	–
Remeasurements - Return on Assets (Excluding Interest Income)	(1,40,940)	(1,90,801)
<b>Closing fair value of plan assets</b>	<b>2,29,17,119</b>	<b>2,11,64,793</b>

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Investment Details	Gratuity Funded	Gratuity Funded
Investment with Insurer (LIC)	100%	100%

## Net Defined Benefit Liability / (Assets) reconciliation

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Net Defined Benefit Liability/(Asset) at beginning of year</b>	<b>4,19,232</b>	<b>(12,81,235)</b>
Defined Benefit Cost included in P & L	11,68,068	10,52,828
Total Remeasurements included in OCI	(12,84,069)	13,97,246
Employer Contributions	(4,49,052)	(7,49,607)
<b>Net Defined Benefit Liability / (Asset) at end of year</b>	<b>(1,45,821)</b>	<b>4,19,232</b>

## 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 31.03.2021
Under Base Scenario	2,27,71,298
Salary Escalation (Up by 1%)	2,40,73,667
Salary Escalation (Down by 1%)	2,16,05,892
Withdrawal Rates (Up by 1%)	2,29,99,611
Withdrawal Rates (Down by 1%)	2,25,20,431
Discount Rates (Up by 1%)	2,15,68,465
Discount Rates (Down by 1%)	2,41,18,040

## Maturity Analysis Of The Benefit Payments

Particulars	
1. Year 1	98,79,597
2. Year 2	6,73,178
3. Year 3	8,05,923
4. Year 4	9,03,756
5. Year 5	9,47,991
6. Next 5 Years	52,43,693



NOTES TO THE FINANCIAL STATEMENTS

34 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) Other & traded items and (iv) 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.

Primary Segment Information

Amount in ₹

	2020-21			2019-20		
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
<b>A. Segment Revenue</b>						
Hand Gloves	1,10,17,94,324	-	1,10,17,94,324	1,04,56,69,567	-	1,04,56,69,567
Garments	56,80,69,946	-	56,80,69,946	65,42,86,798	-	65,42,86,798
Power Generation	28,92,961	-	28,92,961	57,71,650	-	57,71,650
Others & Traded Items	2,79,12,986	-	2,79,12,986	88,71,528	-	88,71,528
<b>Segment Total</b>	<b>1,70,06,70,217</b>	<b>-</b>	<b>1,70,06,70,217</b>	<b>1,71,45,99,543</b>	<b>-</b>	<b>1,71,45,99,543</b>
Elimination			-			-
<b>Total Revenue</b>			<b>1,70,06,70,217</b>			<b>1,71,45,99,543</b>
<b>B. Segment Results</b>						
Hand Gloves			12,62,43,241			12,68,88,863
Garments			1,85,50,680			1,81,83,380
Power Generation			(14,52,485)			15,51,216
Others & Traded Items			(3,86,347)			(10,36,121)
<b>Segment Total</b>			<b>14,29,55,089</b>			<b>14,55,87,338</b>
Unallocated corporate expenses			(3,39,49,800)			(4,53,86,748)
Unallocated corporate income			5,189			1,71,233
<b>Profit before finance cost &amp; tax</b>			<b>10,90,10,478</b>			<b>10,03,71,823</b>
Finance cost			(3,13,68,166)			(4,59,00,826)
Interest on loan, deposits, etc.			15,92,394			15,70,046
<b>Profit before tax</b>			<b>7,92,34,706</b>			<b>5,60,41,043</b>
Tax expense			(2,07,75,908)			(1,23,63,908)
<b>C. Profit After Taxation</b>			<b>5,84,58,798</b>			<b>4,36,77,135</b>

D. Other Information	2020-21		2019-20	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Hand Gloves	66,58,96,876	35,02,22,940	67,08,35,092	37,77,57,029
Garments	38,79,00,043	25,10,10,004	40,01,90,801	26,66,31,032
Power Generation	2,22,85,236	5,69,309	2,53,06,762	31,588
Others & Traded Items	6,69,02,479	96,86,906	4,12,38,000	1,06,20,383
<b>Segment Total</b>	<b>1,14,29,84,634</b>	<b>61,14,89,159</b>	<b>1,13,75,70,655</b>	<b>65,50,40,032</b>
Unallocated Corporate Assets / Liabilities	4,28,95,407	3,21,54,064	5,48,74,330	5,03,51,002
<b>Total</b>	<b>1,18,58,80,041</b>	<b>64,36,43,223</b>	<b>1,19,24,44,985</b>	<b>70,53,91,034</b>

