



ACKNIT INDUSTRIES LIMITED

**Annual Report And Accounts
2017-18**

ACKNIT INDUSTRIES LIMITED

CIN : L01113WB1990PLC050020

Annual Report 2017-18

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf

Managing Director

Mr. Deo Kishan Saraf

Whole-time Director & CFO

Mr. Samir Kumar Ghosh

Independent Director

Mrs. Trishna Patodia Pereira (till 31st March, 2018)

Independent Director

Mr. Mukul Banerjee

Independent Director

Mrs. Rashi Saraf

Non-Executive-Non-Independent Director

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

Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Bandana Saha

(w.e.f. 5th February, 2018)

Miss Shruti Poddar

(till 31st January, 2018)

AUDITORS

SRB & Associates

Chartered Accountants

A-3/7, Gillanders House,

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

BANKERS

State Bank of India

Bank of Baroda

HDFC Bank Ltd.

REGISTERED OFFICE

817, Krishna,

224, A.J.C Bose Road,

Kolkata- 700 017

Ph : (033) 2287-8293

E-mail : calcutta@acknitindia.com

Website : www.acknitindia.com

CORPORATE OFFICE

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

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

Ph : (033) 2367-5555

E-mail : cs@acknitindia.com

REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Street

Kolkata- 700 006

Ph: (033) 2219 4815 / 6797

E-mail: contact@skcinfo.com



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**NOTICE OF THE 28TH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 28th Annual General Meeting of ACKNIT INDUSTRIES LIMITED will be held on Tuesday, the 25th day of September, 2018 at 10.30 a.m. at 'GYAN MANCH' at 11, Pretoria Street, Kolkata-700071 to transact the following business:-

ORDINARY BUSINESS :**Item No. 1****To consider and adopt Audited Financial Statement for the Financial Year ended 31st March, 2018**

To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2018, together with the Reports of the Directors and Auditors thereon.

Item No. 2**To declare dividend for the Financial Year ended 31st March, 2018**

To declare dividend of Rs.1.50/- per equity shares of Rs.10 each for the Financial Year ended 31st March, 2018.

Item No. 3**To appoint a Director in place of Mr. Deo Kishan Saraf (DIN: 00128804) who retires by rotation and, being eligible, offers himself for re-appointment**

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

"RESOLVED THAT Mr. Deo Kishan Saraf (DIN: 00128804) who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS :**Item No. 4****To re-appoint Mr. Shri Krishan Saraf 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 Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to re-appoint 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, 2018 in terms of the draft agreement placed before the meeting of the Board of Directors held on 16th April, 2018, 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 severally authorised to do all such acts, deeds and things and execute all such documents, instruments, and writing as may be required to give effect to this resolution."

Item No. 5**To revise the remuneration of Mr. Deo Kishan Saraf, Whole-time Director cum Chief Financial Officer (CFO)**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and the Articles of Association of the Company, and on recommendation of the Nomination & Remuneration Committee, the consent of the members of the Company be and is hereby accorded for revision of remuneration of Mr. Deo Kishan Saraf (DIN: 00128804), Whole-Time Director and CFO of the Company, by way of increase in the monthly remuneration to Rs. 4 Lakhs (including the remuneration to be paid in the event of loss or inadequacy of profits in any Financial Year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount increasing thereby proportionately all benefits related to the quantum of salary, with effect from 1st April, 2018 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things and execute all such documents, instruments, and writing as may be required to give effect to this resolution."

Item No. 6**To enter into Related Party Transaction in excess of the threshold limit**

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 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof) read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into any contract or arrangements with Acme Safety Wears Ltd to the extent of not exceeding 20% of the annual turnover of the immediately preceding financial year with respect to sale, purchase or supply of any goods or materials, availing or rendering of any services and appointment of agent for purchase or sale of goods, materials, services or otherwise disposing of any goods, materials or availing or rendering of any services.



RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

Item No. 7

To Continue the directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director

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

"RESOLVED THAT pursuant to the Sub-Regulation (1A) of Regulation 17 as amended by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the consent of the members of the Company be and is hereby accorded for continuation of the directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director, till the end of his present term due to expire on 8th September, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby authorised to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

Item No. 8

To appoint Mr. Jadav Lal Mukherjee as an Independent Director

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

"RESOLVED THAT pursuant to Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for appointment of Mr. Jadav Lal Mukherjee (DIN: 06421227) as a Non-Executive Independent Director, who was appointed as an additional Director by the Board of Directors at its meeting held on 30th May, 2018, not being subject to retirement by rotation, to hold office for a term of 5(five) consecutive years w.e.f. 30th May, 2018.

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

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 to 8 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings in respect of Director seeking appointment/re-appointment at the Annual General Meeting is also furnished hereof.
3. Corporate members are requested to send to the Company's registered office, a duly certified copy of board resolution authorizing their representative to attend and vote at the meeting.
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 Wednesday, 19th September, 2018 to Tuesday, 25th September, 2018 (both days inclusive) for payment of dividend on equity shares for the Financial Year ended on 31st March, 2018.
6. The dividend for the Financial Year ended on 31st March, 2018, as recommended by the Board of Directors, if declared at the ensuing Annual General meeting, will be paid within 30days from the date of declaration to those members whose names appear in the register of members/statement of beneficial ownership furnished by the depositories as of the close of business hours on Tuesday, 18th September, 2018. 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. Members desiring any information on the Accounts for the Financial Year ended on 31st March, 2018 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.
8. Information under the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
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 for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be due to transfer to the "Investor Education and Protection Fund" of the Central Government pursuant to section 125 of the Companies Act, 2013 (or section 205C of the Companies Act, 1956) on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend.

Financial Year Ended	Last date of claiming unpaid dividend
31.03.2011	20.10.2018
31.03.2012	31.10.2019
31.03.2013	27.10.2020
31.03.2014	15.10.2021
31.03.2015	27.10.2022
31.03.2016	01.11.2023
31.03.2017	22.10.2024

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

12. Electronic copy of the Annual Report for the Financial Year 2017-18 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 2017-18 is being sent in the permitted mode.
13. The Notice of Annual General Meeting and the copies of Directors' Report, Audited Financial Statement, Auditors' Report etc. will also be displayed on the website of the company : www.acknitindia.com and may be accessed by the members.
14. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the members at the registered office of the Company during business hours on any working day up to the date of Annual General Meeting of the Company, with prior appointment.

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

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

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

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

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

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

**Details on Step 1 is mentioned below:****How to Log-in to NSDL e-Voting website?**

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

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

4. Your User ID details are given below :

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

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

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

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

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

Other Instructions:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to rekha1410@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.



3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The remote e-voting period commences on Saturday, 22nd September, 2018 (9.00 a.m. IST) and ends on Monday, 24th September, 2018 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Tuesday, 18th September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
6. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as per the Register of Members of the Company on Tuesday, 18th September, 2018.
7. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as on the cut-off date, i.e., Tuesday, 18th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
8. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Annual General Meeting through ballot paper.
9. Mrs. Rekha Goenka, Practicing Company Secretary (Membership No. ACS-17805), has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the Annual General Meeting in a fair and transparent manner.
10. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those members who are present but have not cast their vote electronically using the remote e-voting facility.
11. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
12. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
13. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.acknitindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

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

Place: Kolkata
Date: 20th July, 2018

Bandana Saha
Company Secretary & Compliance Officer

**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 01.04.2015. Mr. Shri Krishan Saraf is a Bachelor of Science from Calcutta University and aged about 64 years. He is a pivot of the Company's expansion and acquiring of international reputation in Manufacture and Supply of Industrial Safety Gloves and outfits. The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, has since re-appointed him as the Managing Director of the Company for a further period of 3(three) years w.e.f. 01.04.2018 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, 2018.

(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 not exceeding 10% of the basic pay as may be recommended by the Nomination and Remuneration Committee and duly approved by the Board subject to the ceilings prescribed under section 197 of the Companies Act, 2013 read with schedule V of the said Act, for time being in force.
- II. Contribution to Provident Fund as per the Company's rules.
- III. Gratuity: at the rate of half-a-month's salary for every completed year of service.
- IV. Leave: 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 once in every year to any destination in India.
- VI. Car: Company's car for the business of the Company.
- VII. Telephone: Free telephone facility at his residence.
- VIII The expenses under item no. II to VII 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.

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

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

Mr. Shri Krishan Saraf, Managing Director of the Company doesn't not hold any office of director or Chairman/member in the Committees of the Boards of any other listed companies.

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

The Board of Directors at their meeting held on 30th May, 2016 has re-appointed Mr. Deo Kishan Saraf, Whole-time Director and Chief Financial Officer (CFO) of the Company for the consecutive period of 3(three) years without any revision of remuneration. Considering the prevailing market trend and the remuneration package available for comparable positions in the Industry and keeping in view the overall performance and projected profitability of the Company, the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee increased the remuneration of Mr. Deo Kishan Saraf, Whole-time Director and Chief Financial Officer (CFO) of the Company to Rs. 4,00,000/- (Rupees Four Lakhs only) per month w.e.f 1st April, 2018 for the remaining period of his tenure. All other terms and conditions of appointment of Mr. Deo Kishan Saraf, Whole-time Director and Chief Financial Officer (CFO) of the Company shall remain unchanged.

In compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013, the revised terms of remuneration of Mr. Deo Kishan Saraf, Whole-time Director and Chief Financial Officer (CFO) of the Company are now placed before the members for their approval.

Mr. Deo Kishan Saraf, Whole-time Director and Chief Financial Officer (CFO) is the younger brother of Mr. Shri Krishan Saraf, Managing Director of the Company.

Save and except Mr. Deo Kishan Saraf and Mr. Shri Krishan Saraf, none of the Directors and Key Managerial Personnel of the Company and/or their relatives, is interested or concerned, in the resolution set out at item No.5.

**Item No. 6**

The members are apprised that Acknit Industries Limited purchases and sales goods as well as render services to/from Acme Safety Wears Limited in a regular intervals which are in the ordinary course of business. With the increasing demand of the various products of Acknit Industries Limited the transaction value between the two Companies might cross the threshold limit prescribed under Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Thus, the Board of Directors of the Company recommends the resolution set out at item No. 6 to be adopted by the members in the interest of the Company. The following disclosures are made in accordance with the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

1. Name of the related party	Acme Safety Wears Limited
2. Name of the director or key managerial personnel who is related, if any	Mr. Shri Krishan Saraf, Managing Director, Mr. Deo Kishan Saraf, Whole-time Director & CFO and Mrs. Rashi Saraf, a Non-Executive Non-Independent Director
3. Nature of relationship	Mr. Shri Krishan Saraf, Managing Director, Mr. Deo Kishan Saraf, Whole-time Director & CFO and Mrs. Rashi Saraf, a Non-Executive Non-Independent Director along with their relatives hold more than two per cent of the paid-up share capital of Acme Safety Wears Limited.
4. Nature, material terms, monetary value and particulars of the contract or arrangements	Sales/purchases of goods as well as render services to/from Acme Safety Wears Limited. The value of such contracts during the Financial Year 2017-18 was Rs.14 crores approx. The Board of Directors thus recommends to pass the resolution set out in item no. 6 i.e. to enter into transaction with Acme Safety Wears Limited to the extent of not exceeding 20% of the annual turnover of the immediately preceding financial year, as an ordinary resolution.
5. Any other information relevant or important for the members to take a decision on the proposed resolution.	None of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution, except Mr. Shri Krishan Saraf, Managing Director, Mr. Deo Kishan Saraf, Whole-time Director & CFO and Mrs. Rashi Saraf, a Non-Executive Non-Independent Director to the extent of their shareholdings.

Item No. 7

Mr. Samir Kumar Ghosh, is an Associate Member of the Institute of Company Secretaries of India, hold a Master Degree in Commerce from the University of Calcutta and a qualified Cost Accountant from ICMA, London. He possess professional experience of more than 52 years. The Board of Directors of the Company thus recommends the resolution set out at item No. 7 in relation to continuation of the directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director of the Company, be adopted by the members in the interest of the Company pursuant to Sub-Regulation (1A) of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as amended by SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated 09-05-2018.

Item No. 8

Mr. Jadav Lal Mukherjee holds a Bachelor Degree in Mechanical Engineering from University of North Bengal. He possess an experience of more than 30 years in Finance. He was previously employed with Bank of Baroda and was also associated with Srei Group. Presently he acts as a director in Mrcon Infra Private Limited and Healthfitz Energy Product Private Limited.

The Company has received from Mr. Jadav Lal Mukherjee (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 is not disqualified under section 149(6) of the Companies Act, 2013.

In the opinion of the Board Mr. Jadav Lal Mukherjee fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is Independent of the Management. A copy of the draft letter for appointment of Mr. Jadav Lal Mukherjee as an Independent Director setting out the Terms and Conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working days up to the date of Annual General Meeting, with prior appointment.

The Board feels the presence of Mr. Jadav Lal Mukherjee 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. 8 in relation to appointment of Mr. Jadav Lal Mukherjee as an Independent Director, not liable to retire by rotation, for the approval by the shareholders of the Company.

No Director, Key Managerial Personnel and their relatives except Mr. Jadav Lal Mukherjee, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 8.

