



ESKAY K'N'IT

Ref No.: SE/ESKAY/2017-2018/21

9th October 2017

To,

The Secretary,
(Listing Department)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, 21st Floor, Fort,
Mumbai - 400 001

Ref.: Scrip Code – 514118

Subject: Annual Report for the Financial Year 2016-2017.

Dear Sir,

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2016-2017.

Kindly acknowledge the receipt and oblige.

Thanking You.

Yours faithfully,

For Eskay K 'n' IT (India) Limited

Authorised Signatory
Encl: a/a.



ESKAY K'N'IT (INDIA) LIMITED

CIN : L18109DN1987PLC000034

Corporate Off. : Raghuvanshi Mills Compound, 11/12, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013. Telefax : 022-24955321

Regd. Off. & Mills : 58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.) - 396230 Tel.: 0260-3258845 • Fax : 09898593191

E-mail: eskay.knit1@gmail.com / info@eskayknit.com



Eskay K'n'IT (India) Limited



**30th Annual Report
2016-17**

ESKAY K 'n' IT (INDIA) LIMITED

CIN: L18109DN1987PLC000034

Annual Report 2016-17

BOARD OF DIRECTORS:

Mr. Narayan Ghumatkar	-	Independent Director & Chairman
Mr. Trivendra Singh	-	Managing Director
Mr. Naresh Chandra Sharma	-	Independent Director
Mr. Manmohan Ahluwalia	-	Independent Director
Mrs. Manasi Inderjit Wadkar	-	Director
Mrs. Neha Nilesh Patil	-	Director

BANKERS

Indian Overseas Bank

Dena Bank

Federal Bank

Bank of India

Andhra Bank

Punjab & Sind Bank

Karnataka Bank

AUDITORS

M/s A.F. Khasgiwala & Co
(Chartered Accountants)

REGISTERED OFFICE

Plot No.58-B, Dhanu Udyog Industrial Area,

Piperia, Silvassa (Union Territory) 396 230

CORPORATE OFFICE

Raghuvanshi Mills Compound,

11/12 Senapati Bapat Marg, Lower Parel

(W), Mumbai- 400 013

Email: eskay.knit1@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited 21,

Shakil Nivas, Opp. Satya Sai Baba Temple,

Mahakali Caves Road, Andheri (East), Mumbai – 400

093. Email: info@uniseq.in

PLANTS

Bhilad (Gujarat)

Silvassa (U.T. of Dadra & Nagar Haveli)

Dombivli (Maharashtra)

Baddi (Himachal Pradesh)

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**30th Annual General Meeting to be held on Friday, 29th September, 2017 at 03:15 p.m.,
at Plot 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230.**

ESKAY K 'n' IT (INDIA) LIMITED

NOTICE

Notice is hereby given that 30th Annual General Meeting of the Shareholders of ESKAY K'n'IT (INDIA) LIMITED will be held on Friday, 29th September, 2017 at 03:15 p.m., at Plot No. 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2017 and Profit and Loss Account for the year ended as on that date and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Manasi Inderjit Wadkar (DIN: 05309693), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint of Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Rishi Sekhri & Associates, Chartered Accountants, (Membership No. 126656 & Firm Registration No.128216W) be and are hereby appointed as Auditors of the Company in place of the retiring auditors M/s A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W), to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

4. To appoint Mrs. Neha Nilesh Patil (DIN: 07114205) as a Director, whose term of office expires at this Annual General Meeting and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Neha Nilesh Patil (DIN: 07114205), who was appointed as an Additional Director w.e.f. 14th November, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company and whose period of office shall be liable to determination by retirement of Directors by rotation.”

5. To approve the remuneration of Mr. Pradip Damania, Cost Auditor for the financial year ending 31st March 2018 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary

Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Company for the financial year ending 31st March 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent 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. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto under Item No. 4 & 5 and forms an integral part of this Notice. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item No.2 & 4 of the Notice, are also annexed in Corporate Governance Report.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has notified closure of Register of Members and Share Transfer Books from 22nd September, 2017 to 29th September, 2017 (both days inclusive).
7. Relevant documents referred to in the notice and the accompanying statement is open for inspection by the members at the registered office of the company on working days up to date of the AGM.
8. Route Map giving directions to the venue of the meeting is annexed to the notice.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Universal Capital Securities Private Limited.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to the Company / Universal Capital Securities Pvt. Ltd.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Universal Capital Securities Pvt. Ltd., for consolidation into a single folio.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Electronic copy of the Annual Report for 2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017 is being sent in the permitted mode.
15. Electronic copy of the Notice of the 30th 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 email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 30th 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 in the permitted mode.
16. In compliance with the provision of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolution set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passes at the AGM.
17. These e-voting instructions are being sent to you as your name appears in the Register of Members as on Friday 22nd September, 2017, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Thirtieth Annual General Meeting together with the Annual Report and to participate through e-voting.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Tuesday, 26th September, 2017 at 9:00 a.m. and ends on Thursday, 28th September, 2017 at 5:00 p.m., During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form,

ESKAY K 'n' IT (INDIA) LIMITED

as on the cut-off date (record date) of Friday 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat
	shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer Serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the Number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	
OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat Account or in the company records in order to login.
	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Eskay K'n'IT (India) Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) M/s. Priyavrat & Associates, Chartered Accountant in whole Time Practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Tuesday, 26th September, 2017 at 9:00 a.m. and ends on Thursday, 28th September, 2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

For and Behalf of the Board of Directors

Sd/-

Trivendra Singh
Managing Director
(DIN: 05240052)

Place: Mumbai

Date: 11th August, 2017

ESKAY K 'n' IT (INDIA) LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to section 102 (1) of the Companies Act, 2013

ITEM NO. 4:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Neha Nilesh Patil as an Additional Director of the Company with effect from 14th November 2016.

In terms of the provisions of Section 161(1) of the Companies Act 2013, Mrs. Neha Nilesh Patil would hold office up to the date of the ensuing Annual General Meeting.

Mrs. Neha Nilesh Patil is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Neha Nilesh Patil for the office of the Director of the Company.

Mrs. Neha Nilesh Patil is Graduate having vast experience in execution of various projects in textiles. Mrs Neha Nilesh Patil is on the Board of several well known Companies such as Jaybharat Textiles and Real Estate Limited, KSL and Industries Limited, Base Industries Limited, Actif Corporation Limited and Global Softech Limited.

The Board recommends the passing of this Resolution. None of the Directors except Mrs. Neha Nilesh Patil are interested in the Resolution.

ITEM NO. 5:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Pradip Damania as a Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 on a remuneration of Rs. 10000/-P.A.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rule, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2018.

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

The Board recommends the Ordinary Resolution set out at Item No 5 of the Notice for approval by the shareholders.

For and Behalf of the Board of Directors

Sd/-

Trivendra Singh
Managing Director
(DIN: 05240052)

Place: Mumbai

Date: 11th August, 2017

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

On Friday, September 29, 2017 at 03:15 P.M



ESKAY K 'n' IT (INDIA) LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report of ESKAY K'n'IT (INDIA) LIMITED along with the Audited Statements of Accounts for the Financial Year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)		
Particulars	2016-2017	2015-2016
Revenue from operations	3,555.49	8,339.93
Finance Cost	5,515.01	5,260.44
Depreciation and amortization Expense	3,019.54	3,072.65
Profit/ (Loss) before exceptional and extraordinary items and tax	(8,185.74)	(8,214.43)
Exceptional items	-----	-----
Extraordinary items	-----	-----
Profit/ (Loss) before tax	(8,185.74)	(8,214.43)
Deferred Tax Assets/(Liabilities)	543.76	487.42
Provision for Taxation	0.00	0.00
Net Profit/(Loss)	(7,641.98)	(7,727.01)

COMPANY PERFORMANCE:

During the year, the Revenue from operations of the Company has substantially decreased to Rs. 3,555.49 Lacs as against Rs. 8,339.93 Lacs in respect of the previous Financial Year ended 31st March, 2016. The Company has suffered Loss before Tax Rs 8,185.74 Lacs in the financial year ended 31st March, 2017 as against loss of Rs. 8,214.43 Lacs in the previous financial year ended 31st March, 2016. The Company has Net Loss of Rs. 7,641.98 Lacs after considering deferred tax of Rs. 543.76 Lacs as against Net Loss of Rs 7,727.01 Lacs in the previous financial year ended 31st March, 2016. However, there is no cash loss during the year.

The Company has incurred Substantial losses due to markets resulting in poor sales.

The company experienced that the efficiency of plant and machineries, especially Spinning Machines have gone down and set up an in house Expert Group to suggest measures for Technology up gradation and Modernization. As per their recommendations, old machines including Ring Frames, requiring expenditure towards repairs and maintenance consuming high power with low output have been identified and shifted to workshop/godowns for appropriate action.

Further, the Company after incurring huge losses and eroding its net worth completely had made an application to be registered as a Sick Company with Board for Industrial and Financial Reconstruction.

During the Year under review, the Company does not have any subsidiary, associate or joint venture companies.

DIVIDEND:

In view of Loss of the Current year, your Directors are unable to recommend any dividend on the equity shares for the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year, Mrs. Manasi Inderjit Wadkar (DIN: 05309693), Director of the Company will be retire by rotation at the ensuring Annual General Meeting of the Company and being eligible offer herself for re-appointment as per the Provisions of Companies Act 2013 and articles of Association of the Company. The Board recommends her appointment.

The Board of Directors of the Company had appointed Mrs. Neha Nilesh Patil (DIN: 07114205) as Additional Directors w.e.f. 14th November, 2016. Pursuant to the provisions of Section 161 of the Companies Act, 2013, she shall hold office up to the date of ensuing Annual General Meeting. The Notice pursuant to Section 160 of the Companies Act, 2013 has been received from the Members proposing their candidature for appointment as Directors of the Company.

Brief details of the Director being reappointed / appointed have been incorporated in the Corporate Governance Report of the forthcoming Annual General Meeting.

All the Independent Directors have given declarations that they meet the criteria of independence as lay down under Section 149 (6) Of the Act and SEBI Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

Further, as required under Section 203(1) of the Companies Act, 2013, Company has appointed Ms. Neeta Shetty as a Chief Financial Officer designated as a Key Managerial Personnel of the Company w.e.f. 10th February, 2017 and resigned w.e.f. 31st March, 2017.

Further, Mr. Deepak Mathur and Mr. Pushpendra Pratap Singh, Directors of the Company have stepped down from the Board W.e.f. 12th August, 2016 due to personal reasons. The Board records its appreciation of the valuable contribution rendered by Mr. Deepak Mathur and Mr. Pushpendra Pratap Singh during their tenure as Directors of the Company. Mr. Narayan Ghumatkar, Director of the Company has been appointed as a Chairman of the Board w.e.f. 14th November, 2016.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17, 19 and other applicable provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations"), the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairperson was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The Chairperson of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

CORPORATE GOVERNANCE:

As required by Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a report on corporate governance is appended along-with a certificate from the Auditors.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed as **Annexure A**.

BOARD AND COMMITTEE MEETINGS:

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors. 4 (four) Board Meetings were convened and held during the year.

The Board has constituted an Audit Committee with Mr. Naresh Chandra Sharma as Chairman and Mr. Manmohan Ahluwalia and Mr. Trivendra Singh as the Members. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board.

