



# ESKAY K'N'IT

Ref No.: SE/ESKAY/2019-2020/12

15<sup>th</sup> October 2019

**To,**  
The Secretary,  
(Listing Department)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, 21<sup>st</sup> Floor, Fort,  
Mumbai - 400 001

**Ref.: Scrip Code – 514118**

**Subject: Annual Report for the Financial Year 2017-2018.**

Dear Sir,

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2018-2019.

Kindly acknowledge the receipt and oblige.

Thanking You.

Yours faithfully,



**For Eskay K 'n' IT (India) Limited**

**Trivendra Singh**  
Managing Director



**ESKAY K'N'IT (INDIA) LIMITED**

CIN : L18109DN1987PLC000034

**Corporate Off. :** Raghuvanshi Mills Compound, 11/12, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013. Telefax : 022-24955321  
**Regd. Off. & Mills :** 58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa ( U.T.) - 396230 Tel.: 0260-3258845 •Fax : 09898593191  
E-mail: eskay.knit1@gmail.com / info@eskayknit.com



# **Eskay K'n'IT (India) Limited**



**32<sup>nd</sup> Annual Report  
2018-19**

# ESKAY K 'n' IT (INDIA) LIMITED

## ESKAY K 'n' IT (INDIA) LIMITED

CIN: L18109DN1987PLC000034

### Annual Report 2018-19

#### BOARD OF DIRECTORS:

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

#### BANKERS

Indian Overseas Bank  
Dena Bank  
Federal Bank  
Bank of India  
Andhra Bank  
Punjab & Sind Bank  
Karnataka Bank

#### AUDITORS

M/s Rishi Sekhri & Associates  
(Chartered Accountants)

#### REGISTERED OFFICE

Plot No.58-B, Dhanu Udyog Industrial Area, Piperia,  
Silvassa (Union Territory) 396 230

#### CORPORATE OFFICE

Raghuvanshi Mills Compound,  
11/12 Senapati Bapat Marg, Lower Parel (W)  
Mumbai- 400 013  
Email: eskay.knit1@gmail.com

#### REGISTRAR & SHARE TRANSFER AGENT

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

#### PLANTS

Bhilad (Gujarat)  
Silvassa (U.T. of Dadra & Nagar Haveli)  
Dombivli (Maharashtra)  
Baddi (Himachal Pradesh)

#### CONTENTS

Notice .....	2
Directors' Report .....	8
Corporate Governance Report .....	26
Management Discussion and Analysis Report.....	37
Auditors' Report.....	41
Balance Sheet .....	45
Profit & Loss Account.....	46
Schedules & Notes on Accounts.....	47
Cash Flow Statement.....	55
Attendance Slip & Proxy Form .....	57

*32<sup>nd</sup> Annual General Meeting to be held on Saturday, 28<sup>th</sup> September, 2019 at 03:15 p.m., at Plot 65,  
Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230.*

**NOTICE**

Notice is hereby given that 32<sup>nd</sup> Annual General Meeting of the Shareholders of **ESKAY K'n'IT (INDIA) LIMITED** will be held on Saturday, 28<sup>th</sup> September, 2019 at 03:15 p.m., at Plot No. 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2019 and Profit and Loss Account for the year ended as on that date and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Manasi Indrajit Wadkar (DIN: 05309693), who retires by rotation and, being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

3. To approve the remuneration of Mr. Pradip Damania, Cost Auditor for the financial year ending 31<sup>st</sup> March 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor Re-appointed by the Board of Directors of the Company, to conduct the audit of the Company for the financial year ending 31<sup>st</sup> March 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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

4. Re-appointment of Shri Narayan Ghumatkar (DIN 01717979) as an Independent Director of the Company  
To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 and Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (Including any statutory modification(s) or re- enactment thereof for the time being in force), The approval of Members of the Company be and is hereby accorded for re-appointment of Shri Narayan Ghumatkar (DIN: 01717979) whose current period of office is expired and who has submitted a declaration confirming the criteria of Independence under section 149 (6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time and who is eligible for re-appointment for the Second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the company has received, a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Non- Executive Director, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years.

5. Regularisation of Shri Jaiprakash Mishra (DIN 07190590) who was appointed as Additional Independent Director  
To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 and Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (Including any statutory modification(s) or re- enactment thereof for the time being in force), Shri Jaiprakash Mishra (DIN: 07190590), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a fix term of 5 (five) consecutive years.

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy, in

order to be effective, must be deposited at the company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto under Item No. 3 and forms an integral part of this Notice. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item No.2 of the Notice, are also annexed in Corporate Governance Report.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has notified closure of Register of Members and Share Transfer Books from 21<sup>st</sup> September, 2019 to 28<sup>th</sup> September, 2019 (both days inclusive).
7. Relevant documents referred to in the notice and the accompanying statement is open for inspection by the members at the registered office of the company on working days up to date of the AGM.
8. Route Map giving directions to the venue of the meeting is annexed to the notice.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Universal Capital Securities Private Limited.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to the Company / Universal Capital Securities Pvt. Ltd.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Universal Capital Securities Pvt. Ltd., for consolidation into a single folio.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode.
15. Electronic copy of the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
16. In compliance with the provision of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members

are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolution set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed at the AGM.

17. These e-voting instructions are being sent to you as your name appears in the Register of Members as on Saturday 21<sup>st</sup> September, 2019, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Thirty First Annual General Meeting together with the Annual Report and to participate through e-voting.

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

- (i) The voting period begins on Wednesday, 25<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Friday, 27<sup>th</sup> September, 2019 at 5:00 p.m., During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday 21<sup>st</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) ? Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer Serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. ? In case the sequence number is less than 8 digits enter the applicable number of 0’s before the Number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	
OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat Account or in the company records in order to login. ? If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-

voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Eskay K'n'IT (India) Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) M/s. Priyavrat & Associates, Chartered Accountant in whole Time Practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.
- In case of members receiving the physical copy:**
- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Wednesday, 25<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Friday, 27<sup>th</sup> September, 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday 21<sup>st</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

**Sd/-**

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

**Place: Mumbai**

**Date: 13<sup>th</sup> August, 2019**

**ANNEXURE TO THE NOTICE****Explanatory Statement Pursuant to section 102 (1) of the Companies Act, 2013****ITEM NO. 3:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Pradip Damania as a Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020 on a remuneration of Rs. 10000/-P.A.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2020.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No 3 of the Notice for approval by the shareholders.