	2020-21			2019-20		
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation
Hand Gloves	1,59,33,373	1,90,35,903	-	4,03,20,257	1,61,93,602	-
Garments	25,07,873	49,38,335	-	1,56,17,964	44,03,991	-
Power Generation	-	22,54,738	-	-	22,54,168	-
Others & Traded Items	1,77,20,698	11,06,507	-	1,92,50,000	2,82,245	-
<b>Segment Total</b>	<b>3,61,61,944</b>	<b>2,73,35,483</b>	<b>-</b>	<b>7,51,88,221</b>	<b>2,31,34,006</b>	<b>-</b>
Unallocated Expenditure	1,30,571	16,39,812	-	40,460	18,09,127	-
<b>Total</b>	<b>3,62,92,515</b>	<b>2,89,75,295</b>	<b>-</b>	<b>7,52,28,681</b>	<b>2,49,43,133</b>	<b>-</b>



NOTES TO THE FINANCIAL STATEMENTS

Secondary Segment Information

Segment Revenue

Within Special Economic Zone  
Outside Special Economic Zone

Segment Assets

Within Special Economic Zone  
Outside Special Economic Zone

Capital Expenditure

Within Special Economic Zone  
Outside Special Economic Zone

	2020-21	2019-20
21,96,30,698	19,17,22,245	
1,48,10,39,519	1,52,28,77,298	
26,93,69,435	25,02,20,417	
91,65,10,606	94,22,24,568	
99,34,350	13,23,433	
2,63,58,165	7,39,05,248	

35 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
  - (f) Safewell Industries
2. KEY MANAGEMENT PERSONNEL :
  - (a) Mr. Shri Krishan Saraf
  - (b) Mr. Deo Kishan Saraf
  - (c) Ms. Bandana Saha
  - (d) Mr. Bishnu Kumar Kesan
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

