ACKNIT INDUSTRIES LIMITED

(Formerly : Acknit Knitting Limited)

Corporate Office : "Ecostation", Block • BP, Plot No. 7, Sector • V, 5th Floor,
Suit No. 504, Salt Lake, Kolkata • 700 091 (India)
CIN - L01113WB1990PLC050020
Ph. : 033-2367-5555 / 4444 # Fax : 033 2367-5544 / 4062-1021
E-mail : calcutta@acknitindia.com
Website : http://www.acknitindia.com

Date: 30-08-2020

To, BSE Ltd. Floor 25, P.J Towers Dalal Street , Mumbai-400001 SCRIP CODE: 530043	To, The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata-700001 SCRIP CODE: 10011078

Dear Sir/ Madam,

Sub: Annual Report for the Financial Year 2019-20

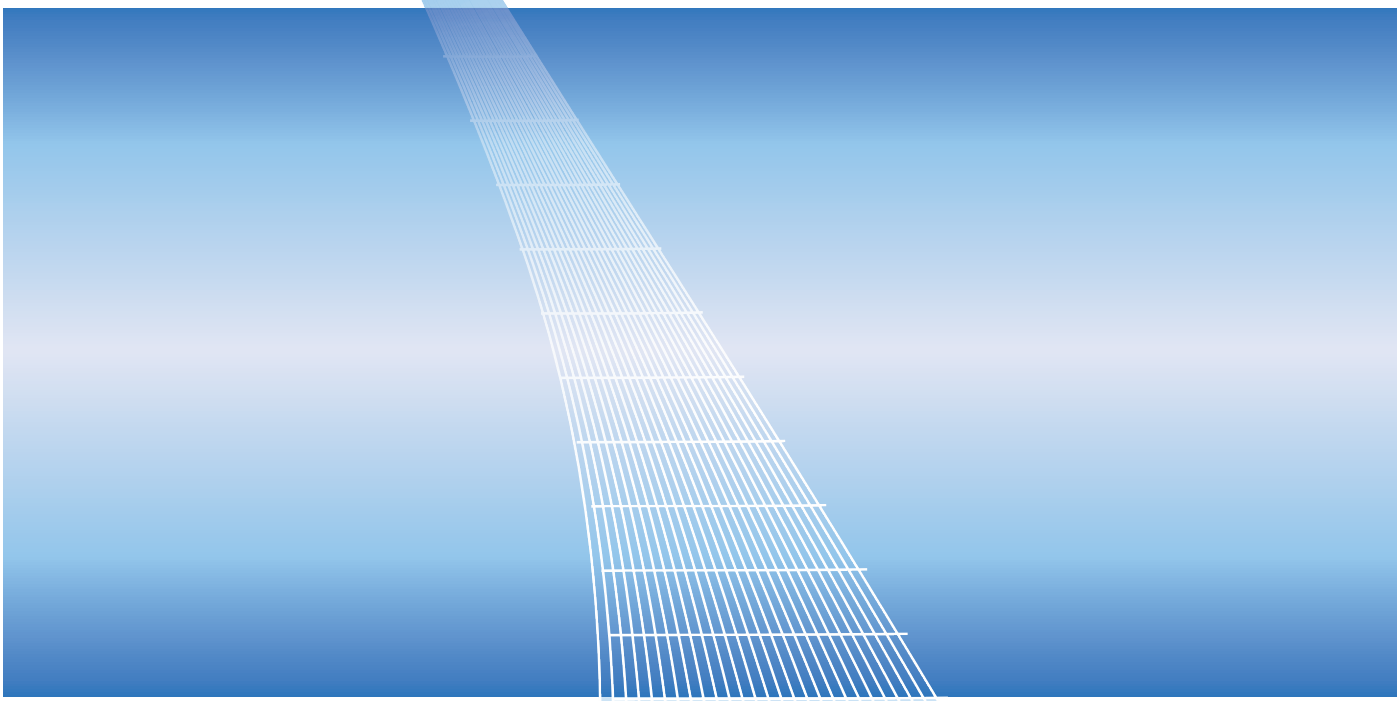
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2019-20.

Kindly take the same on your records.

Thanking you.

Yours faithfully,
For ACKNIT INDUSTRIES LIMITED
Acknit Industries Ltd.
Bandana Saha
Company Secretary
Bandana Saha
Company Secretary & Compliance Officer
M.No.: A46329

ACKNIT INDUSTRIES LIMITED



Annual Report And Accounts

2019-20

ACKNIT INDUSTRIES LIMITED

CIN : L01113WB1990PLC050020

Annual Report 2019-20

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf
-Managing Director
Mr. Deo Kishan Saraf
-Whole-Time Director & Chief Financial Officer
Mrs. Rashi Saraf
-Non-Executive Non-Independent Director
Mr. Samir Kumar Ghosh
-Independent Director
Mr. Mukul Banerjee
-Independent Director
Mr. Jadav Lal Mukherjee
-Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Bandana Saha

AUDITORS

SRB & Associates
Chartered Accountants
A-3/7, Gillanders House,
8, N. S. Road, Kolkata - 700 001

BANKERS

State Bank of India
Bank of Baroda
HDFC Bank Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE

"Ecostation", Block- BP, Plot No.7, Sector- V
5th Floor, Suit No. 504, Salt Lake, Kolkata-700091
Ph: (033) 2367-5555
Email: cs@acknitindia.com

REGISTRAR & SHARE TRANSFER AGENT

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

CONTENTS

Notice	3 - 8
Directors' Report	9 - 32
Independent Auditor's Report	33 - 37
Balance Sheet	38
Statement of Profit & Loss	39
Statement of Changes in Equity	40
Cash Flow Statement	41
Notes to the Financial Statements	42 - 65
Proxy Form	

NOTICE OF THE 30TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th Annual General Meeting of ACKNIT INDUSTRIES LIMITED will be held on Sunday, the 27th day of September, 2020 at 11.00 a.m. at 'Ecostation', Bock - BP, Plot No.7, Sector V, 5th Floor, Suit No. 503, Salt Lake, Kolkata - 700091 to transact the following business:-

ORDINARY BUSINESS:

Item No.1

To consider and adopt Audited Financial Statement for the Financial Year ended 31st March, 2020

To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March,2020, together with the Reports of the Directors and Auditors thereon.

Item No. 2

To declare dividend for the Financial Year ended 31st March, 2020

To declare dividend of Rs. 1.50 per equity shares of Rs.10 each for the Financial Year ended 31st March, 2020.

Item No. 3

To appoint a Director in place of Mr. Deo Kishan Saraf (DIN: 00128804), who retires by rotation and being eligible offers himself for re-appointment

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

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

By Order of the Board
For Acknit Industries Limited

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

Place: Kolkata
Date: 14-08-2020

Notes:

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

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

2. Corporate members are requested to send to the Company's registered office, a duly certified copy of board resolution authorizing their representative to attend and vote at the meeting.

3. Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 21st September, 2020 to Sunday, 27th September, 2020 (both days inclusive) for payment of dividend on equity shares for the Financial Year ended 31st March, 2020.

5. The dividend for the Financial Year ended 31st March, 2020, as recommended by the Board of Directors, if declared at the ensuing Annual General meeting,will be credited within 30 days from the date of declaration to those shareholders whose names appear in the register of members/statement of beneficial ownership furnished by the depositories as on the close of business hours on Sunday, 20th September, 2020 and whose Bank Account details has been updated with Depositories and Registrars. In view of the ongoing novel Coronavirus pandemic ('COVID-19') in the Country and pursuant to SEBI circular

dated 12th May 2020, the requirement of sending dividend warrant / draft will apply upon normalization of postal services.

Shareholders are requested to provide bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments in compliance with SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018.

6. Members desirous of asking any questions at the 30th AGM are requested to write to the Company at least 10 days in advance, so as to enable the management to keep the information ready at the meeting.

7. **Details of Directors seeking appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations):**

Mr. Deo Kishan Saraf (DIN: 00128804) aged about 54 years is an industrialist having rich business experience in this sector. He is the founding promoter of Acknit Industries Limited. Presently, he is the Whole-time Director and Chief Financial Officer of Acknit Industries Limited. Mr. Deo Kishan Saraf holds 228532 (Nos.) (7.52%) equity shares of the Company. He is not a director in any other listed entity & accordingly does not have any membership of any Board committee of the listed entity.

Mr. Deo Kishan Saraf is the younger brother of Mr. Shri Krishan Saraf. Except Mr. Deo Kishan Saraf and Mr. Shri Krishan Saraf, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this item.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Accounts Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

9. Those members who have so far not en-cashed their dividend warrants/draft for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will become due to be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to section 125 of the Companies Act, 2013 (or section 205C of the Companies Act, 1956) on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend from the Company.

Financial year ended	Last date of claiming unpaid dividend
31.03.2013	27.10.2020
31.03.2014	15.10.2021
31.03.2015	27.10.2022
31.03.2016	01.11.2023
31.03.2017	22.10.2024
31.03.2018	30.10.2025
31.03.2019	24.10.2026

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

11. Electronic copy of the Annual Report for the Financial Year 2019-20 along with the notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and

Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for the Financial Year 2019-20 is being sent in the permitted mode.

12. The Notice of Annual General Meeting and the copies of Directors' Report, Audited Financial Statement, Auditors' Report etc. will also be displayed on the website of the Company : www.acknitindia.com and may be accessed by the members.

13. Documents referred to in the Notice are available for inspection by the members at the registered office of the Company during business hours on any working day up to the date of Annual General Meeting of the Company, with prior appointment.

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

1. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Companies Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by National Securities Depository Limited ("NSDL"). The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting"). Instructions for e-voting are given herein below.

2. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

3. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

   a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******).

   b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12********** then your user ID is 12**********).

   c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

5. Your password details are given below:

   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

   i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

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

   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Other Instructions:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to rrekha1410@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the

correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

4. The remote e-voting period commences on Thursday, 24th September, 2020 (09.00 a.m. IST) and ends on Saturday, 26th September, 2020 (05.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Sunday, 20th September, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

6. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as per the Register of Members of the Company on Sunday, 20th September, 2020.

7. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as on the cut-off date, i.e., Sunday, 20th September, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

8. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Annual General Meeting through ballot paper.

9. Ms. Rekha Goenka, Practicing Company Secretary (Membership No. ACS-17805), has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the Annual General Meeting in a fair and transparent manner.

10. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those members who are present but have not cast their vote electronically using the remote e-voting facility.

11. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and submit not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

12. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.

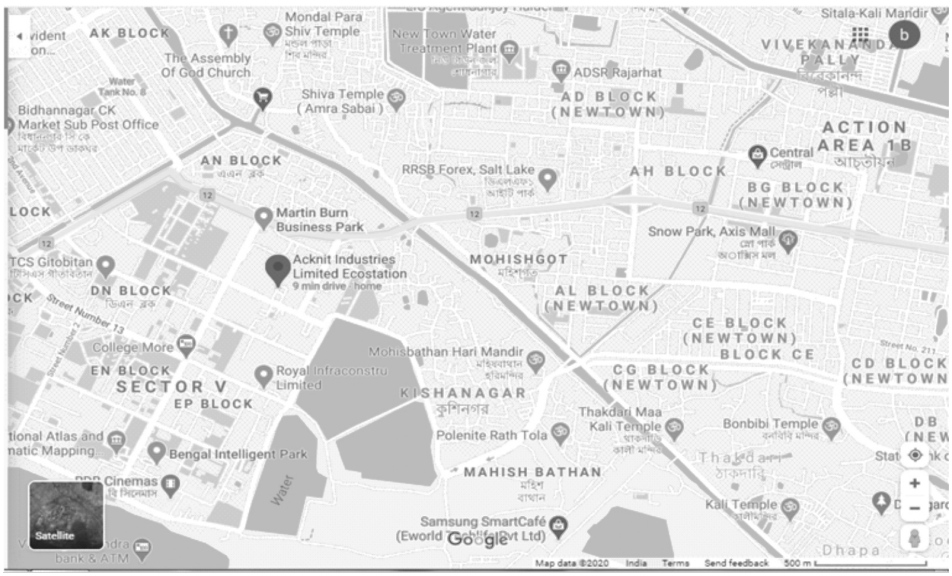
13. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.acknitindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to The BSE Ltd. and The Calcutta Stock Exchange Ltd.(CSE), where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

By Order of the Board
For Acknit Industries Limited

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

Place: Kolkata
Date:14-08-2020

ROUTE MAP


AK BLOCK
Mondal Para Shiv Temple
The Assembly Of God Church
New Town Water Treatment Plant
ADSR Rajarhat
AD BLOCK (NEWTOWN)
Sitala Kali Mandir
VIVEKANANDA PALLY
Shiva Temple (Amra Sabai)
Bidhannagar CK Market Sub Post Office
AN BLOCK
RRSB Forex, Salt Lake
AH BLOCK
Central
ACTION AREA 1B
BG BLOCK (NEWTOWN)
Martin Burn Business Park
Snow Park, Axis Mall
TCS Gitobitan
Acknit Industries Limited Ecostation
9 min drive · home
MOHISHGOT
DN BLOCK
AL BLOCK (NEWTOWN)
CE BLOCK (NEWTOWN)
BLOCK CE
College More
Mohisbathan Hari Mandir
CD BLOCK (NEWTOWN
EN BLOCK
SECTOR V
EP BLOCK
Royal Infraconstru Limited
CG BLOCK (NEWTOWN)
KUSHANAGAR
Thakdari Maa Kali Temple
Bonbibi Temple
Polenite Rath Tola
Bengal Intelligent Park
MAHISH BATHAN
Kali Temple
Satellite
Google
Map data ©2020
India
Terms
Send feedback
500 m

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report of the Company for the Financial Year ended 31st March, 2020.

FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Financial Year Ended 31.03.2020	Financial Year Ended 31.03.2019
Gross Revenue	17146.00	17378.61
Other Income	144.40	508.08
Total Revenue	**17290.40**	**17886.69**
Less: Total Expenditure	16021.55	16571.20
Gross Profit (before Depreciation & Finance Cost)	**1268.85**	**1315.49**
Less: Depreciation	249.43	226.91
: Finance Cost	459.01	498.32
Profit Before Tax (PBT)	**560.41**	**590.26**
Less: Provision for Income Tax	141.93	128.64
: Deferred Tax	(18.29)	(6.64)
Profit after Tax (PAT)	**436.77**	**468.26**
Other Comprehensive Income net of tax	(13.97)	(42.79)
Total Comprehensive Income	**422.80**	**425.47**
Balance B/F	209.40	188.90
Balance available for appropriation	632.20	614.37
Less: Dividend & Dividend Tax	54.97	54.97
Less: Transfer to General Reserve	350.00	350.00
Balance transfer to Balance Sheet	227.23	209.40

SUMMARY OF OPERATION

During the financial year total revenue income was marginally reduced from Rs.17,886.69 Lakhs to Rs.17,290.40 Lakhs i.e. by Rs.596.29 Lakhs equivalent to a reduction of above 3.3% over the previous year. PAT for the Financial Year 2019-20 was Rs.436.77 Lakhs as against Rs.468.26 Lakhs in the previous Financial Year 2018-19. The Total compressive income for the year was reduced to Rs.422.80 Lakhs as against Rs.425.47 Lakhs in the previous year end.

SEGMENT-WISE PERFORMANCE

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

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

Hand Gloves :

This is the oldest segment with which the Company commenced its journey of Business operations and it is still the main Revenue earner for the Company. In the year under review, the total Revenue receipt from this segment was Rs.10,456.70 Lakhs as against Rs.11,817.86 Lakhs in the previous year. Had there been no CORONA pandemic affecting the global economy and shortfall in exports caused, during the close of the financial year there would have been no reduction in revenue income. Yet because of effective handling of operations the segment surplus could be increased from Rs.1163.02 Lakhs to Rs.1268.89 Lakhs.

Garment :

This segment dealing mostly in domestic market remained unaffected by sudden CORONA break out and registered the usual growth in revenue earnings from Rs.5441.54 Lakhs to Rs.6542.87 Lakhs with surplus being increased from Rs.163.91 Lakhs to Rs.181.83 Lakhs.

Power Generation :

Because of unilateral cut down in purchase per unit of power by the sale recipient Government of Maharashtra revenue income from this segment was drastically reduced from Rs.119.21 Lakhs to Rs.57.72 Lakhs resulting in a cut down of surplus earnings from Rs.74.67 lakhs to Rs.15.51 Lakhs.

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

Others Non- Conventional Segment :

This is the newest and not properly organized segment started on a trial basis only a couple of years back with prospective risk of minimum loss. The working experience and viability study has so far revealed immense prospect in a properly organized operation of the segment. The management has accordingly decided to set up appropriate infrastructure for the segment at the right moment in the near future. The current year operation has witnessed a loss of Rs.10.36 Lakhs against revenue earning of Rs. 88.71 Lakhs as compared to 'Nil' return in the previous year.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

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

DIVIDEND

Your Directors are pleased to recommend dividend of Rs.1.50 per equity share of Rs.10 each for the Financial Year 2019-20 i.e. 15% on the paid up equity share capital of the Company. The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting of the Company and it

would result in appropriation of Rs.45.60 Lakhs. Your Company retains the extra profit for future plans.

RESERVES

Your Company proposes to transfer a sum of Rs. 350 Lakhs to the General Reserve and carry forward a balance of Rs. 227.23 Lakhs in the Profit and Loss Account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provision of Section 124(5) of the Companies Act, 2013 your Company has transferred Rs. 88,446/- during the Financial Year 2019-20 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 2011-12.

Further the Company has also transferred 2,742 Equity Shares to the Investor Education and Protection Fund pursuant to the provision of Section 124(6) of the Companies Act, 2013 during the Financial Year 2019-20, in respect of which dividend had not been paid or claimed by the members for 7(seven) consecutive years or more.

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

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

CHANGE IN NATURE OF BUSINESS, IF ANY

During the Financial Year 2019-20, there has been no change in the nature of business of the Company.

SHARE CAPITAL

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

As on 31st March, 2020, the issued and subscribed capital of your Company stood at Rs.3,52,00,000/-. The paid-up Capital of your Company stood at Rs.3,04,00,000/- comprising of 30,40,000 equity shares of Rs.10/- each fully paid.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board consists of the following persons:

Key Managerial Personnel

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

Non-Executive Non-Independent Directors

1) Mrs. Rashi Saraf

Non-Executive Independent Directors

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

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

The Independent Directors has furnished required declarations pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming their respective independence status.

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

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

FORMAL ANNUAL EVALUATION

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

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-20, the Board of Directors of the Company, met five (5) times on 29th May 2019, 1st July 2019, 8th August 2019, 14th November 2019 and 13th February 2020. Further, a separate meeting of the Independent Directors of the Company was also held on 13th February 2020, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed.

EXTRACT OF THE ANNUAL RETURN

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year 31st March, 2020 and the Profit or Loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2020 on a going concern basis.
- the Directors had laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls were adequate and operating effectively.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

AUDITORS

1. **Statutory Auditor**

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

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

2. **Internal Auditor**

   Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company had appointed Mr.Abhijit Pal (M.No.25493), Cost Accountant as the Internal Auditor of the Company for the Financial Year 2019-20.

3. **Cost Auditor**

   In view of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the provisions of Cost Audit is not applicable on the products of the Company for the Financial Year 2019-20.

4. **Secretarial Auditor**

   Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, M/s Rekha Goenka & Associates, Practising Company Secretary, was appointed as the Secretarial Auditor of the Company to carry out the secretarial audit for the Financial Year ended 31st March, 2020.

SECRETARIAL AUDIT REPORT

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

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year as defined under Section 73 of the Companies Act, 2013. Deposit outstanding as on 31st March, 2020 including unclaimed deposit was nil.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the Financial Year ended 31st March, 2020 no Loan or Guarantees u/s 186 of the Companies Act, 2013 was provided by the Company. The particulars of investments made by the Company under Section 186 forms part of the notes to the Financial Statement annexed to this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Reference is made to the disclosures included in the notes to the Financial Statement pursuant to the provisions of Section 129 read with Schedule III to the Companies Act, 2013 which shows the Related Party Transactions entered into during the year. 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.

HUMAN RESOURCE

The total number of Employees of the Company as on 31st March, 2020 was154.Your Company believes that employees are the most valuable assets of an organization and the

optimum utilization of the skill,knowledge and attitude they possess are instrumental to the growth of the organization.

INTERNAL COMPLIANT COMMITTEE

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

RISK MANAGEMENT POLICY

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

CORPORATE GOVERNANCE

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

The Corporate Governance Report giving details as required under Paragraph C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure - III**. The Certificate on Corporate Governance for the year ended 31st March, 2020 as issued by M/s Rekha Goenka & Associates, Practising Company Secretary is also attached hereto as **Annexure - IV** which forms part of this Report.

CREDIT RATINGS

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

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company comprises of 4 (four) members, namely Mr. Samir Kumar Ghosh, Mr. Deo Kishan Saraf, Mr. Mukul Banerjee and Mr. Jadav Lal Mukherjee. Majority of them are Independent Directors with exception of Mr. Deo Kishan Saraf, who is a Whole-time Director cum CFO of the Company. Mr. Samir Kumar Ghosh, an Independent Director, is the Chairman of the Audit Committee. The committee met 4(four) times during the year on 29th May 2019, 8th August 2019, 14th November 2019 and 13th February 2020. The Board accepted the recommendations of the Audit Committee as were made by it during the year.

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

The details of terms of reference of the Nomination and Remuneration Committee, number and dates of the meetings held, attendance of the Directors and remuneration paid to all the Directors during the Financial Year ended 31st March, 2020, are given separately in the Corporate Governance Report annexed herewith as **Annexure-III.**

STAKE HOLDERS RELATIONSHIP COMMITTEE

Your Company has Stakeholders Relationship Committee pursuant to Section 178 of the Companies Act, 2013 which

comprises of 5(five) members, namely Mr. Samir Kumar Ghosh, Mr. Deo Kishan Saraf, Mr. Mukul Banerjee, Mr. Jadav Lal Mukherjee and Mrs. Rashi Saraf. The committee is headed by Mr. Samir Kumar Ghosh.

During the year under review, the Stakeholders Relationship Committee met four(4) times during the year on 29th May 2019, 8th August 2019, 14th November 2019 and 13th February 2020 in order to take on note the share transfer / transmission / remat of shares / subdivision as intimated by the RTA of the Company.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Rules made thereunder, since the Company has achieved the turnover threshold for applicability of Corporate Social Responsibility, your Company has formed Corporate Social Responsibility (CSR) Committee during the Financial Year 2019-20. The said Committee comprises of four (4) members, namely Mr. Samir Kumar Ghosh, Mr. Shri Krishan Saraf, Mr. Mukul Banerjee and Mrs. Rashi Saraf.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

PARTICULARS OF EMPLOYEES

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

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

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

LISTING OF SHARES

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

MANAGING DIRECTOR'S CERTIFICATE

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Sd/-
Shri Krishan Saraf
Managing Director
DIN: 00128999

Sd/-
Deo Kishan Saraf
Whole-time Director & CFO
DIN: 00128804

Place : Kolkata
Date : 29-06-2020

Annexure - I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on Financial Year ended on 31.03.2020
[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 / 4062-1021 Email: calcutta@acknitindia.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Share Transfer Agent, if any.	S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006 Telephone No. : (033) 2219 6797 Fax Nos. – (033) 2219 4815 Email: contact@skcinfo.com, skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturing of all types of Garments, Gloves (Both Cotton & Leather) and Other Apparels (Both Cotton & Leather).	141	99.14%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual / HUF	1445437	-	1445437	47.55	1445437	-	1445437	47.55	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	85000	-	85000	2.80	85000	-	85000	2.80	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**1530437**	-	**1530437**	**50.34**	**1530437**	-	**1530437**	**50.34**	-
(2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter & Promoter group (A) = (A)(1)+(A)(2)	**1530437**	-	**1530437**	**50.34**	**1530437**	-	**1530437**	**50.34**	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	-	-	-	-	125	-	125	0.00	0.00
c) Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio	-	-	-	-	13325	-	13325	0.44	0.44
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**13450**	**-**	**13450**	**0.44**	**0.44**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	413485	150400	563885	18.55	374705	150400	525105	17.27	(1.28)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	530268	57356	587624	19.33	448950	50930	499880	16.44	(2.89)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	308230	-	308230	10.14	348184	-	348184	11.45	1.13
c) Others (specify)									
i) Trusts									
ii) Non Resident Indians	22618	4600	27218	0.90	7906	4600	12506	0.41	(0.48)
iii) HUF	-	-	-	-	77874	0	77874	2.56	2.56
iv) Clearing Members	-	-	-	-	7216	0	7216	0.24	0.24
v) Investor Education and Protection Fund (IEPF)	22606	-	22606	0.74	25348	0	25348	0.83	0.09
vi) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
vii) Foreign Nationals	-	-	-	-	-	-	-	-	-
viii) Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**1297207**	**212356**	**1509563**	**49.66**	**1290183**	**205930**	**1496113**	**49.21**	**(0.44)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1297207**	**212356**	**1509563**	**49.66**	**1303633**	**205930**	**1509563**	**49.66**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**2827644**	**212356**	**3040000**	**100.00**	**2834070**	**205930**	**3040000**	**100.00**	**-**

ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2019]			Shareholding at the end of the year [As on 31-March-2020]			% 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)	137797	4.53	-	137797	4.53	-	-
2	Shri Krishan Saraf	433947	14.27	8.22	433947	14.27	8.22	-
3	Deo Kishan Saraf	228532	7.52	4.93	228532	7.52	4.93	-
4	Deo Kishan Saraf (HUF)	136300	4.48	-	136300	4.48	-	-
5	Ritula Saraf	67696	2.23	-	67696	2.23	-	-
6	Kusum Saraf	170452	5.61	-	170452	5.61	-	-
7	Abhishek Saraf	143914	4.73	-	143914	4.73	-	-
8	Aditya Saraf	41799	1.37	-	41799	1.37	-	-
9	Saraf Capital Markets Ltd.	85000	2.80	-	85000	2.80	-	-
10	Rashi Saraf	85000	2.80	-	85000	2.80	-	-
	Total	**1530437**	**50.34**	**13.15**	**1530437**	**50.34**	**13.15**	**-**

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
NO CHANGE					

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	PBS INVESTMENTS PVT. LTD.	149900	4.93	NA	NIL	NA	149900	4.93
2	SHREE VINIYOG PVT LTD.	117075	3.85	NA	NIL	NA	117075	3.85
3	ALPS VINIYOG PVT. LTD.	116450	3.83	NA	NIL	NA	116450	3.83
4	SRI KRISHNA VINIYOG PRIVATE LTD.	116307	3.83	NA	NIL	NA	116307	3.83
5	PRABHA DEVI SARAF	35000	1.15	NA	NIL	NA	35000	1.15
6	DIPAK KANAYALAL SHAH	30500	1.00	25.10.2019	30500	Sale	NIL	NIL
7	GOPI KRISHAN SARAF	26000	0.86	NA	NIL	NA	26000	0.86
8	INVESTOR EDUCATION AND PROTECTION FUND	22606	0.74	29.11.2019	2542	Credited to the Fund pursuant to Section 124(6) of Companies Act, 2013	25148	0.83
				02.12.2019	200	Credited to the Fund pursuant to Section 124(6) of Companies Act, 2013	25348	0.83
9	NATIONAL STOCK EXCHANGE OF INDIA LIMITED	18000	0.59	19.07.2019	18000	Sale	Nil	Nil
10	NIKHIL JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
11	AKHIL JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
12	SONAL AKHIL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
13	ANISHA NIKHIL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
14	AKHIL KAMAL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
15	GOURI SHANKAR JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
16	KAMAL KUMAR JALAN (HUF)	17000	0.56	NA	NIL	NA	17000	0.56
17	ASHA DEVI KAMAL JALAN	17000	0.56	NA	NIL	NA	17000	0.56
18	KAMAL KUMAR GOURISHANKAR JALAN	17000	0.56	NA	NIL	NA	17000	0.56
19	NIKHIL KAMAL JALAN	17000	0.56	NA	NIL	NA	17000	0.56

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Shri Krishan Saraf	433947	14.27	433947	14.27
2	Mr. Deo Kishan Saraf	228532	7.52	228532	7.52
3	Mr. Samir Kumar Ghosh	500	0.02	500	0.02
4	Mrs. Rashi Saraf	85000	2.80	85000	2.80
5	Mr. Jadav Lal Mukherjee	1000	0.03	1000	0.03

The Following Directors / Key Managerial Personel (KMP) did not hold any shares during the Financial Year 2019-20

- Mr. Mukul Banerjee
- Mrs. Bandana Saha

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	51,62,12,176	6,93,50,000	-	58,55,62,176
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**51,62,12,176**	**6,93,50,000**	**-**	**58,55,62,176**
Change in Indebtedness during the financial year				
* Addition	3,19,17,18,212	32,18,712	-	3,19,49,36,924
* Reduction	3,29,94,70,948	50,00,000	-	3,30,44,70,948
Net Change	**(10,77,52,736)**	**(17,81,288)**	**-**	**(10,95,34,024)**
Indebtedness at the end of the financial year				
i) Principal Amount	40,84,59,440	6,43,50,000	-	47,28,09,440
ii) Interest due but not paid	-	32,18,712	-	32,18,712
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**40,84,59,440**	**6,75,68,712**	**-**	**47,60,28,152**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

B. Remuneration to other directors (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Samir Kumar Ghosh	Mr. Mukul Banerjee	Mr. Jadav Lal Mukherjee	Mrs. Rashi Saraf	
1	Independent Directors					
	Fee for attending board & committee meetings	49,000	60,000	55,000	-	1,64,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**49,000**	**60,000**	**55,000**	**-**	**1,64,000**
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	47,500	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
Total (2)		**-**	**-**	**-**	**47,500**	**47,500**
Total (B) = (1+2)		**49,000**	**60,000**	**55,000**	**47,500**	**2,11,500**
Total Managerial Remuneration (A+B)						**108,00,000**
Overall Ceiling as per the Act		Not applicable, as only sitting fees paid.				