**ITEM NO: 4**

The approval of Members of the Company be and is hereby accorded for re-appointment of Shri Narayan Ghumatkar (DIN: 01717979) whose current period of office is expired and who has submitted a declaration confirming the criteria of Independence under section 149 (6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time and who is eligible for re-appointment for the Second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the company has received, a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Non- Executive Director, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years.

**ITEM NO: 5**

Shri Jaiprakash Mishra (DIN: 07190590), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a fix term of 5 (five) consecutive years.

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

**Sd/-**

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

**Place: Mumbai**

**Date: 13<sup>th</sup> August, 2019**



**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of ESKAY K'n'IT (INDIA) LIMITED along with the Audited Statements of Accounts for the Financial Year ended 31st March, 2019.

**FINANCIAL HIGHLIGHTS:**

Particulars	(Rs. in Lacs)	
	2018-2019	2017-2018
Revenue from operations	803.24	3,095.04
Finance Cost	-	4,350.01
Depreciation and amortization Expense	326.25	1,533.62
Profit/ (Loss) before exceptional and extraordinary items and tax	(5,778.49)	(5,778.49)
Exceptional items	-----	-----
Extraordinary items	-----	-----
Profit/ (Loss) before tax	(355.77)	(5,778.49)
Deferred Tax Assets/(Liabilities)	(259.25)	40.90
Provision for Taxation	0.00	0.00
Net Profit/(Loss)	(615.02)	(5,737.59)

**COMPANY PERFORMANCE:**

During the year, the Revenue from operations of the Company has substantially decreased to Rs. 803.24 Lacs as against Rs. 3095.04 Lacs in respect of the previous Financial Year ended 31st March, 2018. The Company has suffered Loss before Tax Rs 355.77Lacs in the financial year ended 31st March, 2019 as against loss of Rs. 5,778.49 Lacs in the previous financial year ended 31st March, 2018. The Company has Net Loss of Rs. 615.02 Lacs after considering deferred tax of Rs. (259.25) Lacs as against Net Loss of Rs 5,737.59 Lacs in the previous financial year ended 31st March, 2018. However, there is no cash loss during the year.

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

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

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

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

**DIVIDEND:**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As per provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 and the rule made thereunder read with schedule IV to the Companies Act, 2013, Shri Narayan Ghumatkar, existing Independent Directors of the Company, have been appointed as an Independent Directors of Company who shall hold office from the date of this Annual General Meeting till Annual General to be held in 2019. They shall not, henceforth be liable to determination by retirement of Directors by rotation.

Further, the Board of Directors of the Company had appointed Shri Jaiprakash Mishra as an Additional Directors w.e.f. 21<sup>st</sup> June, 2019. Pursuant to the provisions of Section 160 of the Companies Act, 2013, Shri Jaiprakash Mishra shall hold office upto the date of ensuing Annual General Meeting. The Notice pursuant to Section 161 of the Companies Act, 2013, has been received from the Member proposing the candidature of Shri Jaiprakash Mishra for appointed as Directors of the Company.

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

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

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

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

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

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

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

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

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

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

#### **CORPORATE GOVERNANCE:**

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

#### **EXTRACT OF ANNUAL RETURN:**

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

#### **BOARD AND COMMITTEE MEETINGS:**

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

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

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

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

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

**DECLARATION OF INDEPENDENT DIRECTORS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a. in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed and there is no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual financial statements have been prepared on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note 12 of the Notes to the financial statements.

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. through various programmers.

The details of such familiarization programmed shall be disclosed on the Company's website at the following web link: [http:// eskayknitindia.com/wp/](http://eskayknitindia.com/wp/)

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

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

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts.

The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.eskaykmitindia.com](http://www.eskaykmitindia.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

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

**RELATED PARTY TRANSACTIONS:**

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2018-19 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Notes to the financial statements.

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

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

**Material changes and commitments affecting the financial position of the Company which have occurred between 31st March 2019 and 13<sup>th</sup> August, 2019.**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2019) and the date of the Report 13<sup>th</sup> August, 2019.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

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

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

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

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

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

**CONSERVATION OF ENERGY:**

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

**TECHNOLOGY ABSORPTION:**

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

**FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

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

**REMUNERATION POLICY:**

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

**RISK MANAGEMENT:**

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

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

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

**PREVENTION OF INSIDER TRADING:**

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

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint of sexual harassment during the financial year 2018-19.

**SAFETY, HEALTH AND ENVIRONMENT**

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

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

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

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

**INDUSTRIAL RELATIONS & HUMAN RESOURCES MANAGEMENT:**

The Company is of firm belief that good Human Resource Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity the goal is set to increase the production capacity of the various plants and rationalize the manpower through scientific study. All the operational goals of the top

management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team are being made to all the plants to meet the employees and also interaction meetings are conducted to get their feedback, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

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

**FIXED DEPOSITS:**

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

**INSURANCE:**

The properties / assets of your Company are adequately insured.

**Compliance with Secretarial Standard on Board and General Meeting**

The Company has complied with Secretarial Standard issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**AUDITORS:****Statutory Auditor:**

M/s. Rishi Sekhri & Associates, Chartered Accountants, (Membership No. 126656 & Firm Registration No.128216W) was appointed as Statutory Auditors for a period of Five year commencing from the conclusion 30th AGM till Thirty Fifth Annual General Meeting of the Company to be held on 2022, subject to ratification of their appointment at every AGM if so required under the Act.

**Cost Auditor:**

As per the requirements of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the Board of Director on recommendation of the Audit Committee appointed Mr. Pradip Damania, Cost Accountant of the Company for the financial year 2019-2020 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. The Company carries out an audit of cost records every year.