The Company has also constituted various other Committees viz. Nomination & Remuneration Committee, Stakeholder Relationship Committee, Management and Finance Committee and Sexual Harassment Committee.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report Attached to this Directors' Report.

The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

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DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed and there is no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual financial statements have been prepared on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note 2.3 of the Notes to the financial statements.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company familiarizes its Independent Directors 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. through various programmes.

The details of such familiarization programme shall be disclosed on the Company's website at the following web link: <http://eskayknitindia.com/wp/>

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.eskayknitindia.com. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters

relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated by SEBI Listing Regulations.

RELATED PARTY TRANSACTIONS:

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Notes to the financial statements.

The Company has also adopted Related Party Transaction Policy as required under Regulation 23 of SEBI Listing Regulations.

The Board has approved the policy on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link: <http://eskayknitindia.com/wp/related-party-transactions/>

Material changes and commitments affecting the financial position of the Company which have occurred between 31st March 2017 and 11th August, 2017.

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2017) and the date of the Report 11th August, 2017.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure-B to the Board's report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The Directors are happy to state that the relations between the Company and its Employee remained cordial throughout the year. The Directors acknowledge and express their appreciation for the contributions made by the employees at all levels. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees drew remuneration of Rs10,200,000/- or more per annum/ Rs. 8,50,000/- or more per month during the year or drew remuneration in excess of the remuneration drawn by Managing Director or Whole-time Directors or Manager and does not hold either by himself or through his spouse or dependent children 2 per cent or more equity shares of the company. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure-C forming a part of Annual Report.

In terms of the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

CONSERVATION OF ENERGY:

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

TECHNOLOGY ABSORPTION:

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

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FOREIGN EXCHANGE EARNINGS AND OUT-GO:

During the period under review there was no foreign exchange earnings or out flow.

REMUNERATION POLICY:

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached to this Report.

RISK MANAGEMENT:

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and SEBI Listing Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this programme, each Function and Unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint of sexual harassment during the financial year 2016-17.

SAFETY, HEALTH AND ENVIRONMENT:

Sustained and meticulous efforts continue to be exercised by the Company at all plants of the Company, towards greener production and environment conservation. The Company perseveres in its efforts to indoctrinate safe and environmentally accountable behavior in every employee, as well as vendors, by rigid compulsory annual training and refresher courses, as well as frequent awareness programme. Mock drills of emergency preparedness are regularly conducted at all the plants showing Company's commitment towards safety, not only of its own men and plants, but also of the society at large.

Safety records, at all plants showed considerable improvement and accident statistics showed downward trend. This was made possible by strict adherence to laid down procedures and following of international guidelines. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings. To achieve the goals, environment protection systems and processes are well in place. To meet the challenge of environment protection in a proactive manner, unavoidable wastes are dealt with in the most efficient and scientific way.

The health of employees and the environment in and around the Plant area have been given due care and attention. The Company continued to comply with the prescribed industrial safety environment protection and pollution control regulation at its production plant, through periodic checks of the system involved and constant monitoring to meet the standards set by the pollution control authorities, etc.

All the mills of the Company are eco-friendly and do not generate any harmful effluents. They have facilities for captive power generation as a stand-by arrangement, to meet any contingency. Safety devices have been installed wherever necessary, although both the spinning and knitting activities are known to be quite safe and free from usual hazards of water and air pollution.

INDUSTRIAL RELATIONS & HUMAN RESOURCES MANAGEMENT:

The Company is of firm belief that good Human Resource Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity the goal is set to increase the production capacity of the various plants and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team are being made to all the plants to meet the employees and also interaction meetings are conducted to get their feedback, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

The Company lays due emphasis on all round development of its human resource. Hence training of the employees is aimed at systematic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

FIXED DEPOSITS:

The Company has not invited/received any Fixed Deposits from the Public during the year under report.

INSURANCE:

The properties / assets of your Company are adequately insured.

AUDITORS:**Statutory Auditor:**

M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W) had completed a term of ten years. Their term as auditors is up to the conclusion of the forthcoming AGM. In accordance with the Section 139 of Companies Act 2013, M/s. Rishi Sekhri & Associates, Chartered Accountants, (Membership No. 126656 & Firm Registration No.128216W) are proposed to be appointed as auditors for a period of Five year commencing from the conclusion of this AGM till Thirty Fifth Annual General Meeting of the Company to be held on 2022, subject to rectification of their appointment at every AGM if so required under the Act.

Further, the Company has received the consent and eligibility of the Statutory Auditor under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for continuing as the Auditors of the Company. Members are requested to approve the appointment and authorize the Board of Director fix their remuneration.

Cost Auditor:

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the Board of Director on recommendation of the Audit Committee appointed Mr. Pradip Damania, Cost Accountant of the Company for the financial year 2017-2018 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. The Company carries out an audit of cost records every year.

Internal Auditor:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company had appointed Internal Auditor of the Company for the financial year 2016-17 and Company carries out an Internal Audit on quarterly basis.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Anuja Bansal (M.No. 34817); a Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2017. The Secretarial Audit Report is annexed as **Annexure D**.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2017 do not contain any qualification, reservation, adverse remark or disclaimer.

ACKNOWLEDGEMENT:

The Directors have pleasure in recording their appreciation of the assistance, co-operation and support extended to your Company by the shareholders, all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Customers.

For and Behalf of the Board of Directors

Sd/-

Trivendra Singh
Managing Director
Din: 05240052

Place: Mumbai
Date: 11th August, 2017

ESKAY K 'n' IT (INDIA) LIMITED

ANNEXURE A TO THE DIRECTORS' REPORT

FORM NO. MGT.9

Extract of Annual Return

As on the financial year ended on 31st March, 2017

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L18109DN1987PLC000034
ii	Registration Date	24/04/1987
iii	Name of the Company	Eskay K'n'IT (India) Ltd.
iv	Category/Sub-category of the Company	Public Limited
v	Address of the Registered office & contact details	58-B,Dhanu Udyog Industrial Area, Piperia Silvassa, UT of Dadra & Nagar Haveli - 396230. Tel No. 0260-3258845
vi	Whether listed company	BSE
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt. Ltd. 21 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Mumbai - 400093.

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 & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	TEXTILES	18/181	100%
2			
3			
4			

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING SUBSIDIARY ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Nil	Nil	Nil		
2					
3					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	2000940	0	2000940	0.71	2000940	0	2000940	0.71	0	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	158971338	0	158971338	56.61	158971338	0	158971338	56.61	0	0.00

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d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL:(A) (1)	160972278	0	160972278	57.32	160972278	0	160972278	57.32	0	0.00
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0	0.00
	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	160972278	0	160972278	57.32	160972278	0	160972278	57.32	0	0.00
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	1000	1500	2500	0.00	1000	1500	2500	0.00	0	0.00
b) Banks/FI	1436695	10500	1447195	0.52	1436695	10500	1447195	0.52	0	0.00
c) Central govt	0	0	0	0.00	0	0	0	0.00	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0	0.00
f) Insurance Companies	7621443	0	7621443	2.71	7621443	0	7621443	2.71	0	0.00
g) FIIS	0	40000	40000	0.01	0	40000	40000	0.01	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (B)(1):	9059138	52000	9111138	3.24	9059138	52000	9111138	3.24	0	0.00
(2) Non Institutions										
a) Bodies corporates										
i) Indian	33790944	1335300	35126244	12.51	33690046	1335300	35025346	12.47	-100898	0.04
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	34837985	23767994	58605979	20.87	31326919	23737714	55064633	19.61	-3541346	1.26
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	12179897	2443780	14623677	5.21	14067419	2443780	16511199	5.88	1887522	0.67
c) Others (specify)										
i) NRI's/OCB's	417116	1702060	2119176	0.75	386268	1696060	2082328	0.74	-36848	0.01
ii) Clearing Members	272360	0	272360	0.10	486424	0	486424	0.17	214064	0.08
iii) LLP/Partnership Firm	1000	0	1000	0.00	1000	0	1000	0.00	0	0.00
iv) HUF	0	0	0	0.00	1577506	0	1577506	0.56	1577506	
SUB TOTAL (B)(2):	81499302	29249134	110748436	39.44	81535582	29212854	110748436	39.44	0	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	90558440	29301134	119859574	42.68	90594720	29264854	119859574	42.68	0	0.00
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	251530718	29301134	280831852	100.00	251566998	29264854	280831852	100.00	0	0

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(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Navin Kumar Tayal	2000940	0.71	0.71	2000940	0.71	0.71	0.00
2	Akash Fabrics Pvt. Ltd	32199122	11.47	11.47	32199122	11.47	11.47	0.00
3	Archana Syntex Pvt. Ltd.	11269168	4.01	4.01	11269168	4.01	4.01	0.00
4	Delux Polymers Pvt. Ltd	33188840	11.82	11.82	33188840	11.82	11.82	0.00
5	Jayshree Petro Chemicals Pvt. Ltd.	41035232	14.61	14.61	41035232	14.61	14.61	0.00
6	Krishna Knitwear Technology Ltd	4065456	1.45	1.45	4065456	1.45	1.45	0.00
7	Shanti Synthetics & Processors Pvt. Ltd.	31304820	11.15	11.15	31304820	11.15	11.15	0.00
8	Shree Ganesh Hosiery Mills Pvt. Ltd.	5908700	2.10	2.10	5908700	2.10	2.10	0.00
	Total	160972278	57.32	57.32	160972278	57.32	57.32	0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	160972278	57.32	160972278	57.32
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	160972278	57.32	160972278	57.32

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI No.	Name of the shareholder & Dp id No	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	SOVOTEX TEXTILES PVT. LTD.				
	DP ID NO	120243000000934			
	At the beginning of the year	24081866	8.58		
	Transfer	0	0.00	24081866	8.58
	At the End of the year (or separated during the year on the date of separation, if separated during the year	24081866	8.58	24081866	8.58
2	LIFE INSURANCE CORPORATION OF INDIA				
	DP ID NO	IN30081210000012			
	At the beginning of the year	4825843	1.72		
	Transfer	0	0.00	4825843	1.72
	At the End of the year (or separated during the year on the date of separation, if separated during the year	4825843	1.72	4825843	1.72
3	DELHI IRON & STEEL CO (P) LTD				
	DP ID NO	IN30002030133415			
	At the beginning of the year	4360000	1.55		
	Transfer				
	At the End of the year (or separated during the year on the date of separation, if separated during the year	4360000	1.55	4360000	1.55