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2021

Particulars	Parties referred to in (1) above		Parties referred to in (2,3,4) above		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Purchase of Goods</b>	<b>8,76,00,025</b>	<b>6,51,14,610</b>	-	-	<b>8,76,00,025</b>	<b>6,51,14,610</b>
Acme Safetywears Limited	7,45,53,117	5,79,74,340			7,45,53,117	5,79,74,340
Safewell Industries	1,30,46,908	71,40,270			1,30,46,908	71,40,270
<b>Sale of Goods</b>	<b>14,51,84,142</b>	<b>9,51,23,999</b>	-	-	<b>14,51,84,142</b>	<b>9,51,23,999</b>
Acme Safetywears Limited	14,51,84,142	9,51,23,999			14,51,84,142	9,51,23,999
<b>Rent Paid</b>	<b>15,00,000</b>	<b>15,00,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>18,00,000</b>	<b>18,00,000</b>
Century Safety Wears Private Limited	15,00,000	15,00,000			15,00,000	15,00,000
Aditya Saraf	-	-	3,00,000	3,00,000	3,00,000	3,00,000
<b>Interest Expenses</b>	<b>6,34,418</b>	<b>12,01,028</b>	-	-	<b>6,34,418</b>	<b>12,01,028</b>
Prince Vanijya Private Limited	6,34,418	12,01,028			6,34,418	12,01,028
<b>Processing Charges</b>	<b>35,82,880</b>	<b>27,03,315</b>	-	-	<b>35,82,880</b>	<b>27,03,315</b>
Acme Safetywears Limited	5,91,479	2,58,438			5,91,479	2,58,438
Rosinate India Company	29,91,401	24,44,877			29,91,401	24,44,877
<b>Job work Income</b>	<b>13,27,372</b>	<b>6,45,925</b>	-	-	<b>13,27,372</b>	<b>6,45,925</b>
Acme Safetywears Limited	13,27,372	6,45,925			13,27,372	6,45,925
<b>Remuneration to KMP</b>			<b>1,18,46,374</b>	<b>1,16,99,538</b>	<b>1,18,46,374</b>	<b>1,16,99,538</b>
Shri Krishan Saraf			60,00,000	60,00,000	60,00,000	60,00,000
Deo Kishan Saraf			48,00,000	48,00,000	48,00,000	48,00,000
Bandhana Saha			4,46,374	2,99,538	4,46,374	2,99,538
Bishnu Kumar Kesan			6,00,000	6,00,000	6,00,000	6,00,000
<b>Remuneration to others</b>			<b>53,15,000</b>	<b>47,15,000</b>	<b>53,15,000</b>	<b>47,15,000</b>
Abhishek Saraf			19,25,000	16,25,000	19,25,000	16,25,000
Aditya Saraf			19,25,000	16,25,000	19,25,000	16,25,000
Utkarsh Saraf			3,25,000	3,25,000	3,25,000	3,25,000
Priya Saraf			3,60,000	3,60,000	3,60,000	3,60,000
S K Chakraborty			7,80,000	7,80,000	7,80,000	7,80,000
<b>Repayment of Loan</b>	<b>50,00,000</b>	<b>50,00,000</b>			<b>50,00,000</b>	<b>50,00,000</b>
Prince Vanijya Private Limited	50,00,000	50,00,000			50,00,000	50,00,000
<b>Balance as on 31st March</b>						
<b>Creditors / Payable</b>	<b>3,31,510</b>	<b>39,38,804</b>	-	-	<b>3,31,510</b>	<b>39,38,804</b>
Acme Safetywears Limited	3,31,510	10,57,679			3,31,510	10,57,679
Rosinate India Company	-	8,16,267			-	8,16,267
Safewell Industries	-	20,64,858			-	20,64,858
<b>Debtors / Receivable</b>	<b>85,55,177</b>	<b>30,20,743</b>	-	-	<b>85,55,177</b>	<b>30,20,743</b>
Acme Safetywears Limited	85,55,177	30,20,743			85,55,177	30,20,743
<b>Loan Taken</b>	-	<b>50,00,000</b>	-	-	-	<b>50,00,000</b>
Prince Vanijya Private Limited	-	50,00,000			-	50,00,000
<b>Security Deposit</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>			<b>1,00,00,000</b>	<b>1,00,00,000</b>
Century Safety Wears Private Limited	1,00,00,000	1,00,00,000			1,00,00,000	1,00,00,000



## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

## 36 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.

## 2. Categories of Financial Instruments

Particulars	Note	As at 31.03.2021		As at 31.03.2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and cash equivalents	10	44,07,524	44,07,524	74,97,848	74,97,848
ii) Other bank balances	11	13,62,685	13,62,685	27,32,212	27,32,212
iii) Loans	5	10,80,950	10,80,950	12,66,889	12,66,889
iv) Trade receivables	9	24,04,05,650	24,04,05,650	21,69,79,694	21,69,79,694
v) Other financial assets	6	1,92,96,268	1,92,96,268	1,83,99,398	1,83,99,398
<b>Sub-total</b>		<b>26,65,53,077</b>	<b>26,65,53,077</b>	<b>24,68,76,041</b>	<b>24,68,76,041</b>
<b>b) Measured at Fair value through OCI</b>					
i) Equity shares	4	80,556	80,556	80,556	80,556
<b>Sub-total</b>		<b>80,556</b>	<b>80,556</b>	<b>80,556</b>	<b>80,556</b>
<b>Total financial assets</b>		<b>26,66,33,633</b>	<b>26,66,33,633</b>	<b>24,69,56,597</b>	<b>24,69,56,597</b>

Particulars	Note	As at 31.03.2021		As at 31.03.2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>B. Financial Liabilities</b>					
<b>a) Measured at amortised cost</b>					
i) Cash credit facilities	14	35,93,58,582	35,93,58,582	37,71,63,552	37,71,63,552
ii) Trade payables	18	11,89,83,268	11,89,83,268	13,14,41,424	13,14,41,424
iii) Other financial liabilities	19	4,64,38,156	4,64,38,156	3,64,43,874	3,64,43,874
<b>Sub-total</b>		<b>52,47,80,006</b>	<b>52,47,80,006</b>	<b>54,50,48,850</b>	<b>54,50,48,850</b>
<b>Total financial liabilities</b>		<b>52,47,80,006</b>	<b>52,47,80,006</b>	<b>54,50,48,850</b>	<b>54,50,48,850</b>

## 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 ₹ 81,53,24,757 (2020 - ₹83,52,90,976) including Cash and cash equivalents and Other bank balances of ₹ 57,70,209 (2020 - ₹ 1,02,30,060) against an aggregate Current liability of ₹55,90,73,122 (2020 - ₹ 61,06,18,266); Non-current liabilities due between one year to three years amounting to ₹ 7,52,42,337 (2020 - ₹ 9,47,72,768) and Non-current liability due after three years amounting to ₹ 93,27,764 (2020 - NIL) on the reporting date.