**Internal Auditor:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company had appointed Internal Auditor of the Company for the financial year 2019-20 and Company carries out an Internal Audit on quarterly basis.

**ACKNOWLEDGEMENT:**

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

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

Sd/-

**Trivendra Singh**  
**Managing Director**  
**Din: 05240052**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2019

**ANNEXURE A TO THE DIRECTORS' REPORT  
FORM NO. MGT.9**

**Extract of Annual Return**

**As on the financial year ended on 31st March, 2019  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

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

**I. 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	Name & Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	TEXTILES	18/181	100%

**II. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl NO	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	-	-	-	-	-

**III. SHAREHOLDING PATTERN (Equity Share capital Break up a % to total Equity)**

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







1	Navin Kumar Tayal	2000940	0.71	0.71	2000940	0.71	0.71	0.00
2	Akash Fabrics Pvt. Ltd	32199122	11.47	11.47	32199122	11.47	11.47	0.00
3	Archana Syntex Pvt. Ltd.	11269168	4.01	4.01	11269168	4.01	4.01	0.00
4	Delux Polymers Pvt. Ltd	33188840	11.82	11.82	33188840	11.82	11.82	0.00
5	Jayshree Petro Chemicals Pvt. Ltd.	41035232	14.61	14.61	41035232	14.61	14.61	0.00
6	Krishna Knitwear Technology Ltd	4065456	1.45	1.45	4065456	1.45	1.45	0.00
7	Shanti Synthetics & Processors Pvt. Ltd.	31304820	11.15	11.15	31304820	11.15	11.15	0.00
8	Shree Ganesh Hosiery Mills Pvt. Ltd.	5908700	2.10	2.10	5908700	2.10	2.10	0.00
	<b>Total</b>	<b>160972278</b>	<b>57.32</b>	<b>57.32</b>	<b>160972278</b>	<b>57.32</b>	<b>57.32</b>	<b>0.00</b>

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

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

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

Sl No.	Name of the shareholder & DP id No	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Sovotex Textiles Pvt. Ltd.</b>				
	DP ID No 120243000000934				

	At the beginning of the Year	24081866	8.58		
	Transfer	0	0	24081866	8.58
	At the End of the Year (or on the date of separation, I separated during the year)	24081866	8.58	24081866	8.58
2	<b>Life Insurance Corporation of India</b>				
	DP ID No   IN30081210000012				
	At the beginning of the Year	4825843	1.72		
	Transfer	0	0	4825843	1.72
	At the End of the year (or on the date of separation, if separated during the year)	4825843	1.72	4825843	1.72
3	<b>Delhi Iron and Steel Co (P) Ltd</b>				
	DP ID No   IN30002030133415				
	At the beginning of the Year	4360000	1.55		
	Transfer	0	0	4360000	1.55
	At the End of the year (or on the date of separation, if separated during the year)	4360000	1.55	4360000	1.55
4	<b>Life Insurance Corporation of India P&amp;GS Fund</b>				
	DP ID No   IN30081210501340				
	At the beginning of the year	2795600	1.00		
	Transfer	0	0.00	2795600	1.00
	At the End of the year (or on the date of separation, if separated during the year)	2795600	1.00	2795600	1.00
5	<b>Gopala Holdings Pvt. Ltd</b>				
	DP ID No   1204800000004081				
	At the beginning of the Year	2297580	0.82		
	Transfer	0	0.00	2297580	0.82
	At the End of the year (or on the date of separation, if separated during the year)	2297580	0.82	2297580	0.82
6	<b>Nitish Nayak</b>				
	DP ID No   1202430000001767				
	At the beginning of the Year	2096500	0.75		
	Transfer	0	0.00	2096500	0.75
	At the End of the year (or on the date of separation, if separated during the year)	2096500	0.75	2096500	0.75
7	<b>Bank of India</b>				
	DP ID No   IN30081210488097				
	At the beginning of the year	1436695	0.51		
	Transfer	0	0.00	1436695	0.51
	At the End of the year (or on the date of separation, if separated during the year)	1436695	0.51	1436695	0.51
8	<b>Sovotex Textiles Pvt. Ltd.</b>				
	Folio No   S016287				
	At the beginning of the Year	1275548	0.45		
	Transfer	0	0.00	1275548	0.45

	At the End of the year (or on the date of separation, if separated during the year)	1275548	0.45	1275548	0.45
9	<b>Kanishka Infrastructure Pvt. Ltd.</b>				
	DP ID No   1202430000008950				
	At the beginning of the Year	1188932	0.42		
	Transfer	0	0.00	1188932	0.42
	At the End of the year (or on the date of separation, if separated during the year)	1188932	0.42	1188932	0.42
10	<b>MARUTI KISHANRAO DEORE</b>				
	DP ID No   1201090006436008				
	At the beginning of the Year	0	0.00		
	Acquired	967055	0.00	967055	0.34
	At the End of the year (or on the date of separation, if separated during the year)	967055	0.34	967055	0.34

(v) Shareholding of Directors & KMP

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the company	No shares	% of total shares of the company
	<b>For Each of the Directors &amp; KMP</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Promoters Share				
	holding during the year specifying the reasons for				
	increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	Nil	Nil	Nil	Nil

IV. INDEBTEDNESS

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

ESKAY	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	3,41,85,63,649	1,48,12,93,400	-	4,89,98,57,049
ii) Interest due but not paid	55,14,93,000	-	-	55,14,93,000
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,97,00,56,649</b>	-	-	<b>5,45,13,50,049</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-

Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,41,80,88,153	1,48,12,93,400	-	4,89,93,81,553
ii) Interest due but not paid	1,59,08,81,408	-	-	1,59,08,81,408
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	3,41,80,88,153	1,48,12,93,400	-	4,89,93,81,553