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

Name of Director	Mr. Jadav Lal Mukherjee
Date of Birth/Age	01-07-1953
Date of first appointment	30-05-2018
Expertise in specific, general, functional area	Finance
Qualification	Bachelor of Engineering
Shareholding in the company	1000 Shares jointly with Mrs. Mitali Mukherjee, his wife
Relationship with other Directors	NIL
Directorship in other listed Companies	NIL
Chairman/ Member in the Committees of the Boards of other listed companies	NIL

By Order of the Board
For Acknit Industries Limited

Place: Kolkata
Date: 20th July, 2018

Bandana Saha
Company Secretary & Compliance Officer

ROUTE MAP



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report of the Company for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Financial Year Ended 2018	Financial Year Ended 2017
Gross Revenue	16209.12	16063.01
Other Income	386.63	277.01
Total Revenue	16595.75	16340.02
Less: Total Expenditure	15443.27	15181.13
Gross Profit (before Depreciation & Finance Cost)	1152.48	1158.89
Less: Depreciation	226.19	233.37
: Finance Cost	507.24	435.79
Profit Before Extraordinary Item	419.05	489.73
Less: Extraordinary item	—	—
Profit Before Tax (PBT)	419.05	489.73
Less: Provision for Income Tax	136.44	184.29
: Deferred Tax	(14.59)	(13.34)
Profit After Tax (PAT)	297.19	318.78
Other Comprehensive Income net of tax	0.21	1.15
Total Comprehensive Income	297.40	319.93
Balance B/F	370.36	235.51
Balance available for appropriation	667.76	555.44
Less : Dividend & Dividend Tax	45.50	45.49
Less : Transfer to General Reserve	250.00	300.00
Less : Adjustment relating to Fixed Assets	—	16.55
Add : Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge	(183.36)	176.96
Balance transfer to Balance Sheet	188.90	370.36

SUMMARY OF OPERATIONS

During the year under review, the total revenue has increased from ₹ 16340.02 Lakhs to ₹ 16595.75 Lakhs. PAT for the Financial Year 2017-18 was ₹ 297.19 Lakhs as against ₹ 318.78 Lakhs in the previous Financial Year 2016-17. For the Financial Year 2017-18 total comprehensive income stood at ₹ 297.40 Lakhs vis-à-vis ₹ 319.93 Lakhs in the previous Financial Year 2016-17.

Segment-wise performance:-

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

Industrial Safety Hand Gloves:

During the year under review, the Gross revenue from export segment of hand gloves and safety wears accounted for 69% of the total revenue as against 74% in the previous year. Whereas, the net margin i.e. contribution to PAT from the export segment accounted for 82% in the Financial Year 2017-18 as against 72% in the Financial Year 2016-17.

Garments:

The contribution of garment sector was increased marginally from 25.46% to 30.59% in the Financial Year 2017-18. The Company is monitoring various control measures like inventory control, debtors control, cost control and the like which gives booster to increase not only contribution to Gross Revenue but also to their respective shares in the PAT. The Company is coming up with new segments of garments which will results in adding new customers and extending export market.

Windmill:

As compared to the aforesaid principal operating segments the Company has a third segment of operation i.e. generation of power through windmill. The revenue from windmill though being very insignificant i.e. ₹ 86.83 Lakhs only i.e. about 0.54% of the total revenue, it may be highlighted that the Company having already liquidated its entire loan liability for installation of windmills at Dhule in Maharashtra, the entire revenue generated from this sector goes to add up to the profit realisation of the Company without having effect on the cost of financing to the Company.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

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

DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 1.50 per equity share of ₹ 10 each for the Financial Year 2017-18 i.e. 15% on the paid up equity share capital of the company. The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting of the Company and it would result in appropriation of ₹ 54.80 Lakhs (including Corporate Dividend Tax of ₹ 9.28 Lakhs).

RESERVES

Your Company proposes to transfer a sum of ₹ 250 Lakhs to the General Reserve and carry forward a balance ₹ 189 Lakhs in the Profit and Loss Account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provision of Section 124(5) of the Companies Act, 2013 your Company has transferred ₹ 107,565/- during the Financial Year 2017-18 to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of dividend for the Financial Year 2009-10.

Further the Company has also transferred 13,151 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 2017-18, in respect of which dividend had not been paid or claimed by the members for 7(seven) consecutive years or more.

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

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

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

During the Financial Year 2017-18, there has been no change in the nature of business of the Company.

SHARE CAPITAL

During the Financial Year 2017-18, the Company has allotted 5,20,000 Equity Shares on Preferential Allotment Basis pursuant to section 42 of the Companies Act, 2013 read with section 62 of the said Act, with a view to augment its working capital needs and repayment of outstanding unsecured loans.

As on 31st March, 2018, the issued capital of your Company stood at ₹ 3,52,00,000/-. The paid-up Capital of your Company stood at ₹ 3,04,00,000/- comprising of 30,40,000 equity shares of ₹ 10/- each fully paid.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board consists of the following persons:

Key Managerial Personnel

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

Non-Executive, Non-Independent Directors

- 1) Mrs. Rashi Saraf

Non-Executive, Independent Directors

- 1) Mr. Samir Kumar Ghosh
- 2) Mrs. Trishna Patodia Pereira (till 31st March, 2018)
- 3) Mr. Mukul Banerjee

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 have furnished required declarations pursuant to Section 149(7) of the Companies Act, 2013 confirming their respective independence.

In accordance with the provisions of Companies Act, 2013 and the Company's Articles of Association, Mr. Deo Kishan Saraf (DIN: 00128804), Whole-time Director of the Company, will be subject to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

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

The term of appointment of Managing Director expires with the close of Financial Year 2017-18. The Board has thus passed a resolution for re-appointment of Mr. Shri Krishan Saraf as Managing Director for a further period of 3(three) years subject to confirmation and approval of members in the ensuing Annual General Meeting.

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

APPOINTMENT

- Ms. Bandana Saha, has been appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 5th February, 2018.

CESSATION

- Miss Shruti Poddar, Company Secretary & Compliance Officer has resigned from the said office with effect from 31st January, 2018.

- Mrs. Trishna Patodia Pereira, Independent Director, has submitted to the board her resignation with effect from 31st March, 2018.

FORMAL ANNUAL EVALUATION

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

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2017-18, the Board of Directors of the Company, met eight (8) times on 30th May 2017, 7th July 2017, 14th August 2017, 23rd August 2017, 14th October 2017, 14th November 2017, 8th December 2017 and 14th February 2018. Further, a separate meeting of the Independent Directors of the Company was also held on 14th November, 2018, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 forms part of the Board's Report and is annexed herewith as **Annexure - I**.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year March 31, 2018 and the Profit or Loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Accounts for the Financial Year ended March 31, 2018 on a going concern basis;
- e) the Directors had laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls were adequate and operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

At the Annual General Meeting (AGM) held on 21st September, 2017, M/s. SRB & Associates, Chartered Accountants (Firm Reg. No. 310009E) had 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 the approval of members in every Annual General Meeting. However, the ratification by members at every Annual General Meeting is done away with vide MCA commencement notification of Companies 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. COST AUDITORS

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 2017-18.

3. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, M/s Rekha Goenka & Associates, Company Secretaries, was appointed as the Secretarial Auditor of the Company to carry out the secretarial audit for the Financial Year ended 31st March, 2018.

SECRETARIAL AUDIT REPORT

Secretarial Audit Report given by the Secretarial Auditors is annexed to this Report as **Annexure - II**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their 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, 2018 including unclaimed deposit was Nil.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the Financial Year ended 31st March, 2018 no Loan or Guarantees u/s 186 of the Companies Act, 2013 was made or provided by the Company. The particulars of investments made by the Company under Section 186 forms part of the notes to the Financial Statement annexed to this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Reference is made to the disclosures included in the notes to the Financial Statement pursuant to the provisions of Section 129 read with Schedule III to the Companies Act, 2013 which shows the Related Party Transactions entered into during the year. However, it may be noted that all transactions with the related party had been made in the normal course of business at arm's length basis. Moreover, appointment in office of profit (appointment of Mrs. Priya Saraf, daughter-in-law of Mr. Shri Krishan Saraf, Managing Director) was made during the year upon approval of Audit Committee and the Board of Directors.

HUMAN RESOURCE

The total number of Employees of the Company as on 31st March, 2018 was 177. 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.

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. No complaint has been received during the year under review.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company comprises of 4 (four) members, namely Mr. Samir Kumar Ghosh, Mr. Deo Kishan Saraf, Mrs. Trishna Patodia Pereira and Mr. Mukul Banerjee. Majority of them are Independent Directors with exception of Mr. Deo Kishan Saraf, who is an Executive Director cum CFO. Mr. Samir Kumar Ghosh, an Independent Director, is the Chairman of the Audit Committee. The committee met 4(four) times during the year on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018. 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 - III**.

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 3(three) members namely Mr. Samir Kumar Ghosh, Mrs. Trishna Patodia Pereira and Mr. Mukul Banerjee. The functions of this Committee include identification of persons who are qualified to become Directors and who may be appointed as Senior Management, formulation of criteria for determining qualifications, positive attributes, independence, recommendations of their appointments to the Board, evaluation of every Director's performance, formulation of Remuneration Policy to include recommendation of remuneration for Directors, Key Managerial Personnel and Senior Management.

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

The details of terms of reference of the Nomination and Remuneration Committee, number and dates of the meetings held, attendance of the Directors and remuneration paid to all the Directors during the Financial Year ended 31st March, 2018, are given separately in the Corporate Governance Report annexed herewith as **Annexure-III**.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year under review, the Stakeholders Relationship Committee met three (3) times during the year on 14th August 2017, 14th November 2017 and 14th February 2018, 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-III**.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

CORPORATE GOVERNANCE

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

The Corporate Governance Report giving details as required under Paragraph C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure - III**. The Corporate Governance Certificate for the year ended 31st March, 2018 as issued by M/s Rekha Goenka & Associates, Practising Company Secretaries is also attached hereto as **Annexure - IV** which forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CREDIT RATINGS

ICRA Ltd. vide their rating report of March, 2018 has upgraded the following ratings of your Company's financial instruments:

Instrument	Rating action (March 2018)
Long-Term Cash Credit	[ICRA]BBB- Reaffirmed with outlook revised from negative to stable
Long-Term Term Loan	[ICRA]BBB- Reaffirmed with outlook revised from negative to stable
Long-Term Bank Guarantee	[ICRA]BBB- Reaffirmed with outlook revised from negative to stable
Short-Term Non-Fund Based Limits	[ICRA]A3

LISTING OF SHARES

The shares of the Company are listed on The Calcutta Stock Exchange Ltd (CSE) and The Bombay Stock Exchange Ltd (BSE). The listing fee for the Financial Year 2017-18 has already been paid to BSE while rectified bill from CSE was received after the closure of the Financial Year 2017-18, the payment of which was duly made.

As there is no trading in CSE since last decade, listing on the CSE are not providing any significant tangible advantage to the shareholders and investors of the Company, the Board of Directors of the Company has applied for Voluntary Delisting to CSE vide its resolution dated 23rd August, 2017 in order to avoid unnecessary financial and administrative burden due to multiple compliance of the various regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable regulations. The delisting application is still under process.

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 staff of the Company without whose hard work and involvement the desired results of the Company could not be achieved. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders at large.

For and on behalf of the Board of Directors

For Acknit Industries Limited

Shri Krishan Saraf
Managing Director
DIN-00128999

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

Place: Kolkata

Date: 30th May, 2018



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of all types of Garments, Gloves (Both Cotton & Leather) and Other Apparels (Both Cotton & Leather).	141	99.46%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1089046	-	1089046	43.22	1354046	-	1354046	44.54	1.32
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	80000	-	80000	3.17	165000	-	165000	5.43	2.26
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1169046	-	1169046	46.39	1519046	-	1519046	49.97	3.58
(2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	1169046	-	1169046	46.39	1519046	-	1519046	49.97	3.58



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1.) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	436120	150700	586820	23.29	435129	150400	585529	19.26	(4.03)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	437931	89082	527013	20.91	511944	71656	583600	19.20	(1.71)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	229736	0	229736	9.12	316199	0	316199	10.40	1.28
c) Others (specify)									
Non Resident Indians	785	6600	7385	0.29	17875	4600	22475	0.74	0.45
Investor Education and Protection Fund (IEPF) Authority	-	-	-	-	13151	-	13151	0.43	0.43
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	1104572	246382	1350954	53.61	1294298	226656	1520954	50.03	(3.58)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1104572	246382	1350954	53.61	1294298	226656	1520954	50.03	(3.58)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2273618	246382	2520000	100.00	2813344	226656	3040000	100.00	-



ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri Krishan Saraf (HUF)	62406	2.48	-	92406	3.04	-	0.56
2	Shri Krishan Saraf	321047	12.74	9.92	431047	14.18	8.22	1.44
3	Deo Kishan Saraf	228532	9.07	5.95	228532	7.52	4.93	(1.55)
4	Deo Kishan Saraf (HUF)	136300	5.41	-	136300	4.48	-	(0.93)
5	Ritula Saraf	67696	2.69	-	67696	2.23	-	(0.46)
6	Kusum Saraf	159452	6.33	-	159452	5.25	-	(1.08)
7	Abhishek Saraf	107814	4.28	-	127814	4.20	-	(0.08)
8	Aditya Saraf	5799	0.23	-	25799	0.85	-	0.62
9	Saraf Capital Markets Ltd.	80000	3.17	-	165000	5.43	-	2.26
10	Rashi Saraf	-	-	-	85000	2.80	-	2.80
	Total	1169046	46.39	15.87	1519046	49.97	13.15	3.58

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

Sl. No.	Shareholder's Name	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf (HUF)	05.10.2017	62406	2.48	92406	3.04
2	Shri Krishan Saraf	05.10.2017	321047	12.74	431047	14.18
3	Deo Kishan Saraf	No Change	228532	9.07	228532	7.52
4	Deo Kishan Saraf (HUF)	No Change	136300	5.41	136300	4.48
5	Ritula Saraf	No Change	67696	2.69	67696	2.23
6	Kusum Saraf	No Change	159452	6.33	159452	5.25
7	Abhishek Saraf	05.10.2017	107814	4.28	127814	4.20
8	Aditya Saraf	05.10.2017	5799	0.23	25799	0.85
9	Saraf Capital Markets Ltd.	05.10.2017	80000	3.17	165000	5.43
10	Rashi Saraf	05.10.2017	-	-	85000	2.80
	Total	-	1169046	46.39	1519046	49.97