Further, while the Company's total equity stands at ₹ 54,22,36,818 (2020 - ₹ 48,70,53,951), it has borrowings of ₹ 6,26,77,411 (2020 - ₹7,25,86,210). 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS****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
<b>As at 31st March, 2021</b>		
Financial Assets	13,87,687	5,06,400
Financial Liabilities	4,48,585	1,04,920
<b>As at 31st March, 2020</b>		
Financial Assets	13,44,669	4,00,387
Financial Liabilities	4,38,469	1,91,455

**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

## 36. 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 2021	As at 31st March 2020
<b>A. Financial assets</b>			
a) Measured at amortised cost			
i) Loans*	3	10,80,950	12,66,889
ii) Other Financial assets*	3	1,92,96,268	1,83,99,398
<b>Sub-total</b>		<b>2,03,77,218</b>	<b>1,96,66,287</b>
b) Measured at Fair value through OCI			
i) Equity shares - Un-Quoted	2	80,556	80,556
<b>Sub-total</b>		<b>80,556</b>	<b>80,556</b>
<b>Total financial assets</b>		<b>2,04,57,774</b>	<b>1,97,46,843</b>
<b>B. Financial liabilities</b>			
a) Measured at amortised cost			
i) Other Financial liabilities*	3	4,64,38,156	3,64,43,874
<b>Sub-total</b>		<b>4,64,38,156</b>	<b>3,64,43,874</b>
<b>Total financial liabilities</b>		<b>4,64,38,156</b>	<b>3,64,43,874</b>

\*Represents Fair value of Non-current Financial Instruments

## 37. Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on 30th June 2021.

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

Biswanath Paul

Partner

Membership No. 068186

UDIN:21068186AAAAES7032

Kolkata

Date: 30th June, 2021

For and on behalf of the Board of Directors

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director

DIN 00128804

Bishnu Kumar Kesan

Chief Financial Officer

Bandana Saha

Company Secretary

M. No. A46329





**ACKNIT INDUSTRIES LIMITED**

CIN: L01113WB1990PLC050020

Registered Office: 817 Krishna, 224 A.J.C Bose Road, Kolkata-700017

Phone No.: (033) 2287-8293; Fax No.: (91-33) 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) of ..... shares of Acknit Industries Limited, hereby appoint

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

E-mail ID : ..... Signature .....or failing him/her,

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

E-mail ID : ..... Signature .....or failing him/her,

3. 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 31st Annual General Meeting of the Company, to be held on **Saturday, 25th September, 2021 at 11:00 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
<b>Ordinary Business</b>			
1.	Adoption of the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 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, 2021.		
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.		
<b>Special Business</b>			
4.	Re-appointment of Mr. Shri Krishan Saraf (DIN : 00128999) as the Managing Director of the Company for a further period of 3(three) years w.e.f. 1st April, 2021.		
5.	Re-appointment of Mr. Mukul Banerjee (DIN: 07527632) as a Non-Executive Independent Director of the Company for the second term of 5(five) consecutive years w.e.f. 30th May, 2021.		
6.	Appointment of Mr. Rajarshi Ghosh (DIN : 05270177) as a Non-Executive Independent Director of the Company for a term of 5(five) consecutive years w.e.f. 30th June, 2021.		
7.	Appointment of Mr. Shankar Lal Bajaj (DIN: 00619282) as a Non-Executive Independent Director of the Company for a term of 5(five) consecutive years w.e.f. 25th September, 2021.		

Signed this .....day of.....2021

Signature of Shareholder .....

Signature of Proxyholder(s) .....

Affix  
Revenue  
Stamp

Note : 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the Meeting.

\*2. 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