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Sl. No.	Name of the shareholder & Dp id No		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
4	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND					
	DP ID NO	IN30081210501340				
	At the beginning of the year		2795600	1.00		
		Transfer	0	0.00	2795600	1.00
	At the End of the year (or separated during the year on the date of separation, if separated during the year		2795600	1.00	2795600	1.00
5	GOPALA HOLDING PRIVATE LTD.					
	DP ID NO	12048000 00004081				
	At the beginning of the year		2297580	0.82		
		Transfer	0	0.00	2297580	0.82
	At the End of the year (or separated during the year on the date of separation, if separated during the year		2297580	0.82	2297580	0.82
6	NITISH NAYAK					
	DP ID NO	1202430000001767				
	At the beginning of the year		2096500	0.75		
		Transfer	0	0.00	2096500	0.75
	At the End of the year (or separated during the year on the date of separation, if separated during the year		2096500	0.75	2096500	0.75
7	BANK OF INDIA					
	DP ID NO	IN30081210488097				
	At the beginning of the year		1436695	0.51		
		Transfer	0	0.00	1436695	0.51
	At the End of the year (or separated during the year on the date of separation, if separated during the year		1436695	0.51	1436695	0.51
8	SOVOTEX TEXTILES PVT. LTD.					
	FOLIO NO	S016287				
	At the beginning of the year		1275548	0.45		
		Transfer	0	0.00	1275548	0.45
	At the End of the year (or separated during the year on the date of separation, if separated during the year		1275548	0.45	1275548	0.45
9	KANISHKA INFRASTRUCTURE PRIVATE LIMITED					
	DP ID NO	1202430000008950				
	At the beginning of the year		1188932	0.42		
		Transfer	0	0.00	1188932	0.42
	At the End of the year (or separated during the year on the date of separation, if separated during the year		1188932	0.42	1188932	0.42
10	JYOTIKA TAYAL					
	DP ID NO	13017600002314				
	At the beginning of the year		951320	0.34		
		Transfer	0	0.00	951320	0.34
	At the End of the year (or separated during the year on the date of separation, if separated during the year		951320	0.34	951320	0.34

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(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end 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
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	Nil	Nil	Nil	Nil

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,418,088,000.00	1,481,293,400.00	0	4,899,381,400.00
ii) Interest due but not paid	551,493,000.00	0	0	551,493,000.00
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,969,581,000.00	1481293400	0	5,450,874,400.00
Change in Indebtedness during the financial year				
Additions	474,649.00	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	3,418,563,649.00	1,481,293,400.00	0	4,899,857,049.00
ii) Interest due but not paid	551,493,000.00	0	0	551,493,000.00
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,970,056,649.00	1481293400	0	5,451,350,049.00

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Mr. Trivendra Singh (MD)	Total Amount Lakhs
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	6.00	6.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	as % of profit	0	0
	others (specify)	0	0
5	Others, please specify	0	0
	Total (A)	6.00	6.00
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount Lakhs
		Mr. Narayan Ghumatkar	Mr. Naresh Chandra Sharma	Mr Manmohan Ahluwalia	Mr. Puspendra Pratap Singh	
1	Independent Directors					
	(a) Fee for attending board / committee meetings	0.4	0.6	0.8	0.1	1.9
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (1)	0.4	0.6	0.8	0.1	1.9
*Mr Pushpendra Pratap Singh (DIN: 06964085) resigned as an Independent Additional Director w.e.f. 12 th August 2016 .						
Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount Lakhs	
		*Ms. Neha Patil	Ms. Manasi Wadkar	*Mr. Deepak Mathur		
2	Other Non Executive Directors					
	(a) Fee for attending board /committee meetings	0.1	0.4	0.1	0.6	
	(b) Commission	0	0		0	
	(c) Others, please specify.	0	0		0	
	Total (2)	0.1	0.4	0.1	0.6	
	Total (B)=(1+2)				2.5	
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.					
*Ms. Neha Patil appointed as an Additional Director w.e.f. 14 th November 2016 and Mr. Deepak Mathur resigned as an Additional Director w.e.f 12 th August 2016						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount Lakhs
		*Mrs. Chandni Mathur (Company Secretary)	*Ms. Neeta Shetty (CFO)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2.03	0.65	2.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	0	0	
	others, specify	0	0	0
5	Others, please specify	0	0	
		0	0	0
	Total	2.03	0.65	2.68

* Mrs Chandni Mathur appointed as CS w.e.f 25th May 2016 and Ms. Neeta Shetty appointed as CFO w.e.f. 10th February 2017 and resigned w.e.f. 31st March 2017

ESKAY K 'n' IT (INDIA) LIMITED

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	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE B TO THE DIRECTORS' REPORT**FORM NO. AOC-2**

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

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

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

- | | | |
|--|---|-----|
| a) Name(s) of the related party and nature of relationship | : | NIL |
| b) Nature of contracts/arrangements/transactions | : | NIL |
| c) Duration of the contracts / arrangements/transactions | : | NIL |
| d) Salient terms of the contracts or arrangements or transactions including the value, if any | : | |
| e) Justification for entering into such contracts or arrangements or transactions | : | NIL |
| f) Date(s) of approval by the Board | : | NIL |
| g) Amount paid as advances, if any | : | NIL |
| h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | : | NIL |

2. Details of material contracts or arrangements or transactions at arm's length basis:

- | | | |
|---|---|-----|
| a) Name of the related party and nature of relationship | : | NIL |
| b) Nature of transaction | : | NIL |
| c) Duration of transaction | : | NIL |
| d) Salient terms of the transaction including the value, if any | : | NIL |
| e) Date of approval by the Board, if any | : | NIL |
| f) Amount paid as advances, if any | : | NIL |

**For and Behalf of the Board of
Directors**

Sd/-

**Trivendra Singh
Managing Director
(DIN: 05240052)**

Place: Mumbai

Date: 11th August, 2017

ANNEXURE C TO THE DIRECTORS' REPORT

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Explanation: (i) the expression 'median' means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. (ii) If there is an even number of observations, the median shall be the average of the two middle values.)

The ratio of each Director to the Median Remuneration of all employees who were on the pay roll of the Company during financial year 2016-2017 are given below:

*Non-Executive Directors	Ratio to Median
Neha Patil	-
Manasi Wadkar	-
Executive Director (Managing Director) and KMP	Ratio to Median
Trivendra Singh (MD)	2.85:1
Chandni Mathur (CS)	1.10:1

* Non-Executive Directors of the Company are paid only sitting fees. They are not paid any remuneration other than sitting fees.

2. The percentage increase in the remuneration of each Director, Chief Financial officer, Company Secretary or Manager, if any in the financial:

The ratio of each Director to the Median Remuneration of all employees who were on the pay roll of the Company and the percentage increase in remuneration of the Directors during financial year 2016-2017 are given below:

*Non-Executive Directors	Ratio to Median	Percentage Increase in Remuneration
Neha Patil	-	-
Manasi Wadkar	-	-
Executive Director (Managing Director) and KMP	Ratio to Median	Percentage Increase in Remuneration
Trivendra Singh (MD)	2.85:1	-
Chandni Mathur (CS)	1.10:1	-

* Non executive Directors of the Company are paid only sitting fees. They are not paid any remuneration other than sitting fees.

3. The percentage increase in the median remuneration of employees in the financial year : 0%
4. The number of permanent employees on the rolls of the Company: 27
5. The explanation on the relationship between average increase in remuneration and Company performance:

Remuneration of employees has a close linkage with the performance of the Company. The Annual Performance Award (APA), which is a variable component in the remuneration for all the management staff, has direct correlation with the Company's performance. APA is calculated based on both individual and Company performance. Company performance has a higher weightage for senior positions and lower weightage for junior positions.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The Company's performance during 2016-17 was considered while approving the variable pay and the increase in remuneration for the Key Managerial Personnel, which was increased by an average of 0 % during the year.

7. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

During the year, the Revenue from operations of the Company has substantially decreased to Rs. 3,555.49 Lacs as against Rs. Rs. 8,339.93 Lacs in respect of the previous Financial Year ended 31st March, 2016. The Company has suffered Loss

before Tax Rs 8,185.74 Lacs in the financial year ended 31st March, 2017 as against loss of Rs. 8,214.43 Lacs in the previous financial year ended 31st March, 2016. The Company has Net Loss of Rs. 7,641.98 Lacs after considering deferred tax of Rs. 543.76 Lacs as against Net Loss of Rs 7,727.01 Lacs in the previous financial year ended 31st March, 2016. However, there is no cash loss during the year.

No Comparison done by Company of each remuneration of the Key Managerial Personnel against the performance of the Company.

8. The Key parameters for any variable component of remuneration availed by the directors: No Variable Component of remuneration.
9. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
The highest paid director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.
10. Affirmation that the remuneration is as per the Remuneration policy of the Company:
It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and Behalf of the Board of Directors

Sd/-

**Trivendra Singh
Managing Director
(DIN: 05240052)**

Place: Mumbai

Date: 11th August, 2017

ESKAY K 'n' IT (INDIA) LIMITED

ANNEXURE D TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2017

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

To,

The Members,

Eskay K 'n' IT (India) Limited

Plot No.58-B, Dhanu Udyog Industrial Area,

Piperia, Silvassa (Union Territory) 396 230

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eskay K 'n' IT (India) 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 our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed here under 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 Eskay K 'n' IT (India) Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts(Regulation) 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during audit Process)**
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during audit process)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during audit process)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during audit process)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during audit process)**
 - 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; **(Not Applicable to the Company during audit process)**
 - h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **(Not Applicable to the Company during audit process)**
 - i) Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. And other applicable laws like:

- Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
- Textiles Committee Act, 1963
- Textiles (Development and Regulation) Order, 2001
- Textiles (Consumer Protection) Regulations, 1988

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. The Listing Regulations entered into by the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. Non appointment of Chief Financial officer as required under section 203 of Companies Act, 2013 from 1st April, 2016 to 9th February, 2017.

I further report that

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

Adequate notice is given to all 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.

Majority decision is carried through unanimously and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

We further report that during the audit period:

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. Company has introduced compliance alert system for applicability of all applicable laws, rules, regulations and guidelines.

Sd/-
Anuja Bansal
Company Secretary
ACS No.: 34817
C P No.: 13270

Place: Jaipur
Date: 10/08/2017

CORPORATE GOVERNANCE REPORT

This brief report on matters required to be stated on Corporate Governance pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations is as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The concept of our Company, of Corporate Governance hinges on total transparency, integrity and accountability of the management team. The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, suppliers, regulatory authorities and society at large.

The Company has ensured that the Directors of the Company are subject to their duties, obligations and responsibilities to the best interest of the Company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the Company's strategic aims, providing the leadership to put them into effect, supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the Company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

2. BOARD OF DIRECTORS

2.1) Composition:

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors, as on 31.03.2017, comprised Six Directors, of which five were Non-Executive Directors. The Company has three Independent Directors as on 31.03.2017 comprised with one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website. None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies and in more than 10 public companies.

2.2) Category and Attendance of Directors:

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 29th Annual General Meeting held on Wednesday, 28th September, 2016 as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below:

Name	Category	Attendance		Number Directorships and Total Committee member/Chairpersonships (including Eskay K'n'it (India) Ltd.) as on 31.03.2017		
		Board Meetings	29 th AGM	Directorship in all Companies	Committee Membership	Committee Chairpersonship
*Mr. Narayan Ghumatkar (Chairperson) DIN 01717979	Independent, Non-Executive	4	Yes	6	6	2
Mr. Trivendra Singh (Managing Director) DIN 05240052	Non-Independent, Executive	4	Yes	8	10	4
Ms. Manasi Wadkar DIN 05309693	Non-Independent, Non-Executive	4	No	9	2	1
Mr. Naresh Chandra Sharma DIN 00054922	Independent, Non-Executive	3	Yes	5	8	1
Mr. Manmohan Ahluwalia DIN 00049219	Independent, Non-Executive	4	No	1	2	1
**Ms. Neha Patil DIN 07114205	Non-Independent, Non-Executive	1	No	6	5	1
\$ Mr. Pushpendra Pratap Singh DIN 06964085	Independent, Non-Executive	1	No	N.A	N.A	N.A
@ Mr. Deepak Mathur DIN 02246715	Non-Independent, Non-Executive	1	No	N.A	N.A	N.A

Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.