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company*
1	PBS INVESTMENTS PVT. LTD.	149900	5.95	NA	NIL	NA	149900	4.93
2	SHREE VINIYOG PVT LTD.	117075	4.65	NA	NIL	NA	117075	3.85
3	ALPS VINIYOG PVT. LTD.	116450	4.62	NA	NIL	NA	116450	3.83
4	SRI KRISHNA VINIYOG PRIVATE LTD.	116307	4.62	NA	NIL	NA	116307	3.83
5	DIPAK KANAYALAL SHAH	51000	2.02	11.08.2017 29.09.2017	1000 20000	Sale Sale	50000 30000	1.98 1.19
6	PRABHA DEVI SARAF	36000	1.43	NA	NIL	NA	36000	1.18
7	GOPI KRISHAN SARAF	26000	1.03	NA	NIL	NA	26000	0.86
8	LALITA KAYAN	24986	0.99	21.04.2017 28.04.2017 19.05.2017 26.05.2017 09.06.2017 16.06.2017 14.07.2017 15.12.2017 12.01.2018 23.03.2018	6234 11 5000 1461 500 611 4976 645 548 1172	Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale	18752 18741 13741 12280 11780 11169 6193 5548 5000 3828	0.74 0.74 0.54 0.49 0.47 0.44 0.24 0.18 0.16 0.12
9	SATYA PRAKASH MITTAL (HUF)	24874	0.99	21.04.2017 28.04.2017 16.06.2017 23.06.2017	715 20 16268 737	Sale Sale Sale Sale	24159 24139 737 0	0.96 0.96 0.03 0.00
10	GANDHI KANTHETI	19800	0.79	12.01.2018	19800	Sale	0	0.00
11	RAJ KISHAN SARAF	18000	0.71	NA	NIL	NA	18000	0.59
12	AMRAPALI AADYA TRADING & INVESTMENT PVT. LTD.	18000	0.71	NA	NIL	NA	18000	0.59
13	NIKHIL JALAN (HUF)	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
14	AKHIL JALAN (HUF)	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
15	SONAL AKHIL JALAN	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
16	ANISHA NIKHIL JALAN	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
17	AKHIL KAMAL JALAN	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
18	GOURI SHANKAR JALAN (HUF)	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
19	KAMAL KUMAR JALAN (HUF)	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
20	ASHA DEVI KAMAL JALAN	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
21	KAMAL KUMAR GOURISHANKAR JALAN	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56
22	NIKHIL KAMAL JALAN	-	-	05.10.2017	17000	Preferential Allotment	17000	0.56

* Percentage of cumulative shareholding during the year has been calculated based on the total paid-up shares of the Company as on the date of change i.e. Changes occurred prior to the preferential issue was calculated on 25,20,000 equity shares and changes occurred post preferential issue was calculated on 30,40,000 equity shares.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf	321047	12.74	05.10.2017	110000	Preferential Allotment	431047	14.18
2	Deo Kishan Saraf	228532	9.07	NA	NIL	NA	228532	7.52
3	Samir Kumar Ghosh	1500	0.06	NA	NIL	NA	1500	0.05
4	Rashi Saraf	-	-	05.10.2017	85000	Preferential Allotment	85000	2.80

The Following Directors / Key Managerial Personnel (KMP) did not hold any shares during the Financial Year 2017-18

- ◆ Ms. Trishna Patodia Pereira
- ◆ Mr. Mukul Banerjee
- ◆ Miss. Shruti Poddar
- ◆ Ms. Bandana Saha


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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,46,90,852	7,55,00,000	-	57,01,90,852
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	49,46,90,852	7,55,00,000	-	57,01,90,852
Change in Indebtedness during the financial year				
* Addition	3,11,56,55,641	5,35,50,000	-	3,16,92,05,641
* Reduction	3,13,81,09,021	5,48,00,000	-	3,19,29,09,021
Net Change	(2,24,53,380)	(12,50,000)	-	(2,37,03,380)
Indebtedness at the end of the financial year				
i) Principal Amount	47,22,37,472	7,42,50,000	-	54,64,87,472
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47,22,37,472	7,42,50,000	-	54,64,87,472

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shri Krishan Saraf - Managing Director	Deo Kishan Saraf - Whole-time Director & CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,00,000	24,00,000	66,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	- -	- -	- -
5	Others	-	-	-
	Total (A)	42,00,000	24,00,000	66,00,000
	Ceiling as per the Act	As per schedule V of the Companies Act, 2013 Ceiling is ₹ 84 lakhs.		


B. Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Samir Kumar Ghosh	Trishna Patodia Pereira	Mukul Banerjee	Rashi Saraf	
1	Independent Directors					
	Fee for attending board & committee meetings	60,000	58,000	47,000	-	1,65,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	60,000	58,000	47,000	-	1,65,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	46,000	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	46,000	46,000
	Total (B) = (1+2)	60,000	58,000	47,000	46,000	2,11,000
	Total Managerial Remuneration					66,00,000
	Overall Ceiling as per the Act	Not applicable, as only sitting fees paid.				

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

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1	Gross salary	-	3,28,753	Remuneration of Mr. Deo Kishan Saraf, Whole-time Director & CFO of the Company is mentioned in Point VI Part A.	3,28,753
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	- others, specify...	-	-		-
5	Others : Employer's contribution to Provident Fund	-	18,074		18,074
	Total	-	3,46,827		3,46,827

VII. Penalties / Punishment / Compounding of Offences :

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

**SECRETARIAL AUDIT REPORT****For the Financial Year Ended 31st March, 2018****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

ACKNIT INDUSTRIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S ACKNIT INDUSTRIES LIMITED (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2018, 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 **M/S ACKNIT INDUSTRIES LIMITED ("The Company")** for the period ended on 31st March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii) The Securities Contracts (Regulations) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi) As identified by the Management, following laws are specifically applicable to the Company:
- a) West Bengal Ground Water Resources (Management, Control and Regulation) Act, 2005;
 - b) West Bengal Fire Services Act, 1958;
 - c) Indian Factories Act, 1948;
 - d) Petroleum Act, 1934;
 - e) Petroleum Rules, 2002;
 - f) Provision of Hazardous Waste (Management, Handling and Trans-boundary Movement) 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) Various other Acts relating to Employment and Protection of Employees Interest as are applicable.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The SEBI (LODR) Regulations, 2015 entered into by the Company with the BSE Limited, Calcutta Stock Exchange of India Limited.

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

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to Composition of Board of Directors &



Committees thereof, Issuance of notices for meetings of the board, committee & shareholders, recording of minutes of the meetings, filing of returns, etc and compliance of various other provisions of the Companies Act & SEBI Regulations as are applicable to the Company.

I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that:

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

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

The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

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

I further report that during the audit period the Company has passed a special resolution which is having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) Issue of Equity shares in the Capital of the Company on Preferential Allotment basis under the provisions of the Section 42 & 62 of the Companies Act, 2013.

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

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

REKHA GOENKA

Proprietor

Place: Kolkata

Membership No. ACS -17805

Date: 29th May, 2018

C. P. 11357

Annexure - A to Secretarial Audit Report

To,

The Members

ACKNIT INDUSTRIES LIMITED

Our 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 our 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

REKHA GOENKA

Proprietor

Place: Kolkata

Membership No. ACS -17805

Date: 29th May, 2018

C. P. 11357

**REPORT ON CORPORATE GOVERNANCE****Annexure - III**

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

1. COMPANY'S PHILOSOPHY :

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

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

2. BOARD OF DIRECTORS**i) Composition of Board :**

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

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

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

During the Financial Year 2017-18, eight (8) Board Meetings were held on 30th May 2017, 7th July 2017, 14th August 2017, 23rd August 2017, 14th October 2017, 14th November 2017, 8th December 2017 and 14th February 2018.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	Directorships held in other Indian Public Limited Companies	Committee Positions held in other Indian Public Limited Companies *	
					As Chairperson	As Member
Shri Krishan Saraf	Managing Director	6	No	Nil	Nil	Nil
Deo Kishan Saraf	Whole-time Director & CFO	8	Yes	1	Nil	Nil
Samir Kumar Ghosh	Non Executive Independent Director	8	Yes	Nil	Nil	Nil
Trishna Patodia Pereira*	Non Executive Independent Director	8	No	Nil	Nil	Nil
Mukul Banerjee	Non Executive Independent Director	7	Yes	Nil	Nil	Nil
Rashi Saraf	Non Executive Non-Independent Director	8	Yes	Nil	Nil	Nil

*** Notes :**

- Only Audit Committee and Stakeholders Relationship Committee have been considered for this purpose.
- Mrs. Trishna Patodia has resigned from the directorship of the Company w.e.f. 31st March, 2018.

ii) Disclosure of relationships between Directors inter-se:

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

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

Mr. Samir Kumar Ghosh, Non-Executive Independent Director holds 1500 Equity Shares of Rs. 10/- each in the Company. Mr. Samir Kumar Ghosh has held these shares, in his individual capacity, prior to his appointment as a Director of Company. Mrs. Rashi Saraf, Non-Executive Non-Independent Director holds 85,000 Equity Shares of Rs. 10/- each in the Promoter Group of the Company.

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

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

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

3. COMMITTEES OF BOARD

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

A. Audit Committee:**Terms of Reference**

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

During the year, the Committee had met 4 times on 30th May 2017, 14th August 2017, 14th November 2017 & 14th February 2018. The attendance details of the directors are as follows:

Sl. No.	Name	Chairman / Members	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. Samir Kumar Ghosh	Chairman	4	4
2	Mrs. Trishna Patodia Pereira*	Member	4	4
3	Mr. Mukul Banerjee	Member	4	3
4	Mr. Deo Kishan Saraf	Member	4	4

* Mrs. Trishna Patodia Pereira has resigned from the directorship of the Company w.e.f. 31st March, 2018 thus automatically ceased to be a member of the committee.

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

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

During the year, the Committee had met twice on 14th November 2017 and 14th February 2018. The attendance details of the directors are as follows:

Sl. No.	Name	Chairman / Members	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. Samir Kumar Ghosh	Chairman	2	2
2	Mrs. Trishna Patodia Pereira*	Member	2	2
3	Mr. Mukul Banerjee	Member	2	1

* Mrs. Trishna Patodia Pereira has resigned from the directorship of the Company w.e.f. 31st March, 2018 thus automatically ceased to be a member of the committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee of the Board, in its Meeting held on 14th November, 2017, laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the Financial Year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all Directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

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: <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(s) and Whole-time Director(s) 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 2017-18 is given below:

Name of Director	Fixed Salary(Rs)				Bonus	Commission	Stock options	Total
	Basic Salary	Perquisites or Allowances	Rental Benefits	Sitting Fees				
Mr. Shri Krishan Saraf	42,00,000	-	-	-	-	-	-	42,00,000
Mr. Deo Kishan Saraf	24,00,000	-	-	-	-	-	-	24,00,000
Mrs. Trishna Patodia Pereira	-	-	-	58,000	-	-	-	58,000
Mr. Samir Kumar Ghosh	-	-	-	60,000	-	-	-	60,000
Mr. Mukul Banerjee	-	-	-	47,000	-	-	-	47,000
Mrs. Rashi Saraf	-	-	-	46,000	-	-	-	46,000

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

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

During the year the Committee had met 3 times on 14th August 2017, 14th November 2017 and 14th February 2018. The attendance details of the directors are as follows:

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

* Mrs. Trishna Patodia Pereira has resigned from the directorship of the Company w.e.f. 31st March, 2018 thus automatically ceased to be a member of the committee.

- Name & Designation of Compliance Officer :**

Ms. Bandana Saha, Company Secretary is appointed as the Compliance Officer of the Company w.e.f. 05.02.2018.



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

The number of shareholder grievances received and resolved during Financial Year 2017-18 is given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	4	4	Nil

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

None.

● **Number of pending complaints :**

Nil.

4. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Venue	No. of Special Resolution
2016-17	21.09.2017	4.30 P.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	One
2015-16	26.09.2016	11.00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	One
2014-15	21.09.2015	11.00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	Three

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

5. MEANS OF COMMUNICATION:

● **Quarterly results:**

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

● **Newspapers wherein results normally published:**

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

● **Website, where displayed:**

The financial results and the official news releases are placed on the Company's website www.acknitindia.com in the 'Investors Relation' section.

● **Official news releases:**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investors Relation' section under relevant sections.

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

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

6. General Shareholder Information :

i) **Annual General Meeting:**

Date & Time : Tuesday, 25th September, 2018 at 10:30 AM

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

ii) **Financial Year** : 1st April, 2017 to 31st March, 2018

iii) **Book Closure Date** : Wednesday 19th September, 2018 to Tuesday 25th September, 2018 (both days inclusive)

iv) **Dividend Payment Date** : Within 30 days from the date of AGM, i.e. on or before 24th October, 2018, if declared in AGM.

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

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

The annual listing fee for the Financial Year 2017-18 has been paid to BSE while rectified bill from CSE was received by the Company after the closure of the Financial Year 2017-18, the payment of which was duly made.

vi) **Market Price Data :**

The Market Price of Equity Shares of the Company during the year 2017-18 are given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2017	141.65	99.95
May, 2017	129.30	103.05
June, 2017	114.00	95.05
July, 2017	141.00	104.35
Aug, 2017	126.70	97.50
Sept, 2017	127.45	101.00
Oct, 2017	128.80	114.40
Nov, 2017	134.85	109.05
Dec, 2017	132.85	104.00
Jan, 2018	163.95	115.10
Feb, 2018	123.50	96.50
Mar, 2018	114.00	91.60

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

The shares of Acknit Industries Limited are suspended from trading on the Calcutta Stock Exchange for alleged non-compliance whereas the Company had provided all compliances to CSE along with compliances to BSE but the record of CSE being not updated at their end. In fact CSE has no trading terminal at all and in spite of our providing them the copies of receipt for such compliances they have failed to update their records till date.

