



ACKNIT INDUSTRIES LIMITED

(Formerly : Acknit Knitting Limited)

817, KRISHNA, 224, A.J.C. BOSE ROAD, KOLKATA - 700 017, (INDIA)

CIN - L01113WB1990PLC050020

PH. : (91-33) 2287-8293, 2287-7617 # FAX : (91-33) 2287-8269

E-mail : calcutta@acknitindia.com

Website : <http://www.acknitindia.com>

Dated: 25.09.2017

To,
BSE Limited
Floor 25, P.J Towers
Dalal Street , Mumbai-400001

To,
The Calcutta Stock Exchange Ltd
7, Lyons Range, Kolkata-700001

Dear Sir/ Madam,

Sub: Annual Report for the F.Y 2016-17 pursuant to Regulation 34(1) of SEBI(LODR) Regulations, 2015.

Please find enclosed copy of Annual Report for the F.Y 2016-17 pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Kindly take the same on record .

Yours Faithfully
For, Acknit Industries Limited

Shruti Poddar
Shruti Poddar
Company Secretary



ACKNIT INDUSTRIES LIMITED

Annual Report And Accounts
2016-17

ACKNIT INDUSTRIES LIMITED

CIN : L01113WB1990PLC050020

Annual Report 2016-17

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf
Managing Director

Mr. Deo Kishan Saraf
Whole-time Director & CFO

Mr. Samir Kumar Ghosh
Independent Director

Mrs. Trishna Patodia Pereira
Independent Director

Mr. Mukul Banerjee
Independent Director

Mrs. Rashi Saraf
Non-Executive-Non-Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Shruti Poddar

AUDITORS

R. K. Bajaj & Co.
Chartered Accountants
40/5, Strand Road,
Kolkata- 700 001

BANKERS

State Bank of India
Bank of Baroda
HDFC Bank Ltd.

REGISTERED OFFICE

817, Krishna,
224, A.J.C Bose Road,
Kolkata- 700 017
Ph : (033) 2287-8293
E-mail : calcutta@acknitindia.com
Website : www.acknitindia.com

CORPORATE OFFICE

“Ecostation”, Block - BP, Plot No. 7, Sector - V
5th Floor, Suit No. 504, Saltlake, Kolkata - 700 091
Ph : (033) 2367-5555
E-mail : cs@acknitindia.com

REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata- 700 006
Ph: (033) 2219 4815 / 6797
E-mail: contact@skcinfo.com



CONTENTS

Board's Report	3
Report on Corporate Governance	15
Management Discussion & Analysis Report	19
Independent Auditor's Report	23
Balance Sheet	27
Statement of Profit & Loss	28
Cash Flow Statement	29
Notes to the Financial Statements	30

**BOARDS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report of the Company, along with Audited Accounts for the Financial Year ended 31st March, 2017.

FINANCIAL RESULTS

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

	(₹ in Lacs)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Gross Revenue	15903	16077
Other Income	286	20
Total Revenue	16189	16097
Less: Total Expenditure	15018	15021
Gross Profit (before Depreciation & Finance Cost)	1171	1076
Less: Depreciation	232	185
: Finance Cost	449	401
Profit Before Extraordinary Item	490	490
Less: Extraordinary item	-	-
Profit Before Tax (PBT)	490	490
Less: Provision for Income Tax	184	140
: Deferred Tax	(13)	47
Profit After Tax (PAT)	319	303
Balance B/F	198	181
Balance available for appropriation	517	484
Less: Dividend & Dividend Tax	-	46
Less: Transfer to General Reserve	300	240
Less: Adjustment relating to fixed Assets	16	0
Balance transfer to Balance Sheet	201	198

SUMMARY OF OPERATIONS

Total Revenue remained at the same level of the previous year with a marginal increase of ₹ 92 Lacs. Profit Before Tax remained just the same as previous year at ₹ 490 Lacs. For the Financial year 2016-17 PAT stood at ₹ 3.19 crores vis-a-vis ₹ 3.03 crores in the previous year.

Segment-wise performance:-

Industrial Safety Handgloves:

From the very inception, the Company's main activity is concentrated in the production and export of Industrial Safety gloves which are considered essential elements in minimizing health related risk at work places for over the two decades. With the passing of years, the Company has diversified its range of products encompassing various types of protective wears like industrial gloves of several varieties like leather, cotton, synthetic gloves, dotted gloves and industrial garments and also an exclusive cotton garments for kids wear for the domestic market. Though the demand for industrial gloves in the age old European market have been seriously restricted over the last couple of years due to the persistent depressionary climate engulfing the global economy, your company successfully withstand the pressure by timely addition to its customer base in the new geographies like USA and Middle East Countries and thereby its dependence on European market was reduced and at the same time it helped the Company to maintain its export level amidst the overall decline in value of exports from India in 2017.

During the year under review, the Gross revenue from export of hand gloves and safetywears segment accounted for 74% of the total revenue as against 78% in the previous year while the garment sector for Kids' wear in the domestic market more than compensated the aforesaid marginal loss by an increase from

19% in FY 2015-16 to 24% in FY 2016-17. Whereas, the net margin i.e. contribution to PAT from the export segment accounted for 72% in the FY 2016-17 as against 71.7% in the FY 2015-16 and conversely the contribution of garment sector was increased marginally from 19.5% to 20.7% in 2016-17.

The Company is in the process of implementation of close monitoring of various control measures like inventory control, debtors control, cost control and the like which is expected to give further booster to increases not only in contribution to Gross Revenue but also to their respective shares in the PAT during the FY 2017-18. At the same time, such upward realisation both in terms of Revenue and PAT for the garment sector will be added up by addition of fashion wears variety for the domestic market.

As compared to the aforesaid principal of operating segments the Company has a third segment of operation i.e. generation of power through windmill. The revenue from windmill is though very insignificant of Rs. 86 Lacs only i.e. about 0.5% of the total revenue, it may be highlighted that the Company having already liquidated its entire loan liability for installation of windmills at Dhule in Maharashtra, the entire revenue generated from this sector goes to add up to the profit of the Company without having effect on the cost of financing to the Company.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the financial year ended 31st March, 2017, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

DIVIDEND

Your Directors are pleased to recommend an ordinary Dividend of ₹ 1.50 per equity share of ₹ 10 each for the Financial Year 2016-17. The proposed dividend is subject to approval of Shareholders in the ensuing Annual General Meeting of the Company and it would result in appropriation of ₹ 46 Lacs (Including Corporate Dividend Tax of ₹ 8 Lacs) out of the net profits of the Company. The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Record Date i.e. at from the close of business hours of 15th September 2017.

RESERVES

Your Company proposes to transfer a sum of ₹ 300 lacs to the General Reserve and carry forward a balance ₹ 201 lacs in the Profit and Loss Account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of the Companies Act, 2013, your Company has transferred ₹ 96,717/- during the year 2016-17 to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of Dividend for the financial year 2008-09.

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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the F.Y 2016-17, there has been no change in the nature of business of the Company.

CAPITAL / FINANCE

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

As on 31st March, 2017, the issued, subscribed and paid up share capital of your Company stood at ₹ 2,52,00,000/- comprising 25,20,000 Equity shares of ₹ 10/- each fully paid.

The company proposes to raise further capital to the tune of not exceeding ₹ 12.50 crores by issue and allotment of further equity shares on Preferential Basis during the current year with a view to augment its working capital needs for repayment of outstanding unsecured loans etc.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Mr. Shri Kishan Saraf (DIN: 00128999) was re-appointed as the Managing Director of the Company for a period of three years with effect from 1st April, 2015.

Mr. Deo Kishan Saraf (DIN: 00128804) was re-appointed as the Whole Time Director and CFO for a period of three years with effect from 1st April, 2016.

Mr. Samir Kumar Ghosh (DIN: 00129301) was appointed as a Non-Executive Independent Director for a period of five years with effect from 9th September, 2014.

Mrs. Trishna Patodia Pereira (DIN - 03501546) was appointed as a Non-Executive Independent Director for a period of five years with effect from 1st June, 2015.

During the year, Mr. Mukul Banerjee (DIN- 07527632) was appointed as a Non-Executive Independent Director while Mrs. Rashi Saraf (DIN- 07152647) was appointed as a Non-Executive Non-Independent Rotational Director.

Miss. Shruti Poddar, a qualified company secretary and a member of the Institute of Company Secretaries of India has been appointed as the Company Secretary and Compliance Officer of the Company with effect from 01.02.2016.

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

The Independent Directors have furnished required declarations as provided u/s Section 149(7) of the Companies Act, 2013 confirming independence.

KEY MANAGERIAL PERSONNEL

In compliance with the provisions of Section 203 of the Companies Act, 2013, the Company has appointed the following persons as Key Managerial Personnel of the Company:

1. Mr. Shri Krishan Saraf - Managing Director

2. Mr. Deo Kishan Saraf - Whole-time Director & CFO
3. Miss. Shruti Poddar - Company Secretary & Compliance officer

FORMAL ANNUAL EVALUATION

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2016-2017, the Board of Directors of the Company, met 6 (Six) times on 16th April 2016, 30th May, 2016, 12th August 2016, 12th November, 2016, 21st December, 2016 and 14th February 2017. Further, a separate Meeting of the Independent Directors of the Company was also held on 14th February 2017, whereas the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 25 of the Listing Regulations were discussed.

EXTRACT OF THE ANNUAL RETURN

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

At the Annual General Meeting (AGM) held on 9th September, 2014, M/s. R. K. Bajaj & Co., Chartered Accountants (Firm Regn. No. 314140E) had been appointed as the Statutory Auditors of the Company for a consecutive period of Three (3) years from the year 2014-15 in terms of the provisions u/s 139 of the Companies Act, 2013 and such appointment of the Auditor had been duly ratified by the members at every Annual General Meeting held in between.

In terms of the provisions u/s 139 of the Companies Act, 2013 and rules made thereunder, the terms of office of M/s R. K. Bajaj & Co., having completed 10 years with this Company is not eligible for re-appointment. In the vacancy. The Company proposes to appoint M/s SRB Associates, Chartered Accountants, who have given their consent to Act as the Statutory Auditors of the Company, at the forthcoming AGM. Pursuant to see 139 of the Companies Act, 2013.

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

2. COST AUDITORS

In view of the provisions u/s Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the provisions of Cost Audit is not applicable on the products of the Company for the FY 2016-17.

3. SECRETARIAL AUDITORS

Pursuant to the provisions u/s Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Rekha Goenka & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2017.

SECRETARIAL AUDIT REPORT

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

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year as defined under Section 73 of the Companies Act, 2013. Deposit outstanding as on 31st March 2017 including unclaimed deposit was Nil.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year ended 31st March 2017 no Loan or Guarantees u/s 186 of the Companies Act, 2013 was made or provided by the Company. The particulars of investments made by the Company under Section 186 form part of the Notes to the financial statements annexed to this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Reference is made to the disclosures included in the notes to Financial Statement pursuant to the provisions of Section 129 read with Schedule III to the Companies Act, 2013 showing the Related party Transactions entered into during the year. However, it may be noted that all transactions with the related party had been made in the normal course of business at arm's length basis and thereby no specific resolution/ permission u/s 188 of the Companies Act, 2013 was required during the year.