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

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD **(Amount in ₹)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mrs. Bandana Saha - Company Secretary	CFO	Total Amount
1	Gross salary			Remuneration of Mr. Deo Kishan Saraf ,Whole-time Director cum CFO of the Company is mentioned in Point VI Part A.	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,99,538		2,99,538
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	- others, specify…	-	-		-
5	Others : Please specify	-	-		-
	Total	**-**	**2,99,538**		**2,99,538**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

NIL

For and on behalf of the Board of Directors

Sd/-
Shri Krishan Saraf
Managing Director
DIN: 00128999

Sd/-
Deo Kishan Saraf
Whole-time Director & CFO
DIN: 00128804

Place : Kolkata
Date : 29-06-2020

Annexure - II

SECRETARIAL AUDIT REPORT
for the Financial Year ended 31st March, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ACKNIT INDUSTRIES LIMITED
CIN: L01113WB1990PLC050020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ACKNIT INDUSTRIES LIMITED (hereinafter called "the Company") for the Financial Year ended 31st March, 2020. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the Rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable as there were no reportable event during the year under review;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company :-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable as there were no reportable event during the year under review;

   d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009 - Not applicable as there were no reportable event during the year under review;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as there were no reportable event during the year under review;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as there were no reportable event during the year under review; and

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi) As identified by the Management, following laws are specifically applicable to the Company:

   a) West Bengal Ground Water Resources (Management, Control and Regulation) Act, 2005.

   b) West Bengal Fire Services Act, 1958.

   c) Indian Factories Act, 1948.

   d) Petroleum Act, 1934.

   e) Petroleum Rules, 2002.

   f) Provisions of Hazardous Waste (Management, Handling and Trans-boundary Movements) Rules, 2008.

   g) Bengal Electricity Duty Act, 1935 and Rules thereunder.

   h) Air (Prevention and Control of Pollution) Act, 1981.

   i) Industrial Dispute Act, 1947.

   j) SEZ Act, 2005.

   k) Employees' Provident Fund and Miscellaneous Provisions Act, 1952

   l) Employees' State Insurance Act, 1948

   m) Various other Acts relating to Employment and Protection of Employees Interest as are applicable.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with The Bombay Stock Exchange and The Calcutta Stock Exchange.

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

I further report that :

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

b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the Directors in any meeting dissented on any

resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that :

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

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

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

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

1. Re-appointment of Mr. Deo Kishan Saraf as the Whole-time Director cum CFO of the Company for a further period of 3(three) years w.e.f. 1st April, 2019.
2. Re-appointment of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director of the Company for a second term of 5(five) consecutive years w.e.f. 9th September, 2019.

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

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

Sd/-
(REKHA GOENKA)
Proprietor
M. No.- ACS: 17805
CP: 11357
UDIN: A017805B000404598

Place: Kolkata
Date: 29-06-2020

Annexure - A to the Secretarial Audit Report

To,
The Members
ACKNIT INDUSTRIES LIMITED
CIN: L01113WB1990PLC050020

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. On account of severe restrictions imposed by the Government Authorities on opening of offices, travel and movement (hereafter "Lockdown") due to Covid - 19 pandemic (which commenced during the last week of March'2020 and continued till May'2020 and still have limited movement), I for the purpose of completion of the audit had to mostly rely on documents, papers and information available on digital platform and other virtual means for verification of compliances.

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

Sd/-
(REKHA GOENKA)
Proprietor
M. No.- ACS: 17805
CP: 11357
UDIN: A017805B000404598

Place: Kolkata
Date: 29-06-2020

Annexure - III

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY :

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

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

2. BOARD OF DIRECTORS

i) Composition of Board :

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

a) One Managing Director

b) One Whole-time Director

c) Three Non-Executive Independent Directors

d) 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 2019-20,5 (five) Board Meetings were held on 29th May 2019, 1st July 2019, 8th August 2019, 14th November 2019 and 13th February 2020.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	No of other Directorship*	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies**	
					As Chairperson	As Member
Mr. Shri Krishan Saraf	Managing Director	5	Yes	Nil	Nil	Nil
Mr. Deo Kishan Saraf	Whole-time Director & CFO	5	No	1	Nil	Nil
Mr. Samir Kumar Ghosh	Non-Executive Independent Director	4	Yes	Nil	Nil	Nil
Mr. Mukul Banerjee	Non-Executive Independent Director	5	No	Nil	Nil	Nil
Mr. Jadav Lal Mukherjee	Non-Executive Independent Director	5	Yes	Nil	Nil	Nil
Mrs. Rashi Saraf	Non-Executive Non-Independent Director	5	No	Nil	Nil	Nil

Notes :

*1. None of the Directors of the Company is holding any directorship in any other listed entity.

2. The Directorship as mentioned above does not include Alternate Directorships, Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

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

ii) Disclosure of relationships between Directors inter-se :

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

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

Mr. Samir Kumar Ghosh, Non-Executive Independent Director holds 500 Equity Shares of Rs.10/- each in the Company as on 31st March, 2020. Mr. Samir Kumar Ghosh has held these shares, in his individual capacity, prior to his appointment as a Director of Company.

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

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

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

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

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

v) Skills / Expertise / Competencies of the Board

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

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

3. COMMITTEES OF BOARD

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

A. Audit Committee:

Terms of Reference

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

During the Financial Year 2019-20, the Committee had met 4(four) times on 29th May 2019, 8th August 2019, 14th November 2019 and 13th February 2020. The attendance details of the Directors are as follows:

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

B. Nomination and Remuneration Committee:

Terms of Reference

a. To identify and ascertain the integrity, qualification, experiences and expertise of the person for appointment as Director, KMP and Senior Management level.

b. 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.

c. To devise a policy on Board Diversity and Remuneration policy.

During the Financial Year 2019-20, the Committee had met once on 29th May, 2019. The attendance details of the Directors are as follows:

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

Performance evaluation criteria for Independent Directors :

The Nomination and Remuneration Committee of the Board, in its Meeting held on 29th May, 2019, laid out evaluation report on the performance of the Board (including of all the Independent Directors), in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the Financial Year was carried out by the entire Board (excluding the Director being evaluated) in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The Directors expressed their satisfaction with the evaluation process.

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

Remuneration of Directors

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

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

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

  The Company has adopted a Policy on appointment and remuneration of Directors, Key Managerial Personnel and Other Employees regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company: http://www.acknitindia.com/corporate-policies/nomination-and-remunertion-policy.pdf . The Non-Executive Directors are entitled to sitting fees for attending Meetings of the Board and its Committees. The remuneration to the Managing Director and Whole-time Director is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting in compliance of the provisions of the Companies Act, 2013 read with Schedules V to the said Act.

- **Disclosures with respect to Remuneration :**

  Details of remuneration / sitting fees paid to Directors during the Financial Year 2019-20 is given below:

Name of Director	Fixed Salary(Rs)			Sitting Fees	Bonus	Commission	Stock options	Total
	Basic Salary	Perquisites or Allowances	Rental Benefits					
Mr. Shri Krishan Saraf	60,00,000	–	–	–	–	–	–	60,00,000
Mr. Deo Kishan Saraf	48,00,000	–	–	–	–	–	–	48,00,000
Mr. Samir Kumar Ghosh	–	–	–	49,000	–	–	–	49,000
Mr. Mukul Banerjee	–	–	–	60,000	–	–	–	60,000
Mr. Jadav Lal Mukherjee	–	–	–	55,000	–	–	–	55,000
Mrs. Rashi Saraf	–	–	–	47,500	–	–	–	47,500

C. Stakeholders Relationship Committee:

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

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

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

During the Financial Year 2019-20, the Committee had met 4 (four) times on 29th May 2019, 8th August 2019, 14th November 2019 and 13th February 2020. The attendance details of the Directors

are as follows :

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

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

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

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

  The number of shareholder grievances received and resolved during Financial Year 2019-20 is given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	2	2	Nil

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

  None.

- **Number of pending complaints:**

  NIL.

D. Corporate Social Responsibility (CSR) Committee:

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

Sl. No.	Name	Chairman / Members
1	Mr. Samir Kumar Ghosh	Chairman
2	Mr. Shri Krishan Saraf	Member
3	Mrs. Rashi Saraf	Member
4	Mr. Mukul Banerjee	Member

Terms of reference

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

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

During the Financial Year 2019-20, the Committee met 2 (Two) times on 8th August 2019 and 13th February 2020.

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

4. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Venue	SPECIAL RESOLUTION PASSED
2018-19	24.09.2019	10.30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Re-appointment of Mr. Deo Kishan Saraf as the Whole-time Director cum CFO of the Company for a further period of 3(three) years w.e.f. 1st April, 2019. 2. Re-appointment of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director of the Company for a second term of 5(five) consecutive years w.e.f. 9th September, 2019.
2017-18	25.09.2018	10.30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Re-appointment of Mr. Shri Krishan Saraf as the Managing Director of the Company for further 3(three) consecutive years w.e.f. 1st April, 2018. 2. Revision of remuneration of Mr. Deo Kishan Saraf, Whole-time Director cum Chief Financial Officer (CFO). 3. Continuation of Directorship of Mr. Samir Kumar Ghosh as a Non-Executive Independent Director.
2016-17	21.09.2017	4.30 P.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	1. Issue of Equity Shares in the Capital of the Company on Preferential Allotment basis.

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

5. MEANS OF COMMUNICATION:

- **Quarterly results :**

  The Company publishes limited review unaudited 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 and ArthikLipi / Ekdin, Bengali edition.

- **Website, where displayed:**

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

- **Official news releases:**

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

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

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

6. GENERAL SHAREHOLDER INFORMATION :

I. Annual General Meeting:

Date & Time : Sunday, 27th September, 2020 at 11:00 a.m.

Venue : Ecostation, Block-BP, Plot No. 7 Sector - V, 5th Floor, Suit No. 503 Salt Lake, Kolkata - 700 091

II. Financial Year : 1st April, 2019 to 31st March, 2020

III. Book Closure Date : Monday 21st September, 2020 to Sunday 27th September, 2020 (both days inclusive)

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

date of declaration to those shareholders whose Bank Account details has been updated with Depositories and Registrar.

In view of the ongoing novel Coronavirus pandemic ('COVID-19') in the Country and pursuant to SEBI circular dated 12th May, 2020 the requirement of sending dividend warrant / draft will apply upon normalization of postal services.

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

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

The annual listing fees for the Financial Year 2019-20 has been duly paid to BSE and CSE.

VI. Market Price Data :

The Market Price of Equity Shares of the Company during the Financial Year 2019-20 are given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2019	99.45	87.05
May, 2019	95.80	80.00
June, 2019	91.80	80.00
July, 2019	90.00	54.50
Aug, 2019	62.60	47.15
Sept, 2019	62.95	47.25
Oct, 2019	57.95	43.00
Nov, 2019	74.00	47.75
Dec, 2019	64.00	47.30
Jan, 2020	74.75	52.20
Feb, 2020	67.95	48.60
Mar, 2020	61.95	35.30

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



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

IX. Registrar and Share Transfer Agent :

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

X. Share Transfer System

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

XI. Shareholding Pattern:

Shareholding Pattern as on 31.03.2020 is given below :

CATEGORY	NO. OF SHARES	%
Promoter Group		
Indian Promoters	1530437	50.34
Foreign Promoters	Nil	Nil
Total : Promoter Group	**1530437**	**50.34**
Non-Promoter Group		
Financial Institutions/Banks	125	0.00
Foreign Portfolio	13325	0.44
Resident Individual	848064	27.90
Bodies Corporate	525105	17.28
NRI	12506	0.41
HUF	77874	2.56
Clearing Member	7216	0.24
IEPF	25348	0.83
Total: Non-Promoter Group	**1509563**	**49.66**
Grand Total	**3040000**	**100**

XII. Distribution of shareholding :

Distribution of shareholding as on 31.03.2020 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	1681	84.47	208867	6.87
501 to 1000	142	7.14	112584	3.70
1001 to 2000	68	3.42	96227	3.17
2001 to 3000	29	1.46	73522	2.42
3001 to 4000	14	0.70	51389	1.68
4001 to 5000	13	0.65	59539	1.96
5001 to 10000	9	0.45	59519	1.96
10001 to 50000	21	1.06	389983	12.83
50001 to 100000	3	0.15	237696	7.82
100001 and above	10	0.50	1750674	57.59
Grand Total	**1990**	**100.00**	**3040000**	**100.00**

XIII. Dematerialization of shares and liquidity :

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). As on 31st March, 2020,

2834070 shares representing 93.23% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity Shares of the Company are actively traded in BSE Ltd.