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

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

ix) **Share Transfer System:**

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

x) **Shareholding Pattern :**

Shareholding Pattern as on 31.03.2018 is given below:

CATEGORY	NO. OF SHARES	%
Promoter Group		
Indian Promoters	1519046	49.97
Foreign Promoters	Nil	Nil
Total : Promoter Group	1519046	49.97
Non Promoter Group		
Resident Individual	899799	29.60
Bodies Corporate	585529	19.26
NRI/OCB	22475	0.74
IEPF	13151	0.43
Institutional Investor (Bank)	Nil	Nil
Total: Non-Promoter Group	1520954	50.03
Grand Total	3040000	100

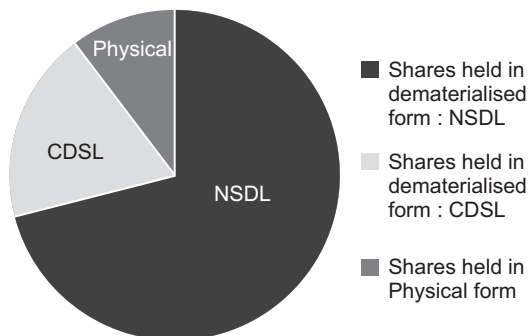
xi) **Distribution of shareholding :**

Distribution of shareholding as on 31.03.2018 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	1650	83.80	229104	7.54
501 to 1000	157	7.97	124282	4.08
1001 to 2000	71	3.61	99720	3.28
2001 to 3000	27	1.37	68009	2.24
3001 to 4000	14	0.71	48922	1.61
4001 to 5000	11	0.56	51732	1.70
5001 to 10000	5	0.25	40647	1.34
10001 to 50000	21	1.07	384605	12.65
50001 to 100000	3	0.15	245102	8.06
100001 and above	10	0.51	1747877	57.5
Grand Total	1969	100.00	3040000	100.00

xii) **Dematerialisation of shares and liquidity:**

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2018, 28,13,344 shares representing 92.54% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity Shares of the Company are actively traded in BSE Ltd.



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

xiii) **Plant Location :**

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

xiv) **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	Eco Station, Block- BP, 5th Floor, Sector- V, Salt Lake, Kolkata-700091 Phone No.-(033)2367-5555 Email Id: cs@acknitindia.com

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

All contracts / arrangements / transactions entered by the Company during the Financial Year 2017-18 with related parties were in the ordinary course of business and on an arm's length basis. Details of the transactions effected with the related parties have been reported separately in the Annual Report.

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

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

iii) **Vigil Mechanism**

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

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

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

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

The Company does not have any 'material' subsidiary.

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

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

**COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS**

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

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

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

The Company has transferred 13,151 equity shares to the DEMAT Account of Investor Education and Protection Fund (IEPF) Authority pursuant to sub-section 6 of Section 124 of the Companies Act, 2013.

For and on behalf of Board of Directors

Place: Kolkata
Date: 30th May, 2018

Shri Krishan Saraf
Managing Director
DIN: 00128999

Annexure - IV**CERTIFICATE OF CORPORATE GOVERNANCE****To The Members of
ACKNIT INDUSTRIES LIMITED**

We have examined the compliance of Corporate Governance by Acknit Industries Limited for the period between 1st April, 2017 and 31st March, 2018 as stipulated under SEBI (LODR) 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. Our examination was limited to review of procedures and implementation thereof, adopted by the company by 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 our opinion and to best of our information and according to the explanation given to us and based on the representations made by the Directors, the management and the company's officers, we certify that the Company has complied with conditions of Corporate Governance as stipulated in above mentioned SEBI (LODR) Regulations, 2015.

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

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

(REKHA GOENKA)
Proprietor

Place: Kolkata
Date: 29th May, 2018
Membership No. - ACS. 17805, C.P. 11357

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

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

The Company with long presence in the safety product industry with the record of timely supply of highest grade products to its credit has earned a reputation and name in the world market. Simultaneously having increased its presence in New Geographies it could successfully reduce its sole dependence on European market, thereby reduced the risk of exposure arising from fluctuations in world economies.

The Company's scale of operation has registered a consistent growth aided by capacity addition on a regular basis. The Company has undertaken an expansion programme with addition of several manufacturing unit to introduce new range of safety products. The on-going Capacity addition is likely to result in further enhancement in Company's scale of operation. Moreover, the Company is enjoying incentive from Government of India for export of safety products.

The Company Acknit believes in consistent improvement of performance and quality. The inherent characteristics of our outlook encourage our philosophy to provide sustainable value to our customer and shareholders alike.

For and on behalf of Board of Directors

Place: Kolkata
Date: 30th May, 2018

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, 2018:

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:
 - a) Better control in the processes for improving the quality of output.
 - b) Finding out ways and means for saving of energy and cost.
 - c) Development of new products/ grades/ discovering new methods of analysis.
 - d) Re-cycling of waste and research on the utilization of waste.
 - e) 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:

- a) Maintaining the leading position in the domestic market.
- b) Achievement of better efficiency in fuel consumption.
- c) Better control on inputs and thereby, improving the quality of the output to match international specifications.
- d) Optimization of resource usage and refinement of process technology.
- e) 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 2017-18 FY 2016-17

Total foreign exchange earned in terms of actual inflows	10,556.07	10,719.44
Total foreign exchange outgo in terms of actual outflow	2,250.74	1,196.05

For and on behalf of Board of Directors

Place: Kolkata
Date: 30th May, 2018

Shri Krishan Saraf
Managing Director
DIN: 00128999



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 32.82% b. Mr. Deo Kishan Saraf, Whole-time Director & CFO 18.75% None of the other Directors has received any remuneration other than sitting fees during FY 2017-18.
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;	a. Company Secretary 4.40% b. Mr. Shri Krishan Saraf, Managing Director 0.92% Mr. Deo Kishan Saraf, Whole-time Director & CFO No change in the remuneration of Non-Executive Directors and they are entitled for sitting fees only.
iii.	The percentage increase in the median remuneration of employees in the financial year;	26.61%
iv.	The number of permanent employees on the rolls of Company;	177 employees
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average salary increase of employees is 12.48%. Average salary increase of managerial personnel is 3.25% There are no exceptional circumstances in the increase of managerial remuneration.
vi.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company	

Details of top ten employees in terms of remuneration drawn:

S No.	Details	1	2	3	4	5	6	7	8	9	10
1.	Employee Names	Shri Krishan Saraf	Deo Kishan Saraf	Aditya Saraf	Abhishek Saraf	Joydeep Sengupta	Swapan Kr. Chakraborty	Satyajit Das	Bishnu Kumar Kesan	Niranjan Shenoy Renjal	Anand Kumar Jaiswal
2.	Designation of Employees	Managing Director	Whole-time Director & CFO	Vice President (Readymade Garment Division)	Vice President (Leather Division)	Business Head Safety Garments Division	Works Manager Fatta Division	Production Manager-FEZ-II	General Manager	Senior Merchandiser	Accounts Manager
3.	Remuneration/ Salary received	42,00,000	24,00,000	16,25,000	16,25,000	8,40,000	7,10,000	6,87,900	6,00,000	5,60,731	5,37,967
4.	Nature of Employment, Whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
5.	Qualifications	Bachelor of Science	Bachelor of Commerce	Bachelor of Business Management	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Science (Hons.) and Diploma in Production Management	Master of Business Administration & Bachelor of Science (Chemistry Hons.)	Bachelor of Commerce (Hons.)	Diploma in Apparel Design and Fabrication Technology	Chartered Accountant, Company Secretary and Bachelor of Commerce (Hons.)
6.	Experience of the Employees	41 Years	33 Years	13 Years	18 Years	15 Years	51 Years	16 Years	38 Years	13 Years	7 Years
7.	Date of Commencement of Employment	12-10-1990	12-10-1990	01-04-2015	01-07-2006	14-12-2015	06-11-2000	03-02-2008	18-10-2004	01-09-2015	09-09-2013
8.	Age of Employee	64	52	33	38	35	71	39	54	32	33
9.	The last Employment held by such Employee before joining the Company	Family Business	Family Business	Acme Safety Wears Limited	Family Business	Superhouse Limited	Cycle Corporation of India	Mallcom India Limited	SKFM Limited	JPM Exports Pvt. Ltd	Family Business
10.	The Percentage of Equity Shares held by the Employee in the Company within the meaning of Clause (iii) of Sub-rule (2) above	14.18%	7.52%	0.85%	4.20%	NA	NA	NA	NA	NA	NA
11.	Whether any such Employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager	Yes Brother of Mr. Deo Kishan Saraf	Yes Brother of Mr. Shri Krishan Saraf	Yes Son of Mr. Shri Krishan Saraf	Yes Son of Mr. Shri Krishan Saraf	No	No	No	No	No	No



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March, 2018.

For and on behalf of Board of Directors

Place: Kolkata
Date: 30th May, 2018

Shri Krishan Saraf
Managing Director
DIN: 00128999

**INDEPENDENT AUDITOR'S REPORT**

To the Members of "ACKNIT INDUSTRIES LIMITED".

1. Report on the Financial Statements

We have audited the accompanying financial statements of "ACKNIT INDUSTRIES LIMITED" ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in Equity of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, at amended and other accounting principle 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 the design, implementation and maintenance of internal control 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of the affairs of the company as at 31st March 2018, its profit, changes in Equity and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) 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 and Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- e. On the basis of written representations received from Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018, 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 2 to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, and 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.

For SRB & Associates

Chartered Accountants
Firm Reg. No. : 310009E

Sunil Shah

(Partner)
Membership No. : 052841

Place: Kolkata

Date: 30th May, 2018

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date, we report that:

Re: "ACKNIT INDUSTRIES LIMITED".**(I) In respect of fixed assets:**

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

(II) In respect of Inventories:

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

(III) In respect of Loan:

According to the information and explanations given to us, 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. Accordingly the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

- (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 & 186 of the company act, 2013.
- (V) The company has not accepted any deposits from the public.
- (VI) The Central Government of India has not specified the maintenance of Cost Records under sub section (1) of Section 148 of the Act for any of the products of the Company.



(VII) In respect of Statutory dues:

- (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2018, for a year of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute except the following,

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

(VIII) In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to a financial institution, bank or Government.

- (IX) According to the information and explanation given by the management, the company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Based on information and explanations given to us by the management, the company has applied the term loans for the purpose they 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 made preferential allotment of 5,20,000 number of Equity shares fully paid during the year under review and the said issue is complied with the requirement of section 42 of Companies Act, 2013 and the amount raised has been used for the purpose for which the funds were raised.

- (XV) According to the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him.

- (XVI) According to the information and explanations given to us, we report that the company is not required to get registered under section 45-1A of the Reserve Bank of India Act, 1934.

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

Sunil Shah
(Partner)
Membership No : 052841

Place: Kolkata

Date: 30th May, 2018



Annexure-2, referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

To the Members of "ACKNIT INDUSTRIES LIMITED".

We have audited the internal financial controls over financial reporting of "ACKNIT INDUSTRIES LIMITED" as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations Of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future years 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRB & Associates

Chartered Accountants
Firm Reg. No : 310009E

Sunil Shah
(Partner)
Membership No : 052841

Place: Kolkata

Date: 30th May, 2018



Balance Sheet as at March 31, 2018

Amount in ₹

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
I ASSETS				
(1) Non Current Assets				
Property, Plant and Equipments	3	24,38,27,327	23,76,43,986	25,30,07,062
Capital work-in-progress	3	2,87,01,092	1,68,13,336	24,75,314
Intangible Assets	3	4,63,771	6,97,547	14,830
Financial Assets				
(i) Investment	4	86,348	86,348	4,43,608
(ii) Loans	5	7,53,839	9,41,449	13,27,016
(iii) Other Financial Assets	6	1,17,44,011	1,11,26,754	1,27,74,554
Other non-current assets	7	44,94,058	45,79,055	48,79,055
(2) Current Assets				
Inventories	8	42,46,48,234	39,28,27,623	40,42,27,825
Financial Assets				
(i) Trade receivables	9	29,21,93,001	29,93,66,615	24,31,58,090
(ii) Cash and cash equivalents	10	85,25,159	1,37,82,845	23,02,316
(iii) Other bank balances	11	69,49,691	49,44,141	30,05,476
(iv) Loans	5	3,15,050	3,71,706	3,86,250
(v) Other Financial Assets	6	4,19,168	6,21,732	3,60,366
Current Tax Asset (Net)	12	16,09,873	-	12,14,715
Other current assets	7	15,56,74,617	17,13,75,199	13,13,56,157
Total Assets		1,18,04,05,239	1,15,51,78,336	1,06,09,32,634
II EQUITY AND LIABILITIES				
(1) Equity				
Equity Share capital	13	3,04,00,000	2,75,77,000	2,75,77,000
Other Equity		38,28,20,835	31,63,89,567	27,29,04,776
(2) Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	14	10,17,20,926	7,94,31,502	9,83,99,639
Deferred tax liabilities(Net)	16	2,29,90,326	2,45,88,781	2,57,40,494
Other non current liabilities	18	15,50,174	16,89,848	-
(3) Current Liabilities				
Financial Liabilities				
(i) Borrowings	14	42,66,63,664	48,11,77,084	45,38,34,304
(ii) Trade payables	17	16,15,22,176	17,70,42,416	13,83,32,580
(iii) Other financial liabilities	15	2,23,62,370	1,61,20,547	1,76,04,740
Other current liabilities	18	3,03,74,768	3,08,97,362	2,65,39,101
Current Tax Liabilities (Net)	19	-	2,64,229	-
Total Equity and Liabilities		1,18,04,05,239	1,15,51,78,336	1,06,09,32,634

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **SRB & ASSOCIATES**

Chartered Accountants

(Firm Reg. No.310009E)