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

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

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount Lakhs
1	Independent Directors	<b>Mr. Narayan Ghumatkar</b>	<b>Mr Manmohan Ahluwalia</b>	
(a)	Fee for attending board / committee meetings	0.4	0.8	1.8
(b)	Commission	0	0	0
(c)	Others, please specify	0	0	0
	<b>Total (1)</b>	0.4	0.8	1.8
Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount Lakhs
2	Other Non Executive Directors	<b>Ms. Neha Patil</b>	<b>Ms. Manasi Wadkar</b>	
(a)	Fee for attending board /committee meetings	0.4	0.3	0.7
(b)	Commission	0	0	0
(c)	Others, please specify.	0	0	0
	<b>Total (2)</b>	0.4	0.3	0.7
	<b>Total (B)=(1+2)</b>			2.5
	<b>Total Managerial Remuneration</b>			
	<b>Overall Ceiling as per the Act.</b>			

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

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

**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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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

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

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

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

a)	Name(s) of the related party and nature of relationship	:	NIL
b)	Nature of contracts/arrangements/transactions	:	NIL
c)	Duration of the contracts / arrangements/transactions	:	NIL

d) Salient terms of the contracts or arrangements or transactions including the value, if any

e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
f)	Date(s) of approval by the Board	:	NIL
g)	Amount paid as advances, if any	:	NIL

h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 : NIL

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

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

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

**Sd/-**

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

Place: Mumbai  
Date: 13<sup>th</sup> August, 2019



**ANNEXURE C TO THE DIRECTORS' REPORT**

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

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

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

The ratio of each Director to the Median Remuneration of all employees who were on the pay roll of the Company during financial year 2018-2019 are given below:

<b>*Non-Executive Directors</b>	<b>Ratio to Median</b>
Neha Patil	-
Manasi Wadkar	-

  

<b>Executive Director (Managing Director) and KMP</b>	<b>Ratio to Median</b>
Trivendra Singh (MD)	2.5:1

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

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

The ratio of each Director to the Median Remuneration of all employees who were on the pay roll of the Company and the percentage increase in remuneration of the Directors during financial year 2018-2019 are given below:

<b>*Non-Executive Directors</b>	<b>Ratio to Median</b>	<b>Percentage Increase in Remuneration</b>
Neha Patil	-	-
Manasi Wadkar	-	-

  

<b>Executive Director (Managing Director) and KMP</b>	<b>Ratio to Median</b>	<b>Percentage Increase in Remuneration</b>
Trivendra Singh (MD)	2.5:1	-

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

3. The percentage increase in the median remuneration of employees in the financial year : 0%

4. The number of permanent employees on the rolls of the Company: 28

5. The explanation on the relationship between average increase in remuneration and Company performance:

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

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

The Company's performance during 2018-19 was considered while approving the variable pay and the increase in remuneration for the Key Managerial Personnel, which was increased by an average of 0 % during the year.

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

During the year, the Revenue from operations of the Company has substantially decreased to Rs. 803.24 Lacs as against Rs. 3,095.04 Lacs in respect of the previous Financial Year ended 31st March, 2018. The Company has suffered Loss before Tax Rs 355.77 Lacs in the financial year ended 31st March, 2019 as against loss of Rs. 5,778.49 Lacs in the previous financial year ended 31st March, 2018. The Company has Net Loss of Rs. 615.02 Lacs after considering deferred tax of Rs. (259.25) Lacs as against Net Loss of Rs 5,737.59 Lacs in the previous financial year ended 31st March, 2018. However, there is no cash loss during the year.

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

8. The Key parameters for any variable component of remuneration availed by the directors: No Variable Component of remuneration.

9. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

The highest paid director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.

10. Affirmation that the remuneration is as per the Remuneration policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

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

**Sd/-**

**Trivendra Singh**

**Managing Director**

**(DIN: 05240052)**

Place: Mumbai

Date: 13<sup>th</sup> August, 2019

## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

### 2. BOARD OF DIRECTORS

#### 2.1) Composition:

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

The Board of Directors, as on 31.03.2019, comprised Five Directors, of which Four were Non-Executive Directors. The Company has three Independent Directors as on 31.03.2019 comprised with one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

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

#### 2.2) Category and Attendance of Directors:

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 32<sup>nd</sup> Annual General Meeting held on Saturday, 28<sup>th</sup> September, 2019 as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below:

Name	Category	Attendance		Number Directorships and Total Committee member/Chairpersonships (including Eskay K'n'it (India) Ltd.) as on 31.03.2019		
		Board Meetings	32 <sup>nd</sup> AGM	Directorship in all Companies	Committee Membership	Committee Chairpersonship
Mr. Narayan Ghumatkar (Chairperson) DIN 01717979	Independent, Non-Executive	4	Yes	6	6	3
Mr. Trivendra Singh (Managing Director) DIN 05240052	Non-Independent, Executive	4	No	8	10	4
Ms. Manasi Wadkar DIN 05309693	Non-Independent, Non-Executive	3	No	8	2	1
Mr. Manmohan Ahluwalia DIN 00049219	Independent, Non-Executive	4	No	1	2	1
Ms. Neha Patil DIN 07114205	Non-Independent, Non-Executive	4	No	6	5	1

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

### 2.3) Board Meetings:

During the year 2018-19, the Board met 4 times on the following dates namely 25<sup>th</sup> May 2018, 09<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019. There was no time gap of four months or more between any two meetings.

A separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 16<sup>th</sup> February, 2019 as required under Schedule IV to the Companies Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulation. All the Independent Directors were present at the meeting. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

### 2.4) Non-Executive Directors Compensation Disclosures:

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2018-2019, for attending the Board Meetings and Audit Committee Meetings is as follows:

S. No.	Name of Directors	Category	Sitting Fees (in Rs.)	
			Board Meetings	Committee Meetings
1.	Mr. Narayan Ghumatkar	Independent, Non-Executive	40,000	20,000
3.	Mr. Manmohan Ahluwalia	Independent, Non-Executive	40,000	20,000
5.	Ms. Neha Patil	Non-Independent, Non-Executive	40,000	-
6.	Ms. Manasi Wadkar	Non-Independent, Non-Executive	30,000	-
	<b>Total</b>		<b>1,50,000</b>	<b>40,000</b>

**2.5) Board Procedure:**

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

**2.6) Code of Conduct:**

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

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

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

**2.7) Code of Conduct for prohibition of insider trading:**

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

**2.8) Vigil Mechanism/Whistle Blower Policy**

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

**2.9) Appointment and Re-appointment of Directors**

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

<b>Name of Director</b>	Mrs. Manasi Wadkar
<b>DIN</b>	05309693
<b>Date of Birth</b>	06/01/1977
<b>Date of Appointment</b>	14/11/2014
<b>Expertise in specific professional areas</b>	She has more than 8 years of Working Experience in the Textile industry
<b>Qualifications</b>	She completed graduation
<b>List of other Indian Public Limited Companies in Which Directorship held</b>	1. KSL and Industries Limited
	2. Asahi Industries Limited
	3. K-Lifestyle & Industries Limited
	4. Actif Corporation Limited
	5. Global Softech Limited
	6. Jaybharat Textiles and Real Estate Limited
	7. Krishna Knitwear Technology Limited
	8. KG Corporation Limited
<b>Chairman/Member of the Committee of Board in other Public Limited Companies</b>	NIL
Relationship Between directors interse.	Nil
Number of Shares held in the Company	Nil

### 3. BOARD COMMITTEES:

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

#### 3.1) Audit Committee

##### Composition

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

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

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

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

##### Terms of reference:

The scope of the activities of the Audit Committee is as set out in Regulation 18 of SEBI Listing Regulations, read with the

Section 177 of the Companies Act, 2013. The brief terms of reference of the Audit committee are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Reviewing with management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
  - Ø Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of Act.
  - Ø Changes, if any, in accounting policies and practices and reasons for the same.
  - Ø Major accounting entries involving estimates based on the exercise of judgment by Management.
  - Ø Significant adjustments made in the financial statements arising out of audit findings.
  - Ø Compliance with listing and other legal requirements relating to financial statements.
  - Ø Disclosure of any related party transaction.
  - Ø Qualifications in the draft audit report.
- e. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit functions.
- i. Discussion with internal auditors any significant findings and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- k. Discussion with external auditors before the audits commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- m. To review the functioning of the Whistle Blower mechanism;
- n. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- o. And, generally, all items listed in SEBI Listing Regulations and in Section 177 of the Companies Act, 2013.

**Meetings held during the year & Attendance:**

During the year 2018-19, the Audit Committee met 4 times on the following dates namely 25th May 2018, 09th August, 2018, 13th November, 2018 and 12th February, 2019. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder:

	<b>Name of Member</b>		<b>Designation</b>	<b>Attendance</b>
	Mr, Narayan Ghumatkar		Chairman	4
	Mr. Manmohan Ahluwalia		Member	4
	Mr. Trivendra Singh		Member	4

### 3.2) Nomination & Remuneration Committee:

#### Composition:

The Nomination & Remuneration Committee comprises of:

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

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

#### Terms of reference:

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

#### Meetings held during the year & Attendance:

During the year 2018-19 the Nomination & Remuneration Committee met 1 time on 11th February 2019

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

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

#### Remuneration:

Details of Remuneration paid to Managing Director and Non-Executive Directors for the year 2018-2019 are as follows:



Name	Salary	Commission	Sitting Fees	Total
Mr. Trivendra Singh(M.D.)	6,00,000	Nil	Nil	6,00,000
Non-Executive Directors (As elaborated in Pt. 2.4 above)	NIL	Nil	2,50,000	2,50,000
<b>TOTAL</b>	<b>6,00,000</b>	<b>Nil</b>	<b>2,50,0000</b>	<b>8,50,000</b>

### 3.3) Stakeholder Relationship Committee:

#### Composition:

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

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

#### Terms of reference:

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

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

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

#### Meetings held during the year & Attendance:

During the year 2018-19, the Stakeholders Relationship Committee met 4 times on the following dates namely 24<sup>th</sup> May 2018, 08<sup>th</sup> August 2018, 12<sup>th</sup> November 2018 and 11<sup>th</sup> February, 2019. The composition of the Stakeholders Relationship Committee and the details of the Meetings attended by the Members are given hereunder:

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

No. of Shareholder's Complaint received so far	:	26
Number solved to the satisfaction of shareholders	:	26
Number of pending complaints	:	NIL

### 3.4) Management and Finance Committee

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

The Committee comprises of:

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

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

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

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

During the year 2018-19 the Management and Finance Committee met 5 times on the following dates namely 20<sup>th</sup> July 2018, 19<sup>th</sup> November 2018, 29<sup>th</sup> January 2018, 19<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019. The composition of the Management and Finance Committee and the details of the Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. Trivendra Singh	Chairman	5
Ms. Manasi Wadkar	Member	5
Ms. Neha Patil	Member	5

#### 4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2017-18	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	28 <sup>th</sup> September, 2018	03:15 P.M.
2016-2017	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	29 <sup>th</sup> September, 2017	03.15 P.M.
2015-2016	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	28 <sup>th</sup> September, 2016	03.15 P.M.

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

No EGM was held in the last three years.

#### 5. DISCLOSURES:

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

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

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

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

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

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

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

**(e) Remuneration to Directors:**

The Company has not paid any remuneration except sitting fees to the Non Executive Directors. None of the Non Executive Directors of the Company hold any Shares of the Company. The Company has paid a sum of Rs. 6.00 Lacs as managerial remuneration to Mr. Trivendra Singh, Managing Director of the Company from April 1, 2018 to March 31, 2019.

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

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

**(h) Management**

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

**6. MEANS OF COMMUNICATION**

**(a)** The Company has published its Notice of the Board Meetings, Notice of the Annual General Meeting and Book Closure, Quarterly Financial Results, Half yearly Statement of Assets and Liabilities in the following newspapers: Free Press Journal – English; Gujarat Pravah-Gujarati; Navshakti- Marathi.