HUMAN RESOURCE

The total number of Employees of the Company as on 31st March, 2017 was 171. Your Company believes that employees are the most valuable assets of an organization and the optimum utilization of the skill, knowledge and attitude they possess are instrumental to the growth of the organization.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. No complaint has been received during the year under review.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, comprises of 4 (Four) Members, namely Mr. S. K. Ghosh, Mrs. Trishna Patodia Pereira, Mr. Mukul Banerjee and Mr. D.K Saraf. Majority of them are Independent Directors with exception of Mr. D.K Saraf, who is a Non-Independent - Executive Director. Mr. S. K. Ghosh, an Independent Director, is the Chairperson of the Audit Committee. The committee met four times during the year on 30th May, 2016, 12th August, 2016, 12th November, 2016 and 14th February, 2017. The Board accepted the recommendations of the Audit Committee as were made by it during the year.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors namely, Mr. S. K. Ghosh (Chairperson), Mrs. Trishna Patodia Pereira (Member) and Mr. Mukul Banerjee (Member).

Mr. Mukul Banerjee has been appointed as member of the Committee with effect from 30th May 2016.

The Company's Remuneration Policy is available on the Company's website <http://www.acknitindia.com/corporate-policies/nomination-and-remuneration-policy.pdf>.

The details of terms of reference of the Nomination and Remuneration Committee, number and dates of the meetings held, attendance of the Directors and remuneration paid to all the Directors during the year ended 31st March 2017, are given separately in the attached Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

CORPORATE GOVERNANCE

The Company having not reached the parameters prescribed under Section 135 of the Companies Act, 2013 of, applicability the provisions for CSR are not attracted to this Company.

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

The Corporate Governance report giving details as required under paragraph 'c' of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure III** and forms part of the report. The Corporate Governance Certificate for the year ended 31st March, 2017 as issued by M/s Rekha Goenka & Associates, Practising Company Secretaries, Kolkata is also attached hereto as **Annexure IV** which forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

PARTICULARS OF EMPLOYEES

The information on particulars of employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VII**.

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

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

CREDIT RATINGS

ICRA Ltd. vide their rating report of March, 2017 has upgraded the following ratings of your Company's financial instruments:

Instrument	Rating action (March 2017)
Cash credit	[ICRA]BBB- Reaffirmed with outlook revised from stable to negative
Term loan	[ICRA]BBB- Reaffirmed with outlook revised from stable to negative
Bank guarantee	[ICRA]BBB- Reaffirmed with outlook revised from stable to negative
Non-Fund Based Limits	[ICRA]A3

LISTING OF SHARES

The shares of the Company are listed on the Calcutta Stock Exchange Ltd (CSE) and BSE Limited (BSE). The listing fee for the year 2016-17 has already been paid to the credit of BSE while rectification in bill from CSE is awaited for processing the payment thereof.

MANAGING DIRECTOR'S CERTIFICATE

Managing Director's Certificate under Regulation 34(3) read with Paragraph D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on compliance of Code of Conducts is attached as **Annexure VIII**.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

For Acknit Industries Limited

Shri Krishan Saraf
Managing Director
DIN-00128999

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

Place: Kolkata

Date: 7th Jul, 2017



**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of all types of Garments, Gloves (Both Cotton & Leather) and Other Apparels. (Both Cotton & Leather).	141	99.43%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES – NIL**IV. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1089046	-	1089046	43.22	1089046	-	1089046	43.22	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	80000	-	80000	3.17	80000	-	80000	3.17	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1169046	-	1169046	46.39	1169046	-	1169046	46.39	NIL
(2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	1169046	-	1169046	46.39	1169046	-	1169046	46.39	NIL



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1.) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
l) Indian	438535	150700	589235	23.38	436120	150700	586820	23.29	-0.09
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	393726	92482	486208	19.30	437931	89082	527013	20.91	1.61
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	266465	-	266465	10.57	229736	0	229736	9.12	-1.45
c) Others (specify)									
Non Resident Indians	2446	6600	9046	0.36	785	6600	7385	0.29	-0.07
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	1101172	249782	1350954	53.61	1104572	246382	1350954	53.61	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1101172	249782	1350954	53.61	1104572	246382	1350954	53.61	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2270218	249782	2520000	100.00	2273618	246382	2520000	100.00	-



ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri Krishan Saraf (HUF)	62406	2.48	-	62406	2.48	-	-
2	Shri Krishan Saraf	321047	12.74	9.92	321047	12.74	9.92	-
3	Deo Kishan Saraf	228532	9.07	5.95	228532	9.07	5.95	-
4	Deo Kishan Saraf (HUF)	136300	5.41	-	136300	5.41	-	-
5	Ritula Saraf	67696	2.69	-	67696	2.69	-	-
6	Kusum Saraf	159452	6.33	-	159452	6.33	-	-
7	Abhishek Saraf	107814	4.28	-	107814	4.28	-	-
8	Aditya Saraf	5799	0.22	-	5799	0.22	-	-
9	Saraf Capital Markets Ltd.	80000	3.17	-	80000	3.17	-	-
	Total	1169046	46.39	15.87	1169046	46.39	15.87	-

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

Sl. No.	Shareholder's Name	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf (HUF)	No Change	62406	2.48	62406	2.48
2	Shri Krishan Saraf	No Change	321047	12.74	321047	12.74
3	Deo Kishan Saraf	No Change	228532	9.07	228532	9.07
4	Deo Kishan Saraf (HUF)	No Change	136300	5.41	136300	5.41
5	Ritula Saraf	No Change	67696	2.69	67696	2.69
6	Kusum Saraf	No Change	159452	6.33	159452	6.33
7	Abhishek Saraf	No Change	107814	4.28	107814	4.28
8	Aditya Saraf	No Change	5799	0.22	5799	0.22
9	Saraf Capital Markets Ltd.	No Change	80000	3.17	80000	3.17



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

Sl. No.	Shareholder's Name	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	PBS INVESTMENTS PVT. LTD.	No Change	149900	5.95	149900	5.95
2	SHREE VINIYOG PVT LTD.	No Change	117075	4.65	117075	4.65
3	ALPS VINIYOG PVT. LTD.	No Change	116450	4.62	116450	4.62
4	SRI KRISHNA VINIYOG PRIVATE LTD.	No Change	116307	4.61	116307	4.61
5	DIPAK KANAYALAL SHAH	No Change	60000	2.38	60000	2.38
6	AJAY KUMAR KAYAN	No Change	37397	1.48	37397	1.48
7	SATYA PRAKASH MITTAL (HUF)	No Change	36848	1.46	36848	1.46
8	PRABHA DEVI SARAF	No Change	36000	1.43	36000	1.43
9	RECOM SALES SERVICES PVT LTD	No Change	26000	1.03	26000	1.03
10	GOPI KRISHAN SARAF	No Change	26000	1.03	26000	1.03

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf	No Change	321047	12.74	321047	12.74
2	Deo Kishan Saraf	No Change	228532	9.07	228532	9.07
3	Samir Kumar Ghosh	No Change	1500	0.06	1500	0.06

The Following Directors / Key Managerial Personnel (KMP) did not hold any shares during the F.Y. 2016-17

- ◆ Ms. Trishna Patodia Pereira
- ◆ Mr. Mukul Banerjee
- ◆ Mrs. Rashi Saraf
- ◆ Ms. Shruti Poddar



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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	48,64,38,906	7,55,00,000	-	56,19,38,906
ii) Interest due but not paid	-	53,76,879	-	53,76,879
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	48,64,38,906	8,08,76,879	-	56,73,15,785
Change in Indebtedness during the financial year				
* Addition	2,89,83,14,800	93,60,000	-	2,90,76,74,800
* Reduction	2,89,00,62,854	1,47,36,879	-	2,90,47,99,733
Net Change	82,51,946	(53,76,879)	-	28,75,067
Indebtedness at the end of the financial year				
i) Principal Amount	49,46,90,852	7,55,00,000	-	57,01,90,852
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	49,46,90,852	7,55,00,000	-	57,01,90,852

vii. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

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

**B. Remuneration to other directors**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Samir Kumar Ghosh	Trishna Patodia Pereira	Mukul Banerjee	Rashi Saraf	
1	Independent Directors					
	Fee for attending board committee meetings	50,000	50,000	32,000	-	1,32,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	50,000	50,000	32,000	-	1,32,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	17,000	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	17,000	-
	Total (B) = (1+2)	50,000	50,000	32,000	17,000	1,49,000
	Total Managerial Remuneration					66,00,000
	Overall Ceiling as per the Act	Not applicable, as only sitting fees paid.				

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

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1	Gross salary	-	3,35,062	-	3,35,062
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others	-	19,850	-	19,850
	Total	-	3,54,912	-	3,54,912

viii. Penalties / Punishment / Compounding of Offences :

There was not any case of Penalties / Punishment / Compounding of Offences during the FY 2016-17.

**SECRETARIAL AUDIT REPORT****For the Financial Year Ended 31st March, 2017****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

ACKNIT INDUSTRIES LTD.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/S ACKNIT INDUSTRIES LTD.** ("The Company") for the period 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 (Regulations) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

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

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

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to Composition of Board of Directors & Committees thereof, Issuance of notices for



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

I further report that:

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

I further report that:

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

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

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

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

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

- I. Re-appointment of Whole Time Director pursuant to Sections 196, 197 and 203 of the Companies Act, 2013 for a further period of 3 years.

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

Rekha Goenka & Associates

Sd/-

Rekha Goenka

Proprietor

Place: Kolkata

Membership No. ACS –17805

Date: 31st May, 2017

C. P. No: 11357

Annexure - A to Secretarial Audit Report

To,

The Members

ACKNIT INDUSTRIES LTD.

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

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

Rekha Goenka & Associates

Sd/-

Rekha Goenka

Proprietor

Place: Kolkata

Membership No. ACS –17805

Date: 31st May, 2017

C. P. No: 11357



REPORT ON CORPORATE GOVERNANCE

Annexure - III

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

1. COMPANY'S PHILOSOPHY :

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

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

2. BOARD OF DIRECTORS

i) Composition of Board :

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

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

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

During the financial year 2016-17, Six (6) number of Board Meetings were held on 16th April 2016, 30th May, 2016, 12th August 2016, 12th November, 2016, 21st December, 2016 and 14th February 2017.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	Directorships held in other Indian Public Limited Companies	Committee Positions held in other Public Limited Companies #	
					As Chairperson	As Member
Shri Krishan Saraf	Managing Director	6	Yes	Nil	Nil	Nil
Deo Kishan Saraf	Whole-time Director	5	Yes	1	Nil	Nil
Samir Kumar Ghosh	Non Executive Independent Director	6	Yes	Nil	Nil	Nil
Trishna Patodia Pereira	Non Executive Independent Director	6	No	Nil	Nil	Nil
Mukul Banerjee	Non Executive Independent Director	4	Yes	Nil	Nil	Nil
Rashi Saraf	Non Executive Non-Independent Director	3	No	Nil	Nil	Nil

Notes:

- Only Audit Committee and Stakeholders Relationship Committee have been considered for this purpose.
- Mr. Mukul Banerjee was appointed as a Non-Executive Independent Director with effect from. 30th May, 2016.
- Mrs. Rashi Saraf, was appointed as a Non-Executive Non-Independent Director of the Company with effect from 26th September, 2016.

ii) Disclosure of relationships between Directors inter-se:

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

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

None of the Non-Executive Directors holds any share in the Company except for Mr. Samir Kumar Ghosh; who holds 1500 Equity Shares of Rs. 10/- each in the Company. Mr. Ghosh has held these shares, in his individual capacity, prior to his appointment as a Director of Company.