Sunil Shah

Partner

Membership No.52841

Kolkata

Date: 30th May, 2018

For and on behalf of the Board of Directors

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Bandana Saha

Company Secretary

M. No. A46329



Statement of Profit and Loss for the year ended March 31, 2018

Amount in ₹

	Notes	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
I Revenue			
Revenue From Operations	20	1,62,09,11,873	1,60,63,01,493
Other Income	21	3,86,63,025	2,77,00,869
Total Revenue (I)		1,65,95,74,898	1,63,40,02,362
II Expenses			
Cost of Material Consumed	22	94,71,21,600	94,57,40,125
Purchases of Stock in trade	23	3,42,83,057	10,84,75,820
Changes in inventories of Finished Goods, work in progress and stock-in-trade	24	1,24,06,914	(2,08,85,533)
Excise / Custom duty on sale of goods		1,03,36,837	1,60,44,277
Employee Benefits Expense	25	5,02,01,017	4,65,88,112
Finance Costs	26	5,07,23,856	4,35,79,465
Depreciation and amortization expense			
a) Tangible Assets	3	2,23,84,908	2,33,04,550
b) Intangible Assets	3	2,33,776	31,933
Other Expenses	27	48,99,78,260	42,21,50,090
Total expenses (II)		1,61,76,70,225	1,58,50,28,839
III Profit before tax (I-II)		4,19,04,673	4,89,73,523
IV Tax expense			
(i) Current Tax	28	1,36,44,421	1,84,29,172
(ii) Deferred Tax	28	(14,58,918)	(13,34,100)
V Profit for the period (III-IV)		2,97,19,170	3,18,78,451
VI Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		20,818	1,15,417
Re-measurement gains / (losses) on defined benefit plans		(1,18,719)	3,03,314
Changes in revaluation surplus		-	(5,510)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,39,537)	1,82,387
VII Total Comprehensive Income for the period (V+VI) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)		2,97,39,988	3,19,93,868
VIII Earnings per equity share:			
(1) Basic	29	10.73	12.65
(2) Diluted	29	10.73	12.65

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **SRB & ASSOCIATES**

Chartered Accountants

(Firm Reg. No.310009E)

Sunil Shah

Partner

Membership No.52841

Kolkata

Date: 30th May, 2018

For and on behalf of the Board of Directors

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Bandana Saha

Company Secretary

M. No. A46329



Statement of Changes in Equity for the year ended March 31, 2018

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, 2017	2,52,00,000	-	2,52,00,000
For the year ended 31st March, 2018	2,52,00,000	52,00,000	3,04,00,000

b) Other equity

Particulars	Reserve & Surplus				Total
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at 1st April, 2016	20,65,344	1,22,88,500	23,50,00,000	2,35,50,932	27,29,04,776
Profit for the year	-	-	-	3,18,78,451	3,18,78,451
Other comprehensive income (net of tax)	-	-	-	1,15,417	1,15,417
Total comprehensive income for the year	-	-	-	3,19,93,868	3,19,93,868
Dividend					
- Ordinary Dividend	-	-	-	(37,80,000)	(37,80,000)
Income tax on Dividend Paid	-	-	-	(7,69,519)	(7,69,519)
Adjustment relating to Properties, Plant & Equipment	-	-	-	(16,55,642)	(16,55,642)
Effective portion of gains/(losses) on portion of hedging instruments in a cash flow hedge	-	-	-	1,76,96,084	1,76,96,084
Transfer from retained earnings	-	-	3,00,00,000	(3,00,00,000)	-
Balance as at 31st March, 2017	20,65,344	1,22,88,500	26,50,00,000	3,70,35,723	31,63,89,567
Profit for the year	-	-	-	2,97,19,170	2,97,19,170
Other comprehensive income (net of tax)	-	-	-	20,818	20,818
Total comprehensive income for the year	-	-	-	2,97,39,988	2,97,39,988
Issue of equity Share on preferential basis	-	5,72,00,000	-	-	5,72,00,000
Transfer from Share forfeited account	23,77,000	-	-	-	23,77,000
Dividend					
- Ordinary Dividend	-	-	-	(37,80,000)	(37,80,000)
Income tax on Dividend Paid	-	-	-	(7,69,519)	(7,69,519)
Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge	-	-	-	(1,83,36,201)	(1,83,36,201)
Transfer from retained earnings	-	-	2,50,00,000	(2,50,00,000)	-
Balance as at 31st March, 2018	44,42,344	6,94,88,500	29,00,00,000	1,88,89,991	38,28,20,835

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

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

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

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

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

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For **SRB & ASSOCIATES**

Chartered Accountants

(Firm Reg. No.310009E)

Sunil Sah

Partner

Membership No.52841

Kolkata

Date: 30th May, 2018

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Bandana Saha

Company Secretary

M. No. A46329


Cash Flow Statement for the year ended March 31, 2018
Amount in ₹

	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
A. Cash Flow From Operating Activities		
1 Profit for the year	2,97,39,988	3,19,93,868
2 Adjustments for :		
Income tax expenses recognised in profit or loss	1,20,45,966	1,72,77,459
Depreciation of property, plant and equipment	2,23,84,908	2,33,04,550
Amortisation of intangible assets	2,33,776	31,933
Loss/(gain) on disposal of property, plant and equipments (net)	-	(67,408)
Net (gain)/loss arising on Investments mandatorily measured at fair value through profit and loss	-	(2,87,516)
Interest income	(6,72,514)	(4,57,842)
Subsidy Received	(1,39,674)	(1,39,674)
Finance costs	5,07,23,856	4,35,79,465
3 Operating Profit before Working Capital Changes (1+2)	11,43,16,306	11,52,34,835
4 Change in Working Capital:		
Trade receivables, loans and advances and other assets	25,89,101	(8,04,55,604)
Non current Financial Assets, loans & advances & other non current assets	(3,44,651)	23,33,367
Inventories	(3,18,20,611)	1,14,00,202
Trade payables other liabilities and provisions	(1,60,42,834)	4,29,28,423
Change in Working Capital	(4,56,18,994)	(2,37,93,612)
5 Cash generated From Operations (3+4)	6,86,97,312	9,14,41,223
6 Less : Taxes paid	(1,55,18,523)	(1,69,50,228)
7 Net Cash Flow from Operating Activities (A) (5-6)	5,31,78,789	7,44,90,995
B Cash Flow from Investing Activities:		
Purchase of fixed assets	(4,04,56,005)	(2,48,63,332)
Sale of fixed assets	-	2,80,952
Subsidy Received for capital goods (Net of amortisation)	-	19,69,196
Sale/ (Purchase) of investment (net)	-	6,44,776
Payables for capital goods	(23,77,570)	40,30,002
Interest received	8,75,078	1,96,476
Net Cash Generated/(Used) in Investing Activities (B):	(4,19,58,497)	(1,77,41,930)
C Net Cash Flow From Financing Activities:		
Proceeds from issue of share capital including premium	6,24,00,000	-
Short term secured loan	(4,45,13,420)	1,73,42,780
Short term unsecured loan	(1,00,00,000)	1,00,00,000
Proceeds from/(repayment) of long term unsecured loan	1,23,70,587	(1,04,70,834)
Repayment of Secured long term loan	1,84,39,454	(86,20,000)
Interest and financing charges	(5,07,23,856)	(4,89,56,344)
Dividend & dividend tax paid	(44,50,743)	(45,64,138)
Net Cash Used in Financing Activities (c):	(1,64,77,978)	(4,52,68,536)
D Net Change in Cash & cash equivalents (A+B+C)	(52,57,686)	1,14,80,529
E-1 Cash & cash equivalents as at end of the year	85,25,159	1,37,82,845
E-2 Cash & cash equivalents as at the beginning of year	1,37,82,845	23,02,316

The accompanying notes are an integral part of the financial statements
In terms of our report attached

For **SRB & ASSOCIATES**
Chartered Accountants
(Firm Reg. No.310009E)

Sunil Shah
Partner
Membership No.52841
Kolkata
Date: 30th May, 2018

For and on behalf of the Board of Directors

Shri Krishan Saraf
Managing Director
DIN 00128999

Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
DIN 00128804

Samir Kumar Ghosh
Director
DIN 00129301
Bandana Saha
Company Secretary
M. No. A46329

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

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

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 35 (First-time Adoption).

Basis of preparation and measurement

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

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

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

Operating Cycle

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

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

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

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

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

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

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

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

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

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

Intangible Assets

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

Impairment of assets

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

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

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

Inventories

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

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

Foreign currency transactions

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

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

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

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

Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

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

Financial Assets

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

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

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

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

Revenue Recognition

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

Sales & Export Incentives

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

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



NOTES TO THE FINANCIAL STATEMENTS

Investment Income

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

Government Grant

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

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

Accordingly, government grants:

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

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

Dividend Distribution

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

Employee Benefits

The Employee benefits are provided in accordance with revised AS 15 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 (a)****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.

Note 2 (b)**First-time adoption - mandatory exceptions, optional exemptions****(i) Overall Principle**

The Company has prepared the opening balance sheet as per Ind AS of April 01, 2016 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

(ii) De-recognition of financial assets and financial liabilities:

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after April 01, 2016 ("the transition date")

(iii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the Fair value through other comprehensive income (FVTOCI) criteria based on the fact and circumstances that existed as of the transition date.

(iv) Deemed cost for Property, Plant and Equipment and Intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognised as of April 1, 2016 ("transition date") measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

(v) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contain a lease on the basis of facts and circumstances existing at the date.

(vi) Long Term Foreign Currency Monetary Items

The Company elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. However there is no long term foreign currency monetary items.



NOTES TO THE FINANCIAL STATEMENTS

3 Property, Plant and Equipments

Amount in ₹

PARTICULARS	TANGIBLE ASSETS									3B. CAPITAL WORK IN PROGRESS	INTANGIBLE ASSETS
	Land		Buildings	Plant & Machineries	Furniture & Fixtures	Vehicles	Office Equipment	Other - Electric Installations	Total Tangible Assets		Computer Softwares
	Freehold	Leasehold									
Gross Block											
Balance as at April 01, 2016	2,11,48,702	97,50,000	5,94,78,571	13,45,02,324	99,35,551	45,27,122	26,40,440	1,10,24,352	25,30,07,062	24,75,314	14,830
Additions & Adjustment	-	-	2,24,721	49,50,124	16,30,498	8,30,756	3,45,591	18,28,974	98,10,664	1,53,13,336	7,14,650
Deletions & Adjustment	-	-	-	4,79,246	-	6,01,848	-	-	10,81,094	9,75,314	-
Balance as at March 31, 2017	2,11,48,702	97,50,000	5,97,03,292	13,89,73,202	1,15,66,049	47,56,030	29,86,031	1,28,53,326	26,17,36,632	1,68,13,336	7,29,480
Additions & Adjustment	8,71,326	-	1,18,18,620	72,48,557	15,50,344	55,83,402	8,47,492	6,48,508	2,85,68,249	2,54,01,092	-
Deletions & Adjustment	-	-	-	-	-	-	-	-	-	1,35,13,336	-
Balance as at March 31, 2018	2,20,20,028	97,50,000	7,15,21,912	14,62,21,759	1,31,16,393	1,03,39,432	38,33,523	1,35,01,834	29,03,04,881	2,87,01,092	7,29,480
Accumulated Depreciation											
Balance as at April 01, 2016	-	-	-	-	-	-	-	-	-	-	-
Additions & Adjustment	-	-	51,19,977	1,52,47,713	13,36,983	6,56,435	7,48,186	17,11,224	2,48,20,518	-	31,933
Deletions & Adjustment	-	-	-	2,73,097	-	4,54,775	-	-	7,27,872	-	-
Balance as at March 31, 2017	-	-	51,19,977	1,49,74,616	13,36,983	2,01,660	7,48,186	17,11,224	2,40,92,646	-	31,933
Additions & Adjustment	-	-	38,31,277	1,38,03,135	12,82,375	9,77,778	7,61,318	17,29,025	2,23,84,908	-	2,33,776
Deletions & Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	-	89,51,254	2,87,77,751	26,19,358	11,79,438	15,09,504	34,40,249	4,64,77,554	-	2,65,709
Net Block											
Balance as at April 01, 2016	2,11,48,702	97,50,000	5,94,78,571	13,45,02,324	99,35,551	45,27,122	26,40,440	1,10,24,352	25,30,07,062	24,75,314	14,830
Balance as at March 31, 2017	2,11,48,702	97,50,000	5,45,83,315	12,39,98,586	1,02,29,066	45,54,370	22,37,845	1,11,42,102	23,76,43,986	1,68,13,336	6,97,547
Balance as at March 31, 2018	2,20,20,028	97,50,000	6,25,70,658	11,74,44,008	1,04,97,035	91,59,994	23,24,019	1,00,61,585	24,38,27,327	2,87,01,092	4,63,771

Note:

- Building Freehold include ₹1,18,18,620/- (Previous Year - ₹ 4,60,92,583/-), aggregate cost of Building on Leasehold Land situated at various locations.
- 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 0.14 Million upto 31.03.2018.
- Depreciation of ₹ NIL (Previous Year ₹16,55,642) on account of assets whose useful life was exhausted on April 01, 2016 has been adjusted against balance of Retained Earnings pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013 and as per component accounting [Refer note Statement of Changes in Equity].