**(b)** Management Discussion and Analysis forms integral part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, etc., are discussed in the said report.

**7. GENERAL SHAREHOLDER INFORMATION**

**7.1) Annual General Meeting:**

Date and time	:	Saturday 28 <sup>th</sup> September, 2019 at 03.15 p.m.
Venue	:	65, Krishna Nagar, Samarvani, Silvassa (Union Territory of Dadra & Nagar Haveli)

**7.2) Financial Year**

Financial Year	:	1st April to 31st March
Financial Calendar 2019-2020 (Tentative)	:	Annual General Meeting (Next Year) September, 2020

Board Meetings:-

Results for the Quarter ending June 30, 2019	:	Second week of August, 2019
Results for the Quarter ending September 30, 2019	:	Second week of November, 2019
Results for the Quarter ending December 31, 2019	:	First week of February, 2019
Results for the year ending March 31, 2020	:	Last week of May, 2020

<b>7.3) Book Closure Date</b>	:	21st September, 2019 to 28th September, 2019 (Both days inclusive)
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- 7.4) Dividend Payment Date : N. A.  
 7.5) (a) Listing of Equity Shares : BSE Limited.  
 (b) ISIN Numbers : Equity shares: INE220A01032  
 7.6) Stock Code : 514118 (BSE Limited.)

(Note: Annual listing fees for the year 2018-2019 have been duly paid to BSE Limited, Mumbai)

**7.7) Stock Market Data:**

The shares of the Company are listed with the BSE Limited. The details of the Market Price data i.e., high, low (based on the closing prices) and volume during the financial year 2018-19, is given hereunder:

Month	High (Rs.)	Low (Rs.)	No. of Shares
April 2018	0.30	0.27	27,198
May 2018	0.30	0.27	27,198
June 2018	0.29	0.29	1,600
July 2018	0.30	0.27	40,000
August 2018	0.31	0.28	12,200
September 2018	0.31	0.28	8,615
October 2018	0.28	0.27	12,300
November 2018	0.28	0.27	1,207
December 2018	0.27	0.25	33,080
January 2019	0.26	0.24	14,668
February 2019	0.24	0.23	1,092
March 2019	0.23	0.19	9,59,530

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

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

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

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

**7.11) a) Distribution of Shareholding as on 31st March 2019**

Category		Number Shareholders	Number of Shares held
From	To		
Upto	5000	33772	39303677
5001	10000	778	5953562
10001	20000	278	4002763
20001	30000	117	2967516
30001	40000	48	1686123
40001	50000	38	1786544
50001	100000	59	4360480
100001	Above	61	220771187
<b>TOTAL</b>		<b>35151</b>	<b>280831852</b>

**7.11) b) Shareholding pattern as on 31st March 2019**

Category	No. of shares Held	Percentage of shareholding
1. Promoter's Holding Mutual Funds, Banks, Financial Institutions, FIIs,	160972278	57.31
2. NRIs & OCBs	11189827	3.98
3. Domestic Companies	64579552	12.41
4. Resident Individuals	73807609	26.28
<b>Total</b>	<b>280831852</b>	<b>100.00</b>

Approximately 89.60% of the shares issued by the Company have been dematerialized up to 31<sup>st</sup> March 2019.

**7.12) a) : Dematerialization of Shares****b) Liquidity****7.13) Outstanding GDRs/ADRs/Warrants or any other Convertible instruments, conversion date and likely impact on Equity**

- : The Company's shares are listed on The BSE Limited, Mumbai
- : No such Instrument outstanding

**7.14) Plant Location**

: Bhilad, Silvassa, Dombivli (Maharashtra),  
Baddi (H.P.)

**7.15) (a) Address for Investor****Correspondence**

For transfer / dematerialization of shares payment of dividend on shares, interest and redemption of debentures and any other query relating to the shares and debentures of the Company.

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

Email: [info@unisec.in](mailto:info@unisec.in)

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

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

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of the conditions of Corporate Governance by **ESKAY K'n'IT (INDIA) LIMITED ("the Company")** for the year ended 31<sup>st</sup> March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Board of Directors of the Company and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph above, during the year ended March 31, 2019.

We state that in respect of investors grievances received during the year ended **31<sup>st</sup> March 2019**, no investor grievances are pending against the Company as on **13<sup>th</sup> August, 2019**, as per the records maintained by the Company and presented to the Stakeholder Relationship committee.

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

**For M/s. Rishi Sekhri & Associates.**

**Chartered Accountants**

**Sd/-**

**Rishi Sekhri**

**Partner**

**Membership No. 126656**

**Firm Registration No. 128216W**

**Place: Mumbai**

**Date: 13<sup>th</sup> August, 2019**

**CERTIFICATION BY THE MANAGING DIRECTOR OF THE COMPANY**

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

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
3. I accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. I have indicated to the Auditors and to the Audit Committee:
  - a) that there are no significant changes in internal control over financial reporting during the year;
  - b) that there are no significant changes in accounting policies during the year;
  - c) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.
5. I further declare that all Board Members have affirmed compliance with the Code of Conduct for the Financial Year 2018-19.

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

Sd/-

Trivendra Singh  
Managing Director  
(DIN: 05240052)

Place: Mumbai

Date: 29<sup>th</sup> May, 2019

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

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

I confirm that the Company has, in respect of the Financial Year ended 31<sup>st</sup> March, 2018, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31<sup>st</sup> March, 2019.

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

Sd/-

Trivendra Singh  
Managing Director  
(DIN: 05240052)

Place: Mumbai

Date: 13<sup>th</sup> August, 2019

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The textile Industry, in general, had a negative impact due to the after effects of structural transformation that took place in the form of implementation of demonetization and GST. Further, post demonetization ,GST, international market has come down sharply, thus making imports cheaper for the domestic industry which has placed pressure on selling prices for the textile industry as a whole

The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy. Textiles exports from India will touch US\$ 185 billion by the year 2024-25.