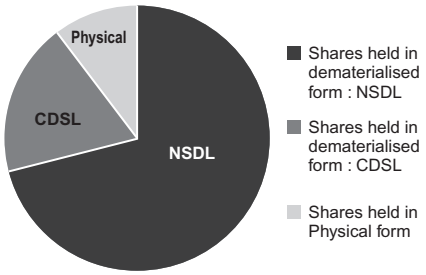
No. of Shares as on 31st March, 2020 :

Physical Mode: 205930

Electronic Mode:

–NSDL:2110840

–CDSL: 723230



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

XIV. Hedging Activities:

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

XV. Plant Location :

a. Falta Special Economic Zone, Sector-I, Falta, South 24 Parganas, WB

b. Falta Special Economic Zone, Sector-II, Falta, South 24 Parganas, WB

c. 144, Old Jessore Road, Ganganagar, Madhyamgram, Kolkata- 700 132, WB

d. Plot No.1676, Zone No. 09, Kolkata Leather Complex, Bantala, South 24 Parganas, W.B.

e. 1 No.Katakhal, P.O.-Ganganagar, 24 Parganas (North), West Bengal-700 132

f. Gopalpur Chandigarh, Chandigarh Rohanda Gram Panchayat, PO - Ganganagar, PS - Madhyamgram, North 24 Parganas, Kolkata - 700 132, WB

g. Village-Saraberia, Para-Saraberia, Police Station-Duttapukur, Post Office-Kadambagachi, Barasat, Kolkata, West Bengal-700125

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

i. Vill. Chhadvel (Karde), Tuluk Sakri Dhule, Maharashtra - 424305

XVI. Address for Correspondence :

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

Address for correspondence is-

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

XVII. Credit Ratings :

ICRA Ltd. vide their rating report of February, 2020 has assigned the following ratings of your Company's financial instruments :

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

7. OTHER DISCLOSURES

i) Materially Significant Related Party Transactions :

All contracts / arrangements / transactions entered by the Company during the Financial Year 2019-20 with related parties were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management or relatives that may have potential conflict with Company's interest at a large. Related party transactions as per requirements of Indian Accounting Standard (Ind- AS 24) "Related Party Disclosures" are disclosed in the Notes to the Financial Statements of the Company for the year ended 31st March, 2020.

ii) Details of non-compliances:

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

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

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

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

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

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

The Company does not have any 'material' subsidiary.

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

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

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

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

viii) **Fees paid to the Statutory Auditor**

Amount of Rs. 3,00,000/- was paid to M/s SRB & Associates, Chartered Accountants during the Financial Year 2019-20.

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

The Company has constituted Internal Complaint Committee pursuant to Section 4 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. During the financial year 2019-20, the Committee submitted its Annual Report as prescribed in the said Act and there was no complaint as regards sexual harassment received by the Committee during the financial year.

8. COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

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

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

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

The Company has transferred 2,742 equity shares to the DEMAT Account of Investor Education and Protection Fund (IEPF) Authority pursuant to Sub-Section 6 of Section 124 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Sd/-
Shri Krishan Saraf
Managing Director
DIN: 00128999

Place : Kolkata
Date : 29-06-2020

ANNEXURE TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
ACKNIT INDUSTRIES LIMITED

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

Sd/-
(REKHA GOENKA)
Proprietor
M. No.- ACS: 17805
CP : 11357
UDIN: A017805B000404554

Place : Kolkata
Date : 29-06-2020

Annexure – IV

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
ACKNIT INDUSTRIES LIMITED

I have examined the compliance of Corporate Governance by Acknit Industries Limited ("the Company") having CIN: L01113WB1990PLC050020 for the period between 1st April, 2019 and 31st March, 2020 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable to the said Company with reference to the Listing Agreement with Stock Exchanges.

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

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

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

For REKHA GOENKA & ASSOCIATES
Company Secretary in Practice

Sd/-
(REKHA GOENKA)
Proprietor
M. No.- ACS: 17805
CP : 11357
UDIN: A017805B000404543

Place : Kolkata
Date : 29-06-2020

Annexure - V

ANNUAL REPORT OF CSR ACTIVITIES

1. **Brief outline of the Corporate Social Responsibility (CSR) Policy of the Company, including overview of projects or programs proposed to be undertaken and a reference to be web-link to the CSR policy and projects or programs:**

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

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

(viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded

Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

(x) Rural development projects;

(xi) Slum area development;

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

Company's Policy on CSR is available on its official website: http://www.acknitindia.com/CSR-Policy.pdf

2. The Composition of the CSR Committee

The Corporate Social Responsibility Committee ('the CSR Committee') of the Board is responsible for overseeing the execution of the Company's CSR Policy, and ensuring that the CSR objectives are met. The CSR committee comprise of the following Directors:

(a) Mr. Samir Kumar Ghosh - Non-Executive Independent Director

(b) Mr. Shri Krishan Saraf - Managing Director

(c) Mrs. Rashi Saraf - Non-Executive Non-Independent Director

(d) Mr. Mukul Banerjee - Non-Executive Independent Director

3. Financial Details :

Particulars	Amount (in Rs.)
Average Net Profit of the Company for the last three financial years	Rs.500.50 Lakhs
Prescribed CSR Expenditure (2% of the average net profits)	Rs.10.01 Lakhs
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year	Nil
Amount unspent, if any	Rs.10.01 Lakhs

4. Manner in which the amount spent during the financial year is detailed below :

CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other(2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise in Lakhs	Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
-	-	-	-	-	-	-

5. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :

The total CSR spent liability of the Company for the Financial Year 2019-20 was Rs.10.01 Lakhs. The Company was in search of an appropriate route for such expenditure. Due to sudden Covid-19 outbreak throughout the nation, the Government vide their circular dated 23rd March, 2020 declared that specific expenses incurred by any Company targeting Covid-19 related services would suffice to be qualified as CSR activities of such Company. Accordingly, the Company had taken initiatives around the last week of March 2020 for manufacturing and distribution of masks, gloves and PPE suits for Covid-19 related distributions, which as per the Government directives qualifies to be CSR activities of the Company. Though the initiatives were taken prior to 31st March, 2020, the actual expenses were incurred since 25th April, 2020 towards CSR activities. Thus as far the figures till 31st March, 2020 is concerned, there have been 'Nil' reporting, but the expenses out of CSR budgeted liabilities for the Financial Year 2019-20 have been initiated in the Financial Year 2020-21.

6. Responsibility Statement

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the projects and activities in compliance with our CSR objectivities.

For ACKNIT INDUSTRIES LIMITED

Sd/-
Shri Krishan Saraf
Managing Director
DIN: 00128999

For ACKNIT INDUSTRIES LIMITED

Sd/-
Samir Kumar Ghosh
Chairman - CSR Committee
DIN: 00129301

Place : Kolkata
Date : 29-06-2020

Annexure - VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

GENERAL ECONOMIC STATE :

India was in the process of emerging as the fastest growing economy in the world. It was expected to be one of the top three (3) economic powers in a span of 10-15 years. The same was backed by its strong democratic rule and private-public-partnership spirit in Business operations. This trend was further advanced by some significant economic measures initiated by the Government in the Financial Year 2017-18. Amidst slowing down of global merchandise trade, growth of India's exports in the Financial Year 2018-19 registered a high score. But unfortunately by the close of Financial Year 2019-20, the Global Economy witnessed an extensive 'Corona' pandemic engulfing all business and trade activities world-wide to which India was not any exception. All attention across the world is now concentrated to fight against epidemic of 'Corona' death tolls and thereby economic activities in all sectors have been 'Locked Down' until a permanent medical solution through invention of some 'VACCINE' to fight back the disaster is invented. Nobody in the world could think of any revival of economic activities.

OPERATING SEGMENTS OF THE COMPANY :

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

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

CHALLENGES :

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

- Firstly the people have been forced to remain Locked Down at homes to fight against Corona pandemic in one hand while at the same time through working from trying utmost to maintain Economic stability of Country through new innovation that is a great paramount challenge for the day.
- Secondly in addition to the above, part of Country was hit by devastating “Aamphan” cyclone causing extensive damages to assets and properties adding up to economic calamity. This unforeseen challenge to move ahead despite such obstacles could be effectively contented through advance planning and Insurance coverage.
- Last but not the least in seriousness the challenge offered to the Economic Development posed by sudden invasion on Indian soil by Chinese Military action which has rightly been re-acted by Indian Government by taking a stern view of the situation and declaring a policy of Boycotting Chinese material at each and every point followed by cancellation of all Chinese Imports which presently constitute 80% of Indian Economic Resource.

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

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

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

ii. The entire Global Economy has suddenly suspended with every efforts concentrated in fighting the epidemic first.

iii. Nobody can predict how and when this emergency would come to all end and normal activities in all sectors including economic interaction could revive.

iv. Beside “Corona Pandemic” there had been a further set back caused to the Indian Economy due to sudden cyclonic hit to a part of the Country by “Aamphan”.

v. The above is not the end of the list. Around mid-June, there was sudden invasion of Chinese attack on Indian soil at the North causing serious disruption in Indo-Chinese Trade and Economic relationship, which constitute 80% of Indian Foreign Trade.

RISKS AND CONCERNS:

1. While enduring the challenges for Economic Development, it should always be borne in mind the Risk of competitiveness and acceptance by the ultimate consumes of Products which should be the prime concern.
2. Initially there may be risk of acquiring funds while income rate of capital build up may cause some concern which needs to be tackle with care and planning.
3. Innovative outlook shall not be concentrated to acquire only Domestic market excluding Export market otherwise the very purpose of the challenge will be lost.

4. Aforesaid principles of Risk and Concern are equally true for the individual company like "Acknit" also.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

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

FINANCIAL PERFORMANCE:

The Company could achieve a turnover of Rs. 17,146.00 Lakhs and total comprehensive income of Rs 422.80 Lakhs during the year under review.

Segment-Wise Performance : (₹ in Lakhs)

PARTICULARS	2019-20	2018-19
Manufacturing of hand gloves :		
Segment Revenue	₹ 10456.70	₹ 11817.86
Segment Results	₹ 1268.89	₹ 1163.02
Manufacturing of garments :		
Segment Revenue	₹ 6542.87	₹ 5441.54
Segment Results	₹ 181.83	₹ 163.91
Power Generation – through windmill :		
Segment Revenue	₹ 57.72	₹ 119.21
Segment Results	₹ 15.51	₹ 74.67
Others :		
Segment Revenue	₹ 88.71	—
Segment Results	(₹ 10.36)	—

HUMAN RESOURCE:

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

For ACKNIT INDUSTRIES LIMITED

Sd/-
Shri Krishan Saraf
Managing Director
DIN: 00128999

Place : Kolkata
Date : 29-06-2020

Annexure - VII

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2020 :

A. CONSERVATION OF ENERGY

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

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

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

B. TECHNOLOGY ABSORPTION

i) **Efforts made towards technology absorption:** The R&D department of the Company continued to play a vital role in the following areas :

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

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

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

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

iii) **Expenditure incurred on Research and Development:**

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	FY 2019-20	FY 2018-19
Total foreign exchange earned in terms of actual inflows	11,315.12	11,823.88
Total foreign exchange outgo in terms of actual outflow	1,640.98	1,626.01

Annexure - VIII

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

Sl. No.	Particulars			
i.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a.	Mr. Shri Krishan Saraf, Managing Director	45.52
		b.	Mr. Deo Kishan Saraf, Whole-time Director & CFO	36.41
		None of the other Directors has received any remuneration other than sitting fees during FY 2019-20.		
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	a.	Company Secretary	(0.77%)
		b.	Directors (including sitting-sees paid to Non-Executive Directors)	(0.28%)
iii.	The percentage increase in the median remuneration of employees in the financial year	(1.26%)		
iv.	The number of permanent employees on the rolls of Company	154 employees		
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	*Average salary increase of employees is (2.33%). Average salary increase of managerial personnel is Nil		
vi.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company			

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

Details of top ten employees in terms of remunertion drawn:

Details	1	2	3	4	5	6	7	8	9	10
Employee Names	**Shri Krishan Saraf**	**Deo Kishan Saraf**	**Abhishek Saraf**	**Aditya Saraf**	**Joydeep Sengupta**	**Swapan Kr. Chakraborty**	**Satyajit Das**	**Sumit Murarka**	**Niranjan Shenoy Renjal**	**Abhijit Dharmaraj Pal**
Designation of Employees	Managing Director	Whole-time Director & Chief Financial Officer	Vice President (Leather Division)	Vice President (Readymade Garment Division)	Business Head - Safety Garments Division	Works Manager-Falta Division	Production Manager- FEZ-II	Accounts Manager	Senior Maerchandiser	Accounts Manager - Falta Division
Remuneration/Salary received	60,00,000	48,00,000	16,25,000	16,25,000	8,73,600	7,80,000	7,57,900	6,93,500	6,84,077	6,03,200
Nature of Employment, Whether contactual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	Bachelor of Science	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Business Management	Bachelor of Commerce	Bachelor of Science (Hons.) and Diploma in Production Management	Master of Business Admistration & Bachelor of Science (Chemistry Hons.)	Bachelor of Commerce (Hons.) and Chartered Accountant	Diploma in Apparel Design and Fabrication Technology	Bachelor of Commerce and Cost Accountant
Experience of the Employees	43 Years	35 Years	20 Years	15 Years	17 Years	53 Years	18 Years	5 Years	15 Years	26 Years
Date of Commencement of Employment	12-10-1990	12-10-1990	01-07-2006	01-04-2015	14-12-2015	06-11-2000	03-02-2008	04-12-2017	01-09-2015	03-01-2015
Age of Employee	66	54	40	35	37	73	41	30	34	46
The last Emloyment held by such Employee before joining the Company	Family Business	Family Business	Family Business	Acme Safety Wears Limited	Superhouser Limited	Cycle Corporation of India	Mallcom India Limited	KIC Metaliks Limited	JPM Exports Pvt. Ltd	PCI Papers Ltd.
Whether any such Employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager	Yes Brother of Deo Kishan Saraf	Yes Brother of Shri Krishan Saraf	Yes Son of Shri Krishan Saraf	Yes Son of Shri Krishan Saraf	No	No	No	No	No	No

Annexure-IX

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March, 2020.

For ACKNIT INDUSTRIES LIMITED

Sd/-
Shri Krishan Saraf
Managing Director
DIN: 00128999

Place : Kolkata
Date : 29-06-2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "ACKNIT INDUSTRIESLIMITED"

Report on the Audit of the Financial Statements.