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

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

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

3. COMMITTEES OF BOARD

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

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

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

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

* Mr. Mukul Banerjee who was appointed as a Director has since been appointed as a member of the Audit Committee by a resolution passed at meeting of Board of Directors on 30.05.2016.

During the year, the Committee had met 4 times on 30th May 2016, 12th August 2016, 12th November 2016, & 14th February 2017.

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

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

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

* Mr. Mukul Banerjee who was appointed as a Director has since been appointed as a member of the Nomination and Remuneration Committee by a resolution passed at meeting of Board of Directors on 30.05.2016.

During the year the Committee had met twice on 30th May 2016 and 14th February 2017.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS :

The Nomination and Remuneration Committee of the Board, in its Meeting held on 28th March, 2016, laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual Directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all Directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

REMUNERATION OF DIRECTORS

- All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:**

-None, except for the Sitting Fee to the Independent Directors.

- Criteria of making payments to Non-Executive Directors:**

-The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company <http://www.acknitindia.com/corporate-policies/nomination-and-remuneration-policy.pdf>. } The Non-Executive Directors are entitled to sitting fees for attending Meetings of the Board, and its Committees. The remuneration to the Managing Director(s) and Whole-time Director(s) is paid on

the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting in compliance of the provisions of the Companies Act 2013 and schedules to the Act.

- Disclosures with respect to Remuneration:**

Details of remuneration/ sitting fees paid to Directors during the financial year 2016-17 is given below:

Name of Director	Fixed Salary (Rs in lakhs)				Total Fixed Salary	Bonus	Commission	Total	Stock options
	Basic Salary	Sitting Fees	Perquisites or Allowances	Rental Benefits					
Mr. S. K. Saraf	42.00	-	-	-	42.00	-	-	42.00	-
Mr. D. K. Saraf	24.00	-	-	-	24.00	-	-	24.00	-
Mrs. Trishna Patodia Pereira	-	0.50	-	-	-	-	-	0.50	-
Mr. Samir Kumar Ghosh	-	0.50	-	-	-	-	-	0.50	-
Mr. Mukul Banerjee	-	0.32	-	-	-	-	-	0.32	-
Mrs. Rashi Saraf	-	0.17	-	-	-	-	-	0.17	-

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

- The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- The broad terms of reference of the stakeholders' relationship committee are as under:
 - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
 - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

The Composition of Stakeholders Relationship / Grievance Redressal Committee as on 31st March, 2017, is given below :

Sl. No.	Name	Chairman / Members	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. S. K. Ghosh	Chairman	3	3
2	Mrs. Trishna Patodia Pereira	Member	3	3
3	Mr. D. K. Saraf	Member	3	3
4	Mr. Mukul Banerjee	Member	1	1
5	Mrs. Rashi Saraf	Member	1	1

* Mr. Mukul Banerjee who was appointed as a Director has since been appointed as a member of the Stakeholders Relationship Committee by a resolution passed at meeting of Board of Directors on 12.11.2016.

During the year the Committee had met 3 times on 30th May 2016, 12th November 2016 and 14th February 2017. The requisite Quorum was present at the meetings.

- Name & Designation of Compliance Officer :**

Miss Shruti Poddar, Company Secretary is the Compliance Officer of the Company.



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

The number of shareholder grievances received and resolved during financial year 2016-17 is given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	N.A	Nil

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

None.

● **Number of pending complaints :**

Nil.

4. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Venue	No. of Special Resolution
2015-16	26.09.2016	11:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	One
2014-15	21.09.2015	11.00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	Three
2013-14	09.09.2013	10:30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	Four

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

5) MEANS OF COMMUNICATION:

● **Quarterly results:**

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

● **Newspapers wherein results normally published:**

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

● **Website, where displayed:**

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

● **Official news releases:**

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

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

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

6. General Shareholder Information :

i) Annual General Meeting:

Date & Time : Thursday, 21st September, 2017 at 4:30 PM

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

ii) Financial Year : 1st April, 2016 to 31st March, 2017

iii) Book Closure Date : Saturday 16th September, 2017 to Thursday 21 September, 2017 (both days inclusive)

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

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

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

The Company has paid Annual listing fees for the year 2017-18 to the Bombay Stock Exchange, whereas Annual Listing Fee is not paid to CSE.

vi) Market Price Data :

The Market Price of Equity shares of the company during the year 2016-17 is given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2016	124.80	83.00
May, 2016	133.50	87.20
June, 2016	124.00	77.00
July, 2016	153.25	98.00
Aug, 2016	122.00	96.20
Sept, 2016	109.00	85.05
Oct, 2016	108.00	88.35
Nov, 2016	99.00	75.25
Dec, 2016	99.00	82.50
Jan, 2017	132.80	88.60
Feb, 2017	125.00	101.20
Mar, 2017	117.00	96.05

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

The shares of the Company are not traded on the CSE as the trading operation on CSE remains suspended for non-provisions of nation wide trading terminal and CSE in under suspension of SEBI. Moreover details of the company as are being regularly submitted to CSE in compliance of listing regulations are not being updated on their portal inspite of company's repeated reminders.

viii) Registrar and Share Transfer Agent :

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

ix) Share Transfer System:

Share Transfer Requests valid and complete in all respects are normally processed within 15 days. Necessary power and authority in this regard has been delegated to Stakeholder Relationship Committee and the Registrar and Share Transfer Agents. The Company's shares are compulsorily traded in dematerialised mode.

x) **Shareholding Pattern :**

Shareholding Pattern as on 31.03.2017 is given below:

CATEGORY	NO. OF SHARES	%
Promoter Group		
Indian Promoters	1169046	46.39
Foreign Promoters	Nil	Nil
Total : Promoter Group	1169046	46.39
Non Promoter Group		
NRI/OCB	7385	0.29
other Bodies Corporate	586820	23.29
Resident Individual	756749	30.03
Institutional Investor (Bank)	Nil	Nil
Total: Non-Promoter	1350954	53.61
Grand Total	2520000	100

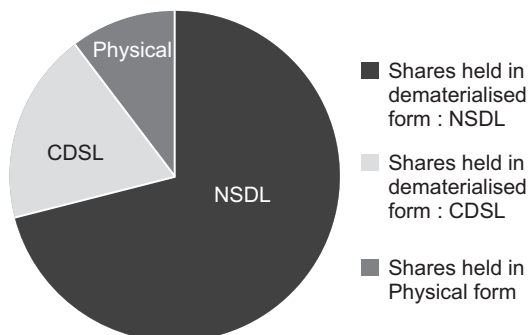
xi) **Distribution of shareholding :**

Distribution of shareholding as on 31.03.2017 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	1325	81.69	190536	7.56
501 to 1000	155	9.56	119613	4.75
1001 to 2000	69	4.25	99769	3.96
2001 to 3000	22	1.36	56960	2.26
3001 to 4000	14	0.86	48973	1.94
4001 to 5000	9	0.55	42759	1.70
5001 to 10000	4	0.25	27591	1.10
10001 to 50000	11	0.68	219820	8.72
50001 to 100000	4	0.25	261102	10.36
100001 and above	9	0.55	1452877	57.65
Grand Total	1622	100.00	2520000	100.00

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

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2017, 22,73,618 shares representing 90.22% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity shares of the company are actively traded in BSE Ltd.



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

xiv) **Plant Location :**

- Falta Special Economic Zone, Sector-I, Falta, South 24 Parganas, WB
- Falta Special Economic Zone, Sector-II, Falta, South 24 Parganas, WB
- 144, Old Jessore Road, Ganganagar, Madhyamgram, Kolkata- 700 132
- Katakhal, Vill + Post – Ganganagar, Madhyamgram, Kolkata- 700 132

xv) **Address for Correspondence:**

Members are requested to correspond with the company through email to get faster response. Address for correspondence is-

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

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

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Details of the transactions effected with the related parties are given in Note No. 31 of the Notes to the Financial Statement.

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

There had been no case of non -compliance during the Financial year 2016-17.

iii) **Vigil Mechanism**

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

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

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

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

The Company does not have any 'material' subsidiary.

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

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

**COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS**

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

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

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

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

For and on behalf of Board of Directors

Place: Kolkata
Date: 31st May, 2017

Shri Krishan Saraf
Managing Director
DIN: 00128999

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

We have examined the compliance of Corporate Governance by Acknit Industries Limited for the period between 1st April 2016, and 31st March, 2017 as stipulated under SEBI (LODR) Regulations, 2015 applicable to the said Company with reference to the Listing Agreement with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the company by ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to best of our information and according to the explanation given to us and based on the representations made by the Directors, the management and the company's officers, we certify that the Company has complied with conditions of Corporate Governance as stipulated in above mentioned SEBI (LODR) Regulations, 2015.