**MARKET SIZE**

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5% to 8 % and reach US\$ 80 billion by 2024. The growth implies that with a 12% CAGR in domestic sales the industry should reach a production level of US\$ 350 billion by 2024-25 from the current level of about US\$ 100 billion for the domestic market. At the same time, Exports of textiles increased to USD 41.67 billion i.e by 3%.

In rupee terms, to Rs.2.55 lac crores as against Rs.2.48 lac crores in the last year there by showing a growth of 3%. Growth in exports of certain segments were high such as handicrafts (17%), carpets (15%) and readymade garments (12%), India has a share of approximately 5% of the global textile and apparel trade.

**INDIAN TEXTILE INDUSTRY: CHANGING PROFILE**

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

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

**INVESTMENTS**

Textiles Policy aims at creating 35 million new jobs by way of increased investments by foreign companies (expected to be 180-200 billion US\$).

**OPPORTUNITY AND THREATS**

China's slow investment in textiles and shift to high tech industries will have a positive impact on Indian exports in the coming years. Further, USA's withdrawal from Trans-Pacific Partnership (TPP) and chances of termination of North American Free Trade Agreement (NAFTA) between USA – Canada – Mexico for free trade will increase their cost due to application of import duties amongst their countries. Consequently, Indian industry should have opportunity to promote its own exports. The international brands like Marks & Spencer, IKEA, Zara, H & M, Walmart etc. who have multiple sources to cover fabrics and convert into garments in Bangladesh, Vietnam and Cambodia etc. for retailing in India at better prices will make it



difficult for Indian textile industry to compete with them apart from e-commerce / online business and cheaper imports.

**Strengths:**

- Availability of low cost and skilled manpower provides competitive advantage to industry.
- Availability of large varieties of cotton fibre and has a fast growing synthetic fibre industry.
- India is one of the largest exporters of yarn in international market.
- Growing economy and potential domestic and international market.
- Industry has large and diversified segments that provide a wide variety of products.

**Weaknesses:**

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

**Opportunities:**

- Emerging retail industry and malls.
- Elimination of quota restriction leads to greater market.
- Growth rate of domestic textile industry.
- Shifting towards branded readymade garment.
- Product development and diversification.

**Threats:**

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

**GOVERNMENT INITIATIVES**

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

The key initiatives announced in the Union Budget 2019-20 to boost the textile sectors are listed below:

The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT), The objective of TMTT is to promote technical textiles by helping to develop world class testing facilities at eight Centres of Excellence across India, promoting indigenous development of prototypes, providing support for domestic and export market development and encouraging contract research.

The Government raised special package by 19 per cent to Rs 71.48 billion for apparel sector to boost exports. In 2016, the government had announced a special package of Rs 60 billion for the same purpose.

The leather and footwear industry is expecting that the Rs 26-billion special package announced by the government recently, will help the stagnant sector grow by easing the pricing pressure.

- Concept of Zero defect and Zero effect approach.
- Under the Make in India initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and speciality fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.
- The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.
- The technical textile sector has demonstrated encouraging growth trends in India with a CAGR of 8% for the last few years it has reached a size of \$13 billion.
- The sector is expected to show a CAGR of 16% to reach \$ 31 billion by 2020-21.
- The Revised Restructured Technology Up gradation Fund Scheme (RRTUFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFS.
- Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.

Government has undertaken a number of steps to improve Ease of Doing Business in India, to function as single window for obtaining government clearances.

### OUTLOOK

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

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2018-2019 and is expected to do the same in the years to come.

### RISK AND CONCERN

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

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

### INTERNAL CONTROL SYSTEM

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

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

**FUTURE OPPORTUNITIES**

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

**ROAD AHEAD**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. Taking innovative measures in partnership with the industry and learning from experience, India could aspire to achieve 20% growth in exports over the next decade. In any case the achievement of 15% growth rate in exports should be feasible. In the domestic market, sustaining an annual growth rate of 12% should also not be difficult. This implies that with a 12% CAGR in domestic sales the industry should reach a production level of US\$ 350 billion by 2024-25 from the current level of about US\$ 100 billion for the domestic market.

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

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

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

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

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

**DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT**

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

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

**CAUTIONARY STATEMENTS**

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

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ESKAY KNIT (INDIA) LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ESKAY KNIT (INDIA) LIMITED**. ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the Directors as on March 31, 2019, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (h) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- (i) The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts
- (j) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

**FOR RISHI SEKHRI & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Sd/-

**Rishi sekhri**

**Partner**

**MEMBERSHIP NO: 126656**

**FIRM REG NO: 1218216W**

**Place: Mumbai,**

**Date: 13/08/2019**

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the internal financial controls over financial reporting of **ESKAY KNIT (INDIA) LIMITED** ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.6

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note- On Audit of Internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR RISHI SEKHRI & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/-**

**RISHI SEKHRI  
Partner**

**FIRM REG NO:1218216W  
MEMBERSHIP NO:126656**

**Date: 13/08/2019**

**Place: Mumbai,**



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

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

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

1. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There is disputed amounts payable in respect of Provident Fund, Income Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.

16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act 1934.

**FOR RISHI SEKHRI & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/**

**RISHI SEKHRI**

**Partner**

**MEMBERSHIP NO:126656**

**FIRM REG NO:1218216W**

**Place: Mumbai,  
Date: 13/08/2019**

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### BALANCE SHEET AS AT MARCH 31, 2019

(Rs.in Lacs)