Opinion:

We have audited the accompanying financial statements of **Acknit Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Cash Flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion :

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

Emphasis of Matter :

We draw attention to the financial results with related to COVID-19 that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to verify inventories physically since Government imposed restrictions during the lockdown on account of health, travel and safety concerns.

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

Key Audit Matters:

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

Sl No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recog-nised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the con-sideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The manage-ment considers revenue as a key measure for evaluation of perfor-mance. There is a risk of revenue being recorded before control is trans-ferred. Refer Note 1 to the Standalone Financial Statements - Significant Accounting Policies	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures including: ● Assessing the appropriate-ness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. ● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ● Evaluating the design and implementation of Company's controls in respect of revenue recognition. ● Testing the effectiveness of such controls over revenue cut off at year-end. ● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. ● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.
2.	**Litigations -Contingencies** The Company is periodically subjectto challenges / scrutiny on range of matters relating to direct tax, indirect tax. Further, potential exposures may also arise from general legal proceedings environ-mental issues etc. in the normal course of business. Assessment of contin-gent liabilities disclosure requires Management to make judgements and estimates in relation to the issues and expo-sures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.	**Principal Audit Procedures** Our audit procedures included: ● We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities. ● We used our subject matter experts to assess the value of material contingent liabilities in light of the nature of exposures, applicable regulations and related correspondence with the authorities. ● We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors. ● We assessed the adequacy of disclosures made. ● We discussed the status in respect of significant provisions with the Company's internal tax and legal team. ● We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

Sl No.	Key Audit Matter	Auditor's Response
3	**Capitalisation of property, plant and equipment.** During the year ended March 31, 2020, the Company has incurred significant capital expenditure. Total additions to property, plant and equipment was Rs 7.52 crore in the current year.	Our audit procedures included and were not limited to the following : ● Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run. Reviewed the project completion / handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management.
4.	**Allowance for Credit Losses** The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.	**Principal Audit Procedures** Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others : We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

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

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

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

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

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

Management's Responsibility for the Financial Statements:

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that :
   a. We have sought and obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Cash Flows Statementdealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid financial statements comply with the Ind As specified under Section 133 of the Act.
   e. On the basis of written representations received from Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A to this report;
   g. In our opinion, the managerial remuneration for the year ended March 31,2020 has been paid/provided by the Company to its directors in accordance with the provision of section 197 read with Schedule V to the Act.
   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
      iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E

Biswanath Paul
(Partner)
UDIN:20068186AAAALA3561
M. No. 068186

Place: Kolkata
Date: 29.06.2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **"ACKNIT INDUSTRIES LTD"** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013

Auditor's Responsibility

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

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

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

Meaning of Internal Financial controls over Financial Reporting ;

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E

Biswanath Paul
(Partner)
UDIN:20068186AAAALA3561
M. No. 068186

Place: Kolkata
Date: 29.06.2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

I. In respect of fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

II. In respect of Inventories :

The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. However due to Government imposed restrictions during the lockdown on account of health, travel and safety concerns the management could not take physical verification of some inventories.

In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years.

III. In respect of Loan :

The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.

IV. In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to parties covered under section 185 and 186 of the company act, 2013.

V. The company has not accepted any deposits during the year and accordingly the question of complying with section 73 and 76 of the companies Act, 2013 does not arise.

VI. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services rendered by the company.

VII. In respect of Statutory dues:

a. According to the records of the company the company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, investor education protection fund, income tax, Goods and service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it with appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and service tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2020, for a period of more than six months from the date they became payable."

c. According to the information and explanations given to us, there are no dues of sales tax, Goods and service tax income tax, custom duty, excise duty and Cess which have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Year to which the amount relates	Forum where the dispute is Pending
West Bengal Value Added Tax Act,2003	VAT	8.07	2007-08	West Bengal Commercial Taxes, Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	VAT	20.97	2016-17	West Bengal Commercial Taxes, Appellate Authority
Income Tax Act, 1961	Income Tax	13.28	2011-12	Appellate Authority up to Commissioner's Level

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

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

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

X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year.

XI. According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.

XII. In our opinion, the company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.

XIII. According to the information and explanations given by the management, transactions with the related parties are in Compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

XIV. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3 (xiv) are not applicable to the company and, not commented upon.

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

XVI. The company is not required to register under section 45-1A of the Reserve Bank of India Act, 1934.

For SRB & Associates
Chartered Accountants
Firm Registration No: 310009E

Biswanath Paul
(Partner)
UDIN:20068186AAAALA3561
M. No. 068186

Place: Kolkata
Date: 29.06.2020

Balance Sheet as at March 31, 2020 **Amount in ₹**

Particulars	Notes	As at 31.03.2020	As at 31.03.2019
I ASSETS			
(1) Non Current Assets			
Property, Plant and Equipments	3	31,87,40,780	26,84,04,946
Capital work-in-progress	3	1,48,02,791	66,38,491
Intangible Assets	3	50,622	2,30,085
Financial Assets			
(i) Investment	4	80,556	80,556
(ii) Loans	5	4,50,299	5,52,159
(iii) Other Financial Assets	6	1,78,37,752	1,55,04,584
Other non-current assets	7	51,91,209	47,66,247
(2) Current Assets			
Inventories	8	50,17,42,474	43,03,40,376
Financial Assets			
(i) Trade receivables	9	21,69,79,694	30,52,32,282
(ii) Cash and cash equivalents	10	74,97,848	89,12,248
(iii) Other bank balances	11	27,32,212	48,34,634
(iv) Loans	5	8,16,590	9,95,222
(v) Other Financial Assets	6	5,61,646	3,36,653
Current Tax Asset (Net)	12	26,75,565	26,12,806
Other current assets	7	10,22,84,947	19,34,25,029
Total Assets		**1,19,24,44,985**	**1,24,28,66,318**
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share capital	13	3,04,00,000	3,04,00,000
Other Equity		45,66,53,951	41,98,71,384
LIABILITIES			
(1) Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	7,25,86,210	8,63,19,712
Provisions	15	4,19,232	-
Deferred tax liabilities(Net)	16	2,04,96,500	2,23,25,842
Other non current liabilities	17	12,70,826	14,10,500
(2) Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	37,71,63,552	48,52,66,998
(ii) Trade payables	18	13,14,41,424	13,11,08,187
(iii) Other financial liabilities	19	3,64,43,874	2,42,62,851
Other current liabilities	17	6,55,69,416	4,19,00,844
Total Equity and Liabilities		**1,19,24,44,985**	**1,24,28,66,318**

The accompanying notes 1-38 are an integral part of the financial statements

In terms of our report attached

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

Biswanath Paul
Partner
Membership No. 068186
UDIN : 20068186AAAALA3561

Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

Shri Krishan Saraf
Managing Director
DIN 00128999

Deo Kishan Saraf
Whole Time Director & CFO
DIN 00128804

Samir Kumar Ghosh
Director
DIN 00129301

Bandana Saha
Company Secretary
M. No. A46329

Statement of Profit and Loss for the year ended March 31, 2020 **Amount in ₹**

	Particulars	Notes	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
I	**REVENUE**			
	Revenue From Operations	20	1,71,45,99,543	1,73,78,61,011
	Other Income	21	1,44,40,438	5,08,07,895
	Total Revenue (I)		**1,72,90,39,981**	**1,78,86,68,906**
II	**EXPENSES**			
	Cost of Material Consumed	22	91,46,71,454	1,00,48,64,332
	Purchases of Stock in trade	23	2,19,43,801	1,46,30,168
	Changes in inventories of finished goods, work in progress and stock-in-trade	24	(5,37,18,100)	(3,38,874)
	Excise /Custom duty on sale of goods		1,53,52,836	1,77,26,333
	Employee Benefits Expense	25	5,71,34,955	5,95,06,754
	Finance Costs	26	4,59,00,826	4,98,32,462
	Depreciation and amortization expense			
	a) Tangible Assets	3	2,47,63,670	2,24,57,636
	b) Intangible Assets	3	1,79,463	2,33,686
	Other Expenses	27	64,67,70,033	56,07,30,627
	Total expenses (II)		**1,67,29,98,938**	**1,72,96,43,124**
III	**Profit before tax (I-II)**		**5,60,41,043**	**5,90,25,782**
IV	**Tax expense:**			
	(1) Current Tax	28	1,41,93,250	1,28,63,610
	(2) Deferred Tax	28	(18,29,342)	(6,64,484)
V	**Profit for the period (III-IV)**		**4,36,77,135**	**4,68,26,656**
VI	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		**(13,97,246)**	**(42,78,785)**
	Re-measurement gains (losses) on defined benefit plans		(13,97,246)	(42,72,993)
	Changes in revaluation surplus		-	(5,792)
VII	**Total Comprehensive Income for the period (V + VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**4,22,79,889**	**4,25,47,871**
VIII	**Earnings per equity share:**			
	(1) Basic	29	14.37	15.40
	(2) Diluted	29	14.37	15.40

The accompanying notes 1-38 are an integral part of the financial statements

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

Biswanath Paul
Partner
Membership No. 068186
UDIN : 20068186AAAALA3561

Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

Shri Krishan Saraf
Managing Director
DIN 00128999

Deo Kishan Saraf
Whole Time Director & CFO
DIN 00128804

Samir Kumar Ghosh
Director
DIN 00129301

Bandana Saha
Company Secretary
M. No. A46329

Statement of Changes in Equity for the year ended March 31, 2020 **Amount in ₹**

a) Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2019	3,04,00,000	-	3,04,00,000
For the year ended 31st March, 2020	3,04,00,000	-	3,04,00,000

b) Other equity

Particulars	Reserve & Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
Balance as at 31st March,2018	**44,42,344**	**6,94,88,500**	**29,00,00,000**	**1,87,53,756**	**1,36,235**	**38,28,20,835**
Profit for the period	–	–	–	4,68,26,656	–	4,68,26,656
Other comprehensive income (net of tax)	–	–	–	–	(42,78,785)	(42,78,785)
Total comprehensive income for the year	**–**	–	–	**4,68,26,656**	**(42,78,785)**	**4,25,47,871**
Dividend	–	–	–	(45,60,000)	–	(45,60,000)
Income tax on Dividend Paid	–	–	–	(9,37,322)	–	(9,37,322)
Transfer from retained earnings	–	–	3,50,00,000	(3,50,00,000)	–	–
Balance as at 31st March, 2019	**44,42,344**	**6,94,88,500**	**32,50,00,000**	**2,50,83,090**	**(41,42,550)**	**41,98,71,384**
Profit for the year	–	–	–	4,36,77,135	–	4,36,77,135
Other comprehensive income (net of tax)	–	–	–	–	(13,97,246)	(13,97,246)
Total comprehensive income for the year	**–**	**–**	–	**4,36,77,135**	**(13,97,246)**	**4,22,79,889**
Dividend	–	–	–	(45,60,000)	–	(45,60,000)
Income tax on Dividend Paid	–	–	–	(9,37,322)	–	(9,37,322)
Transfer from retained earnings	–	–	3,50,00,000	(3,50,00,000)	–	–
Balance as at 31st Mar, 2020	**44,42,344**	**6,94,88,500**	**36,00,00,000**	**2,82,62,903**	**(55,39,796)**	**45,66,53,951**

Capital Reserve : This Reserve represents the value of amounts paid by the share applicant on account of share forfited.

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

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

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

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

The accompanying notes 1-38 are an integral part of the financial statements

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

Biswanath Paul
Partner
Membership No. 068186
UDIN : 20068186AAAALA3561

Kolkata
Date : 29th June, 2020

For and on behalf of the Board of Directors

Shri Krishan Saraf
Managing Director
DIN 00128999

Deo Kishan Saraf
Whole Time Director & CFO
DIN 00128804

Samir Kumar Ghosh
Director
DIN 00129301

Bandana Saha
Company Secretary
M. No. A46329

Cash Flow Statement for the year ended March 31, 2020 **Amount in ₹**

		For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A	**Cash Flow from Operating Activities**		
1	**Profit for the year**	**4,22,79,889**	**4,25,47,871**
2	**Adjustments for :**		
	Income tax expenses recognised in profit or loss	1,23,63,908	1,21,99,126
	Depreciation of property, plant and equipment	2,47,63,670	2,24,57,636
	Amortisation of intangible assets	1,79,463	2,33,686
	Loss/(gain) on disposal of property, plant and equipments (net)	90,077	2,46,876
	Net (gain)/loss arising on Investments mandatorily measured at fair value through profit and loss	–	5,792
	Interest income	(15,70,046)	(10,51,263)
	Subsidy Received	(1,39,674)	(1,39,674)
	Finance costs	4,59,00,826	4,98,32,462
3	**Operating Profit before working capital changes (1+2)**	**12,38,68,113**	**12,63,32,512**
4	**Change in Working Capital:**		
	Trade receivables, loans and advances and other assets	18,16,73,724	(4,93,54,809)
	Non current Financial Assets, loans & advances & other non current assets	(26,56,270)	(38,31,082)
	Inventories	(7,14,02,098)	(56,92,142)
	Trade payables other liabilities and provisions	2,44,21,041	(1,88,87,913)
	Change in Working Capital	**13,20,36,397**	**(7,77,65,946)**
5	**Cash Generated from Operations (3+4)**	**25,59,04,510**	**4,85,66,566**
6	**Less :** Taxes paid	(1,42,56,009)	(1,38,66,543)
7	**Net Cash Flow from Operating Activities (A) (5-6)**	**24,16,48,501**	**3,47,00,023**
B	**Cash Flow from Investing Activities:**		
	Purchase of fixed assets	(8,33,92,981)	(2,83,36,138)
	Sale of fixed assets	39,100	31,16,608
	Payables for capital goods	(20,94,823)	61,47,390
	Interest received	13,45,053	11,33,778
	Net Cash Generated/(Used) in Investing Activities (B):	**(8,41,03,651)**	**(1,79,38,362)**
C	**Net Cash Flow from Financing Activities:**		
	Short term secured loan	(10,81,03,446)	5,86,03,335
	Proceeds from/(repayment) of long term unsecured loan	(52,49,875)	(54,08,489)
	Repayment of Secured long term loan	6,00,586	(1,41,20,143)
	Interest and financing charges	(4,06,70,028)	(4,98,32,462)
	Dividend & dividend tax paid	(55,36,487)	(56,16,814)
	Net Cash Used in Financing Activities (C):	**(15,89,59,250)**	**(1,63,74,573)**
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(14,14,400)**	**3,87,089**
	E - 1 Cash & cash equivalents as at end of the year	**74,97,848**	**89,12,248**
	E - 2 Cash & cash equivalents as at the beginning of year	**89,12,248**	**85,25,159**

The accompanying notes 1-38 are an integral part of the financial statements

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

Biswanath Paul
Partner
Membership No. 068186
UDIN : 20068186AAAALA3561

Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

Shri Krishan Saraf
Managing Director
DIN 00128999

Deo Kishan Saraf
Whole Time Director & CFO
DIN 00128804

Samir Kumar Ghosh
Director
DIN 00129301

Bandana Saha
Company Secretary
M. No. A46329

Note 1

Notes to the financial statements

Significant Accounting policies

Statement of Compliance

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

Basis of preparation and measurement

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

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

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

Operating Cycle

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

Property, plant and equipment-Tangible Assets

Tangible Assets

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

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

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

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

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

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

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

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

Intangible Assets

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

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

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

indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Impairment of assets

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

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

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

Inventories

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

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

Foreign currency transactions

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

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

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

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

Financial instruments, financial assets, financial liabilities and Equity instruments

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

Financial Assets

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

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

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

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

Revenue Recognition

Revenue from business and other activities consist primarily of revenue earned on a "time and material" basis. The related revenue is recognized as and when the material supplied / services performed. Sales are recognized inclusive of duty if any but net of GST. Export Incentives are accounted on accrual basis and include estimated realisable value / benefits from Duty Drawback, Merchandise Export Incentive Scheme (MEIS) and Rebate of State and Central Taxes and Levies (ROSCTL). 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 Merchandise Export Incentive Scheme and Rebate of State and Central Taxes and Levies (ROSCTL).