Notes:

* Mr. Narayan Ghumatkar appointed as Chairperson W.e.f.14th November 2016.

**Ms. Neha Patil appointed as Additional Executive Director w.e.f. 14th November 2016.

\$ Mr. Pushpendra Pratap Singh resigned as an Additional Independent Director w.e.f. 12th August, 2016

@ Mr. Deepak Mathur resigned as an Additional Director w.e.f. 12th August, 2016.

2.3) Board Meetings:

During the year 2016-17, the Board met 4 times on the following dates namely 25th May 2016, 12th August, 2016, 14th November, 2016 and 10th February, 2017. There was no time gap of four months or more between any two meetings.

A separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 15th February, 2017 as required under Schedule IV to the Companies Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulation. All the Independent Directors were present at the meeting. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

ESKAY K 'n' IT (INDIA) LIMITED

2.4) Non-Executive Directors Compensation Disclosures:

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2016-2017, for attending the Board Meetings and Audit Committee Meetings is as follows:

S. No.	Name of Directors	Category	Sitting Fees (in Rs.)	
			Board Meetings	Committee Meetings
1.	Mr. Narayan Ghumatkar	Independent, Non-Executive	40,000	-
2.	Mr. Naresh Chandra Sharma	Independent, Non-Executive	30,000	30,000
3.	Mr. Manmohan Ahluwalia	Independent, Non-Executive	40,000	40,000
4.	Mr. Pushpendra Pratap Singh	Independent, Non-Executive	10,000	-
5.	Ms. Neha Patil	Non-Independent, Non-Executive	10,000	-
6.	Ms. Manasi Wadkar	Non-Independent, Non-Executive	40,000	-
7.	Mr. Deepak Mathur	Non-Independent, Non-Executive	10,000	-
	Total		1,80,000	70,000

2.5) Board Procedure:

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Regulation 17 of SEBI Listing Regulations made available to the Board. The Board also reviews the declarations made by the Managing Director regarding compliance with all applicable laws, on a quarterly basis.

2.6) Code of Conduct:

Your Company has adopted a Code of Conduct for members of the Board (incorporating duties of Independent Directors) and the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. The full text of the Code is also hosted on the Company's website.

All Board members and senior management personnel (as per SEBI Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. None of the Directors are inter-se related to each other. The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

2.7) Code of Conduct for prohibition of insider trading:

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

2.8) Vigil Mechanism/Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairperson of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairperson. Your Company hereby affirms that no Director/ employee has been denied access to the Chairperson of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website.

2.9) Appointment and Re-appointment of Directors

The details of Director seeking appointment / re-appointment at the forthcoming Annual General meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Requirements, 2015 and Secretarial Standard -2 issued by Institute of Company Secretary of India are furnished below-

1	Name of Director	Mrs. Manasi Wadkar
	DIN	05309693
	Date of Birth	06/01/1977
	Date of Appointment	14/11/2014
	Expertise in specific professional areas	More than 15 years of working experience in the Textile industry
	Qualifications	Graduation and post Graduation in Commerce , MBA in Finance and done her CWA From ICWA
	List of other Indian Public Limited Companies in Which Directorship held	KSL and Industries Limited k-Lifestyle & Industries Limited Jaybharat Textiles and Real Estate limited Krishna Knitwear Technology Limited KG Corporation Limited Realtime Properties Limited Actif Corporation Limited Global Softech Limited
	Chairman/Member of the Committee of Board other Public Limited Companies	1. Realtime Properties Limited Audit Committee-Chairperson KG Corporation Limited Audit Committee-Member
	Relationship Between directors interse.	Nil
	Number of Shares held in the Company	Nil
2	Name of Director	Mrs. Neha Patil
	DIN	07114205
	Date of Birth	26/02/1980
	Date of Appointment	14/11/2016
	Expertise in specific professional areas	She has more than 8 years of Working Experience in the Textile industry
	Qualifications	She completed graduation
	List of other Indian Public Limited Companies in Which Directorship held	1. KSL and Industries Limited Jaybharat Textiles and Real Estate Limited Base Industries Limited Actif Corporation Limited Global Softech Limited
	Chairman/Member of the Committee of Board other Public Limited Companies	Jaybharat textiles and Real Estate Limited Audit & Stakeholder and relationship Committee - Member Actif Corporation Limited Audit Committee- Member Global Softech Limited Audit Committee- Chairman Base Industries Limited Audit Committee- Member
	Relationship Between directors interse.	Nil
	Number of Shares held in the Company	Nil

ESKAY K 'n' IT (INDIA) LIMITED

3. BOARD COMMITTEES:

The requirement that a Director shall not be a member of more than 10 committees and Chairperson of more than 5 Committees have been complied with while constituting the Committees of Directors.

3.1) Audit Committee:

Composition:

The Audit Committee comprises of Mr. Naresh Chandra Sharma as the Chairman, Mr. Trivendra Singh and Mr. Manmohan Ahluwalia as the members of the Audit Committee.

The constitution of Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

All members of the Audit Committee are financially literate and one-half of the members have expertise in accounting/ financial management. The representatives of Statutory Auditors are permanent invitees to the Audit Committee Meetings.

They have attended all the Audit Committee meetings held during the year.

Terms of reference:

The scope of the activities of the Audit Committee is as set out in Regulation 18 of SEBI Listing Regulations, read with the Section 177 of the Companies Act, 2013. The brief terms of reference of the Audit committee are as follows:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Reviewing with management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transaction.
 - Qualifications in the draft audit report.
- e. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit functions.
- i. Discussion with internal auditors any significant findings and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- k. Discussion with external auditors before the audits commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

- m. To review the functioning of the Whistle Blower mechanism;
- n. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- o. And, generally, all items listed in SEBI Listing Regulations and in Section 177 of the Companies Act, 2013.

Meetings held during the year & Attendance:

During the year 2016-17, the Audit Committee met 4 times on the following dates namely 25th May 2016, 12th August 2016, 14th November 2016 and 10th February, 2017. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. Naresh Chandra Sharma	Chairman	3
Mr. Manmohan Ahluwalia	Member	4
Mr. Trivendra Singh	Member	4

3.2) Nomination & Remuneration Committee:

Composition:

The Nomination & Remuneration Committee comprises of:

Mr. Narayan Ghumatkar	Chairman
Mr. Trivendra Singh	Members
Mr. Manmohan Ahluwalia	Members

Further during the year the committee has re-constituted on 16th August 2016. The Committee was reconstituted with the Following members:

Mr. Narayan Ghumatkar	Chairman
Ms. Manasi Wadkar	Member
Mr. Manmohan Ahluwalia	Member

The constitution of Nomination & Remuneration Committee meets with the requirements of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

Terms of reference:

- a. Formulate Remuneration Policy and a policy on Board Diversity
- b. Formulate criteria for evaluation of Directors and the Board.
- c. To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- d. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- e. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate
- f. Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- g. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Meetings held during the year & Attendance:

During the year 2016-17 the Nomination & Remuneration Committee met 2 times on 23rd May 2016 and 6th February 2017.

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The composition of the Nomination & Remuneration Committee and the details of Nomination & Remuneration Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. Narayan Ghumatkar	Chairman	1
Mr. Manmohan Ahluwalia	Member	1
Mr. Trivendra Singh	Member	1

Reconstitution of Committee.

Name of Member	Designation	Attendance
Mr. Narayan Ghumatkar	Chairman	1
Mr. Manmohan Ahluwalia	Member	1
Ms. Manasi Wadkar	Member	1

Remuneration:

Details of Remuneration paid to Managing Director and Non-Executive Directors for the year 2016-2017 are as follows:

Name	Salary	Commission	Sitting Fees	Total
Mr. Trivendra Singh(M.D.)	6,00,000	Nil	Nil	6,00,000
Non-Executive Directors (As elaborated in Pt. 2.4 above)	NIL	Nil	2,50,000	2,50,000
TOTAL	6,00,000	Nil	2,50,000	8,50,000

3.3) Stakeholder Relationship Committee:

Composition:

The Committee comprises of Mr. Manmohan Ahluwalia, Chairman and Mr. Narayan Ghumatkar, Director and Mr. Trivendra Singh, Director as the Members of the Committee.

In terms of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act, the Shareholders'/ Investors' Grievance Committee was renamed as Stakeholders Relationship Committee.

Terms of reference:

Following are the terms of reference of the Stakeholders Relationship Committee:

- Consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non receipt of annual report, non receipt of declared dividends, etc.
- Set forth the policies relating to and to oversee the implementation of the Code of Conduct for Prevention of Insider Trading and to review the concerns received under the Code of Conduct.

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company.

Meetings held during the year & Attendance:

During the year 2016-17, the Stakeholders Relationship Committee met 4 times on the following dates namely 24th May 2016, 11th August 2016, 12th November 2016 and 09th February, 2017. The composition of the Stakeholders Relationship Committee and the details of the Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. Manmohan Ahluwalia	Chairman	4
Mr. Narayan Ghumatkar	Member	4
Mr. Trivendra Singh	Member	4

No. of Shareholder's Complaint received so far	:	20
Number solved to the satisfaction of shareholders	:	20
Number of pending complaints	:	NIL

3.4) Management and Finance Committee

The Board of Directors of the Company has constituted Management and Finance Committee at their meeting held on 29th April, 2011.

The Committee comprises of:

Mr. Narayan Ghumatkar	Chairman
Mr. Manmohan Ahluwalia	Member
Mr. Trivendra Singh	Members

The Committee is formed to take the decisions and to pass the necessary Resolutions on the day-to-day matters of the Company, on behalf of the Board of Directors.

Further during the year the committee has re-constituted on 14th November 2016. The Committee was reconstituted with the Following members:

Mr. Trivendra Singh	Chairman
Ms. Manasi Wadkar	Member
Ms. Neha Patil	Members

During the year 2016-17 the Management and Finance Committee met 8 times on the following dates namely 20th May 2016, 06th August 2016, 16th August 2016, 10th October 2016, 21st November 2016, 12th December 2016, 30th December 2016, and 12th January 2017. The composition of the Management and Finance Committee and the details of the Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. Narayan Ghumatkar	Chairman	4
Mr. Manmohan Ahluwalia	Member	4
Mr. Trivendra Singh	Member	4

Reconstitution of Committee.

Name of Member	Designation	Attendance
Mr. Trivendra Singh	Chairman	4
Ms. Manasi Wadkar	Member	4
Ms. Neha Patil	Member	4

4. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under: -

Year	Location	Date	Time
2015-2016	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	28 th September, 2016	03.15 P.M.
2014-2015	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	05 th September, 2015	12:30 P.M.
2013-2012	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	19 th July, 2014	10:30 A.M.

The Chairperson of the Audit Committee was present at all the above AGMs.

No EGM was held in the last three years.

Postal Ballot

Four Special Resolutions were passed on 3rd September, 2014 through Postal Ballot, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, in respect of the

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following items:

- (i) Authorization for Borrowing Money under Section 180(1)(c) of the Companies Act, 2013
- (ii) Authorization under Section 180(1)(a) of the Companies Act, 2013
- (iii) Authorization for Loan/Guarantee/Security and Investment by the Company
- (iv) Authorization for Related Party Transaction

Dr. S.K. Jain, Practicing Company Secretary was appointed as the Scrutinizer to conduct the postal ballot process.