4 Investment

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Investment in equity instruments						
In others						
Unquoted						
Bharat NRE Coke Limited 8,871(P.Y. 8,871) shares of ₹ 10 each, fully paid	-	83,348	-	83,348	-	88,858
West Bengal Hosiery Park Infrastructure Ltd 300 (P.Y. 300) shares of ₹ 10 each, fully paid	-	3,000	-	3,000	-	3,000
Total (A)	-	86,348	-	86,348	-	91,858
Quoted						
Hindustan Copper Limited NIL (P. Y. 5000) shares of ₹ 5 each	-	-	-	-	-	2,53,750
Hindustan Construction Company Limited NIL (P. Y. 5000) shares of ₹ 1 each	-	-	-	-	-	98,000
Total (B)	-	-	-	-	-	3,51,750
Total (A+B)	-	86,348	-	86,348	-	4,43,608



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

5 Loans

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Unsecured, considered good unless otherwise stated)						
Loan to Employees	3,15,050	7,53,839	3,71,706	9,41,449	3,86,250	13,27,016
Total	3,15,050	7,53,839	3,71,706	9,41,449	3,86,250	13,27,016

Loan to employees are given as per company's policy

6 Other Financial Assets

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Bank deposit with more than 12 months maturity	-	4,92,227	-	2,42,900	-	25,90,700
Other Financial Assets						
Advances	-	16,29,880	-	16,29,880	-	16,29,880
Deposits	-	96,21,904	-	92,53,974	-	85,53,974
Interest Accrued on Deposits	4,19,168	-	6,21,732	-	3,60,366	-
Total	4,19,168	1,17,44,011	6,21,732	1,11,26,754	3,60,366	1,27,74,554

7 Other Assets

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Security deposits	-	44,94,058	-	45,79,055	-	48,79,055
Deposits with body corporate and others						
Considered good	36,67,461	-	36,67,461	-	36,67,461	-
Considered doubtful	-	39,00,000	-	39,00,000	-	39,00,000
Advances to Suppliers & Others	2,43,48,135	-	4,49,32,293	-	1,97,25,338	-
Export incentives & Receivables from govt. authorities	12,34,91,071	-	11,78,90,965	-	10,19,99,684	-
Prepaid expenses	41,67,950	-	48,84,480	-	59,63,674	-
	15,56,74,617	83,94,058	17,13,75,199	84,79,055	13,13,56,157	87,79,055
Less: Provision for doubtful advances	-	39,00,000	-	39,00,000	-	39,00,000
Total	15,56,74,617	44,94,058	17,13,75,199	45,79,055	13,13,56,157	48,79,055



NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2018	As at 31.03.2017	Amount in ₹ As at 01.04.2016
8 Inventories			
(At lower of cost and net realisable value)			
Raw Materials	20,22,50,844	16,11,85,289	19,19,92,208
Work-in-progress	14,99,98,213	13,82,67,266	10,92,01,695
Finished Products (Manufactured)	6,27,37,667	7,85,48,131	9,36,15,419
Stock-in-trade (Goods purchased for re-sale)	2,08,116	85,35,512	16,48,262
Stores and Spares	94,53,395	62,91,425	77,70,241
TOTAL	42,46,48,234	39,28,27,623	40,42,27,825
The above includes goods in Transit as under:-			
Raw Materials	2,33,76,469	1,24,22,800	2,21,97,163
Work-in-progress	-	-	-
Finished Products	-	31,31,546	56,63,979
Stock-in-trade	-	-	-
Stores and Spares	-	-	14,799
Total	2,33,76,469	1,55,54,346	2,78,75,940
The inventory also includes Goods lying with third party			
Raw Materials	1,00,32,758	80,45,909	1,48,66,574
Work-in-progress	2,71,05,103	3,06,01,701	2,95,33,422
Finished Products	-	1,10,61,839	-
Stock-in-trade	-	-	-
Stores and Spares	-	-	-
Total	3,71,37,861	4,97,09,449	4,43,99,996
9 Trade Receivables			
Unsecured, Considered Good	29,21,93,001	29,93,66,615	24,31,58,090
Doubtful	64,800	64,800	64,800
	29,22,57,801	29,94,31,415	24,32,22,890
Less : Provision for Doubtful recivables	64,800	64,800	64,800
Total	29,21,93,001	29,93,66,615	24,31,58,090
10 Cash and Cash Equivalents			
Balances With Banks			
Current Account	36,27,344	1,00,98,286	9,05,605
EEFC Account	84,807	1,69,784	9,396
In Deposit Account	37,50,484	27,63,100	-
Cheques on hand	-	1,20,000	-
Cash on hand	10,62,524	6,31,675	13,87,315
Total	85,25,159	1,37,82,845	23,02,316
* Cash and cash equivalents includes 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			
Fixed Deposit Account*	61,86,487	42,79,713	23,32,096
Earmarked Balances	7,63,204	6,64,428	6,73,380
Total	69,49,691	49,44,141	30,05,476
* 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 Assets (net)			
Current tax Assets (Net of Income Tax Provision)	16,09,873	-	12,14,715
Total	16,09,873	-	12,14,715



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

13 Equity Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Authorised:						
Ordinary Shares of Rs 10 each fully paid up	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
Issued and Subscribed						
Ordinary Shares of Rs 10 each fully paid up	30,40,000	3,04,00,000	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Paid-up						
Ordinary Shares of Rs 10 each fully paid up	30,40,000	3,04,00,000	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Add: Shares Forfeited*		-		23,77,000		23,77,000
	30,40,000	3,04,00,000	25,20,000	2,75,77,000	25,20,000	2,75,77,000

*4,80,000 Equity shares of ₹ 10/- each forfeited in terms of Board resolution during 1998-99. Share forfeited amounted to ₹ 23,77,000 transfer to Capital reserve.

A. Reconciliation of No. of Ordinary Shares Outstanding

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

B Details of shareholders holdings more than 5% shares

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
Shri Krishan Saraf	5,23,453	17.22%	3,83,453	15.22%	3,83,453	15.22%
Deo Kishan Saraf	3,64,832	12.00%	3,64,832	14.48%	3,64,832	14.48%
Kusum Saraf	1,59,452	5.25%	1,59,452	6.33%	1,59,452	6.33%
Saraf Capital Market Ltd	1,65,000	5.43%	80,000	3.17%	80,000	3.17%
PBS Investment Pvt Ltd	1,49,900	4.93%	1,49,900	5.95%	1,49,900	5.95%

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 1.5 per equity share of Rs.10/- each for the financial year ended 31st March 2018.



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

14 Borrowings (at amortised cost)

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
SECURED						
(a) Term Loan from Bank *	-	2,36,20,699	-	1,31,81,245	-	2,18,01,245
(b) Repayable on Demand From Bank **						
Cash credit	19,02,21,323	-	14,36,17,213	-	19,61,06,135	-
EPC	21,34,21,819	-	29,32,05,417	-	-	-
PCFC	-	-	-	-	23,20,95,483	-
Bill Discounting	82,39,282	-	2,45,11,968	-	2,56,32,686	-
Buyers' Credit	1,47,81,239	-	98,42,486	-	-	-
Total Secured Borrowing (A)	42,66,63,664	2,36,20,699	47,11,77,084	1,31,81,245	45,38,34,304	2,18,01,245
UNSECURED						
Vehicle Loan from Banks	-	38,50,227	-	7,50,257	-	10,98,394
Rupee Loan from Others	-	7,42,50,000	1,00,00,000	6,55,00,000	-	7,55,00,000
Total Un-secured Borrowing (B)	-	7,81,00,227	1,00,00,000	6,62,50,257	-	7,65,98,394
Total Borrowing (A+B)	42,66,63,664	10,17,20,926	48,11,77,084	7,94,31,502	45,38,34,304	9,83,99,639

a) Secured Loans are covered by :

FromBank*

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.

FromBank**

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, 2018 :-

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

	Banks & Corporates Vehicle & Inter Corporate Loan			Bank Term Loan		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Borrowings Repayable						
In the first year (Note 14)	14,82,883	9,62,266	10,84,963	1,66,20,000	86,20,000	86,20,000
Current maturities of long-term debt	14,82,883	9,62,266	10,84,963	1,66,20,000	86,20,000	86,20,000
In the second year	11,08,013	5,98,324	7,41,978	1,25,61,245	86,20,000	86,20,000
In the third year	10,33,383	1,51,933	3,56,416	80,00,000	45,61,245	86,20,000
In the fourth year and onwards	17,08,831	-	-	30,59,454	-	45,61,245
Long Term Borrowings	38,50,227	7,50,257	10,98,394	2,36,20,699	1,31,81,245	2,18,01,245

c) Period of Continuing Default

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

d) Unsecured Loan from Others includes

- i) Related party (bearing interest)
- ii) Intercompanies
Bearing interest

e) Long Term Borrowings from Related Party includes payable to:

Prince Vanijya Pvt. Ltd.

As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1,00,00,000	1,00,00,000	1,00,00,000
6,42,50,000	5,55,00,000	6,55,00,000
7,42,50,000	6,55,00,000	7,55,00,000
1,00,00,000	1,00,00,000	1,00,00,000
1,00,00,000	1,00,00,000	1,00,00,000



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

15 Other Financial Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current maturities of long-term debt (refer note 14)	1,81,02,883	95,82,266	97,04,963
Interest Accrued	-	-	53,76,879
Unpaid dividends *	7,60,238	6,61,461	6,76,080
Payables for fixed assets	34,99,250	58,76,820	18,46,818
Total	2,23,62,370	1,61,20,547	1,76,04,740

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

16 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred tax liabilities	2,46,60,082	2,61,80,200	2,75,14,300
Less: Deferred tax assets	16,69,756	15,91,419	17,73,806
TOTAL	2,29,90,326	2,45,88,781	2,57,40,494

Movement in deferred tax liabilities/assets balances	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Closing Balance
2017-18						
Deferred tax liabilities/assets in relation to:						
On fiscal allowances on property, plant and equipment etc.	2,61,80,200	(-15,20,118)	-	-	-	2,46,60,082
On cash flow hedges	-	-	-	-	-	-
Other timing differences	-	-	-	-	-	-
Total deferred tax liabilities	2,61,80,200	(15,20,118)	-	-	-	2,46,60,082
On provision for doubtful debts/advances	13,72,100	(61,200)	-	-	-	13,10,900
On State and Central taxes etc.	-	-	-	-	-	-
Other timing differences	2,19,319	-	1,39,537	-	-	3,58,856
Total deferred tax assets	15,91,419	(61,200)	1,39,537	-	-	16,69,756
Deferred tax liabilities (Net)	2,45,88,781	(14,58,918)	(1,39,537)	-	-	2,29,90,326
2016-17						
Deferred tax liabilities/assets in relation to:						
On fiscal allowances on property, plant and equipment etc.	2,75,14,300	(13,34,100)	-	-	-	2,61,80,200
On cash flow hedges	-	-	-	-	-	-
Other timing differences	-	-	-	-	-	-
Total deferred tax liabilities	2,75,14,300	(13,34,100)	-	-	-	2,61,80,200
On provision for doubtful debts/advances	13,72,100	-	-	-	-	13,72,100
On State and Central taxes etc.	-	-	-	-	-	-
Other timing differences	4,01,706	-	(1,82,387)	-	-	2,19,319
Total deferred tax assets	17,73,806	-	(1,82,387)	-	-	15,91,419
Deferred tax liabilities (Net)	2,57,40,494	(13,34,100)	1,82,387	-	-	2,45,88,781



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

17 Trade Payables (at amortised Cost)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Outstanding dues of Creditors of Micro, Small and Medium Enterprises (i) Creditors for Supplies and Services	62,41,458	1,08,98,827	29,05,411
Total outstanding dues of micro enterprises and small enterprises	62,41,458	1,08,98,827	29,05,411
Outstanding dues of creditors other than micro enterprises and small enterprises (i) Dues to Related Parties	-	-	-
(ii) Creditors for Supplies and Services	15,52,80,718	16,61,43,589	13,54,27,169
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,52,80,718	16,61,43,589	13,54,27,169
Total	16,15,22,176	17,70,42,416	13,83,32,580

Terms and conditions of the above financial liabilities:

► A sum of ₹ 62,41,458 payable to Micro and Small Enterprises as at 31st March, 2018. 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, 2018. 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.

18 Other Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non Current			
Deferred revenue arising from Government grant	15,50,174	16,89,848	-
Total	15,50,174	16,89,848	-
Current			
Statutory Liabilities	15,05,193	25,83,034	21,43,694
Advances from Customers	66,21,352	63,14,610	32,65,321
Deposit against Rent	-	1,80,000	-
Deferred revenue arising from Government grant related to assets	1,39,674	1,39,674	-
Others	2,21,08,549	2,16,80,044	2,11,30,086
Total	3,03,74,768	3,08,97,362	2,65,39,101

19 Current tax liabilities (Net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Income Tax (Net of Advance Tax & TDS)	-	2,64,229	-
Total	-	2,64,229	-



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

20 Revenue From Operations

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Gross Revenue from sale of products (including Custom Duties)	1,53,10,65,790	1,49,68,44,213
Other operating revenues	8,98,46,083	10,94,57,280
Total	1,62,09,11,873	1,60,63,01,493
Details of products sold		
A. Finished goods sold		
Hand Gloves	99,66,21,712	97,07,95,628
Garment	46,25,36,122	38,99,74,672
Windpower	86,30,500	96,07,951
Total (A)	1,46,77,88,334	1,37,03,78,251
B. Raw Material & traded goods sold		
Yarn, fabrics, chemicals and other traded goods	6,32,77,456	12,64,65,962
Total (B)	6,32,77,456	12,64,65,962
Total (A+B)	1,53,10,65,790	1,49,68,44,213
Break-up of Other operating revenues		
Scrap sales	2,37,660	1,04,250
Export Incentives	8,75,10,776	10,71,53,502
Discount Received	17,24,751	18,472
Other Operating Income	3,72,896	21,81,056
Total	8,98,46,083	10,94,57,280

21 Other income

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Interest income on		
Bank Deposits	6,72,514	4,20,853
Others	-	36,989
Other Gain and Losses*	3,56,63,438	2,54,90,023
Other Non-operating income**	23,27,073	17,53,004
Total	3,86,63,025	2,77,00,869
<u>*Other gains and losses:</u>		
Net foreign exchange gain/(loss)	3,56,63,438	2,54,90,023
Total	3,56,63,438	2,54,90,023
<u>**Other Non-operating income</u>		
Subsidy Received	1,39,674	1,39,674
Dividend Received	-	26,646
Other Misc. Income	15,62,800	9,07,246
Profit on sale of Investments	-	2,87,516
Profit on sale of Fixed Assets	-	67,408
Rent Received	6,00,000	60,000
Sample Income	24,599	2,64,514
Total	23,27,073	17,53,004