Investment Income

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

Government Grant

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

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

Accordingly, government grants :

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

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

Dividend Distribution

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

Employee Benefits

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

(i) Contribution to Provident Fund and other Funds are accounted on accrual basis.

(ii) Gratuity Liability is determined by actuarial valuation done at the end of the year and the current year charge is debited in the Statement of Profit and Loss.

Leases

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

Taxes on Income

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

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

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

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

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

Claims

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

Provisions

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

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

Operating Segments

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

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

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

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

Financial and Management Information Systems

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

Note 2

Use of Estimate and Judgement

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

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

A. Judgements in applying accounting policies

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

B. Key sources of estimation uncertainty

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

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

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

2. Fair value measurements and valuation processes

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

3. Actuarial Valuation:

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

4. Claims, Provisions and Contingent Liabilities:

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

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment, Capital Work In Progress & Intangible Assets **Amount in ₹**

PARTICULARS	TANGIBLE ASSETS									CAPITAL WORK IN PROGRESS	INTANGIBLE ASSETS
	Land		Buildings	Plant & Machineries	Furniture & Fixtures	Vehicles	Office Equipment	Other - Electric Installations	Total Tangible Assets		Computer Softwares
	Freehold	Leasehold									
Gross Block											
Balance as at March 31, 2018	**2,20,20,028**	**97,50,000**	**7,15,21,912**	**14,62,21,758**	**1,31,16,393**	**1,03,39,432**	**38,33,523**	**1,35,01,834**	**29,03,04,880**	**2,87,01,092**	**7,29,480**
Additions & Adjustment	–	–	5,99,820	4,44,29,801	24,11,821	12,17,771	8,14,698	9,24,828	5,03,98,739	2,54,67,530	–
Deletions & Adjustment	–	–	–	45,72,379	–	58,986	–	–	46,31,365	4,75,30,131	–
Balance as at March 31, 2019	**2,20,20,028**	**97,50,000**	**7,21,21,732**	**18,60,79,180**	**1,55,28,214**	**1,14,98,217**	**46,48,221**	**1,44,26,662**	**33,60,72,254**	**66,38,491**	**7,29,480**
Additions & Adjustment	–	–	4,07,57,859	1,96,57,752	51,94,858	13,61,162	4,95,585	77,61,465	7,52,28,681	1,12,82,689	–
Deletions & Adjustment	–	–	–	1,56,017	–	–	–	–	1,56,017	31,18,389	–
Balance as at March 31, 2020	**2,20,20,028**	**97,50,000**	**11,28,79,591**	**20,55,80,915**	**2,07,23,072**	**1,28,59,379**	**51,43,806**	**2,21,88,127**	**41,11,44,,918**	**1,48,02,791**	**7,29,480**
Accumulated Depreciation											
Balance as at March 31, 2018	–	–	89,51,254	2,87,77,751	26,19,358	11,79,438	15,09,504	34,40,249	4,64,77,554	–	2,65,709
Additions & Adjustment	–	–	43,26,677	1,28,26,535	15,81,488	12,91,326	6,55,842	17,75,768	2,24,57,636	–	2,33,686
Deletions & Adjustment	–	–	–	12,67,882	–	–	–	–	12,67,882	–	–
Balance as at March 31, 2019	–	–	**1,32,77,931**	**4,03,36,404**	**42,00,846**	**24,70,764**	**21,65,346**	**52,16,017**	**6,76,67,308**	–	**4,99,395**
Additions & Adjustment	–	–	46,31,112	1,42,35,213	18,80,364	14,32,719	5,93,788	19,90,474	2,47,63,670	–	1,79,463
Deletions & Adjustment	–	–	–	26,840	–	–	–	–	26,840	–	–
Balance as at March 31, 2020	–	–	**1,79,09,043**	**5,45,44,777**	**60,81,210**	**39,03,483**	**27,59,134**	**72,06,491**	**9,24,04,138**	–	**6,78,858**
Net Block											
Balance as at March 31, 2019	2,20,20,028	97,50,000	5,88,43,801	14,57,42,776	1,13,27,368	90,27,453	24,82,875	92,10,645	26,84,04,946	66,38,491	2,30,085
Balance as at March 31, 2020	**2,20,20,028**	**97,50,000**	**9,49,70,548**	**15,10,36,138**	**1,46,41,862**	**89,55,896**	**23,84,672**	**1,49,81,636**	**31,87,40,780**	**1,48,02,791**	**50,622**

Note:

1. Building Freehold include ₹ 4,59,67,403 /- (Previous Year - ₹ 4,59,67,403 /-), aggregate cost of Building on Leasehold Land situated at various locations.
2. The company imported plant & machineries under concessional rate or zero customs duty under Export Promotion Capital Goods Scheme (EPCG Scheme). Under the scheme, the company is obliged to export goods equivalent to 6 times of duty saved on capital goods. The company is required to meet this export obligation over a period of 6 years from the date of issue of authorisations. Out of the above, the company has pending export obligation of USD 6.36 Lakhs upto 31.03.2020

4 Investment

Particulars	As at 31.03.2020		As at 31.03.2019	
	Current	Non-Current	Current	Non-Current
Investment in equity instruments In others **Unquoted**				
Bharat NRE Coke Limited 8,871 (P.Y. 8,871) shares of ₹10 each, fully paid	-	77,556	-	77,556
West Bengal Hosiery Park Infrastructure Ltd 300 (P.Y. 300) shares of ₹10 each, fully paid	-	3,000	-	3,000
Total	**-**	**80,556**	**-**	**80,556**

5 Loans

Particulars	As at 31.03.2020		As at 31.03.2019	
	Current	Non-Current	Current	Non-Current
(Unsecured, considered good unless otherwise stated)				
Loan to Employees	8,16,590	4,50,299	9,95,222	5,52,159
Total	**8,16,590**	**4,50,299**	**9,95,222**	**5,52,159**
Loan to employees are given as per company's policy				

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

6 Other Financial Assets

Particulars	As at 31.03.2020		As at 31.03.2019	
	Current	Non-Current	Current	Non-Current
Term deposit with Banks more than 12 months maturity *	-	39,54,010	-	40,92,235
Advances	-	-	-	16,29,880
Deposits	-	1,38,83,742	-	97,82,469
Interest Accrued on Deposits	5,61,646	-	3,36,653	-
Total	**5,61,646**	**1,78,37,752**	**3,36,653**	**1,55,04,584**

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

7 Other Assets

Particulars	As at 31.03.2020		As at 31.03.2019	
	Current	Non-Current	Current	Non-Current
Security deposits	-	51,91,209	-	47,66,247
Deposits with body corporate and others Considered good	36,67,461	-	36,67,461	-
Advances				
To Related Parties	-	-	-	-
To Suppliers & Others	3,80,66,814	-	8,14,90,486	-
Export incentives & Receivables from govt. authorities	5,25,57,097	-	10,05,84,404	-
Prepaid expenses	79,93,575	-	76,82,678	-
Total	**10,22,84,947**	**51,91,209**	**19,34,25,029**	**47,66,247**

8 Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
Inventories (lower of cost and net realisable value)		
Raw Materials	22,28,19,569	20,02,44,155
Work-in-progress	17,19,80,512	14,73,83,444
Finished Products (Manufactured)	9,49,32,216	6,58,99,425
Stock-in-trade (Goods purchased for re-sale)	88,241	-
Stores and Spares	1,19,21,936	1,68,13,352
Total	**50,17,42,474**	**43,03,40,376**
The above includes goods in Transit as under :-		
Raw Materials	15,20,361	85,64,061
Finished Products	2,76,075	-
Stores and Spares	68,996	1,32,719
Total	**18,65,432**	**86,96,780**
The inventory also includes Goods lying with third party		
Raw Materials	2,62,10,154	1,99,83,080
Work-in-progress	2,27,24,460	1,51,07,013
Finished Products	1,32,000	-
Total	**4,90,66,614**	**3,50,90,093**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

9 Trade receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good		
Trade receivables	21,69,79,694	30,52,32,282
Total	**21,69,79,694**	**30,52,32,282**

10 Cash and Cash Equivalents *

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks		
Current Account	17,25,890	52,50,096
EEFC Account	37,69,525	3,21,032
In Deposit Account	8,49,386	13,82,801
Cheques on hand	–	3,03,287
Cash on hand	11,53,047	16,55,032
Total	**74,97,848**	**89,12,248**

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

11 Other bank balances

Particulars	As at 31.03.2020	As at 31.03.2019
Fixed Deposit Account*	21,30,631	41,93,888
Earmarked Balances	6,01,581	6,40,746
Total	**27,32,212**	**48,34,634**

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

12 Current Tax Assest (Net)

Particulars	As at 31.03.2020	As at 31.03.2019
Current Tax Assets (Net of Income Tax Provision)	26,75,565	26,12,806
Total	**26,75,565**	**26,12,806**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

13 Equity Share Capital

Particulars	As at 31.03.2020		As at 31.03.2019	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Authorised:				
Ordinary Shares of ₹10 each fully paid up	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
Issued and Subscribed				
Ordinary Shares of ₹10 each fully paid up	35,20,000	3,52,00,000	35,20,000	3,52,00,000
Paid-up				
Ordinary Shares of ₹10 each fully paid up	30,40,000	3,04,00,000	30,40,000	3,04,00,000
	30,40,000	**3,04,00,000**	**30,40,000**	**3,04,00,000**

A. Reconciliation of No. of Ordinary Shares Outstanding

	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the Beginning of the year	30,40,000	3,04,00,000	30,40,000	3,04,00,000
At the end of the year	**30,40,000**	**3,04,00,000**	**30,40,000**	**3,04,00,000**

B Details of shareholders holdings more than 5% shares

Name of the Shareholder	As at 31.03.2020		As at 31.03.2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Shri Krishan Saraf	4,33,947	14.27%	4,33,947	14.27%
Deo Kishan Saraf	2,28,532	7.52%	2,28,532	7.52%
Kusum Saraf	1,70,452	5.61%	1,70,452	5.61%

C Rights, Preference and Restriction attached to Shares

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

The Board of Directors have proposed a dividend of Rs 1.50 per equity share of Rs 10/- each for the financial year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

14 Borrowings

Particulars	As at 31.03.2020		As at 31.03.2019	
	Current	Non-current	Current	Non-current
SECURED				
(a) Term Loan				
From Bank*	-	54,09,188	-	1,35,59,311
(b) Repaybale on Demand				
From Bank**				
Cash credit	14,07,61,992	-	17,95,62,911	-
EPC	21,76,03,416	-	29,45,58,672	-
Bill Discounting	1,87,98,144	-	1,11,45,415	-
(c) Vehicle Loan from Banks	-	28,27,022	-	34,10,401
Total Secured Borrowing (A)	**37,71,63,552**	**82,36,210**	**48,52,66,998**	**1,69,69,712**
UNSECURED				
Rupee Loan from Others	-	6,43,50,000	-	6,93,50,000
Total Un-secured Borrowing (B)	**-**	**6,43,50,000**	**-**	**6,93,50,000**
Total Borrowing (A+B)	**37,71,63,552**	**7,25,86,210**	**48,52,66,998**	**8,63,19,712**

a) Secured Loans are covered by :

From Bank *

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

From Bank **

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

b) Repayment Terms of outstanding long term borrowings (including current maturities) as on March 31, 2020 : -

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

	Banks & Corporates Vehicle & Inter Corporate Loan		Bank Term Loan	
	As at 31.03. 2020	As at 31.03. 2019	**As at 31.03. 2020**	As at 31.03. 2019
Borrowings Repayable				
In the first year (Note 19)	17,47,724	14,14,220	2,13,11,954	1,25,61,245
Current maturities of long-term debt	**17,47,724**	**14,14,220**	**2,13,11,954**	**1,25,61,245**
In the second year	18,61,410	13,69,109	54,09,188	80,00,000
In the third year	9,65,612	14,49,397	-	55,59,311
In the fourth year and onwards	-	5,91,895	-	-
Long Term Borrowings	**28,27,022**	**34,10,401**	**54,09,188**	**1,35,59,311**

c) Period of Continuing Default

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

d) Unsecured Loan from Others includes

	As at 31.03. 2020	As at 31.03. 2019
i) Related party (bearing interest)	50,00,000	1,00,00,000
ii) Intercorporates (Bearing interest)	5,93,50,000	5,93,50,000
	6,43,50,000	**6,93,50,000**

e) Long Term Borrowings from Related Party :

Prince Vanijya Pvt. Ltd.	50,00,000	1,00,00,000
	50,00,000	**1,00,00,000**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

15 Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Post Employment defined benefits Retirement gratuity	4,19,232	–
Total	**4,19,232**	–