The Notice dated 16th July, 2014, was sent to the members and the last date of receipt of postal ballot forms was 1st September, 2014. According to the Scrutinizer's report, the Resolutions were passed by the requisite majority. The result of the postal Ballot was declared and published on 3rd September, 2014, in one English daily and vernacular language newspapers for the information of the members.

5. DISCLOSURES:

- (a) **Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- (b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.** There were no instances of non-compliance of any matter related to the capital markets during the last three years.

- (c) **Disclosure of accounting treatment:**

The Company has followed Accounting Standards as applicable and proper explanation has been given in the Financial Statement relating to any treatment different from that prescribed in Accounting Standards.

- (d) **Proceeds from Public issues, Right issues, Preferential Issues, etc.**

The Company has not raised any money through Public Issues, Right Issues and Preferential Issues etc. during the year under report.

- (e) **Remuneration to Directors:**

The Company has not paid any remuneration except sitting fees to the Non Executive Directors.

None of the Non Executive Directors of the Company hold any Shares of the Company. The Company has paid a sum of Rs. 6.00 Lacs as managerial remuneration to Mr. Trivendra Singh, Managing Director of the Company from April 1, 2016 to March 31, 2017.

- (f) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee

- (g) The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents.

- (h) **Management**

Management Discussion and Analysis Report comprising of all information as prescribed under Regulation 34 of SEBI Listing Regulations is attached to the Directors' Report. Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

6. MEANS OF COMMUNICATION

- (a) The Company has published its Notice of the Board Meetings, Notice of the Annual General Meeting and Book Closure, Quarterly Financial Results, Half yearly Statement of Assets and Liabilities in the following newspapers: Free Press Journal – English; Gujarat Pravah-Gujarati; Navshakti- Marathi.
- (b) Management Discussion and Analysis forms integral part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, etc., are discussed in the said report.

7. GENERAL SHAREHOLDER INFORMATION

7.1) Annual General Meeting:

Date and time : Friday 29th September, 2017 at 03.15 p.m.
 Venue : 65, Krishna Nagar, Samarvani, Silvassa
 (Union Territory of Dadra & Nagar Haveli)

7.2) Financial Year

: 1st April to 31st March
 Financial Calendar 2017-2018 : Annual General Meeting (Next Year)
 (Tentative) : September, 2018
 Board Meetings:-
 Results for the Quarter ending June 30, 2017 : Second week of August, 2017
 Results for the Quarter ending September 30, 2017 : Second week of November, 2017
 Results for the Quarter ending December 31, 2017 : First week of February, 2018
 Results for the year ending March 31, 2018 : Last week of May, 2018

7.3) Book Closure Date

: 22nd September, 2017 to 29th September, 2017
 (Both days inclusive)

7.4) Dividend Payment Date

: N. A.

7.5) (a) Listing of Equity Shares

: BSE Limited.

(b) ISIN Numbers

: Equity shares: INE220A01032

7.6) Stock Code

: 514118 (BSE Limited.)

(Note: Annual listing fees for the year 2016-2017 have been duly paid to BSE Limited, Mumbai)

7.7) Stock Market Data:

The shares of the Company are listed with the BSE Limited. The details of the Market Price data i.e., high, low (based on the closing prices) and volume during the financial year 2016-17, is given hereunder:

Month	High (Rs.)	Low (Rs.)	No. of Shares
April 2016	0.46	0.36	27,291
May 2016	0.48	0.36	1,06,413
June 2016	0.37	0.31	1,55,037
July 2016	0.37	0.30	86,728
August 2016	0.37	0.30	19,189
September 2016	0.37	0.29	37,196
October 2016	0.37	0.27	2,80,427
November 2016	0.40	0.32	99,440
December 2016	0.35	0.30	79,236
January 2017	0.36	0.30	65,473
February 2017	0.33	0.28	48,501
March 2017	0.31	0.23	46,247

7.8) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index, etc.

The shares of the Company are listed at BSE Limited, the Stock Market Details of which has been given as above.

7.9) Registrar & Transfer Agent

: Universal Capital Securities Private Limited
 21, Shakil Nivas, Opp. Satya Sai Baba Temple, Mahakali
 Caves Road, Andheri (East), Mumbai – 400 093.
 Email: info@unisec.in

7.10) Share Transfer System

: The shares of the Company, being in the compulsory demat list, are transferable through the depository system. All transfers received are processed and approved by the Stakeholder Relationship Committee, which normally meets 4 times in a year. Shares under objection are returned within two weeks.

ESKAY K 'n' IT (INDIA) LIMITED

7.11) a) Distribution of Shareholding as on 31st March 2017

	Category	To	Number of Shareholders	Number of Shares held
From				
Upto	–	5000	33862	39544626
5001	–	10000	766	5850873
10001	–	20000	274	3941704
20001	–	30000	119	3003455
30001	–	40000	44	1541443
40001	–	50000	40	1883994
50001	–	100000	58	4198059
100001	–	Above	62	220867698
TOTAL			35225	28,08,31,852

7.11) b) Shareholding pattern as on 31st March 2017

Category	No. of shares held	Percentage of shareholding
1. Promoter's Holding	160972278	57.32
2. Mutual Funds, Banks, Financial Institutions, FIIs, NRIs & OCBs	13258396	4.72
3. Domestic Companies	35025346	12.47
4. Resident Individuals	71575832	25.49
Total	280831852	100.00

7.12) a) **Dematerialization of Shares** : Approximately 89.58% of the shares issued by the Company have been dematerialized up to 31st March 2017.

b) Liquidity

7.13) **Outstanding GDRs/ADRs/Warrants or any other Convertible instruments, conversion date and likely impact on Equity** : The Company's shares are listed on The BSE Limited, Mumbai
No such Instrument outstanding

7.14) **Plant Location** : Bhilad, Silvassa, Dombivli (Maharashtra), Baddi (H.P.)

7.15) (a) Address for Investor

Correspondence

For transfer / dematerialization of shares : Universal Capital Securities Private Limited
payment of dividend on shares, interest 21, Shakil Nivas, Opp. Satya Sai Baba
and redemption of debentures and any Temple, Mahakali Caves Road, Andheri
other query relating to the shares and (East), Mumbai – 400 093.
debentures of the Company. Email: info@uniseq.in

Note: Shareholders holding shares in electronic mode should address their correspondence relating to Demat Account to their respective Depository Participants.

(ii) **Any query on Annual Report:** Plot No.58B, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **ESKAY K'n'IT (INDIA) LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **ESKAY K'n'IT (INDIA) LIMITED ("the Company")** for the year ended 31st March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Board of Directors of the Company and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph above, during the year ended March 31, 2017.

We state that in respect of investors grievances received during the year ended **31st March 2017**, no investor grievances are pending against the Company as on **11th August, 2017**, as per the records maintained by the Company and presented to the Stakeholder Relationship committee.

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

**For A. F. Khasgiwala & Co.
Chartered Accountants**

Sd/-

A.F. Khasgiwala

Partner

Membership No. 6491

Firm Registration no. 105114W

Place: Mumbai

Date: 11th August, 2017

ESKAY K 'n' IT (INDIA) LIMITED

CERTIFICATION BY THE MANAGING DIRECTOR OF THE COMPANY

I, Trivendra Singh, Managing Director of the Eskay K'n'IT (India) Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
3. I accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. I have indicated to the Auditors and to the Audit Committee:
 - a) that there are no significant changes in internal control over financial reporting during the year;
 - b) that there are no significant changes in accounting policies during the year;
 - c) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.
5. I further declare that all Board Members have affirmed compliance with the Code of Conduct for the Financial Year 2016-17.

For and on behalf of the Board of Directors

Sd/-
Trivendra Singh
Managing Director
(DIN: 05240052)

Place: Mumbai

Date: 26th May, 2017

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

I, Trivendra Singh, Managing Director of the Eskay K'n'IT (India) Limited, hereby confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel.

I confirm that the Company has, in respect of the Financial Year ended 31st March, 2017, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31st March, 2017.

For and on behalf of the Board of Directors

Sd/-
Trivendra Singh
Managing Director
(DIN: 05240052)

Place: Mumbai

Date: 11th August, 2017

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 & Regulation 53 read with Schedule V of the SEBI Listing Regulations

The Management of ESKAY K'n'IT (INDIA) LIMITED presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirement of Corporate Governance as laid down in the Listing Regulations. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking Statements that involve risk and uncertainties.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the country.

The Indian textiles industry, currently estimated at around US\$ 120 billion, is expected to reach US\$ 230 billion by 2020. The industry is the second largest employer after agriculture, providing employment to over 51 million people directly and 68 million people indirectly. The Indian Textile Industry contributes approximately 4 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

MARKET SIZE

The Indian textile industry has the potential to reach US\$ 500 billion in size. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

INDIAN TEXTILE INDUSTRY: CHANGING PROFILE

The Indian textile industry has embarked on an ambitious program of modernization and technological up gradation in recent years to transform the textile sector from a state of low technology level to a producer of high technology products. Technological up gradation in India has resulted in:

- A shift from commodity based trading to high value added fashion garments.
- Vertical integration and horizontal consolidation of production process leading to lowering of manufacturing costs.
- Improved productivity gains
- Efficient supply chain management
- Development of Economies of scale

INVESTMENTS

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.47billion during April 2000 to March 2017.

OPPORTUNITY AND THREATS

The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production.

The present global economic scenario provides ample opportunities for strong integrated textile companies such as like your company. Over the years the Company has built up capacities of scale by installing state-of-art production facilities. By reinforcing its position across the value chain and presenting customers with diversified range of products, the company has developed sustainable business model with strength and resilience to combat any down turn in demand.

Strengths:

- ❖ Self reliant industry producing the entire supply-chain i.e., cotton and fibres.
- ❖ Highly competitive spinning sector.
- ❖ Large and growing domestic market.
- ❖ Second-largest textile producer in the world.
- ❖ Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation;
- ❖ Low labour cost and availability of skilled and technical labour force.

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- ❖ Excellence in fabric and garment designing.
- ❖ Vast textile production capacity and efficient multi-fiber raw material manufacturing capacity.
- ❖ Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry;
- ❖ Promising export potential

Weaknesses:

- ❖ Small size and technologically outdated plants result in lack of economies scale, low productivity and weak quality control.
- ❖ Cotton availability is vulnerable to erratic monsoon and low per hectare yield.
- ❖ With the exception of spinning, other sectors are fragmented. Sectors such as knitted garments still remaining as a SSI domain
- ❖ Labour laws and policies lack reforms.
- ❖ Infrastructure bottlenecks for handling large volumes.
- ❖ India lacks in trade pact memberships, which leads to restricted access to the other major markets.
- ❖ Huge unorganized and decentralized sector.

Opportunities:

- ❖ End of quota system and full integration of the textile industry.
- ❖ Low per-capita consumption of textile indicating significant potential growth.
- ❖ Increased use of CAD to develop designing capabilities and for developing greater options.
- ❖ Shift in domestic market towards readymade garments, and domestic textile consumption increasing with growing disposable income.
- ❖ Cheaper production and marketing costs and enormous opportunities have tempted Taiwanese Companies to work on Joint Ventures with the Indian Companies specially for the manufacture of manmade fabrics.