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

Place: Kolkata
Date: 31st May, 2017

Rekha Goenka & Associates
Company Secretary in Practice
ACS: 17805, C.P. No. 11357

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

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

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

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

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

For and on behalf of Board of Directors

Place: Kolkata
Date: 31st May, 2017

Shri Krishan Saraf
Managing Director
DIN: 00128999



Annexure - VI

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March 2017:

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy:

The Company continues to give priority to the conservation of energy on an on-going basis. The measures for conserving the energy resources already exists in the Company and the management continuously observe those measures on a regular basis to ensure proper utilization of energy resources.

ii) Steps taken by the Company for utilizing alternate source of energy: The Company has already made necessary expenditure on plant and equipment to conserve energy and to make optimum utilization thereof.

iii) The capital investment on energy conservation equipments: The Company has already made necessary expenditure on energy conservation equipments impact of which is expected to reflect in the years to come.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

The R&D department of the Company continued to play a vital role in the following areas:

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

e) Finding out ways to increase the operational efficiencies by improving yields.

ii) The benefits derived like product improvement, cost reduction, product development, import substitution:

Benefits derived as a result of the above R&D:

- Maintaining the leading position in the domestic market.
- Achievement of better efficiency in fuel consumption.
- Better control on inputs and thereby, improving the quality of the output to match international specifications.
- Optimization of resource usage and refinement of process technology.
- Usage of different combination of inputs in the manufacturing.

iii) Expenditure incurred on Research and Development:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

FY 2016-17 FY 2015-16

Total foreign exchange earned in terms of actual inflows	10,719.44	11,218.20
Total foreign exchange outgo in terms of actual outflow	1,196.05	2,591.23

For and on behalf of Board of Directors

Place: Kolkata
Date: 31st May, 2017

Shri Krishan Saraf
Managing Director
DIN: 00128999



Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl. No.	Particulars	Ratio
1	Ratio of Remuneration of each director to the median remuneration of the employees of the company for FY - Shri Krishan Saraf - Deo Kishan Saraf None of the other directors received any remuneration other than sitting fees during FY 2016-17	41.55 23.74
2	% increase in remuneration of each director, CEO, CFO & CS - Company Secretary - All other directors, CFO	2.27% 0.00%
3	% increase in median remuneration of employees FY 2015-16 : 92162 FY 2016-17 : 101077	9.67%
4	No. of Permanent employees on rolls of the company	171
5	Comparison of remuneration of employees against the remuneration of managerial personnel - Average salary increase of employees - Average salary increase of managerial personnel	18.43% 1.70%
6	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

Details of top ten employees in terms of remuneration drawn:

S No.	Details	1	2	3	4	5	6	7	8	9	10
1.	Employee Names	Shri Krishan Saraf	Deo Kishan Saraf	Aditya Saraf	Abhishek Saraf	Joydeep Sengupta	Swapan Kr. Chakraborty	Satyajit Das	Bishnu Kumar Kesan	Niranjan Shenoy Renjal	Anand Kumar Jaiswal
2.	Designation	Managing Director	Whole-time Director & CFO	Vice President (Readymade Garment Division)	Vice President (Leather Division)	Business Head (Safety Garments Division)	Works Manager (FSEZ Division)	Production Manager-FSEZ-II	General Manger	Senior Merchandiser	Accounts Manager
3.	Remuneration/ Salary received	42,00,000	24,00,000	16,00,000	16,00,000	8,40,000	6,46,000	6,23,900	6,00,000	5,26,376	5,24,000
4.	Nature of Employment, Whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
5.	Qualifications	Bachelor of Science	Bachelor of Commerce	Bachelor of Business Management	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Science (Hons.) and Diploma in Production Management	Master of Business Administration & Bachelor of science (Chemistry Hons.)	Bachelor of Commerce (Hons.)	Diploma in Apparel Design and Fabrication Technology	Chartered Accountant, Company Secretary and bachelor of Commerce (Hons.)
6.	Experience of the Employees	40 Years	32 Years	12 Years	17 Years	14 Years	50 Years	15 Years	37 Years	12 Years	6 Years
7.	Date of Commencement of Employment	12-10-1990	12-10-1990	01-04-2015	01-07-2006	14-12-2015	06-11-2000	03-02-2008	18-10-2004	01-09-2015	09-09-2013
8.	Age of Employee	63	51	32	37	34	70	38	53	31	32
9.	The last Employment held by such Employee before joining the Company	Family Business	Family Business	Acme safetywears Limited	Family Business	Superhouser Limited	Cycle Corporation of India	Mallcom India Limited	SKFM Limited	JPM Exports Ltd	Family Business
10.	The Percentage of Equity Shares held by the Employee in the Company within the meaning of Clause (iii) of Sub-rule (2) above	12.74%	9.07%	0.23%	4.28%	NA	NA	NA	NA	NA	NA
11.	Whether any such Employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager	Yes Brother of Mr. D K Saraf	Yes Brother of Mr. S K Saraf	Yes Son of Mr. S K Saraf	Yes Son of Mr. S K Saraf	No	No	No	No	No	No



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Regulation 34(3) read with Part D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March 2017.

For and on behalf of Board of Directors

Place: Kolkata
Date: 7th Jul, 2017

Shri Krishan Saraf
Managing Director
DIN: 00128999

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Acknit Industries Limited

Report On The Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Acknit Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility For The Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules").

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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 thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act and other applicable authoritative

pronouncements issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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.
7. 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

8. 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 31 March, 2017 and its profit and its cash flows for the year ended on that date.

Report On Other Legal And Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations given to us, we enclose in '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by sub-section 3 of Section 143 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 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.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules
- e. On the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 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 B**” and
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - (ii) The company has no long-term contracts, including derivative contracts, as at 31st March, 2017; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 9 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 16 to the standalone financial statements.

For **R. K. Bajaj & Co.**

Chartered Accountants
Firm Reg. No. : 314140E

R. K. Bajaj
Proprietor
Membership No. : 051715

Place: 40/5, Strand Road, Kolkata - 700 001

Date: The 30th day of May, 2017.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT - 31ST MARCH, 2017

(Referred to in our report of even date)

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 10 to the standalone financial statements, are held in the name of the Company, except for the following:
 - (1) One plot of lease hold land having gross book value of ₹ 97.50 lacs and net book value of ₹ 97.50 lacs where formal transfer of lease right in favour of the company is pending.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not specified the maintenance of Cost Records under sub section (1) of Section 148 of the Act for any of the products of the Company.



(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, Service tax, duty of customs, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned as follows:

Name of the Statute	Nature of the dues	Amount (in ₹)	Period to which the amount relates	Forum where pending	Remarks
West Bengal Value Added Tax Act, 2003	VAT	8,07,300	2007-08	West Bengal Commercial Taxes, Appellate & Revisional Board	-
Income Tax Act, 1961	Income tax	13,28,960	2011-12	Appellate Authority - upto Commissioner's Level	-
Income Tax Act, 1961	Income tax	1,57,923	2011-12	Appellate Authority - upto Commissioner's Level	-
West Bengal Value Added Tax Act, 2003	VAT	24,53,004	2013-14	West Bengal Commercial Taxes, Appellate Authority -Sr. Jt. Commissioner, Kolkata (South Circle)	-

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to bankers of the company. As the company does not have any loans or borrowings from any financial institution or governments nor has it issued any debentures, as at the balance sheet date, the provision of clause 3(viii) of the Order is not applicable to that extent to the company.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practises in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For R. K. Bajaj & Co.
Chartered Accountants
Firm Reg. No. : 314140E

R. K. Bajaj
Proprietor
Membership No. : 051715
Place: 40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2017.

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT - 31ST MARCH, 2017** (Referred to in our report of even date)**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

- 1 We have audited the internal financial controls over financial reporting of **Acknit Industries 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 on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

- 2 The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Companies Act 2013 ("the Act").

AUDITORS' RESPONSIBILITY

- 3 Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 control system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. 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, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **R. K. Bajaj & Co.**

Chartered Accountants
Firm Reg. No. : 314140E

R. K. Bajaj
Proprietor
Membership No. : 051715

Place: 40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2017.



Balance Sheet as at March 31,2017

		As at 31.03.2017	Amount in ₹ As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,75,77,000	2,75,77,000
Reserves and surplus	3	29,94,40,816	26,91,68,523
		<u>32,70,17,816</u>	<u>29,67,45,523</u>
Non Current Liabilities			
Long term borrowings	4	7,94,31,502	9,83,99,639
Deferred tax liabilities (net)	5	2,48,08,100	2,61,42,200
		<u>10,42,39,602</u>	<u>12,45,41,839</u>
Current Liabilities			
Short term borrowings	6	48,11,77,084	45,38,34,304
Trade payables	7	17,70,42,416	13,83,32,580
Other current liabilities	8	4,68,78,235	4,41,43,841
Short term provisions	9	2,64,229	45,49,519
		<u>70,53,61,964</u>	<u>64,08,60,244</u>
TOTAL		<u><u>1,13,66,19,382</u></u>	<u><u>1,06,21,47,606</u></u>
ASSETS			
Non Current Assets			
Property, Plant and Equipments	10		
Tangible assets		23,58,14,464	25,30,07,062
Intangible assets		6,97,547	14,830
Capital work-in-progress		1,68,13,336	24,75,314
Non-current investments	11	10,53,000	16,58,580
Long term loans and advances	12	1,64,04,358	1,76,04,640
Other non-current assets	13	2,42,900	25,90,700
		<u>27,10,25,605</u>	<u>27,73,51,126</u>
Current Assets			
Inventories	14	39,28,27,623	40,42,27,825
Trade receivables	15	29,93,66,615	24,31,58,090
Cash and bank balances	16	1,87,26,986	53,07,792
Short term loans and advances	17	14,91,06,341	12,57,78,733
Other current assets	18	55,66,212	63,24,040
		<u>86,55,93,777</u>	<u>78,47,96,480</u>
TOTAL		<u><u>1,13,66,19,382</u></u>	<u><u>1,06,21,47,606</u></u>

The accompanying notes 1-36 are an integral part of the financial statements
As per our report of even date
For **R.K. BAJAJ & Co.**
Chartered Accountants
(Firm Reg. No.314140E)

R.K. BAJAJ
Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2017

For and on behalf of the Board

Shri Krishan Saraf
Managing Director
DIN 00128999
Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
DIN 00128804
Samir Kumar Ghosh
Director
DIN 00129301
Shruti Poddar
Company Secretary
M. No. A36374



Statement of Profit and Loss for the year ended March 31, 2017

		<u>For the Year Ended</u> <u>31.03.2017</u>	<u>Amount in ₹</u> <u>For the Year Ended</u> <u>31.03.2016</u>
INCOME			
Gross Revenue From Sale of products		1,49,68,44,213	1,49,98,21,445
Less: Excise Duty / Customs Duty		1,60,44,277	1,20,98,037
Net Revenue from sale of products		1,48,07,99,936	1,48,77,23,408
Other operating revenue		10,94,57,280	11,99,32,626
Revenue From Operation	19	1,59,02,57,216	1,60,76,56,034
Other Income	20	2,86,72,981	20,25,225
TOTAL REVENUE		1,61,89,30,197	1,60,96,81,259
EXPENSES			
Cost of raw materials consumed	21	94,57,40,125	1,04,64,30,773
Purchase of stock-in-trade	22	10,84,75,820	4,49,95,002
Changes in inventories of finished goods, work in progress and stock in trade	23	(2,08,85,533)	(2,06,50,499)
Employee benefits expense	24	4,62,84,798	4,43,23,649
Finance Costs	25	4,49,45,081	4,00,84,802
Depreciation and amortisation expense	10	2,31,96,809	1,85,49,689
Other expenses	26	42,21,50,090	38,69,73,650
TOTAL EXPENSES		1,56,99,07,190	1,56,07,07,066
PROFIT BEFORE TAX		4,90,23,007	4,89,74,193
Tax Expense:			
Current tax	27	1,84,29,172	1,40,00,000
Deferred tax		(13,34,100)	46,63,400
PROFIT AFTER TAX		3,19,27,935	3,03,10,793
Earnings Per Equity Share (Face Value ₹ 10/- each)	28		
Basic and Diluted		12.67	12.03

The accompanying notes 1-36 are an integral part of the financial statements
As per our report of even date
For **R.K. BAJAJ & Co.**
Chartered Accountants
(Firm Reg. No.314140E)