16 Deferred tax liabilites (Net)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax liabilities (Net)	2,04,96,500	2,23,25,842
Total	**2,04,96,500**	**2,23,25,842**

Movement in deferred tax liabilities / assets balances	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liablities / assets in relation to: On fiscal allowances on property, plant and equipment etc.	2,23,25,842	(18,29,342)	-	2,04,96,500
Total deferred tax assets	**2,23,25,842**	(18,29,342)	-	**2,04,96,500**

17 Other Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Non Current		
Deferred revenue arising from Government grant	12,70,826	14,10,500
Total	**12,70,826**	**14,10,500**
Current		
Statutory Liabilities	19,70,099	1,06,10,422
Advances from Customers	2,54,66,046	59,35,619
Deferred revenue arising from Government grant related to assets	1,39,674	1,39,674
Others	3,79,93,597	2,52,15,129
Total	**6,55,69,416**	**4,19,00,844**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

18 Trade payables

Particulars	As at 31.03.2020	As at 31.03.2019
Outstanding dues of Creditors of Micro, Small and Medium Enterprises		
(i) Dues to Related Parties	10,57,679	29,44,912
(ii) Creditors for Supplies and Services	43,41,113	1,00,80,191
Total outstanding dues of micro enterprises and small enterprises	**53,98,792**	**1,30,25,103**
Outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Dues to Related Parties	8,16,267	7,30,073
(ii) Creditors for Supplies and Services	12,52,26,365	11,73,53,011
Total outstanding dues of creditors other than micro enterprises and small enterprises	**12,60,42,632**	**11,80,83,084**
Total	**13,14,41,424**	**13,11,08,187**

Terms and conditions of the above financial liabilities:

⇨ A sum of Rs 53,98,792 /- payable to Micro and Small Enterprises as at 31st March, 2020. 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, 2020. This information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

19 Other Financial Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term debt (refer note 14)	2,30,59,678	1,39,75,465
Interest Accured	52,30,798	-
Unpaid dividends *	6,01,581	6,40,746
Payables for fixed assets	75,51,817	96,46,640
Total	**3,64,43,874**	**2,42,62,851**

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

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

20 Revenue From Operations

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Gross Revenue from sale of products (including Duties)	1,63,42,73,720	1,64,48,51,684
Other operating revenues	8,03,25,823	9,30,09,327
Total	**1,71,45,99,543**	**1,73,78,61,011**
Details of products sold		
A.Finished goods sold		
Hand Gloves	97,33,06,072	1,10,15,94,178
Garment	61,80,85,975	50,29,66,775
Windpower	57,71,650	1,18,23,142
Total (A)	**1,59,71,63,697**	**1,61,63,84,095**
B. Raw material & traded goods sold		
Yarn, fabrics, chemicals and other traded goods	3,71,10,023	2,84,67,589
Total (B)	**3,71,10,023**	**2,84,67,589**
Total (A+B)	**1,63,42,73,720**	**1,64,48,51,684**
Break-up of Other operating revenues		
Scrap sales	1,92,938	2,79,540
Export Incentives	7,94,67,614	9,15,54,518
Discount Received	19,346	50,175
Other Operating Income	6,45,925	11,25,094
Total	**8,03,25,823**	**9,30,09,327**

21 Other income

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest income on		
Bank Deposits	4,46,828	7,14,277
Others	11,23,218	3,36,986
Other Gains and Losses*	1,17,93,748	4,88,22,848
Other Non-operating income **	10,76,644	9,33,784
Total	**1,44,40,438**	**5,08,07,895**
*Other gains and losses:		
Net foreign exchange gain/(loss)	1,17,93,748	4,88,22,848
Total	**1,17,93,748**	**4,88,22,848**
****Other Non-operating income**		
Subsidy Received	1,39,674	4,18,023
Other Misc. Income	7,59,511	4,44,422
Sample Income	1,77,459	71,339
Total	**10,76,644**	**9,33,784**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

22 Cost of Raw Materials consumed

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Balance	20,02,44,155	20,22,50,844
Add: Purchases	93,72,46,868	1,00,28,57,643
	1,13,74,91,023	1,20,51,08,487
Less: Closing stock	22,28,19,569	20,02,44,155
Total	**91,46,71,454**	**100,48,64,332**
Details of raw materials consumed		
Yarn	11,67,70,563	10,19,11,240
Fabrics	23,25,27,245	18,82,62,799
Leathers	39,05,71,302	53,58,49,568
Chemicals	3,30,99,958	6,15,05,617
Others	14,17,02,386	11,73,35,108
Total	**91,46,71,454**	**1,00,48,64,332**
Value of Raw materials consumed during the year		
Imported	15,51,88,064	15,21,59,203
Indigenious	75,94,83,390	85,27,05,129
Total	**91,46,71,454**	**1,00,48,64,332**

23 Purchases of Stock in trade

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Hand Gloves	59,01,526	1,70,200
Garments	77,84,276	1,44,59,968
Others	82,57,999	-
Total	**2,19,43,801**	**1,46,30,168**

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Stock		
Work-in-progress	14,73,83,444	14,99,98,212
Finished goods	6,58,99,425	6,27,37,667
Traded goods	–	2,08,116
	21,32,82,869	**21,29,43,995**
Closing Stock		
Work-in-progress	17,19,80,512	14,73,83,444
Finished goods	9,49,32,216	6,58,99,425
Traded goods	88,241	–
	26,70,00,969	21,32,82,869
Total	**(5,37,18,100)**	**(3,38,874)**
Details of inventories		
Work-in-progress		
Hand gloves	2,03,08,701	2,71,60,456
Garments	15,16,71,811	12,02,22,988
Total	**17,19,80,512**	**14,73,83,444**
Finished goods		
Hand gloves	9,01,54,246	6,22,64,713
Garments	47,77,970	36,34,712
Total	**9,49,32,216**	**6,58,99,425**
Traded goods		
Hand gloves	10,041	–
Garments	78,200	–
	88,241	–

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

25 Employee Benefits Expense

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries, wages, bonus etc	5,03,92,160	5,07,78,307
Contribution to provident and other funds	44,94,153	45,20,814
Gratuity expenses	10,52,828	11,60,864
Staff welfare expenses	11,95,814	30,46,770
Total	**5,71,34,955**	**5,95,06,754**

Disclosure on Employee Benefits is given in Note No. 33

26 Finance Costs

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest Expense	4,32,54,714	4,82,41,795
Others borrowing cost	26,46,112	15,90,667
Total	**4,59,00,826**	**4,98,32,462**

27 Other expenses

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Consumption of stores, spares & packing materials	7,61,51,108	5,74,85,997
Power & fuels	3,36,64,848	3,65,71,243
Rent, rates & taxes etc.	1,48,27,081	1,45,69,434
Packing & finishing charges	1,07,38,340	1,09,75,134
Printing & stationary	17,59,747	19,64,269
Processing charges	39,45,97,326	32,44,98,742
Bank Charges	32,47,215	42,16,091
Travelling & conveyance expenses	97,15,855	1,13,92,973
Auditor's remuneration	3,00,000	3,00,000
Insurance charges	67,18,722	65,33,787
Postage & telephone expenses	38,61,439	34,45,444
Motor car expenses	24,18,391	25,55,365
Repairs & maintenance		
Plant & machinery	1,12,97,802	1,01,14,522
Building	93,817	3,42,260
Others	72,46,369	84,61,426
Commission on sales	53,55,093	30,95,632
Sales promotion expenses	82,00,400	66,85,342
Coolie, cartage, freight & forwarding charges	3,47,00,052	3,38,94,119
Quality Claim on Sales / Exports	1,11,792	10,41,512
Loss On Sale Of Fixed Assets	90,077	2,46,876
Sundry Balance Written Off	93,91,605	87,24,103
Sales Tax Expenses	31,99,008	20,59,251
Misc. expenses	90,14,653	1,10,37,587
Prior Period items	69,293	5,19,518
Total	**64,67,70,033**	**56,07,30,627**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

28 Income Tax Expense

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Amount recognised in profit or loss		
Current Tax		
Income tax for the year		
Current Tax	1,41,93,250	1,28,63,610
Total Current tax	**1,41,93,250**	**1,28,63,610**
Deferred tax		
Deferred tax for the year	(18,29,342)	(6,64,484)
Total Deferred tax	**(18,29,342)**	**(6,64,484)**
Total	**1,23,63,908**	**1,21,99,126**

29 Earnings per share

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit After Taxation (₹)	4,36,77,135	4,68,26,656
Weighted average number of Ordinary shares (Nos.)	30,40,000	30,40,000
Basic Earnings Per Share (₹)	14.37	15.40
Diluted Earnings Per Share (₹)	14.37	15.40

30 Contingent Liabilities

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(a) Claims against the company not acknoledged as debts		
(i) Sales Taxes claims disputed by the company relating to issues of applicability classification and disallowance.	29,03,878	8,07,300
(ii) Income Tax matters	13,28,960	14,86,883
(b) Guarantees		
(i) Letter of Credit	1,44,77,806	1,49,34,084
(ii) Counter Guarantee Given	51,42,399	43,66,706
(c) Other money for which company is contingently liable		
(i) Bills discounted by the Bank	1,87,98,144	1,11,45,415

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

31 Additional Notes to the Financial statement

Particulars		For the year ended 31.03.2020	For the year ended 31.03.2019
C.	**Expenditure In Foreign Currency**		
	(Amount remitted in foreign currency by way of letter of credit arrangements / others)		
	For purchase of Capital goods on CIF basis	2,03,71,963	1,23,78,581
	For purchase of Raw Materials, stores, spares & Finished Goods	13,30,22,178	13,97,39,174
	For Travelling Expenses	45,47,300	37,54,321
	On other accounts	61,56,379	67,28,619
	Total	**16,40,97,820**	**16,26,00,695**
D.	**Earnings In Foreign Currency On (Fob Basis)**		
	Export of goods	1,13,06,10,625	1,18,23,37,590
	Other income	9,01,477	50,175
	Total	**1,13,15,12,102**	**1,18,23,87,765**

E. Derivative Instruements

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

Forward exchange contracts outstanding as at year end:-

Currency	Cross Currency	As at 31.03.2020		As at 31.03.2019	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupees (₹)	-	39,99,712.05	-	45,89,089.40
Euro	Indian Rupees (₹)	-	27,85,029.28	-	24,76,898.90

32 Impact of COVID-19

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

NOTES TO THE FINANCIAL STATEMENTS

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

Defined Contribution Plans -

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

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

Risk Management

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

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

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

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

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

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

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

Particulars	Valuation as at	
	As at 31.03.2020	As at 31.03.2019
Discount rate (s)	7.00%	7.70%
Expected rate (s) of salary increase	4.00%	6.00%
Mortality	IALM (2012-14) ULTIMATE	

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Past Service cost	–	–
Current service cost	11,80,343	12,90,456
(Gain)/loss from settlements	–	–
Net interest expense	–	–
Total Service cost	**11,80,343**	**12,90,456**
Interest Expense on DBO	13,72,504	8,99,203
Interest (Income) on Plan Assets	(15,00,019)	(10,28,795)
Interest (Income) on Reimbursement Rights	–	–
Interest Expense on (Asset Ceiling) / Onerous Liability	–	–
Total Net Interest Cost	**(1,27,515)**	**(1,29,592)**
Reimbursement of Other Long Term Benefits	–	–
Defined Benefit Cost included in P & L	**10,52,828**	**11,60,864**
Remeasurements - Due to Demographic Assumptions	–	–
Remeasurements - Due to Financial Assumptions	(17,47,747)	(39,01,853)
Remeasurements - Due to Experience Adjustments	29,54,192	80,38,601
(Return) on Plan Assets (Excluding Interest Income)	1,90,801	1,36,245
(Return) on Reimbursement Rights	–	–
Changes in Asset Ceiling / Onerous Liability	–	–
Total Remeasurements in OCI	**13,97,246**	**42,72,993**
Total Defined Benefit Cost recognized in P & L and OCI	**24,50,074**	**54,33,857**

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

Particulars	As at 31.03.2020	As at 31.03.2019
Defined benefit obligation	2,15,84,025	1,78,24,733
Fair value of plan assets	2,11,64,793	1,91,05,968
Funded status	**4,19,232**	**(12,81,235)**
Effect of Asset Ceilling / oneros Liability	-	-
Net liability/ (asset) arising from defined benefit obligation	**4,19,232**	**(12,81,235)**

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening defined benefit obligations	1,78,24,733	1,18,57,584
Current service cost	11,80,343	12,90,456
Past Service Cost	–	–
(Gain) / Loss on settlements	–	–
Interest Expense	13,72,504	8,99,203
Benefit Payments from Plan Assets	–	(3,59,258)
Remeasurements - Due to Financial Assumptions	(17,47,747)	(39,01,853)
Remeasurements - Due to Experience Adjustments	29,54,192	80,38,601
Closing defined benefit obligation	**2,15,84,025**	**1,78,24,733**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening fair value of plan assets	1,91,05,968	1,33,60,970
Interest Income	15,00,019	10,28,795
Employer Contributions	7,49,607	52,11,706
Benefit Payments from Plan Assets	–	(3,59,258)
Remeasurements - Return on Assets (Excluding Interest Income)	(1,90,801)	(1,36,245)
Closing fair value of plan assets	**2,11,64,793**	**1,91,05,968**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	Gratuity	Gratuity
Investment Details	Funded	Funded
Investment with Insurer (LIC)	100%	100%

Net Defined Benefit Liability / (Assets) reconciliation

Particulars	As at 31.03.2020	As at 31.03.2019
Net Defined Benefit Liability/(Asset) at beginning of year	**(12,81,235)**	**(15,03,386)**
Defined Benefit Cost included in P & L	10,52,828	11,60,864
Total Remeasurements included in OCI	13,97,246	42,72,993
Employer Contributions	(7,49,607)	(52,11,706)
Net Defined Benefit Liability / (Asset) at end of year	**4,19,232**	**(12,81,235)**

Sensivity Analysis

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

Particulars	DBO as at 31.03.2020
Under Base Scenario	2,15,84,025
Salary Escalation (Up by 1%)	2,28,57,477
Salary Escalation (Down by 1%)	2,04,49,391
Withdrawal Rates (Up by 1%)	2,18,20,532
Withdrawal Rates (Down by 1%)	2,13,23,391
Discount Rates (Up by 1%)	2,04,13,389
Discount Rates (Down by 1%)	2,28,99,655