Threats:

- ❖ Survival of the fittest-in term of quality, size delivery and cost. There is an increased global competition in the post 2005 trade regime under WTO.
- ❖ Pricing pressures.
- ❖ Stiff competition from other Asian countries.
- ❖ Increase in regional trade could reduce share of market opened for India, China and other countries.
- ❖ High production cost with respect to other Asian competitors.

GOVERNMENT INITIATIVES

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

The key initiatives announced in the Union Budget 2017-18 to boost the textile sectors are listed below:

- Encourage new entrepreneurs to invest in sectors such as knitwear by increasing allocation of funds to Mudra Bank from Rs. 1,36,000 crore (US\$ 20.4 billion) to Rs. 2,44,000 crore (US\$ 36.6 billion)
- Upgrade labour skills by allocating Rs. 2,200 crore (US\$ 330 million).

Some of the initiatives taken by the government to further promote the industry are as under:

- The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.
- The Ministry of Textiles has signed Memorandum of Understanding (MoU) with 20 e-commerce companies, aimed at providing a platform to artisans and weavers in different handloom and handicraft clusters across the country for selling their products directly to the consumer.
- Memorandum of Understanding (MoU) worth Rs 8,835 crore (US\$ 1.3 billion) in areas such as textile parks, textile processing, machinery, carpet development and others, were signed during the Vibrant Gujarat 2017 Summit.

- The Union Minister for Textiles inaugurated Meghalaya's first-ever apparel and garment making centre to create employment opportunities in the region. The Union Minister for Textiles also mentioned Meghalaya has been sanctioned Rs 32 crore (US\$ 4.8 million) for promotion of handlooms.
- The Government of India has announced a slew of labour-friendly reforms aimed at generating around 11.1 million jobs in apparel and made-ups sectors, and increasing textile exports to US\$ 32.8 billion and investment of Rs 80,630 crore (US\$ 12.09 billion) in the next three years.

OUTLOOK

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2016-2017 and is expected to do the same in the years to come.

RISK AND CONCERN

There are no Major risks and concern to Company's Operation, however some of the key issues and concerns analysed in the report are:

1. Fragmented industry.
2. Lower productivity and cost competitiveness.
3. Tech obsolescence. Quality is not consistent.
4. Lac of trained manpower and low labour productivity due to lack of technological development.
5. The export-import policy of India changes too frequently due to which it becomes very difficult for importers to import goods.
6. Inefficient supply chain management.
7. Lack of economies of scale and advance processing capabilities.
8. Certain Regional trade blocks and trade agreements can change competitive parameters.

INTERNAL CONTROL SYSTEM

The Company has been maintaining a well-established procedure for internal control system. For the purpose financial control, Company is adequately staffed with experienced and qualified personnel at all levels and play an important role in implementing and monitoring the statutory and Internal policy control environment. There has been a review conducted by Mrs. Chhaya Shepal, the Internal Auditor, about the financial and operating controls.

The Audit Committee approves and reviews the audit plan for the year based on risk assessment as well as the Company's objectives and strategies. As with any element of business strategy, the key to targeting audit efforts has been to understand the opportunities and risks to the business from a sustainability standpoint.

FUTURE OPPORTUNITIES

- Favourable demographics in the domestic market; increasing young population coupled with rising income levels.
- Emergence of retail industry as a whole and development of various malls provide huge opportunities for the apparel segment.
- Opportunities in product diversification (for e.g. Technical Textiles).
- Change in consumption pattern, including rising demand for high-quality premium fabrics and development of various products cater to global needs.
- Replacement of the Multi Fibre Agreement.
- (MFA) and integration of the textile industry resulting in huge opportunities for exports. Moreover, gradual development in the technical side of the industry provides an opportunity.

ROAD AHEAD

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of 11.8 per cent to reach US\$ 180 billion by 2025.

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The Indian Cotton Textile Industry is expected to showcase a stable growth in FY 2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand

Exchange Rate Used: INR 1 = US\$ 0.0155 as on April 17, 2017

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2016-2017 and is expected to do the same in the years to come.

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risk and uncertainties. Actual results and trend may differ materially from historical results, depending on variety of factors.

REVIEW OF OPERATIONS:

During the year, the Revenue from operations of the Company has substantially decreased to Rs. 3,555.49 Lacs as against Rs. Rs. 8,339.93 Lacs in respect of the previous Financial Year ended 31st March, 2016. The Company has suffered Loss before Tax Rs 8,185.74 Lacs in the financial year ended 31st March, 2017 as against loss of Rs. 8,214.43 Lacs in the previous financial year ended 31st March, 2016. The Company has Net Loss of Rs. 7,641.98 Lacs after considering deferred tax of Rs. 543.76 Lacs as against Net Loss of Rs 7,727.01 Lacs in the previous financial year ended 31st March, 2016. However, there is no cash loss during the year

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

CAUTIONARY STATEMENTS

Statements Made in this Report may be "forward looking statements" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors like changes in economic conditions affecting demand/supply, price conditions in which the Company operates Government regulations, tax laws and other statutes and incidental factors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ESKAY KNIT (INDIA) LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ESKAY KNIT (INDIA) LIMITED**. ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order under Section 143(11) of the Act.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.

ESKAY K 'n' IT (INDIA) LIMITED

- (e) On the basis of the written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Independent Auditors' 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 standalone financial statements.
 - ii. The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

**FOR A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS**

**Sd/-
A. F. Khasgiwala
Partner
MEMBERSHIP NO: 006491
FIRM REG NO: 105114W**

Place: Mumbai,
Date: 26/05/2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **ESKAY KNIT (INDIA) LIMITED** ('the Company') as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as 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 (the 'Guidance Note'). 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 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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 Company's 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 periods are subject to the risk that the internal financial controls 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, to the best of our information and according to the explanations given to us, 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, 2017, 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 A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS**

Sd/-

A. F. Khasgiwala

Partner

MEMBERSHIP NO: 006491

FIRM REG NO: 105114W

Place: Mumbai,

Date: 26/05/2017

ESKAY K 'n' IT (INDIA) LIMITED

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of ESKAY KNIT (INDIA) LIMITED ('the Company')

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. 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 the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There is disputed amounts payable in respect of Provident Fund, Income Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

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15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act 1934.

**FOR A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS**

**Sd/
A. F. Khasgiwala
Partner
MEMBERSHIP NO: 006491
FIRM REG NO: 105114W**

Place: Mumbai,
Date: 26/05/2017

ESKAY K 'n' IT (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Lacs)

Particulars	Notes No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	2,808.32	2,808.32
(b) Reserves and Surplus	2.2	(44,194.47)	(36,552.49)
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	22,661.35	22,661.35
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(3) Current Liabilities			
(a) Short-Term Borrowings	2.4	26,337.22	26,332.47
(b) Trade Payables	2.5	97.08	61.01
(c) Other Current Liabilities	2.6	501.15	557.68
(d) Short-Term Provisions	2.7	11,574.64	6,367.53
Total Equity & Liabilities		19,785.29	22,235.87
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.8		
Tangible Assets			
(i) Gross Block		70,614.87	70,614.87
(ii) Depreciation		65,836.36	62,816.82
(iii) Net Block		4,778.51	7,798.05
Capital work in Progress		-	-
(b) Non-current investments	2.9	2,448.91	2,449.21
(c) Deferred tax assets (net)	2.10	7,274.71	6,730.95
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	2.11	101.95	563.15
(c) Trade receivables	2.12	451.08	518.76
(d) Cash and cash equivalents	2.13	105.84	82.46
(e) Short-term loans and advances	2.14	4,624.29	4,093.29
(f) Other current assets		-	-
Total Assets		19,785.29	22,235.87

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

The accompanying notes are integral part of the financial statements

This is the Balance Sheet referred to in our Report of even date.

FOR A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS

Sd/-
TRIVENDRA SHAMBHU SINGH
(MANAGING DIRECTOR)
DIN: 05240052

Sd/-
Neha Patil
(DIRECTOR)
DIN: 07114205

Sd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
PLACE : MUMBAI
DATE : 26/05/2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

Sr. No.	Particulars	Notes No.	Year ending 31.03.2017	Year ending 31.03.2016
I	Revenue from operations	2.15	3,555.49	8,339.93
	Total Revenue (I)		3,555.49	8,339.93
II	Expenses:			
	Cost of Sales	2.16	2,979.06	7,758.63
	Finance Cost	2.17	5,515.01	5,260.44
	Depreciation and Amortization Expense	2.18	3,019.54	3,072.65
	Other Administrative Expenses	2.19	227.62	462.63
	Total Expenses (II)		11,741.23	16,554.36
III	Profit before exceptional and extraordinary items and tax	(I - II)	(8,185.74)	(8,214.43)
IV	Exceptional Items		-	-
V	Profit before extraordinary items and tax		(8,185.74)	(8,214.43)
VI	Extraordinary Items		-	-
VII	Profit before tax		(8,185.74)	(8,214.43)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		543.76	487.42
IX	Profit(Loss) from continuing operations		(7641.98)	(7,727.01)
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discounting operations		-	-
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Profit/(Loss) for the period		(7641.98)	(7,727.01)
XIV	Earning per equity share:			
	Equity shares of per value Re.1/- each			
	(1) Basic		(2.72)	(2.75)
	(2) Diluted		(2.72)	(2.75)
	No. of share used in computing earning per share		280,831,852	280,831,852

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:**The accompanying notes are integral part of the financial statements**

This is the Profit and Loss referred to in our Report of even date.

**FOR A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS**

Sd/-
TRIVENDRA SHAMBHU SINGH
(MANAGING DIRECTOR)
DIN: 05240052

Sd/-
Neha Patil
(DIRECTOR)
DIN: 07114205

Sd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
PLACE : MUMBAI
DATE : 26/05/2017

ESKAY K 'n' IT (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES:

1.1. ACCOUNTING CONCEPTS:

The Company maintains its accounts on accrual basis following the historical cost Convention in accordance with generally accepted accounting principles ("GAAP"), and in compliance with the Accounting Standards referred to in section 133 and other requirements of the Companies Act, 2013

The preparation of financial statements in conformity with Indian GAAP requires that the Management of the Company makes estimates and assumptions that affect the Reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful live of fixed assets etc. Actual results could differ from these estimates.

1.2. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition less depreciation. The cost comprises of the purchase price and other attributable costs.

1.3. DEPRECIATION:

The Company follows the Straight line method on a pro rata basis at the rates prescribed in Schedule II Part C of the Companies Act 2013 read in respect of all Assets

1.4. INVESTMENTS:

Long Term Investments are carried at cost less provision for diminution other than Temporary, if any, in value of such investments.

1.5. INVENTORIES:

Inventories are valued at cost or Net realizable value, whichever is lower.

1.6. EMPLOYEE BENEFITS:

Provident fund has been paid regularly in time by the company. Gratuity & Leave Encashment is accounted for in cash basis as and when paid.

1.7

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes as a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

1.8 AS-22 ACCOUNTING FOR TAXES ON INCOME:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961, and based on expected outcome of assessment / appeals.