R.K. BAJAJ
Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2017

For and on behalf of the Board

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Samir Kumar Ghosh
Director
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Shruti Poddar
Company Secretary
M. No. A36374



Cash Flow Statement for the year ended March 31, 2017

	For the Year Ended 31.03.2017	Amount in ₹ For the Year Ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	4,90,23,007	4,89,74,193
Adjustments for :		
Depreciation and amortisation expense	2,31,96,809	1,85,49,689
Provision for bad and doubtful debts	-	-
Finance Costs	4,49,45,081	4,00,84,802
Interest Income	(4,57,842)	(7,19,356)
(Profit)/Loss on sale of Investment	(33,686)	(1,20,528)
(Profit)/Loss on sale of Fixed Assets/Assets Discarded	(67,408)	(1,80,170)
Operating profit before working capital changes	11,66,05,961	10,65,88,630
Adjustments for changes in working capital :		
Trade receivables, loans and advances and other assets	(7,81,22,237)	(1,96,57,732)
Inventories	1,14,00,202	(4,32,73,571)
Trade payables other liabilities and provisions	4,29,28,423	1,00,10,459
Cash generated from operations	9,28,12,349	5,36,67,786
Tax paid (including TDS) (net)	(1,69,50,228)	(1,50,94,987)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	7,58,62,121	3,85,72,799
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Purchase of Property, Plantand Equipments	(2,48,63,336)	(4,50,46,309)
Sale of Purchase of Property, Plantand Equipments	2,80,952	11,20,000
Subsidy Received for capital goods	19,69,200	-
Sale / (Purchase) of investment (net)	6,39,266	20,19,683
Payables for capital goods	40,30,002	(4,17,724)
Interest received	1,96,476	11,31,870
NET CASH USED IN INVESTING ACTIVITIES (B)	(1,77,47,440)	(4,11,92,480)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term secured loan	1,73,42,780	(45,44,609)
Short term unsecured loan	1,00,00,000	(38,00,000)
Proceeds from/(repayment) of long term unsecured loan	(1,00,00,000)	2,80,10,108
Repayment of long term loan	(90,90,834)	10,43,484
Interest and financing charges	(5,03,21,960)	(3,59,07,923)
Dividend & dividend tax paid	(45,64,138)	(45,61,857)
NET CASH FROM FINANCING ACTIVITIES (C)	(4,66,34,152)	(1,97,60,797)
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1,14,80,529	(2,23,80,478)
Cash & Cash Equivalents at the beginning of the year	23,02,316	2,46,82,794
Cash & Cash Equivalents at the end of the year	1,37,82,845	23,02,316
Notes to cash flow statement for the year ended March 31, 2017		
Cash and cash equivalents include the following balance sheet amounts		
Cash on hand	6,31,675	13,87,315
Cheques on hand	1,20,000	-
Balances with banks		
- In Current Accounts	1,02,68,070	9,15,001
- In Deposit Accounts	27,63,100	-
	1,37,82,845	23,02,316

As per our report of even date
For **R.K. BAJAJ & Co.**
Chartered Accountants
(Firm Reg. No.314140E)

R.K. BAJAJ
Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2017

For and on behalf of the Board
Shri Krishan Saraf
Managing Director
DIN 00128999
Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
DIN 00128804
Samir Kumar Ghosh
Director
DIN 00129301
Shruti Poddar
Company Secretary
M. No. A36374

**NOTES TO THE FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES****Corporate Information**

Acknit Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in manufacturing and selling of Industrial Hand Gloves, Garments and Safety wears.

The company was first amongst the various units producing safety gloves in India. Because of approved international quality standards and its comparatively competitive sales price, the products of the company were accepted immediately in the European market.

Over the years the company has grown in its operation which has been multiplied continuously and in the process the company has diversified its products from gloves to garments and safety wears.

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

Basis Of Accounting

The financial statements have been generally prepared under the historical cost convention on an accrual basis except in case of assets for which provisions for impairment is made and revaluation is carried out. Wherever it is not possible to determine the quantum of accrual with reasonable certainty, e.g. insurance and other claims, etc. are accounted for on settlement basis.

All assets and liabilities have been classified as current or, non-current as per the Company's normal operating cycle based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Use Of Estimates

The preparation of the financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

Tangible Assets And Impairment Losses

Tangible assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, inward freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

Gains/losses arising on Foreign exchange liabilities incurred for the purpose of acquiring tangible assets are adjusted in the carrying amount of the respective tangible assets.

The cost of and the accumulated depreciation for tangible assets sold are removed from the stated value and the resulting gains and losses are included in the Statement of Profit and Loss.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

A previously recognized impairment loss is increased or reversed depending on the changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging useful depreciation if there was no impairment.

Depreciation on tangible Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used;

Particulars	Depreciation
Assets acquired under finance lease	over the period of lease term.
Clicking Dies / Embossing dies, Boards (Useful life upto 1 - 3 year)	95% Depreciation over the period of life

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on the basis of useful life of the assets.

Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Long term investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of the Balance Sheet. The Company provides for diminution in value of investments, other than temporary in nature.

Valuation Of Inventories

Inventories are valued as follows :

Raw materials, components, stores and spares and Packing material	Lower of cost and net realisable value. However materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis and includes cost incurred in bringing the material to its present location and condition.
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**NOTES TO THE FINANCIAL STATEMENTS**

Work-in-progress & Finished goods Lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. The company accrues for excise duty liability, if any, in respect of stock of finished goods lying at works.

Revenue Recognition

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

Sales & Export Incentives

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

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

Investment Income

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

Employee Benefits

The Employee benefits are provided in accordance with revised AS-15 and are dealt in the following manner:

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

Segment Reporting Policies

The Company's operating business are generally organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the location of the units wherever required.

Foreign Currency Transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the

rates of exchange at the balance sheet date and resultant gain or loss arising out of fluctuations in the exchange rates are recognized in the Statement of Profit and Loss in the period in which they arise, except in respect of fixed assets where exchange variance is adjusted in the carrying amount of respective fixed assets.

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

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

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

Taxes On Income

To provide & determine current tax as the amount of tax payable in respect of taxable income for the period, measured using the tax rates and tax laws.

To provide and recognize deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Not to recognize deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

Insurance Claims

Insurance claims in respect of loss of assets are accounted for on intimation to the insurer at the value persists on the date of fire. Policy deductibles, surplus or deficit, if any, shall be accounted for when the claim is finally settled by the insurer and such income / expenditure, if any, shall be the income / expenditure of the year in which such claim is settled by the insurer.

Other Claims

Other claims including Quality Claim on Exports are accounted for on the basis of determination / admission of outflow of resources required to settle the obligations.

Provisions, Contingent Liabilities And Contingent Assets

A Provision is recognized when an estimate has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current management estimates.

Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017		As at 31.03.2016	
	Numbers	Amount (₹)	Numbers	Amount (₹)
2 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each fully paid	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
	<u>1,20,00,000</u>	<u>12,00,00,000</u>	<u>1,20,00,000</u>	<u>12,00,00,000</u>
Issued and Subscribed				
Equity Shares of ₹ 10/- each fully paid	30,00,000	3,00,00,000	30,00,000	3,00,00,000
	<u>30,00,000</u>	<u>3,00,00,000</u>	<u>30,00,000</u>	<u>3,00,00,000</u>
Paid-up				
Equity Shares of ₹ 10/- each fully paid	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Add: Shares Forfeited		23,77,000		23,77,000
TOTAL	<u>25,20,000</u>	<u>2,75,77,000</u>	<u>25,20,000</u>	<u>2,75,77,000</u>

a) 4,80,000 Equity shares of ₹ 10/- each forfeited in terms of Board resolution during 1998-99.

b) Reconciliation of the number of Shares outstanding:

	As at 31.03.2017		As at 31.03.2016	
	Numbers	Amount (₹)	Numbers	Amount (₹)
Equity Shares				
At the beginning of the year	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Issued during the year	–	–	–	–
At the end of the year	<u>25,20,000</u>	<u>2,52,00,000</u>	<u>25,20,000</u>	<u>2,52,00,000</u>

c) Shareholders' holding more than 5% shares of the Company:

	As at 31.03.2017		As at 31.03.2016	
	Numbers	%	Numbers	%
1. Shri Krishan Saraf	3,83,453	15.22	3,83,453	15.22
2. Deo Kishan Saraf	3,64,832	14.48	3,64,832	14.48
3. Kusum Saraf	1,59,452	6.33	1,59,452	6.33
4. PBS Investment Pvt Ltd	1,49,900	5.95	1,49,900	5.95

d) Rights, Preference and Restriction attached to Shares

The company has one class of Equity Shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

The Board of Directors have proposed a dividend of ₹ 1.50 per equity share of ₹ 10/- each for the financial year ended 31st March, 2017.



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017	Amount in ₹ As at 31.03.2016
3 RESERVES & SURPLUS		
a) Capital Reserve		
At the beginning and at the end of the year	20,65,344	20,65,344
b) Securities Premium Account		
At the beginning and at the end of the year	1,22,88,500	1,22,88,500
c) General Reserve		
At the beginning of the year	23,50,00,000	21,10,00,000
Add: Transfer from Surplus in Statement of Profit and Loss	3,00,00,000	2,40,00,000
At the end of the year	26,50,00,000	23,50,00,000
d) Surplus/(Deficit) in Statement of Profit and Loss		
At the beginning of the year	1,98,14,679	1,80,53,405
Add: Profit during the year	3,19,27,935	3,03,10,793
Less: Appropriations		
Proposed dividend	-	37,80,000
Tax on proposed dividend	-	7,69,519
Transfer to general reserve	3,00,00,000	2,40,00,000
Adjustments relating to Properties,Plants & Equipments - Refer note 10 (4)	16,55,642	-
At the end of the year	2,00,86,972	1,98,14,679
TOTAL (a+b+c+d)	29,94,40,816	26,91,68,523
4 LONG TERM BORROWINGS		
A. SECURED		
Rupee Loan (Term Loan)		
- From Bank	1,31,81,245	2,18,01,245
Vehicle Loan		
- From Bank	7,50,257	10,98,394
Total	1,39,31,502	2,28,99,639
B. UNSECURED		
Rupee Loan		
- From Others	6,55,00,000	7,55,00,000
Total	6,55,00,000	7,55,00,000
TOTAL (A + B)	7,94,31,502	9,83,99,639
a) Secured Loans are covered by:		
From Bank		

Term Loan, including current maturities, from bank is secured by way of first pari passu charge on machineries and other property, plant and equipments to be procured by way of availing Term Loan and secured by way of hypothecation of plant & machineries and other property, plant and equipments of the company, including land and building by way of deposit of title deeds and third party security.