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

22 Cost of Raw Materials consumed

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Opening Balance	16,11,85,289	19,19,92,208
Add : Purchases	98,81,87,155	91,49,33,206
	1,14,93,72,444	1,10,69,25,414
Less : Closing stock	20,22,50,844	16,11,85,289
Total	94,71,21,600	94,57,40,125
Details of raw materials consumed		
Yarn	9,73,22,254	6,58,78,605
Fabrics	17,66,73,290	18,84,30,716
Leathers	46,59,63,874	51,16,98,982
Chemicals	3,81,50,282	5,44,61,767
Others	16,90,11,900	12,52,70,055
Total	94,71,21,600	94,57,40,125
Value of Raw materials consumed during the year		
Imported	14,91,45,303	13,31,74,451
Indigenous	79,79,76,297	81,25,65,674
Total	94,71,21,600	94,57,40,125

23 Purchases of Stock in trade

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Hand Gloves	2,47,14,969	10,34,43,112
Garments	95,68,088	50,32,708
Total	3,42,83,057	10,84,75,820

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

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Opening Stock		
Work-in-progress	13,82,67,266	10,92,01,695
Finished goods	7,85,48,131	9,36,15,419
Traded goods	85,35,512	16,48,262
	22,53,50,909	20,44,65,376
Closing Stock		
Work-in-progress	14,99,98,213	13,82,67,266
Finished goods	6,27,37,667	7,85,48,131
Traded goods	2,08,116	85,35,512
	21,29,43,995	22,53,50,909
Total	1,24,06,914	(2,08,85,533)
Details of inventories		
Work-in-progress		
Hand gloves	2,30,27,051	2,87,08,483
Garments	12,69,71,162	10,95,58,783
Total	14,99,98,213	13,82,67,266
Finished goods		
Hand gloves	5,97,03,337	7,67,32,226
Garments	30,34,330	18,15,905
Total	6,27,37,667	7,85,48,131
Traded goods		
Hand gloves	1,10,000	79,10,396
Garments	98,116	6,25,116
	2,08,116	85,35,512



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

25 Employee Benefits Expense

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Salaries, wages, bonus etc	4,31,67,479	4,03,74,504
Contribution to provident and other funds	37,63,614	34,03,561
Gratuity expenses	7,81,447	10,87,424
Staff welfare expenses	24,88,477	17,22,623
Total	5,02,01,017	4,65,88,112
Disclosure on Employee Benefits is given in Note No. 31A		

26 Finance Costs

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Interest Expense	4,71,28,310	3,89,44,942
Others borrowing cost	35,95,546	46,34,523
Total	5,07,23,856	4,35,79,465

27 Other expenses

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Consumption of stores, spares & packing materials	3,17,68,486	3,31,80,684
Power & fuels	3,12,61,254	2,99,51,882
Rent, rates & taxes etc.	1,08,34,303	1,09,01,813
Packing & finishing charges	87,32,661	93,57,963
Printing & stationary	13,46,605	12,81,317
Processing charges	29,97,23,798	24,96,50,341
Bank Charges	51,02,577	45,16,481
Travelling & conveyance expenses	84,10,517	95,26,727
Auditor's remuneration *	4,18,725	3,98,440
Insurance charges	89,62,218	44,48,740
Postage & telephone expenses	39,44,552	40,22,414
Motor car expenses	14,81,304	14,93,270
Repairs & maintenance		
Plant & machinery	36,90,794	38,20,930
Building	4,57,062	3,61,505
Others	1,15,75,218	70,04,113
Commission on sales	17,17,450	-
Sales promotion expenses	72,77,251	64,37,516
Coolie, cartage, freight & forwarding charges	3,46,00,781	2,76,60,999
Quality Claim on Sales / Exports	3,29,957	48,79,174
Sundry Balance Written Off	12,50,439	3,92,338
Sales Tax Expenses	84,83,823	16,11,360
Misc. expenses	85,57,992	1,03,23,140
Prior Period items	50,494	9,28,943
Total	48,99,78,260	42,21,50,090
* Auditors' remuneration and expenses		
Audit Fees	3,00,000	2,76,000
Tax Audit Fees	60,000	69,000
Other Matters	58,725	53,440
Total	4,18,725	3,98,440



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

28 Income Tax Expenses

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
A. Amount recognised in profit or loss		
Current Tax		
Income tax for the year		
Current Tax	1,43,28,134	1,83,00,100
Adjustments/(credits) related to previous years - Net		
Current Tax	(6,83,713)	1,29,072
Total Current Tax	1,36,44,421	1,84,29,172
Deferred tax		
Deferred tax for the year	(14,58,918)	(13,34,100)
Total Deferred Tax	(14,58,918)	(13,34,100)
Total	1,21,85,503	1,70,95,072
B. Amount recognised in other comprehensive Income		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
<u>On items that will not be reclassified to profit or loss</u>		
Remeasurement gains/(losses) on defined benefit plans	(1,39,537)	1,00,285
Changes in revaluation surplus	-	82,102
TOTAL	(1,39,537)	1,82,387

29. Earnings per share

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Profit After Taxation (₹)	2,97,19,170	3,18,78,451
Weighted average number of Ordinary shares (Nos.) *	27,70,740	25,20,000
Basic Earnings Per Share (₹)	10.73	12.65
Diluted Earnings Per Share (₹)	10.73	12.65

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

30 Contingent Liabilities

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
(a) Claims against the company not acknowledged as debts		
(i) Sales Taxes claims disputed by the company relating to issues of applicability classification and disallowance.	8,07,300	32,60,304
(ii) Tax liability demanded by the Kolkata Municipal Tax Authorities*.	21,02,421	21,02,421
(iii) Income Tax matters	14,86,883	14,86,883
(b) Guarantees		
(i) Letter of Credit	1,67,80,975	5,69,09,682
(ii) Counter Guarantee Given	51,22,031	37,76,957
(c) Other money for which company is contingently liable		
(i) Bills discounted by the Bank	82,39,282	2,45,11,968

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



NOTES TO THE FINANCIAL STATEMENTS

31A. Additional Notes to Defined Benefit Plans/Long Term Compensated Absences

Defined Contribution Plans -

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

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

Risk Management

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

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

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

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

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

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

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

Particulars	Valuation as at	
	As at 31.03.2018	As at 31.03.2017
Discount rate (s)	7.50%	7.75%
Expected rate(s) of salary increase	6.00%	6.00%
Mortality	IALM 06-08 ULTIMATE	



NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	Amount in ₹	
	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Past Service cost	-	-
Current service cost	8,53,830	8,89,139
(Gain) / loss from settlements	-	-
Net interest expense	-	-
Total Service cost	8,53,830	8,89,139
Interest Expense on DBO	7,95,428	6,72,877
Interest (Income) on Plan Assets	(8,67,811)	(4,74,592)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	(72,383)	1,98,285
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	7,81,447	10,87,424
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	20,85,557	33,44,788
Remeasurements - Due to Experience Adjustments	(19,50,279)	(33,40,788)
(Return) on Plan Assets (Excluding Interest Income)	(16,559)	(3,07,314)
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	1,18,719	(3,03,314)
Total Defined Benefit Cost recognized in P&L and OCI	9,00,166	7,84,110

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 31.03.2018	As at 31.03.2017
Defined benefit obligation	1,18,57,584	1,04,54,125
Fair value of plan assets	1,33,60,970	1,11,96,838
Funded status	(15,03,386)	(7,42,713)
Effect of Asset Ceiling / oneros Liability	-	-
Net liability/ (asset) arising from defined benefit obligation	(15,03,386)	(7,42,713)

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

Particulars	As at 31.03.2018	As at 31.03.2017
Opening defined benefit obligations	1,04,54,125	90,55,285
Current service cost	8,53,830	8,89,139
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	7,95,428	6,72,877
Benefits Payments from Plan Assets	(3,81,077)	(1,67,176)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	20,85,557	33,44,788
Remeasurements - Due to Experience Adjustments	(19,50,279)	(33,40,788)
Closing defined benefit obligation	1,18,57,584	1,04,54,125



NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	As at 31.03.2018	As at 31.03.2017
Opening fair value of plan assets	1,11,96,838	63,27,888
Interest Income	8,67,755	4,74,592
Employer Contributions	16,60,895	42,54,220
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	(3,81,077)	(1,67,176)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	16,559	3,07,314
Closing fair value of plan assets	1,33,60,970	1,11,96,838

Particulars	As at 31.03.2018	As at 31.03.2017
Investment Details	Gratuity Funded	Gratuity Funded
Investment with Insurer (LIC)	100%	100%

Net Defined Benefit Liability / (Asset) reconciliation

Particulars	As at 31.03.2018	As at 31.03.2017
Net Defined Benefit Liability/(Asset) at beginning of year	(7,42,713)	27,27,397
Defined Benefit Cost included in P & L	7,81,503	10,87,424
Total Remeasurements included in OCI	1,18,719	(3,03,314)
Net Transfer In / (Out) (Including the effect of any business combination / divestiture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	(16,60,895)	(42,54,220)
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at end of year	(15,03,386)	(7,42,713)

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 31.03.2018	DBO as at 31.03.2017
Under Base Scenario	1,18,57,584	1,04,54,125
Salary Escalation (Up by 1%)	1,02,90,081	80,14,282
Salary Escalation (Down by 1%)	89,93,698	68,92,029
Withdrawal Rates (Up by 1%)	97,45,463	75,15,389
Withdrawal Rates (Down by 1%)	94,53,251	73,04,910
Discount Rates (Up by 1%)	89,21,730	68,46,156
Discount Rates (Down by 1%)	1,03,96,974	80,75,497

Maturity Analysis Of The Benefit Payments

1. Year 1	4,70,222	4,74,353
2. Year 2	3,33,156	1,49,07,649
3. Year 3	3,71,422	3,15,622
4. Year 4	7,31,822	10,04,052
5. Year 5	4,50,521	6,78,925
6. Next 5 Years	4,54,60,672	17,53,40,416



NOTES TO THE FINANCIAL STATEMENTS

31. Additional Notes to the Financial statement

B. The financial statements were approved for issue by the Board of Directors on 30th May, 2018.

	For the Year Ended 31.03.2018	Amount in ₹ For the Year Ended 31.03.2017
C. Expenditure In Foreign Currency		
(Amount remitted in foreign currency by way of letter of credit arrangements / others)		
For purchase of Capital goods on CIF basis	2,73,88,269	26,75,136
For purchase of Raw Materials, stores, spares & Finished Goods	19,12,07,394	9,86,72,629
For Travelling Expenses	51,62,840	53,80,680
On other accounts	13,15,871	1,28,76,604
Total	22,50,74,374	11,96,05,049
D. Earnings In Foreign Currency On (Fob Basis)		
Export of goods	1,05,31,26,017	1,06,93,64,632
Other income	24,81,115	25,79,745
Total	1,05,56,07,132	1,07,19,44,377

E. Derivative Instruments

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

Forward exchange contracts outstanding as at year end:-

Currency	Cross Currency	As at 31.03.2018		As at 31.03.2017	
		Buy	Sell	Buy	Sell
US Dollar (\$)	Indian Rupees (₹)	—	24,04,214	—	39,34,932
Euro (€)	Indian Rupees (₹)	—	2,43,456	—	22,27,683



NOTES TO THE FINANCIAL STATEMENTS

32 Segment Reporting

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

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

Information regarding Segment Reporting as per Ind AS-108

Primary Segment Information

	2017-18			2016-17		
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
A. SEGMENT REVENUE						
Hand Gloves	1,11,63,62,957	-	1,11,63,62,957	1,18,77,56,272	-	1,18,77,56,272
Garments	49,58,66,188	-	49,58,66,188	40,89,37,270	-	40,89,37,270
Power Generation	86,82,728	-	86,82,728	96,07,951	-	96,07,951
Segment Total	1,62,09,11,873	-	1,62,09,11,873	1,60,63,01,493	-	1,60,63,01,493
Elimination			-			-
Total Revenue			1,62,09,11,873			1,60,63,01,493
B. SEGMENT RESULTS						
Hand Gloves			10,71,51,726			8,83,76,933
Garments			1,83,10,150			2,82,90,833
Power Generation			47,50,144			54,36,791
Segment Total			13,02,12,019			12,21,04,557
Unallocated corporate expenses.			(3,88,82,051)			(3,45,58,770)
Unallocated corporate income			11,94,609			59,14,975
Profit before finance cost , tax			9,25,24,577			9,34,60,762
Finance cost			(5,12,92,418)			(4,49,45,081)
Interest on loan, deposits, etc.			6,72,514			4,57,842
Profit before tax			4,19,04,673			4,89,73,523
Tax expense			(1,21,85,503)			(1,70,95,072)
C. PROFIT AFTER TAXATION			2,97,19,170			3,18,78,451
D. OTHER INFORMATION						
	2017-18		2016-17		2015-16	
	Segment Assets	Segment Assets	Segment Liabilities	Segment Assets	Segment Assets	Segment Liabilities
Hand Gloves	70,62,73,241	46,74,01,927	68,41,55,224	51,61,91,594	68,81,49,420	52,00,00,256
Garments	37,20,95,212	27,07,36,104	34,43,38,588	26,20,15,715	26,95,56,887	20,63,32,069
Power Generation	3,69,64,806	28,841	3,68,04,881	35,538	3,58,34,211	4,57,070
Segment Total	1,11,53,33,259	73,81,66,872	1,06,52,98,693	77,82,42,847	99,35,40,518	72,67,89,395
Unallocated Corporate Assets / Liabilities	6,51,31,863	2,90,77,415	8,96,41,541	3,27,30,820	6,87,64,216	3,50,33,563
Total	1,18,04,65,122	76,72,44,287	1,15,49,40,234	81,09,73,667	1,06,23,04,734	76,18,22,958
	2017-18		2016-17		2015-16	
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation
Hand Gloves	1,94,96,608	1,53,81,837	-	53,36,533	1,67,57,027	-
Garments	32,02,500	33,83,152	-	44,74,131	31,73,055	-
Power Generation	-	22,54,489	-	-	22,54,628	-
Segment Total	2,26,99,108	2,10,19,478	-	98,10,664	2,21,84,710	-
Unallocated Expenditure	58,69,141	15,99,206	-	7,14,650	11,51,773	-
Total	2,85,68,249	2,26,18,684	-	1,05,25,314	2,33,36,483	-