1.9

The company in the previous year has made provision towards interest on banks' loans and working capital advances and credited the same in respective head. Consequent upon exit from CDR by the Banks, which has been disputed by the company, the amount due and payable to the banks has been reworked out. Accordingly, provision for current year towards interest on bank loans & advances has been made separately, giving effect of the excess provision made in previous year.

1.10

The company had entered into business conducting arrangements at certain locations during previous years. The revenue received from such arrangements has been accounted/provided for, as income from rent as well as job work charges. Reimbursements of electricity charges and staff expenses in respect of such mills given under business conducting arrangements have been accounted for.

2) NOTES ON ACCOUNTS :

(a) There is no payment overdue to small-scale industries.

(b) The balance of advances, debtors and creditors are confirmed by majority of parties and efforts are being made for obtaining confirmations from remaining parties.

(c) **CENVAT**: Capital expenditure and raw materials have been taken at net value after adjusting cenvat, wherever applicable as per guidelines issued by The Institute of Chartered Accountants of India.

(d) **Contingent Liabilities and Commitments (to the extent not provided for) :** (Rs. in Lacs)

Particular	As at 31 st March 2017	As at 31 st March 2016
(i) Contingent Liabilities :		
(a) Claims against the company not acknowledge as debt		
(b) Guarantees given by the Company		
(c) Other money for which the company is contingently liable :	49.50	49.50

(e) The company has only one business segment that is "Textile" and hence Segment reporting as required under AS-17 issued by ICAI is not applicable.

(f) **AS-18 Related Party Disclosure:**

Related party disclosures as required by AS-18 "Related Party Disclosures" are given below. [Related parties are as identified by the Company and relied upon by the Auditors]:

A. List of Related Parties.

1. Parties where control exists : Nil
2. Other parties with whom the company has entered into transaction during the year.
 - i) Associates where key management personnel and their relatives have significant influence; - Nil
 - ii) Key Management Personnel: -
 - a. Trivendra Singh – Managing Director
 - iii) Relative of Key Management Personnel: - Nil

(g) In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business, the provisions for all known liabilities are adequate and not in excess than reasonably necessary.

(h) Payment of Audit Fees	31.03.2017 (Rs. in Lacs)	31.03.2016 (Rs. in Lacs)
Remuneration to Auditors:		
Audit Fee	0.45	0.90
Tax Audit Fee	0.15	0.30

(i) **Expenditure in Foreign Currency :**

a) Value of Imported capital goods on CIF	NIL	NIL
b) Travelling Expenses	NIL	NIL
c) Remittance of dividend to NRIs AND FIIs	NIL	NIL

(j) Earnings in Foreign Currency	0.00	0.00
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(k) During the year, the following transactions were carried out with the related parties in the normal course of business.

Transaction	Associates	Key Management Personnel (In Lacs)	Relative of Key Management Personnel	Total (In Lacs)
Remuneration	Nil (Nil)	8.69 (6.89)	Nil (Nil)	8.69 (6.89)

Notes : i) Figures in brackets represent corresponding amount of previous year.

(l) Break-up Expenditure on employees who were in receipt of remuneration aggregating not less than Rs. 10200000/-p.a, if employed through-out the year or not less than Rs. 850000/- p.m. if employed for part of the year

a. Employed throughout the year - Number of Employees	NIL	NIL
b. Employed for the part of the year-Number of Employees	NIL	NIL

ESKAY K 'n' IT (INDIA) LIMITED

- (m) Details of Specified Bank Notes (SBN) held and transacted by the Parent Company and Subsidiary Companies in India during the period from 8th November, 2016 to 30th December, 2016 is provided in table below:

	Specified Bank Notes (SBN)	Other denomination notes	Total
Closing cash in hand as on 08/11/2016	NIL	NIL	NIL
(+) Permitted Receipts	NIL	NIL	NIL
(-) Permitted Payments	NIL	NIL	NIL
(-) Amount Deposited in Bank	NIL	NIL	NIL
Closing cash in hand as on 30/12/2016	NIL	NIL	NIL

- (m) Figures of previous year have been re-grouped/re-arranged wherever necessary.

**FOR A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS**

**Sd/-
TRIVENDRA SHAMBHU SINGH
(MANAGING DIRECTOR)
DIN: 05240052**

**Sd/-
Neha Patil
(DIRECTOR)
DIN: 07114205**

**Sd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
PLACE : MUMBAI
DATE : 26/05/2017**

Note : 2.1 Share Capital

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	AUTHORIZED CAPITAL		
	1,50,00,00,000 Equity Shares of Rs. 1/- each. (Previous Year 1,50,00,00,000 Equity Shares of Rs.1/-each)	15,000.00	15,000.00
	150,00,000 Reedemible Preference Shares of Rs.10/- each (Previous year 150,00,000 Red. Preference Shares of Rs.10/- each)	<u>1,500.00</u>	<u>1,500.00</u>
2	ISSUED & SUBSCRIBED		
	280831852 Equity Shares of Rs. 1/- each (Previous Year 280831852 Equity Shares of Rs. 1/- each)	2,808.32	2,808.32
3	PAID UP CAPITAL		
	280831852 Equity Shares of Rs. 1/- each (Previous Year 280831852 Equity Shares of Rs. 1/- each)	2,808.32	2,808.32
	Total	<u>2,808.32</u>	<u>2,808.32</u>

2.1(a) Details of share holders holding more than 5 % shares

Name of Shareholders	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Akash Fabrics Pvt. Ltd.	32199122	11.47	32199122	11.47
Delux Polymers Pvt. Ltd.	33188840	11.82	33188840	11.82
Jayshree Petrochemicals Pvt. Ltd.	41035232	14.61	41035232	14.61
Shanti Synthetics & Processors Pvt. Ltd.	31304820	11.15	31304820	11.15
Sovetex Textiles Pvt. Ltd.	25357414	9.03	25357414	9.03

Note: The above shareholding is pledged to unsecured lenders.

2.1(b) Reconciliation of Number of Shares Outstanding as at 1st April 2016 and 31st March, 2017 :

EQUITY SHARES :

Particulars	Number	Rs. in Lacs
Shares outstanding as at the 1 st April, 2016	280831852	2808.32
Add : Shares issued during the period	NIL	NIL
Shares outstanding as at 31 st March, 2017	280831852	2808.32

Note : 2.2 Reserve & Surplus

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	(a) Reserves		
	General Reserve	11,001.26	11,001.26
	Capital Redemption Reserve Account	300.00	300.00
	Securities Premium Account	10,298.17	10,298.17
	Capital Reserve	<u>107.61</u>	<u>107.61</u>
	Total (a)	<u>21,707.04</u>	<u>21,707.04</u>
2	(b) Surplus		
	Profit & Loss Account		
	Balance brought forward from previous year	(58,259.53)	(50,470.60)
	Current year adjustment	-	(61.92)
	Add: Net Profit/(Net Loss) for the year	<u>(7,641.98)</u>	<u>(7,727.01)</u>
	Total (b)	<u>(65,901.51)</u>	<u>(58,259.53)</u>
	Total (a+b)	<u>(44,194.47)</u>	<u>(36,552.49)</u>

ESKAY K 'n' IT (INDIA) LIMITED

Note : 2.3 Long-Term Borrowings

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
	Secured		
1	Term Loan*		
	From Bank	5,425.20	5,425.20
2	FITL (Working Capital Loan)**		
	From Bank	2,423.22	2,423.22
3	Unsecured		
	From Corporates	14,812.93	14,812.94
	Total	22,661.35	22,661.35

*Secured by 1st Charge on all Fixed Assets & Second charge on current Assets on pari passu basis and Personal guarantee of Promoters / Directors.

[Terms of Repayment 5 Years]

**Accumulated interest facility under CDR mechanism on Working Capital Loan.

Note : 2.4 Short-Term Borrowings

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
	Secured		
1	Working Capital Loan*		
	From Banks	26,332.47	26,332.47
2	Bank OD	4.75	-
	Total	26,337.22	26,332.47

*Secured by first charge on all Current Assets & Second charge on fixed assets on pari passu basis and personal guarantees of Promoters / Directors.

[Terms of Repayment 1 Year (Every year renewal)]

**Accumulated interest facility under CDR mechanism on Term Loan.

Note : 2.5 Trades Payable

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Sundry Creditors for Material/Supplies	97.08	61.01
	Total	97.08	61.01

Note : 2.6 Other Current Liabilities

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Others Liabilities	501.15	557.68
	Total	501.15	557.68

Note : 2.7 Short-Term Provisions

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Outstanding Expenses payable	15.83	323.64
2	Provision for Interest	11,558.81	6,043.89
	Total	11,574.64	6,367.53

Note : 2.8 Fixed Assets As On 31.03.2017

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2016	Additions During	Deductions	As At 31.03.2017	Upto 01.04.2016	Written Back	During the Year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
TANGIBLE ASSETS										
LAND	402.78	0.00	0.00	402.78	0.00	0.00	0.00	0.00	402.78	402.78
RESIDENTIAL FLAT	5.42	0.00	0.00	5.42	5.42	0.00	0.00	5.42	0.00	0.00
FACTORY BUILDINGS	9596.24	0.00	0.00	9596.24	6129.40	0.00	320.51	6449.92	3146.32	3466.84
PLANT & MACHINERY	59874.22	0.00	0.00	59874.22	55945.78	0.00	2699.03	58644.80	1229.42	3928.44
FURNITURE & FIXTURES	60.27	0.00	0.00	60.27	60.27	0.00	0.00	60.27	0.00	0.00
COMPUTER	16.37	0.00	0.00	16.37	16.37	0.00	0.00	16.37	0.00	0.00
DELIVERY VAN	4.65	0.00	0.00	4.65	4.65	0.00	0.00	4.65	0.00	0.00
VEHICLES	654.93	0.00	0.00	654.93	654.93	0.00	0.00	654.93	0.00	0.00
TOTAL	70614.87	0.00	0.00	70614.87	62816.82	0.00	3019.54	65836.36	4778.51	7798.05

Note : 2.9 Non-Current Investment

(Rs. in Lacs)

Sr. No.	Particulars	No. of share	As at 31.03.2017	As at 31.03.2016
(a)	Investment in Equity Instruments;			
(i)	Quoted Shares			
	K-Lifestyle And Industries Limited Re.1/- each fully paid up	32711500	1,398.91	1,398.91
(ii)	Unquoted Shares			
	Krishna Knitwear Technology Limited Rs.10/- each fully paid up	10000000	1,000.00	1,000.00
	Giriganga Investment Pvt. Ltd. of Rs.100/- each fully paid up	300		0.30
(b)	Bonds			
	13.50 % I.D.B.I. Bonds - Sixty Sixth Series (2003)	1	50.00	50.00
	Total	42,711,801	2,448.91	2,449.21
	Aggregate Book Value of Quoted Investments		1398.91	1398.91
	Aggregate Market Value of Quoted Investments		52.34	88.32
	Aggregate Book Value of Unquoted Investments		1000	1000

Note : 2.10 Deferred Tax Assets/Liabilities

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
	Deferred Tax Assets		
	Depreciation on Fixed Assets	7274.71	6,730.95
	Total	7274.71	6,730.95

Note : 2.11 Inventories

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Raw Material	29.84	299.89
2	Work-in-Progress	26.16	65.55
3	Finished Goods	45.84	192.21
4	Stores, Spares Parts etc.	0.11	5.50
	Total (a+b)	101.95	563.15