NOTES TO THE FINANCIAL STATEMENTS

- b) **Repayment Terms of outstanding long term borrowings (including current maturities) as on March 31, 2017: -**
The Scheduled maturity of the Long-term borrowings is summarised as under :

	Banks & Corporates		Banks	
	Vehicle & Inter Corporate Loan		Term Loan	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Borrowings Repayable				
In the first year (Note 8)	9,62,266	10,84,963	86,20,000	86,20,000
Current maturities of long-term debt	9,62,266	10,84,963	86,20,000	86,20,000
In the second year	5,98,324	7,41,978	86,20,000	86,20,000
In the third year	1,51,933	3,56,416	45,61,245	86,20,000
In the fourth year and onwards	-	-	-	45,61,245
Long Term Borrowings	7,50,257	10,98,394	1,31,81,245	2,18,01,245

	Amount in ₹	
	As at 31.03.2017	As at 31.03.2016
c) Period of Continuing Default		
There is no continuing default in repayment of Long Term Borrowings.		
d) Unsecured Loan from Others includes		
i) Related party (bearing interest)	1,00,00,000	1,00,00,000
ii) Intercorporates		
a) Bearing interest	5,55,00,000	6,55,00,000
b) Interest free	-	-
	6,55,00,000	7,55,00,000
e) Long Term Borrowings from Related Party includes payable to:		
Prince Vanijya Pvt. Ltd.	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017	Amount in ₹ As at 31.03.2016
5 DEFERRED TAX LIABILITIES (NET)		
a) Deferred tax liability:		
On depreciation & amortisation	2,61,80,200	2,75,14,300
Total deferred tax liability (A)	2,61,80,200	2,75,14,300
b) Deferred tax asset:		
Provision for doubtful assets	22,400	22,400
Provision for doubtful loan & advances	13,49,700	13,49,700
Total deferred tax asset (B)	13,72,100	13,72,100
Net Deferred tax liability (A - B)	2,48,08,100	2,61,42,200
6 SHORT TERM BORROWINGS		
a) SECURED**		
(i) Foreign currency loan from banks		
– PCFC	–	23,20,95,483
– Bill Discounting	2,45,11,968	2,56,32,686
(ii) Buyers' Credit	98,42,486	–
(iii) Rupee loan from banks		
– Cash credit	14,36,17,213	19,61,06,135
– EPC	29,32,05,417	–
	47,11,77,084	45,38,34,304
b) UNSECURED		
(i) Inter corporate loan	1,00,00,000	–
	1,00,00,000	–
TOTAL (a+b)	48,11,77,084	45,38,34,304

** Secured by way of Entire Property, Plant and Equipments, Raw material, Stock in Transit, including land and building by way of deposit of title deeds, guarantees, engagements, securities, investment and right etc. both present & future and supply of bills.

7 TRADE PAYABLES

Trade payables (including acceptances)	17,70,42,416	13,83,32,580
TOTAL	17,70,42,416	13,83,32,580

Note: - A sum of ₹ 1,08,98,827/- (Previous Year - ₹ 29,05,411/-) payable to Micro and Small Enterprises as at 31st March, 2017. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2017. This information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

8 OTHER CURRENT LIABILITIES

(a) Current Maturities of Long Term Debt (Note 4(b))	95,82,266	97,04,963
(c) Interest accrued and due on borrowings	–	53,76,879
(d) Unpaid dividends *	6,61,461	6,76,080
(e) Other payables	3,66,34,508	2,83,85,919
TOTAL	4,68,78,235	4,41,43,841



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017	Amount in ₹ As at 31.03.2016
Other payables comprise :		
Payables for fixed assets	58,76,820	18,46,818
Advance received from customers	63,14,610	32,65,321
Statutory Liabilities	25,83,034	21,43,694
Deposit against Rent	1,80,000	-
Others	2,16,80,044	2,11,30,086
	3,66,34,508	2,83,85,919
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.		
9 SHORT TERM PROVISIONS		
Proposed Dividend	-	37,80,000
Tax on proposed dividend	-	7,69,519
Provision For income Tax (Net of Advance Tax and TDS)	2,64,229	-
TOTAL	2,64,229	45,49,519

10 PROPERTY, PLANT AND EQUIPMENTS

PARTICULARS	TANGIBLE ASSETS								INTANGIBLE ASSETS	
	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Other - Electric Installations	Total Tangible Assets	Computer Softwares
	Freehold	Leasehold								
Gross Block										
Balance as at March 31, 2015	95,76,076	97,50,000	6,26,44,026	24,80,62,657	1,15,11,717	57,95,450	53,19,960	1,46,80,688	36,73,40,574	2,96,601
Additions	1,15,72,626	-	1,20,05,624	3,17,27,977	24,85,093	13,80,593	9,47,692	41,33,640	6,42,53,245	-
Deletions	-	-	-	30,34,707	-	-	-	-	30,34,707	-
Balance as at March 31, 2016	2,11,48,702	97,50,000	7,46,49,650	27,67,55,927	1,39,96,810	71,76,043	62,67,652	1,88,14,328	42,85,59,112	2,96,601
Additions	-	-	2,24,721	49,50,124	16,30,498	8,30,756	3,45,591	18,28,974	98,10,664	7,14,650
Deletions	-	-	-	24,48,442	-	6,01,848	-	-	30,50,290	-
Balance as at March 31, 2017	2,11,48,702	97,50,000	7,48,74,371	27,92,57,609	1,56,27,308	74,04,951	66,13,243	2,06,43,302	43,53,19,486	10,11,251
Accumulated Depreciation										
Balance as at March 31, 2015	-	-	1,27,44,813	13,20,42,370	29,04,610	21,04,457	29,47,888	63,82,966	15,91,27,104	2,51,905
Additions	-	-	24,26,266	1,23,06,110	11,56,649	5,44,464	6,79,324	14,07,010	1,85,19,823	29,866
Deletions	-	-	-	20,94,877	-	-	-	-	20,94,877	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	-	-	1,51,71,079	14,22,53,603	40,61,259	26,48,921	36,27,212	77,89,976	17,55,52,050	2,81,771
Additions	-	-	36,95,080	1,50,16,968	13,36,983	6,56,435	7,48,186	17,11,224	2,31,64,876	31,933
Deletions	-	-	-	4,12,771	-	4,54,775	-	-	8,67,546	-
Adjustments	-	-	14,24,897	2,30,745	-	-	-	-	16,55,642	-
Balance as at March 31, 2017	-	-	2,02,91,056	15,70,88,545	53,98,242	28,50,581	43,75,398	95,01,200	19,95,05,022	3,13,704
Net Block										
Balance as at March 31, 2016	2,11,48,702	97,50,000	5,94,78,571	13,45,02,324	99,35,551	45,27,122	26,40,440	1,10,24,352	25,30,07,062	14,830
Balance as at March 31, 2017	2,11,48,702	97,50,000	5,45,83,315	12,21,69,064	1,02,29,066	45,54,370	22,37,845	1,11,42,102	23,58,14,464	6,97,547

Note:

- Building Freehold include ₹4,60,92,583/- (Previous Year ₹4,60,92,583/-), aggregate cost of Building on Leasehold Land situated at various locations.
- Office Premises include ₹52,71,635/- (Previous Year ₹52,71,635/-), aggregate cost of Office Premises on lease. While the ownership of office premises ₹ 52,71,635 is in the name of the company has not yet effected formal transfer.
- The company imported plant & machineries under concessional rate or zero customs duty under Export Promotion Capital Goods Scheme (EPCG Scheme). Under the scheme, the company is obliged to export goods equivalent to 8 times of duty saved on capital goods. The company is required to meet this export obligation over a period of 8 years from the date of issue of authorisations. Out of the above, the company has pending export obligation of USD 2.83 lacs upto 31.03.2017.
- Capital Subsidy for ₹ 19,69,200/- (Previous Year ₹ NIL) received in respect of Plant & Machineries has been shown as a deduction from the gross block of the assets concerned. Accordingly depreciation on ₹ 19,69,200/- (Previous Year ₹ NIL) relating to earlier financial years amounting to ₹ 1,11,378/- (Previous Year ₹ NIL) has been reversed and credited to Profit & Loss Account under note 3(d).
- Depreciation of ₹ 17,67,020/- (Previous Year ₹ NIL) on account of assets whose useful life was exhausted on April 01, 2016 has been adjusted against balance of profit & loss account pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013 and as per component accounting [Refer note 3(d)].



NOTES TO THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31.03.2017</u>	<u>Amount in ₹</u> <u>As at</u> <u>31.03.2016</u>
11 NON CURRENT INVESTMENTS		
(at cost unless stated otherwise)		
Long Term and Non Trade Investments		
Investment in equity instruments		
In others		
Unquoted		
Bharat NRE Coke Limited	10,50,000	10,50,000
8,871 (P.Y. 8,871) shares of ₹ 10 each, fully paid		
West Bengal Hosiery Park Infrastructure Ltd		
300 (P.Y. 300) shares of ₹ 10 each, fully paid	3,000	3,000
	<u>10,53,000</u>	<u>10,53,000</u>
Quoted		
Hindustan Copper Limited - Nil	-	4,36,265
(P. Y. 15000) shares of ₹ 5 each		
Hindustan Construction Company Limited Nil	-	1,69,315
(P. Y. 5000) shares of ₹ 1 each		
	-	6,05,580
Aggregate amount of non-current investments	<u>10,53,000</u>	<u>16,58,580</u>
Aggregate market value of quoted investments.	-	<u>3,51,750</u>
12 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
(a) Security Deposits	1,38,33,029	1,34,33,029
(b) Deposits with body corporate and others		
- Considered good	-	-
- Considered doubtful	39,00,000	39,00,000
(c) Loan to Employees	9,41,449	13,27,016
(d) Advance Income Tax (Net of Provision)	-	12,14,715
(e) Other advances recoverable in cash or kind	16,29,880	16,29,880
	<u>2,03,04,358</u>	<u>2,15,04,640</u>
Less: Provision for doubtful advances	39,00,000	39,00,000
TOTAL	<u>1,64,04,358</u>	<u>1,76,04,640</u>
(i) Loans & Advances to Related Parties - Nil		
(ii) Loan to employees are given as per company's policy.		
13 OTHER NON-CURRENT ASSETS		
(a) Deposits with Banks (with maturity more than 12 months)*	2,42,900	25,90,700
TOTAL	<u>2,42,900</u>	<u>25,90,700</u>
* Deposits under lien with bankers of the company for credit facilities.		



NOTES TO THE FINANCIAL STATEMENTS

14 INVENTORIES

(At lower of cost and net realisable value)

- (a) Raw Materials *
- (b) Work-in-progress (refer note 23) \$
- (c) Finished goods (refer note 23) #
- (d) Stock-in-trade (refer note 23)
- (e) Stores spares
- (f) Packing materials @

TOTAL

* Inventory of raw material includes ₹ 124.23 lacs (Previous Year ₹ 221.97 lacs) as stock in transit and ₹ 80.46 lacs (Previous Year ₹ 148.66 lacs) as stock lying with third party.

\$ Inventory of work-in-progress includes ₹ 306.02 lacs (Previous Year ₹ 295.33 lacs) as stock lying with third party.

Inventory of finished goods includes

(i) ₹ 31.32 lacs (Previous Year ₹ 56.64 lacs) as stock in transit out of which

₹ NIL (Previous Year ₹ 21.63 lacs) is lying with third party.