Maturity Analysis Of The Benefit Payments

Particulars	
1. Year 1	95,40,485
2. Year 2	6,34,043
3. Year 3	7,66,208
4. Year 4	7,54,207
5. Year 5	8,51,812
6. Next 5 Years	2,21,02,125

NOTES TO THE FINANCIAL STATEMENTS

34 Segment Reporting

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

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

Primary Segment Information **Amount in ₹**

		2019-20			2018-19		
		External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
A.	**Segment Revenue**						
	Hand Gloves	1,04,56,69,567	-	1,04,56,69,567	1,18,17,85,573	-	1,18,17,85,573
	Garments	65,42,86,798	-	65,42,86,798	54,41,54,537	-	54,41,54,537
	Power Generation	57,71,650	-	57,71,650	1,19,20,901	-	1,19,20,901
	Others & Traded Items	88,71,528	-	88,71,528	-	-	-
	Segment Total	**1,71,45,99,543**	**-**	**1,71,45,99,543**	**1,73,78,61,011**	**-**	**1,73,78,61,011**
	Elimination			-			-
	Total Revenue			**1,71,45,99,543**			**1,73,78,61,011**
B.	**Segment Results**						
	Hand Gloves			12,68,88,863			11,63,01,618
	Garments			1,81,83,380			1,63,91,144
	Power Generation			15,51,216			74,66,801
	Others & Traded Items			(10,36,121)			–
	Segment Total			**14,55,87,338**			**14,01,59,563**
	Unallocated corporate expenses			(4,53,86,748)			(4,57,99,977)
	Unallocated corporate income			1,71,233			1,34,47,395
	Profit before finance cost & tax			**10,03,71,823**			**10,78,06,981**
	Finance cost			(4,59,00,826)			(4,98,32,462)
	Interest on loan, deposits, etc.			15,70,046			10,51,263
	Profit before tax			**5,60,41,043**			**5,90,25,782**
	Tax expense			(1,23,63,908)			(1,21,99,126)
C.	**Profit After Taxation**			**4,36,77,135**			**4,68,26,656**

D.	**Other Information**	2019-20 Segment Assets	2019-20 Segment Liabilities	2018-19 Segment Assets	2018-19 Segment Liabilities
	Hand Gloves	67,08,35,092	37,77,57,029	80,24,80,931	52,16,42,200
	Garments	40,01,90,801	26,66,31,032	34,84,94,772	23,84,97,317
	Power Generation	2,53,06,762	31,588	3,27,00,467	31,588
	Others & Traded Items	4,12,38,000	1,06,20,383	–	–
	Segment Total	**1,13,75,70,655**	**65,50,40,032**	**1,18,36,76,170**	**76,01,71,105**
	Unallocated Corporate Assets / Liabilities	5,48,74,330	5,03,51,002	5,91,90,148	3,24,23,829
	Total	**1,19,24,44,985**	**70,53,91,034**	**1,24,28,66,318**	**79,25,94,934**

	2019-20			2018-19		
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation
Hand Gloves	4,03,20,257	1,61,93,602	-	4,40,64,761	1,48,38,051	-
Garments	1,56,17,964	44,03,991	-	50,74,050	38,19,267	-
Power Generation	-	22,54,168	-	-	22,54,337	-
Others & Traded Items	192,50,000	2,82,245	-	–	–	-
Segment Total	**7,51,88,221**	**2,31,34,006**	**-**	**4,91,38,811**	**2,09,11,655**	**-**
Unallocated Expenditure	40,460	18,09,127	-	12,59,928	17,79,667	-
Total	**7,52,28,681**	**2,49,43,133**	**-**	**5,03,98,739**	**2,26,91,322**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Secondary Segment Information	2019-20	2018-19
Segment Revenue		
Within Special Economic Zone	19,17,22,245	23,64,20,538
Outside Special Economic Zone	1,52,28,77,298	1,50,14,40,473
Segmnet Assets		
Within Special Economic Zone	25,02,20,417	29,96,87,836
Outside Special Economic Zone	94,22,24,568	94,31,78,482
Capital Expenditure		
Within Special Economic Zone	13,23,433	4,07,88,098
Outside Special Economic Zone	7,39,05,248	96,10,641

35 Related Party Disclosures

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

1.COMPANIES / FIRMS WHERE THERE IS A SIGNIFICANT INFLUENCE :
(a) Acme Safetywears Limited
(b) Saraf Capital Markets Limited
(c) Prince Vanijya Private Limited
(d) Century Safety Wears Private Limited
(e) Rosinate India Company

2.KEY MANAGEMENT PERSONNEL :
(a) Mr. Shri Krishan Saraf
(b) Mr. Deo Kishan Saraf
(c) Ms. Bandana Saha

3.RELATIVE OF KEY MANAGEMENT PERSONNEL
(a) Mr. Abhishek Saraf
(b) Mr. Aditya Saraf
(c) Mr. Utkarsh Saraf
(d) Ms. Priya Saraf

4.OTHERS :
(a) Mr. Swapan Kumar Chakraborty
(b) Mr. Bishnu Kumar Kesan

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2020

Particulars	Parties referred to in (1) above		Parties referred to in (2,3,4) above		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Purchase of Goods	**5,79,74,340**	**6,14,15,930**	**–**	**–**	**5,79,74,340**	**6,14,15,930**
Acme Safetywears Limited	5,79,74,340	6,14,15,930			5,79,74,340	6,14,15,930
Sale of Goods	**9,51,23,999**	**12,98,76,754**	**–**	**–**	**9,51,23,999**	**12,98,76,754**
Acme Safetywears Limited	9,51,23,999	12,98,76,754			9,51,23,999	12,98,76,754
Rent Paid	**15,00,000**	**13,35,000**	**3,00,000**	**–**	**18,00,000**	**13,35,000**
Century Safety Wears Private Limited	15,00,000	13,35,000			15,00,000	13,35,000
Aditya Saraf			3,00,000		3,00,000	–
Interest Expenses	**12,01,028**	**15,00,000**	**–**	**–**	**12,01,028**	**15,00,000**
Prince Vanijya Private Limited	12,01,028	15,00,000			12,01,028	15,00,000
Processing Charges	**27,03,315**	**25,92,109**	**–**	**–**	**27,03,315**	**25,92,109**
Acme Safetywears Limited	2,58,438	9,02,823			2,58,438	9,02,823
Rosinate India Company	24,44,877	16,89,286			24,44,877	16,89,286
Job work Income	**6,45,925**	**–**	**–**	**–**	**6,45,925**	**–**
Acme Safetywears Limited	6,45,925	–			6,45,925	–
Remuneration to KMP			**1,10,99,538**	**1,11,01,875**	**110,99,538**	**1,11,01,875**
Shri Krishan Saraf			60,00,000	60,00,000	60,00,000	60,00,000
Deo Kishan Saraf			48,00,000	48,00,000	48,00,000	48,00,000
Bandhana Saha			2,99,538	3,01,875	2,99,538	3,01,875
Remuneration to others			**53,15,000**	**53,35,000**	**53,15,000**	**53,35,000**
Abhishek Saraf			16,25,000	16,25,000	16,25,000	16,25,000
Aditya Saraf			16,25,000	16,25,000	16,25,000	16,25,000
Utkarsh Saraf			3,25,000	3,25,000	3,25,000	3,25,000
Priya Saraf			3,60,000	3,60,000	3,60,000	3,60,000
Bishnu Kumar Kesan			6,00,000	6,25,000	6,00,000	6,25,000
S K Chakraborty			7,80,000	7,75,000	7,80,000	7,75,000
Balance as on 31st March					**–**	**–**
Creditors / Payable	**18,73,946**	**36,74,985**	**–**	**–**	**18,73,946**	**36,74,985**
Acme Safetywears Limited	10,57,679	29,44,912			10,57,679	29,44,912
Rosinate India Company	8,16,267	7,30,073			8,16,267	7,30,073
Debtors / Receiavable	**30,20,743**	**3,51,31,003**	**–**	**–**	**30,20,743**	**3,51,31,003**
Acme Safetywears Limited	30,20,743	3,51,31,003			30,20,743	3,51,31,003
Loan Taken	**50,00,000**	**1,00,00,000**	**–**	**–**	**50,00,000**	**1,00,00,000**
Prince Vanijya Private Limited	50,00,000	1,00,00,000			50,00,000	1,00,00,000
Security Deposit	**1,00,00,000**	**50,00,000**			**1,00,00,000**	**50,00,000**
Century Safety Wears Private Limited	1,00,00,000	50,00,000	**–**	**–**	1,00,00,000	50,00,000

NOTES TO THE FINANCIAL STATEMENTS **Amount in ₹**

36 Financial Instruments and Related Disclosures

1. Capital Management

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

2. Categories of Financial Instruments

Particulars	Note	As at 31.03.2020		As at 31.03.2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	10	74,97,848	74,97,848	89,12,248	89,12,248
ii) Other bank balances	11	27,32,212	27,32,212	48,34,634	48,34,634
iii) Loans	5	12,66,889	12,66,889	15,47,381	15,47,381
iv) Trade receivables	9	21,69,79,694	21,69,79,694	30,52,32,282	30,52,32,282
v) Other financial assets	6	1,83,99,398	1,83,99,398	1,58,41,237	1,58,41,237
Sub-total		24,68,76,041	24,68,76,041	33,63,67,782	33,63,67,782
b) Measured at Fair value through OCI					
i) Equity shares	4	80,556	80,556	80,556	80,556
Sub-total		80,556	80,556	80,556	80,556
Total financial assets		**24,69,56,597**	**24,69,56,597**	**33,64,48,338**	**33,64,48,338**

Particulars	Note	As at 31.03.2020		As at 31.03.2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
B. Financial Liabilities					
a) Measured at amortised cost					
i) Cash credit facilities	14	37,71,63,552	37,71,63,552	48,52,66,998	48,52,66,998
ii) Trade payables	18	13,14,41,424	13,14,41,424	13,11,08,187	13,11,08,187
iii) Other financial liabilities	19	3,64,43,874	3,64,43,874	2,42,62,851	2,42,62,851
Sub-total		**54,50,48,850**	**54,50,48,850**	**64,06,38,036**	**64,06,38,036**
Total financial liabilities		**54,50,48,850**	**54,50,48,850**	**64,06,38,036**	**64,06,38,036**

C. Financial risk management objectives

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

Liquidity Risk

The Company's Current assets aggregate to ₹ 83,52,90,976 (2019 - ₹94,66,89,250) including Cash and cash equivalents and Other bank balances of ₹ 1,02,30,060 (2019 - ₹ 1,37,46,882) against an aggregate Current liability of ₹61,06,18,266(2019 - ₹ 68,25,38,880); Non-current liabilities due between one year to three years amounting to ₹ 9,47,72,768 (2019 - ₹ 10,94,64,158) and Non-current liability due after three years amounting to ₹ Nil (2019 - ₹ 5,91,896) on the reporting date.

Further, while the Company's total equity stands at ₹ 48,70,53,951 (2019 - ₹ 45,02,71,384), it has borrowings of ₹ 7,25,86,210 (2019 - ₹8,63,19,712). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Market Risks

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

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

NOTES TO THE FINANCIAL STATEMENTS

Foreign currency risk

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

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

	USD	Euro
As at 31st March, 2020		
Financial Assets	13,44,669	4,00,387
Financial Liabilities	4,38,469	1,91,455
As at 31st March, 2019		
Financial Assets	15,21,796	10,02,720
Financial Liabilities	3,01,603	1,52,236

D. Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

36. Financial Instruments and Related Disclosures (Contd.)

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

Particulars	Fair Value Hlerarchy (Level)	Fair Value	
		As at 31st March 2020	As at 31st March 2019
A. Financial assets			
a) Measured at amortised cost			
i) Loans*	3	12,66,889	15,47,381
ii) Other Financial assets*	3	1,83,99,398	1,58,41,237
Sub-total		**1,96,66,287**	**1,73,88,618**
b) Measured at Fair value through OCI			
i) Equity shares - Un-Quoted	2	80,556	80,556
Sub-total		**80,556**	**80,556**
Total financial assets		**1,97,46,843**	**1,74,69,174**
B. Financial liabilities			
a) Measured at amortised cost			
i) Other Financial liabilities*	3	3,64,43,874	2,42,62,851
Sub-total		**3,64,43,874**	**2,42,62,851**
Total financial liabilities		**3,64,43,874**	**2,42,62,851**

*Represents Fair value of Non-current Financial Instruments

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

38. Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on 29th June 2020.

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

Biswanath Paul
Partner
Membership No. 068186
UDIN : 20068186AAAALA3561

Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

Shri Krishan Saraf
Managing Director
DIN 00128999

Deo Kishan Saraf
Whole Time Director & CFO
DIN 00128804

Samir Kumar Ghosh
Director
DIN 00129301

Bandana Saha
Company Secretary
M. No. A46329

Notes

ACKNIT INDUSTRIES LIMITED
CIN: L01113WB1990PLC050020
Registered Office: 817 Krishna, 224 A.J.C Bose Road, Kolkata-700017
Phone No.: (033) 2287-8293; Fax No.: (91-33) 2287-8269
Email: calcutta@acknitindia.com Website: www.acknitindia.com

Form No. MGT-11
PROXY FORM

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

Name of the member (s): _____

Registered address: _____

E-mail Id: _____

Folio No./DP ID/ Client ID: _____

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

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

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

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

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

3. Name : ..... Address .....

   E-mail ID : ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on **Sunday, 27th September, 2020 at 11:00 a.m. at 'Ecostation', Bock - BP, Plot No.7, Sector V, 5th Floor, Suit No.503, Salt Lake, Kolkata - 700091**and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2020 together with the Reports of the Directors and the Auditors thereon.		
2.	Declaration of dividend of Rs. 1.50 per equity shares of Rs.10 each for the Financial Year ended 31st March, 2020.		
3.	Appointment of a Director in place of Mr. Deo Kishan Saraf (DIN: 00128804) who retires by rotation and, being eligible, offers himself for re-appointment.		

Signed this .....day of.....2020

Signature of Shareholder .....

Signature of Proxyholder(s) .....

Affix Revenue Stamp

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

*2. It is optional to put a (✓) in the appropriate column against the Resolution as indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

If undelivered please return to :

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