NOTES TO THE FINANCIAL STATEMENTS

		Amount in ₹
SECONDARY SEGMENT INFORMATION	2017-18	2016-17
Segment Revenue		
Within Special Economic Zone	23,91,87,999	21,34,96,853
Outside Special Economic Zone	1,38,17,23,874	1,39,28,04,640
Segment Assets		
Within Special Economic Zone	33,14,21,534	25,48,24,571
Outside Special Economic Zone	84,90,43,588	90,01,15,663
Capital Expenditure		
Within Special Economic Zone	1,71,35,256	8,17,492
Outside Special Economic Zone	1,14,32,993	97,07,822

33 RELATED PARTY DISCLOSURES

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

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

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2018

	Parties referred to in (1) above		Parties referred to in (2,3,4) above		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Purchase of goods	4,96,74,880	4,66,47,398	-	-	4,96,74,880	4,66,47,398
Acme Safetywears Ltd	4,96,74,880	4,66,47,398	-	-	4,96,74,880	4,66,47,398
Sale of goods	9,86,71,386	4,03,66,123	-	-	9,86,71,386	4,03,66,123
Acme Safetywears Ltd	9,86,71,386	4,03,66,123	-	-	9,86,71,386	4,03,66,123
Purchase of Investment	-	94,61,337	-	-	-	94,61,337
Saraf Capital Market Ltd	-	94,61,337	-	-	-	94,61,337
Sale of investments	-	1,01,00,603	-	-	-	1,01,00,603
Saraf Capital Market Ltd	-	1,01,00,603	-	-	-	1,01,00,603
Rent paid	8,40,000	8,40,000	-	-	8,40,000	8,40,000
Century Safety Wears Pvt. Ltd	8,40,000	8,40,000	-	-	8,40,000	8,40,000
Interest expenses	15,00,000	15,00,000	-	-	15,00,000	15,00,000
Prince Vanijya Private	15,00,000	15,00,000	-	-	15,00,000	15,00,000
Processing charges	23,57,660	15,22,888	-	-	23,57,660	15,22,888
Acme Safetywears Ltd	6,05,660	2,68,698	-	-	6,05,660	2,68,698
Rosinate India Company	17,52,000	12,54,190	-	-	17,52,000	12,54,190
Remuneration to KMP	-	-	77,38,827	77,46,912	77,38,827	77,46,912
Shri Kishan Saraf	-	-	47,04,000	47,04,000	-	47,04,000
Deo Kishan Saraf	-	-	26,88,000	26,88,000	-	26,88,000
Shruti Poddar	-	-	2,95,151	3,54,912	-	2,95,151
Bandana Saha	-	-	51,676	-	-	51,676
Remuneration to others	-	-	52,01,850	49,63,000	52,01,850	49,63,000
Abhishek Saraf	-	-	17,15,000	16,90,000	-	17,15,000
Aditya Saraf	-	-	17,15,000	16,90,000	-	17,15,000
Utkarsh Saraf	-	-	3,21,250	2,65,000	-	3,21,250
Priya Saraf	-	-	90,000	-	-	90,000
Bishnu Kumar Kesan	-	-	6,61,000	6,36,000	-	6,61,000
S K Chakraborty	-	-	6,99,600	6,82,000	-	6,99,600
Balance as on 31st March	-	-	-	-	-	-
Creditors / Payable	65,76,394	86,96,114	-	-	65,76,394	86,96,114
Acme Safetywears Ltd	62,41,458	85,78,552	-	-	62,41,458	85,78,552
Rosinate India Company	3,34,936	1,17,562	-	-	3,34,936	1,17,562
Debtors / Receivable	1,30,86,903	94,49,514	-	-	1,30,86,903	94,49,514
Acme Safetywears Ltd	1,30,86,903	94,49,514	-	-	1,30,86,903	94,49,514
Loan Taken	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000
Prince Vanijya Private Ltd	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000
Security Deposit	50,00,000	50,00,000	-	-	50,00,000	50,00,000
Century Safety Wears Pvt. Ltd	50,00,000	50,00,000	-	-	50,00,000	50,00,000



NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

34 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. During the year, the Company issued 520,000 equity shares of Rs 10 each at a premium of Rs 110/- each amounting to 624 Lakhs (2017 - Nil) towards its issue of equity shares on preferential basis. The securities premium stood at Rs 6,94,88,500 as at 31st March, 2018 (2017 - ₹ 1,22,88,500).

Particulars	Note	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets							
a) Measured at amortised cost							
i) Cash and cash equivalents	10	85,25,159	85,25,159	1,37,82,845	1,37,82,845	23,02,316	23,02,316
ii) Other bank balances	11	69,49,691	69,49,691	49,44,141	49,44,141	30,05,476	30,05,476
iii) Loans	5	10,68,889	10,68,889	13,13,155	13,13,155	17,13,266	17,13,266
iv) Trade receivables	9	29,21,93,001	29,21,93,001	29,93,66,615	29,93,66,615	24,31,58,090	24,31,58,090
v) Other financial assets	6	1,21,63,179	1,21,63,179	1,17,48,486	1,17,48,486	1,31,34,920	1,31,34,920
Sub-total		32,08,99,919	32,08,99,919	33,11,55,242	33,11,55,242	26,33,14,068	26,33,14,068
b. Measured at Fair value through OCI							
i) Equity shares	4	86,348	86,348	86,348	86,348	4,43,608	4,43,608
Sub-total		86,348	86,348	86,348	86,348	4,43,608	4,43,608
Total financial assets		32,09,86,267	32,09,86,267	33,12,41,590	33,12,41,590	26,37,57,676	26,37,57,676
B. Financial Liabilities							
a) Measured at amortised cost							
i) Cash credit facilities	14	42,66,63,664	42,66,63,664	48,11,77,084	48,11,77,084	45,38,34,304	45,38,34,304
ii) Trade payables	17	16,15,22,176	16,15,22,176	17,70,42,416	17,70,42,416	13,83,32,580	13,83,32,580
iii) Other financial liabilities	15	2,23,62,370	2,23,62,370	1,61,20,547	1,61,20,547	1,76,04,740	1,76,04,740
Sub-total		61,05,48,210	61,05,48,210	67,43,40,047	67,43,40,047	60,97,71,624	60,97,71,624
Total Finance liabilities		61,05,48,210	61,05,48,210	67,43,40,047	67,43,40,047	60,97,71,624	60,97,71,624

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 ₹ 89,03,34,792 (2017 - ₹ 88,32,89,861 ; 2016 - ₹ 78,60,11,195) including Cash and cash equivalents and Other bank balances of ₹ 1,54,74,849 (2017 - ₹ 1,87,26,986; 2016 - ₹ 53,07,792) against an aggregate Current liability of ₹ 64,09,22,978 (2017 - ₹ 70,55,01,638; 2016 - ₹ 63,63,10,725); Non-current liabilities due between one year to three years amounting to ₹ 2,27,02,640 (2017 - ₹ 1,39,31,502 ; 2016 - ₹ 1,83,38,394) and Non-current liability due after three years amounting to ₹ 47,68,286 (2017 - ₹ NIL; 2016 - ₹ 45,61,245) on the reporting date.

Further, while the Company's total equity stands at ₹ 41,32,20,835 (2017 - ₹ 34,39,66,567; 2016 - ₹ 30,04,81,776), it has borrowings of ₹ 10,17,20,926 (2017 - ₹ 7,94,31,502; 2016 - ₹ 9,83,99,639). 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
As at 31st March, 2018		
Financial Assets	13,23,521	8,33,033
Financial Liabilities	7,10,043	1,08,284
As at 31st March, 2017		
Financial Assets	15,02,402	9,96,145
Financial Liabilities	6,27,661	3,29,985
As at 31st March, 2016		
Financial Assets	10,96,072	8,25,279
Financial Liabilities	20,16,183	20,67,500

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.

30. 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)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A. Financial assets				
a) Measured at amortised cost				
i) Loans*	3	10,68,889	13,13,155	17,13,266
ii) Other Financial assets*	3	1,21,63,179	1,17,48,486	1,31,34,920
Sub-total		1,32,32,068	1,30,61,641	1,48,48,186
b) Measured at Fair value through OCI				
i) Equity shares - Quoted	1	-	-	3,51,750
ii) Equity shares - Un-Quoted	2	86,348	86,348	91,858
Sub-total		86,348	86,348	4,43,608
Total financial assets		1,33,18,416	1,31,47,989	1,52,91,794
B. Financial liabilities				
a) Measured at amortised cost				
i) Other Financial liabilities*	3	2,23,62,370	1,61,20,547	1,76,04,740
		2,23,62,370	1,61,20,547	1,76,04,740
Total financial liabilities		2,23,62,370	1,61,20,547	1,76,04,740

*Represents Fair value of Non-current Financial Instruments



NOTES TO THE FINANCIAL STATEMENTS

35. First-time Adoption of Ind AS

- (i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by :
- recognising all assets and liabilities whose recognition is required by Ind AS,
 - not recognising items of assets or liabilities which are not permitted by Ind AS,
 - reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
 - applying Ind AS in measurement of recognised assets and liabilities.
- A. Reconciliation of total comprehensive income for the year ended 31st March, 2017 is summarised as follows:

Particulars	Amount in ₹ For the Year Ended 31.03.2017
Profit After Tax as reported under previous GAAP	3,19,27,935
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	2,53,830
Amortisation of deferred income	1,39,674
Depreciation on Property, plant & equipment	(1,39,674)
Reclassification of actuarial gains/(losses), arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	(3,03,314)
Tax Adjustments	-
Profit After Tax as reported under Ind AS	3,18,78,451
Other Comprehensive Income (net of tax)	1,15,417
Total Comprehensive Income as reported under Ind AS	3,19,93,868

- (ii) Reconciliation of equity as reported under previous GAAP is summarized as follows:

	As at 01.04.2016 (Date of Transition)	As at 31.03.2017 (end of last period Presented under previous GAAP)
Equity as reported under previous GAAP	29,67,45,523	32,70,17,816
Dividends not recognised as liability until declared (including tax thereon)	45,49,519	-
Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge	-	1,76,96,084
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL) or OCI (net of tax)	(8,13,266)	(7,47,333)
Equity as reported under Ind AS	30,04,81,776	34,39,66,567

- iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:
- Property, plant and equipment and intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.
- (iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:
- Under previous GAAP, dividend payable on equity shares (including the tax thereon) was recognised as a liability in the period to which it relates. Under Ind AS, dividends (including the tax thereon) to shareholders are recognised when declared by the members in a general meeting.
 - Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments [other than investment in subsidiaries, joint ventures and associates] have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
 - Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

- d. The Company uses derivative financial instruments, such as currency forwards, options and exchange traded commodity futures, to hedge its foreign currency risks and commodity price risks, respectively. Under previous GAAP, the net mark to market losses on the outstanding portfolios of such instruments, other than those designated as cash flow hedges, were recognised in the profit or loss, and the net gain, if any, were ignored.

Under Ind AS, changes in the fair value of derivatives designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the Statement of Profit and Loss in line with the hedged transaction. Changes in the fair value of any derivative instruments that are not designated for hedge accounting are recognised in the Statement of Profit and Loss.

- e. Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.
- f. Under previous GAAP, movements in cash credit facilities, repayable on demand, were reflected in cash flows from financing activities in cash flow statement. Under Ind AS, such cash credit facilities are included in cash and cash equivalents in the cash flow statement.

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**ACKNIT INDUSTRIES LIMITED**

CIN-L01113WB1990PLC050020

Regd. Office: 817 Krishna, 224 A. J. C. Bose Road, Kolkata- 700 017

Ph: (033) 2287 8293, Fax: (033) 2287 8269

Email: calcutta@acknitindia.com , Website: www.acknitindia.com

Form No MGT-11**PROXY FORM**

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

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No./Client Id : _____

DP ID : _____

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

1. Name : Address.....

E-mail ID : Signatureor failing him/her,

2. Name : Address.....

E-mail ID : Signatureor 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 28th Annual General Meeting of the Company, to be held on **Tuesday, 25th September, 2018 at 10.30 a.m.** at **"Gyan Manch", 11, Pretoria Street, Kolkata - 700071** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2018 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, 2018.		
3.	Appointment of a Director in place of Mr. Deo Kishan Saraf (DIN: 00128804) who retires by rotation and, being eligible, offers himself for re-appointment.		
Special Business			
4.	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.		
5.	Revision of remuneration of Mr. Deo Kishan Saraf, Whole-time Director cum Chief Financial Officer (CFO).		
6.	Related Party Transaction in excess of the threshold limit		
7.	Continuation of Directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director		
8.	Appointment of Mr. Jadav Lal Mukherjee as an Independent Director for 5(five) consecutive years w.e.f. 30th May, 2018.		

Signed this.....day of.....2018

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. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th Annual General Meeting.
- *3. It is optional to put a '✓' in the appropriate column against the Resolution as indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



If undelivered please return to :

ACKNIT INDUSTRIES LIMITED

817, KRISHNA

224, A. J. C. Bose Road,

Kolkata - 700 017