(ii) ₹ 110.62 lacs (Previous Year ₹ 2.41 lacs) as stock despatched for export awaiting customs formalities.

@ Inventory of packing materials includes ₹ NIL (Previous Year ₹ 0.15 lacs) as stock in transit.

Note: Valuation of inventories certified and decided by the management are according to normally accepted accounting principles.

15 TRADE RECEIVABLES

- (a) Outstanding for a period exceeding six months

from the date they are due for payment

Unsecured, considered good

Doubtful

Less: Provision for doubtful receivables

Total

- (b) Others

Unsecured, considered good

TOTAL (a+b)

16 CASH AND BANK BALANCES

- (a) Cash and Cash Equivalents

Balances with banks

- In current accounts

- In EEFC accounts

- In deposit accounts (with less than 3 months maturity)

Cash in hand

Cheques in hand

Total

- (b) Other Bank Balances

- In deposit accounts (with maturity of more than 3 months* but less than 12 months)

- In unpaid dividend accounts

Total

TOTAL (a+b)

Deposit with banks having maturity of more than 12 months of ₹ 2,42,900/- (Previous Year - ₹ 25,90,700/-) is classified as other non-current assets (Refer Note - 13)

* Deposits under lien with bankers of the company for credit facilities.

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBN's#	Other Denominations	Total
Closing cash on hand as on November 8, 2016	3,30,000	2,06,031	5,36,031
(+) Permitted receipts	-	25,54,542	25,54,542
(-) Permitted payments	-	18,63,032	18,63,032
(-) Amount deposited in Banks	3,30,000	-	3,30,000
Closing cash on hand as on December 30, 2016	-	8,97,541	8,97,541

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017	Amount in ₹ As at 31.03.2016
17 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
(a) Loans and advances to Related Parties	-	-
(b) Others		
(i) Loans and advances to other body corporate*	36,67,461	36,67,461
(ii) Export Incentives & Receivables from govt. authorities	11,78,90,965	10,19,99,684
(iii) Loans & Advances to Employees	3,71,706	3,86,250
(iv) Other Loans and Advances #	2,71,76,209	1,97,25,338
TOTAL (a+b)	14,91,06,341	12,57,78,733
* Includes interest free advances to body corporates in the normal course of business.		
# Other Loans and Advances includes advances to sundry creditors.		
18 OTHER CURRENT ASSETS		
(a) Prepaid expenses	48,84,480	59,63,674
(b) Interest accrued on deposits	6,21,732	3,60,366
(c) Others	60,000	-
TOTAL	55,66,212	63,24,040
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
19 REVENUE FROM OPERATIONS		
Sale of products	1,49,68,44,213	1,49,98,21,445
Other operating revenue	10,94,57,280	11,99,32,626
Revenue from operations (gross)	1,60,63,01,493	1,61,97,54,071
Less: Excise / Customs duty attributable to product sold	1,60,44,277	1,20,98,037
Revenue from operations (net)	1,59,02,57,216	1,60,76,56,034
<u>Details of products sold</u>		
<u>(A) Finished goods sold</u>		
Hand Gloves	97,07,95,628	1,13,62,90,491
Readymade Garments	38,77,34,382	30,14,81,226
Windpower	96,07,951	86,07,498
Others	22,40,290	4,55,95,513
	1,37,03,78,251	1,49,19,74,728
<u>(B) Raw materials & traded goods sold</u>		
Yarn, fabrics, chemicals and other traded goods	12,64,65,962	78,46,717
	12,64,65,962	78,46,717
(A)+(B)	1,49,68,44,213	1,49,98,21,445
<u>Other operating revenue</u>		
(i) Scrap sales	1,04,250	2,38,503
(ii) Export Incentives	10,71,53,502	11,54,56,047
(iii) Discount Received	18,472	42,38,076
(iv) Other Operating Income	21,81,056	-
	10,94,57,280	11,99,32,626
20 OTHER INCOME		
Interest income on		
Bank Deposits	4,20,853	7,02,512
Others	36,989	16,844
Net gain on foreign currency transaction and translation	2,54,90,023	-
Other Non-operating income *	27,25,116	13,05,869
TOTAL	2,86,72,981	20,25,225
* Other Non-operating income includes		
Discount Received	-	1,54,310
Subsidy Received	13,65,616	-
Dividend Received	26,646	750
Other Misc. Income	9,07,246	8,20,879
Profit on sale of Investments	33,686	1,20,528
Profit on sale of Property, Plant and Equipments	67,408	1,80,170
Rent Received	60,000	-
Sample Income	2,64,514	29,232
	27,25,116	13,05,869



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
21 COST OF RAW MATERIALS CONSUMED		
Opening Stock	19,19,92,208	17,09,04,425
Add: Purchase	91,49,33,206	1,06,75,18,556
Less: Closing Stock	16,11,85,289	19,19,92,208
Cost of raw materials consumed	94,57,40,125	1,04,64,30,773
Details of raw materials consumed		
Yarn	6,58,78,605	10,48,43,272
Fabrics	18,84,30,716	11,18,39,393
Leathers	51,16,98,982	64,14,22,837
Chemicals	5,44,61,767	3,04,48,640
Others (incl. leather and garment accessories)	12,52,70,055	15,78,76,631
	94,57,40,125	1,04,64,30,773
Value of Raw materials consumed during the year		
Imported	14% 13,31,74,451	18% 19,13,94,057
Indigenous	86% 81,25,65,674	82% 85,50,36,716
	94,57,40,125	1,04,64,30,773
22 PURCHASES OF STOCK-IN-TRADE		
Hand Gloves	10,34,43,112	4,18,29,619
Readymade Garments	3,116	-
Others (incl. Industrial garments)	50,29,592	31,65,383
TOTAL	10,84,75,820	4,49,95,002
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Opening Stock		
Work-in-progress	10,92,01,695	7,74,62,940
Finished goods	9,36,15,419	10,63,51,937
Stock-in-trade	16,48,262	-
	20,44,65,376	18,38,14,877
Closing Stock		
Work-in-progress	13,82,67,266	10,92,01,695
Finished goods	7,85,48,131	9,36,15,419
Stock-in-trade	85,35,512	16,48,262
	22,53,50,909	20,44,65,376
TOTAL	(2,08,85,533)	(2,06,50,499)
Details of inventories		
Work-in-progress		
Hand gloves	2,87,08,483	3,95,83,533
Readymade Garments	10,29,61,980	6,92,22,994
Others	65,96,803	3,95,168
	13,82,67,266	10,92,01,695
Finished goods		
Hand gloves	7,67,32,226	8,98,39,172
Readymade Garments	6,83,156	29,37,679
Others	11,32,749	8,38,568
	7,85,48,131	9,36,15,419
Stock-in-trade		
Hand gloves	79,10,396	14,34,362
Readymade Garments	3,116	-
Others	6,22,000	2,13,900
	85,35,512	16,48,262
24 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, etc	4,03,74,504	3,50,56,146
Contribution to provident and other funds	34,03,561	31,37,311
Gratuity expenses	7,84,110	39,65,769
Staff welfare expense	17,22,623	21,64,423
TOTAL	4,62,84,798	4,43,23,649



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Note: No provision was made in respect of Leave encashment in the account. As required by Accounting Standard "Employee Benefits" (AS-15), the disclosures are as under:		
(I) Employer's Contribution to Provident Fund	28,08,776	25,90,667
Defined Benefit Plan :		
The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Under AS - 15 (Revised 2005) as on 31.03.17 in respect of CGCA scheme of Acknit Industries Limited.		
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
1 Actuarial Assumptions		
Discount Rate (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	3.00%	3.00%
2 Changes in present value obligation		
Present value obligation as at beginning of the year	90,55,285	47,40,988
Interest cost	7,24,423	3,79,279
Current service cost	4,92,093	3,22,523
Benefits paid	(1,67,176)	(1,06,262)
Actuarial (gain)/ loss on obligation	3,49,500	37,18,757
Present value obligation as at end of the year	1,04,54,125	90,55,285
3 Changes in fair value of plan assets		
Plan assets as at beginning of the year	63,27,888	54,75,699
Expected return on plan assets	7,81,906	4,54,790
Contributions	42,54,220	5,03,661
Benefits Paid	(1,67,176)	(1,06,262)
Actuarial gain /(loss)	-	-
Plan assets as at end of the year	1,11,96,838	63,27,888
4 Fair value of plan assets		
Plan assets as at beginning of the year	63,27,888	54,75,699
Actual return on plan assets	7,81,906	4,54,790
Contributions	42,54,220	5,03,661
Benefit paid	(1,67,176)	(1,06,262)
Fair value plan assets as at end of the year	1,11,96,838	63,27,888
Funded status	7,42,713	(27,27,397)
Excess of actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	-	-
5 Actuarial (Gain) / Loss recognized		
Actuarial (gain) / loss for the year - obligation	3,49,500	37,18,757
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	3,49,500	37,18,757
Actuarial (gain) /loss recognized in the year	3,49,500	37,18,757
6 Amounts to be recognized in the Balance Sheet		
Present value obligation as at end of the year	1,04,54,125	90,55,285
Fair value plan assets as at end of year	1,11,96,838	63,27,888
Funded status	7,42,713	(27,27,397)
Net assets / (liability) recognized in Balance Sheet	7,42,713	(27,27,397)
7 Expenses Recognized in the Statement of Profit & Loss		
Current service cost	4,92,093	3,22,523
Interest cost	7,24,423	3,79,279
Expected return on plan assets	(7,81,906)	(4,54,790)
Net actuarial (gain)/ loss recognized in the year	3,49,500	37,18,757
Expenses recognized in the statement of profit & Loss	7,84,110	39,65,769
Expenses related to previous year	-	-