ESKAY K 'n' IT (INDIA) LIMITED

Note : 2.12 Trade Receivables

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Outstanding for more than six months		
	a) Secured, Considered Good :		-
	b) Unsecured, Considered Good :	85.16	112.25
	c) Doubtful		-
2	Others		
	a) Secured, Considered Good :		-
	b) Unsecured, Considered Good :	365.92	406.51
	c) Doubtful		-
	Total	451.08	518.76

Note : 2.13 Cash & Cash Equivalent

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
(a)	Cash-in-Hand		
	Cash Balance	45.67	24.61
	Sub Total (a)	45.67	24.61
(b)	Bank Balance		
	In Current Account	4.46	6.02
	Sub Total (b)	4.46	6.02
(c)	Fixed Deposit		
		55.70	51.82
	Sub Total (c)	55.70	51.82
	Total [A + B + C]	105.84	82.46

Note : 2.14 Short-Terms Loans and Advances

(Rs. in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Others (Advance Recoverable in cash or in kind or for value to be considered good)	3,434.70	2,903.70
2	Subsidiary receivable	1,189.59	1,189.59
	Total	4,624.29	4,093.29

Note : 2.15 Revenue from Operations

(Rs. in Lacs)

Sr. No.	Particulars	Year ending 31.03.2017	Year ending 31.03.2016
(a)	Sale of Product :	3,526.68	8,311.36
(b)	Other Income :	28.81	28.57
	Total	3,555.49	8,339.93

Note : 2.16 Cost of Sales

(Rs. in Lacs)

Sr. No.	Particulars	Year ending 31.03.2017	Year ending 31.03.2016
a)	MATERIALS AND GOODS CONSUMED		
	Opening Stock	299.89	154.51
	Add : Purchases	2,116.58	4,646.99
		2,416.47	4,801.50
	Less : Closing Stock	29.84	299.89
	Raw Material Consumed Sub total (a)	2,386.63	4,501.61
b)	Change in inventories		
	Opening Stock :		
	Finished goods	192.21	577.80
	Stores, spares, consumables	5.50	3.92
	Work in progress	65.55	2,333.14
	Total (i)	263.26	2,914.86
	Closing Stock :		
	Finished goods	45.84	192.21
	Stores, spares, consumables	0.11	5.50
	Work in progress	26.16	65.55
	Total (ii)	72.11	263.26
	Sub total (b)(i-ii)	191.15	2,651.60
c)	DIRECT/PRODUCTIONS EXPENSES		
	Power & Fuel	107.49	135.72
	Stores, spares, chemical & Packing Materials	77.67	100.53
	Labour Charges & Processing Charges	213.56	361.80
	Other Expenses	0.42	1.58
	Repair & Maintenance Machinery & Electricals	2.14	5.78
	Sub total (c)	401.28	605.42
	Total (a+b+c)	2,979.06	7,758.63

ESKAY K 'n' IT (INDIA) LIMITED

Note : 2.17 Finance Cost

(Rs. in Lacs)

Sr. No.	Particulars	Year ending 31.03.2017	Year ending 31.03.2016
	Interest Cost		
	On Loan	5,514.93	5,260.37
	Other borrowing cost	0.08	0.07
	Total	5,515.01	5,260.44

Note : 2.18 Depreciation & Amortization Expenses

(Rs. in Lacs)

Sr. No.	Particulars	Year ending 31.03.2017	Year ending 31.03.2016
	Depreciation	3,019.54	3,072.65
	Total	3,019.54	3,072.65

Note : 2.19 Other Administrative Expenses

(Rs. in Lacs)

Sr. No.	Particulars	Year ending 31.03.2017	Year ending 31.03.2016
	Advertisement & Publicity Expenses	2.80	3.80
	Auditors Fees	0.60	1.20
	Directors Sitting Fees	2.50	3.30
	Discount	0.75	1.07
	Filing fees	0.15	3.47
	Freight Charges	0.15	0.08
	General & Misc. Expenses	46.63	19.13
	Insurance Charges	0.14	2.50
	Legal, Professional & Consultancy Charges	2.00	1.75
	Listing Fees (BSE)	2.29	2.25
	Managerial Remuneration	8.69	6.89
	Printing & Stationery & Postage	1.50	1.29
	Rent, Rates and Taxes	3.82	3.78
	Repairs and Maintenance	15.62	20.00
	Salary & Staff Welfare Expenses	70.38	312.32
	Sales Promotion	9.55	14.76
	Security Charges (Wages)	1.50	1.75
	Service Charges (NSDL, CDSL)	2.93	2.40
	Telephone Charges	1.65	1.21
	Transportation Charges	1.25	-
	Toll and Diesel Expenses of Lorries	44.58	50.52
	Travelling & Conveyance	8.14	9.15
	Total	227.62	462.63

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2017

PARTICULARS		2016-2017	(Rs. in Lakh) 2015-2016
I CASH INFLOWS			
(1) From Operating activities			
(a) Profit from operating activities			
Adjustments :			
Depreciation and amortization	3,019.54	3,072.65	
Amortization of stock compensation			
(Gain) / Loss on sale of fixed assets			
Assets written off			
Provision / (Reversal) for doubtful debts and advances			
(b) Working capital changes :			
Decrease in inventories	461.20	2,506.22	
Decrease in trade receivables	67.68	-	
Decrease in short-term loans and advances			
Decrease in other current assets			
Increase in trade payables	36.07	-	
Increase in other current liabilities	-	157.07	
Increase in provisions	5,207.11	4,720.84	
Total of (1)	8,791.60	10,456.78	
(2) From Investing activities			
(a) Proceeds from sale of fixed assets			
(b) Proceeds from sale of investments			
(c) Realisation of long-term loans and advances from subsidiaries / associates / business ventures			
(d) Decrease in other long-term loans and advances			
(e) Decrease in other non-current assets			
(f) Dividend received			
(g) Interest received			
(h) Other income			
Total of (2)	-	-	
(3) From Financing activities			
(a) Proceeds from issue of share capital			
(b) Share application money pending allotment			
(c) Proceeds from long-term borrowings			
(d) Proceeds from short-term borrowings	4.75	-	
Total of (3)	4.75	-	
Total cash inflows (1+2+3)	8,796.34	10,456.78	
II CASH OUTFLOWS			
(1) From Operating activities			
(a) Loss from operating activities			
Adjustments :			
Depreciation and amortization	8,185.74	8,214.43	
Amortization of stock compensation			
(Loss) / Gain on sale of fixed assets			
Assets written off			
(Provision) / Reversal for doubtful debts and advances			
(b) Working capital changes :			
Increase in inventories			
Increase in trade receivables	-	104.60	
Increase in short-term loans and advances	531.00	100.00	
Increase in other current assets			

ESKAY K 'n' IT (INDIA) LIMITED

PARTICULARS	(Rs. in Lakh)	
	2016-2017	2015-2016
Decrease in trade payables	-	29.08
Decrease in other current liabilities	56.53	-
Decrease in provisions	-	-
(c) Direct taxes paid (Net of refunds)	-	-
Total of (1)	<u>8,773.27</u>	<u>8,448.12</u>
(2) From Investing activities		
(a) Purchase of tangible assets / capital work -in-progress		
(b) Purchase of intangible assets /assets under development		
(c) Purchase of investments		
(d) Investment in subsidiaries / associates / business ventures		
(e) Payment of long-term loans and advances to subsidiaries / associates / business ventures		
(f) Increase in other long-term loans and advances		
(g) Increase in other non-current assets		
Total of (2)	<u>0.00</u>	<u>0.00</u>
(3) From Financing activities		
(a) Repayment of long-term borrowings	-	1,225.73
(b) Repayment of short-term borrowings	-	702.31
(c) Dividends paid (including distribution tax)		
(d) Interest and other finance costs		
(e) Share issue expenses		
Total of (3)	<u>-</u>	<u>1,928.04</u>
Total Cash Outflows (1+2+3)	<u>8,773.27</u>	<u>10,376.16</u>
III Net (decrease) / increase in cash and cash equivalents (I - II)	<u>23.07</u>	<u>18.58</u>
Add : Cash and cash equivalents at the beginning of the period	<u>82.46</u>	<u>63.87</u>
IV Cash and cash equivalents at the end of the period	105.53	82.46

This is the Cash Flow Statement referred to in our Report of even date.

**FOR A. F. KHASGIWALA & CO
CHARTERED ACCOUNTANTS**

Sd/-
TRIVENDRA SHAMBHU SINGH
(MANAGING DIRECTOR)
DIN: 05240052

Sd/-
Neha Patil
(DIRECTOR)
DIN: 07114205

Sd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
PLACE : MUMBAI
DATE : 26/05/2017

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of **Eskay K'n'IT (India) Ltd.** for the period ending 31st March, 2017. The Statement has been prepared by the company in accordance with the requirements under SEBI (Listing Obligations and Discloser requirements) Regulation 2015 and is based on with the corresponding Statement of Profit and Loss and Balance Sheet of the company by our report, the members of the company.

For A. F. KHASGIWALA & CO.

Chartered Accountants

Sd/-

A. F. Khasgiwala

Partner

Membership no.6491

Firm Regn No.105114W

Place : Mumbai

Date : 26/05/2017

ESKAY K'n'IT (INDIA) LIMITED

CIN: L18109DN1987PLC000034

Registered Office: Plot No.58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory) 396230
Phone: 0260-3258845 Fax: 022-24924295 E-mail: eskay.knit1@gmail.com, info@eskayknit.com Website: www.eskayknitindia.com

ATTENDANCE SLIP
(To be presented at the entrance)

30TH ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 29, 2017 AT 3:15 P.M.

at 65, Krishna Nagar, Samarvani, Silvassa (U.T.)-396230.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

CUT HERE

ESKAY K'n'IT (INDIA) LIMITED

CIN: L18109DN1987PLC000034

Registered Office: Plot No.58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory) 396230
Phone: 0260-3258845 Fax: 022-24924295 E-mail: eskay.knit1@gmail.com, info@eskayknit.com
Website: www.eskayknitindia.com

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 No. : DP ID No.

I / We, being the member(s) of Shares of Eskay K 'n' IT (INDIA) Limited, hereby appoint

1. Name: E-mail Id:
Address:.....

..... Signature:

or failing him

2. Name: E-mail Id:
Address:.....

..... Signature:

or failing him

3. Name: E-mail Id:
Address:.....

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Friday, September 29, 2017 at 3:15 p.m. at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION	FOR	AGAINST
1. To consider and adopt the audited financial statement, report of the board of Directors and auditors for the financial year March 31, 2017.		
2. To appoint a Director in place of Mrs. Manasi Inderjit Wadkar (DIN: 05309693), Who retires by rotation and, being eligible, offers herself for re- appointment		
3. To consider and approve the appointment of Statutory Auditor and to fix remuneration.		
4. To appoint Mrs. Neha Nilesh Patil (Din: 07114205) as a Director, whose term of office expires at the Annual General Meeting.		
5. To approve the remuneration of Mr. Pradip Damania, Cost Auditor for the Financial year ending March 31, 2018.		

Signed this _____ day of _____ 2017

Affix a Revenue Stamp

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

NOTES:

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. A proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put a '√' in the appropriate column against the resolutions indicated on the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he /she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Eskay K'n'IT (India) Limited

58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory) - 396 23