► The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
25 FINANCE COST		
Bank charges	44,35,125	19,78,753
Interest Expense	4,03,10,558	3,79,23,977
Others	1,99,398	1,82,072
TOTAL	4,49,45,081	4,00,84,802
26 OTHER EXPENSES		
Consumption of stores, spares & packing materials @	3,31,80,684	3,27,86,992
Power & fuels	2,99,51,882	2,69,24,713
Rent, rates & taxes etc.	1,09,01,813	91,85,076
Packing & finishing charges	93,57,963	79,74,623
Printing & stationary	12,81,317	11,90,391
Processing charges	24,96,50,341	22,02,29,029
Bank Charges	45,16,481	48,65,293
Travelling & conveyance expenses	95,26,727	1,10,37,378
Auditor's remuneration *	3,98,440	4,05,025
Insurance charges	44,48,740	43,29,822
Postage & telephone expenses	40,22,414	35,92,403
Motor car expenses	14,93,270	14,62,380
Repairs & maintenance		
Plant & machinery	38,20,930	37,16,400
Building	3,61,505	5,86,925
Others	70,04,113	64,52,004
Commission on sales	-	55,301
Sales promotion expenses	64,37,516	38,62,108
Coolie, cartage, freight & forwarding charges	2,76,60,999	2,00,97,785
Quality Claim on Sales / Exports	48,79,174	63,75,606
Provision for Doubtful Debts written back	-	(42,44,319)
Bad Debts written off	-	96,30,108
Net loss on foreign currency transactions	-	26,87,645
Sundry balance Written Off	3,92,338	31,25,656
Sales Tax Expenses	16,11,360	25,16,077
Misc. expenses	1,03,23,140	75,71,380
Prior Period items #	9,28,943	5,57,849
TOTAL	42,21,50,090	38,69,73,650
Note: - Cyclic expenditure such as Professional Tax, Rates, Taxes, Bonus, Insurance, Telephone expenses are treated on cash basis.		
@Value of Stores, spares & packing materials consumed during the year		
Imported	5% 16,82,401	14% 45,83,631
Indigenous	95% 3,14,98,283	86% 2,82,03,361
	3,31,80,684	3,27,86,992
* Auditors' remuneration and expenses		
Audit Fees	2,76,000	2,76,000
Tax Audit Fees	69,000	69,000
Vat Audit Fees	12,650	12,650
Other Matters	40,790	47,375
	3,98,440	4,05,025
# Details of Prior period items (Net)		
(a) Prior period item (Debit Adjustments)		
Coolie, Cartage, Freight & Forwarding Charges	87,461	8,807
Export Incentives	12,35,830	2,78,603
Insurance Charges	800	2,51,935
Postage & Telephone Charges	-	3,793
Power & Fuel Expenses	4,907	45,127
Purchases	50,405	-
Rent, Rate & Taxes	45,209	-
Repairs & Maintenance	1,10,515	95,382
Others	1,20,920	1,82,316
	16,56,047	8,65,963



NOTES TO THE FINANCIAL STATEMENTS

	For the Year Ended 31.03.2017	Amount in ₹ For the Year Ended 31.03.2016
(b) Prior period item (Credit Adjustments)		
Export Incentives	45,940	1,59,010
Sales Tax Expense	6,80,984	-
Discount Received	-	1,080
Others	180	1,48,024
TOTAL (a-b)	7,27,104	3,08,114
	9,28,943	5,57,849
27 CURRENT TAX		
Income tax for the year:		
Current Tax	1,83,00,100	1,40,00,000
TOTAL	1,83,00,100	1,40,00,000
Adjustments / (credits) related to previous years - Net Current Tax	1,29,072	-
	1,29,072	-
TOTAL	1,84,29,172	1,40,00,000
28 EARNINGS PER SHARE		
Profit After Taxation	3,19,27,935	3,03,10,793
Weighted average number of shares (Nos.)	25,20,000	25,20,000
Basic and Diluted Earnings Per Share	12.67	12.03
29 CONTINGENT LIABILITIES		
(a) Claims against the company not acknowledged as debts		
(i) Sales Tax claims disputed by the company relating to issues of applicability, classification and disallowance.	32,60,304	76,16,758
(ii) Tax liability demanded by the Kolkata Municipal Tax Authorities*.	-	25,62,342
(iii) Income Tax matters	14,86,883	13,28,960
(b) Guarantees		
Letter of Credit	5,69,09,682	64,19,380
Counter Guarantee Given	37,76,957	33,27,290
(c) Other money for which company is contingently liable		
Bills discounted by the Bank	2,45,11,968	2,56,32,686

* Tax liability demanded by the Kolkata Municipal Tax Authorities was set aside by the Municipal Assessment Tribunal in their order no. 08 dtd. 30.06.2016 vide M.A.A. 423 of 2016 and directed the Hearing Officer concerned to make a fresh assessment of the liabilities. The company has deposited, on account on several dates, a total sum of ₹ 21,02,421/- (Previous Year - ₹ 18,02,421/-). The amount so paid will be adjusted with the final assessment.



NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENT REPORTING

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

PRIMARY SEGMENT INFORMATION

	2016-17			2015-16			Amount in ₹
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total	
A. SEGMENT REVENUE							
Hand Gloves	1,17,17,11,995	-	1,17,17,11,995	1,24,62,20,503	-	1,24,62,20,503	
Readymade Garments	38,68,60,999	-	38,68,60,999	30,38,43,618	-	30,38,43,618	
Power Generation	96,07,951	-	96,07,951	86,07,498	-	86,07,498	
Others	2,20,76,271	-	2,20,76,271	4,89,84,415	-	4,89,84,415	
Segment Total	1,59,02,57,216	-	1,59,02,57,216	1,60,76,56,034	-	1,60,76,56,034	
Elimination			-			-	
Total Revenue			1,59,02,57,216			1,60,76,56,034	
B. SEGMENT RESULTS							
Hand Gloves			8,83,76,933			9,46,06,412	
Readymade Garments			2,53,59,599			2,57,26,326	
Power Generation			54,36,791			46,56,429	
Others			29,31,234			68,99,215	
Segment Total			12,21,04,557			13,18,88,382	
Unallocated corporate expenses.			(3,45,58,770)			(4,48,54,612)	
Unallocated corporate income			59,64,459			13,05,869	
Profit before Finance cost , Tax			9,35,10,246			8,83,39,639	
Finance cost			(4,49,45,081)			(4,00,84,802)	
Interest on loan, deposits, etc.			4,57,842			7,19,356	
Provision for Taxation (Net)			(1,70,95,072)			(1,86,63,400)	
C. PROFIT AFTER TAXATION			3,19,27,935			3,03,10,793	
D. OTHER INFORMATION							
		Segment Assets	Segment Liabilities		Segment Assets	Segment Liabilities	
Hand Gloves		68,41,55,224	51,61,91,594		68,81,49,420	52,00,00,256	
Readymade Garments		33,53,79,047	25,80,97,597		26,10,59,285	20,28,36,677	
Power Generation		3,68,04,881	35,538		3,58,34,211	4,57,070	
Others		89,59,541	39,18,118		84,97,602	34,95,392	
Segment Total		1,06,52,98,693	77,82,42,847		99,35,40,518	72,67,89,395	
Unallocated Corporate Assets / Liabilities		7,26,92,790	3,27,30,820		6,99,79,188	3,99,84,788	
Total		1,13,79,91,483	81,09,73,667		1,06,35,19,706	76,67,74,183	
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	
Hand Gloves	53,36,533	1,66,63,044	-	4,02,35,977	1,26,75,389	-	
Readymade Garments	44,74,131	31,27,364	-	1,29,95,265	23,94,088	-	
Power Generation	-	22,54,628	-	-	22,54,246	-	
Others & Traded Items	-	-	-	-	-	-	
Segment Total	98,10,664	2,20,45,036	-	5,32,31,242	1,73,23,723	-	
Unallocated Expenditure	7,14,650	11,51,773	-	1,34,97,317	12,25,966	-	
Total	1,05,25,314	2,31,96,809	-	6,67,28,559	1,85,49,689	-	



NOTES TO THE FINANCIAL STATEMENTS

SECONDARY SEGMENT INFORMATION	Amount in ₹	
	2016-17	2015-16
Segment Revenue		
Within Special Economic Zone	19,73,62,225	18,92,86,400
Outside Special Economic Zone	1,39,28,94,991	1,41,83,69,634
Segment Assets		
Within Special Economic Zone	25,54,28,478	27,40,67,486
Outside Special Economic Zone	88,25,63,005	78,94,52,220
Capital Expenditure		
Within Special Economic Zone	8,17,492	2,11,09,935
Outside Special Economic Zone	97,07,822	4,56,18,624

31 RELATED PARTY DISCLOSURES

Related Party Disclosures, as required by Accounting Standard 18, " Related Party Disclosures", are given below :

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

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2017

	Parties referred to in (1) above		Parties referred to in (2.3) above		Total	
	2017	2016	2017	2016	2017	2016
Purchase of goods	4,66,47,398	3,03,82,796	-	-	4,66,47,398	3,03,82,796
Sale of goods	4,03,66,123	49,99,793	-	-	4,03,66,123	49,99,793
Sale of Capital Goods	-	3,90,000	-	-	-	3,90,000
Purchase of Investment	94,61,337	-	-	-	94,61,337	-
Sale of investments	1,01,00,603	20,19,683	-	-	1,01,00,603	20,19,683
Rent paid	8,40,000	8,40,000	-	-	8,40,000	8,40,000
Interest income	-	-	-	-	-	-
Interest expenses	15,00,000	14,71,198	-	-	15,00,000	14,71,198
Processing charges paid	15,22,888	18,83,398	-	-	15,22,888	18,83,398
Remuneration						
- Directors	-	-	73,92,000	73,92,000	73,92,000	73,92,000
- Others	-	-	53,17,912	41,97,831	53,17,912	41,97,831
Loan given	-	-	-	-	-	-
Receipt towards refund of loan	-	-	-	-	-	-
Security Deposit Given	-	-	-	-	-	-
Loan taken	-	75,00,000	-	-	-	75,00,000
Repayment of loan	-	35,00,000	-	-	-	35,00,000
Balance as on 31st March						
Creditors / Payable	86,96,114	22,53,501	-	-	86,96,114	22,53,501
Debtors / Receivable	94,49,514	-	-	-	94,49,514	-
Security Deposit	50,00,000	50,00,000	-	-	50,00,000	50,00,000
Loan taken	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
32 EXPENDITURE IN FOREIGN CURRENCY		
(Amount remitted in foreign currency by way of letter of credit arrangements / others)		
(i) For purchase of Capital goods on CIF basis	26,75,136	2,07,21,516
(ii) For purchase of Raw Materials, stores, spares & Finished Goods	9,86,72,629	21,26,03,930
(iii) For Travelling Expenses	53,80,680	67,35,127
(iv) For Commission	-	55,301
(v) On other accounts	1,28,76,604	1,90,07,457
	11,96,05,049	25,91,23,331
33 EARNINGS IN FOREIGN CURRENCY (ON FOB BASIS)		
(i) Export of goods	1,06,93,64,632	1,11,74,06,067
(ii) Other income	25,79,745	44,13,505
	1,07,19,44,377	1,12,18,19,572

34 DERIVATIVE INSTRUMENTS:

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

Forward exchange contracts outstanding as at year end:-

Currency	Cross Currency	As at 31.03.2017		As at 31.03.2016	
		Buy	Sell	Buy	Sell
US Dollar (\$)	Indian Rupees (₹)	-	39,34,932	-	11,18,990
Euro (€)	Indian Rupees (₹)	-	22,27,683	-	12,09,258

35 Balance under heading trade receivables, trade payables and loans and advances are subject to confirmations.

36 Figures have been rounded off to the nearest rupee.

The accompanying notes 1-36 are an integral part of the financial statements

As per our report of even date

For **R.K. BAJAJ & Co.**

Chartered Accountants
(Firm Reg. No.314140E)

R.K. BAJAJ

Proprietor

Membership No.051715

40/5, Strand Road, Kolkata - 700 001

Date: The 30th day of May, 2017

For and on behalf of the Board

Shri Krishan Saraf

Managing Director
DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer
DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Shruti Poddar

Company Secretary

M. No. A36374