Particulars	Notes No.	As at 31.03.2019		As at 31.03.2018	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plant and Equipment	3		5,714.58		3,244.89
Financial Assets					
Investment	4	2,448.91		2,448.91	
Other Financial Assets	5	45.50	2,494.41	61.80	2,510.71
Deferred Tax Assets(Net)	6		7,056.36		7,315.61
<b>Current Assets</b>					
Inventories	7		60.48		38.63
Financial Assets					
Trade Receivable	8	587.80		611.13	
Cash and Cash equivalents	9	16.39		33.75	
Loans	10	1,512.10		4,308.13	
Other Current Assets	11	19.00	2,135.28		4,953.01
Current tax assets (Net)	12		1.92		1.62
<b>Total Assets</b>			<b>17,463.03</b>		<b>18,064.47</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share Capital	13	2,808.32		2,808.32	
Other Equity	14	(50547.07)	(47738.76)	(49932.05)	(47123.73)
<b>Liabilities</b>					
<b>Non Current Liabilities</b>					
Financial Liabilities					
Borrowings	15	22,661.35		22,661.35	
<b>Current Liabilities</b>					
Financial Liabilities					
Borrowings	16	26,332.47		26,332.47	
Trade Payables	17	112.98		85.06	
<b>Other Current Liabilities</b>					
Provisions	18		26,445.45		26,417.53
	19		70.59		198.02
			16,024.39		15,911.31
<b>Total Equity and Liabilities</b>			<b>17,463.03</b>		<b>18,064.47</b>
Summary of significant accounting policies Refer accompanying notes. These notes are integral part of financial statements.	1 & 2				
As per our report of even date <b>For Rishi Sekhri &amp; Associates</b> Chartered Accountants Firm Reg No.128216W		For and on behalf of Board of Directors			
<b>Rishi Sekhri</b> Proprietor Membership No. :126656		<b>Trivendra Shambhu Singh</b> (Managing Director) DIN: 05240052	<b>Neha Patil</b> (Director) DIN:07114205		
		<b>Place:</b> Mumbai	<b>Date:</b> 29-05-2019		

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Notes No.	(Rs.in Lacs)	
		Year Ended March 31,	
		2019	2018
<b>Income</b>			
Revenue from Operations	20	803.24	3,095.04
Other Income	21	3.00	27.10
			-
<b>Total Income</b>		<b>806.24</b>	<b>3,122.14</b>
<b>Expenses</b>			
Cost of materials consumed	22	762.77	2,730.46
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	- 19.02	54.80
Employee Benefit Expenses	24	48.84	68.49
Finance Cost	25	-	4,350.00
Other Expenses	26	43.07	163.26
Depreciation and Amortization Expense	3	326.35	1,533.62
<b>Total Expenses</b>		<b>1,162.01</b>	<b>8,900.63</b>
<b>Profit/(loss)before tax</b>		<b>(355.77)</b>	<b>(5778.49)</b>
<b>Tax expense</b>			
Current tax (for the year)		-	-
Current tax (related to prior period)		-	-
Deferred tax		- 259.25	40.90
<b>Profit(Loss) for the period</b>		<b>(615.02)</b>	<b>(5737.59)</b>
Other comprehensive income		0.00	-
<b>Total comprehensive income for the period</b>		<b>(615.02)</b>	<b>(5737.59)</b>
<b>Earning per share</b>	27		
Equity shares of per value Rs.10/-each			
Basic (in Rs.)		(0.22)	(2.03)
Diluted (in Rs.)		(0.22)	(2.03)
Summary of significant accounting policies Refer accompanying notes. These notes are integral part of financial statements.			
As per our report of even date <b>For Rishi Sekhri &amp; Associates</b> Chartered Accountants Firm Reg No.128216W		For and on behalf of Board of Directors	
<b>Rishi Sekhri</b> Proprietor Membership No. :126656		<b>Trivendra Shambhu Singh</b> (Managing Director) DIN: 05240052	<b>Neha Patil</b> (Director) DIN:07114205
		<b>Place:</b> Mumbai	<b>Date:</b> 29-05-2019

### SIGNIFICANT ACCOUNTING POLICIES STATEMENTS AND NOTES ON ACCOUNTS ON STANDALONE FINANCIAL STATEMENTS

#### 1. BACKGROUND

ESKAY K'n'IT (INDIA) LIMITED is a Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at Silvassa. The Company is engaged in the business of Manufacturing of Textile Goods

##### **Authorization of standalone financial statements**

The Standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 29,2019.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

##### 2.01 BASIS OF PREPARATION

###### **(i) Compliance with Ind AS :**

The standalone financial statements comply in all material aspects with Indian Accounting Standards("Ind AS") notified under section 133 of the Companies Act,2013 ("the Act"), and relevant rules issued thereunder. In accordance with provision to the Rule 4A of the Companies (Accounts) Rules,2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting Standards.

The Standalone financial statements up to the year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules,2006 (as amended) and other relevant provisions of the Act.

###### **(ii) Historical cost convention:**

**The standalone financial statements have been prepared on a historical cost basis, except for the following:**

a certain financial assets and liabilities (including derivative instruments) is measured at fair value;

##### 2.02 ROUNDING OF AMOUNTS

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, except where otherwise indicated.

##### 2.03 CURRENT AND NON CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Balance Sheet based on current/Non current classification.

###### **An asset is current when:**

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle,
  - (ii) Held primarily for the purpose of trading,
  - (iii) Expected to be realized within twelve months after the reporting period, or
  - (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

###### **A Liability is current when:**

- (i) It is expected to be settled in normal operating cycle,
- (ii) It is held primarily for the purpose of trading,
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classified all other liabilities as non-current.

Deferred Tax Assets and Liabilities are classified as non current assets and liabilities.

All assets and liabilities have been classified as current or non current as per Company's normal operating cycle. Based on the nature of operations, the Company has ascertained it's operating cycle as twelve months for the purpose of current or non -current classification of assets and liabilities.

### 2.04 USE OF JUDGEMENT, ESTIMATES & ASSUMPTION

While preparing standalone financial statements in conformity with IND AS, the management makes certain estimates and assumptions that require subjective and complex judgements. These judgements affect the application of accounting policies and the reported amount of assets, liabilities , income and expenses for the reporting period. Financial reporting results rely on our estimates of the effect of certain matters that are inherently uncertain. Futures events rarely develop exactly as forecast and the best estimates require adjustments ,as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluates these estimates and assumptions based on most recently available information.

Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

#### **Key sources of estimation uncertainty;**

- i) Useful lives of property ,plant and equipment and intangible assets (Refer note no.2.05.)
- ii) Valuation of inventories ( Refer Note No.2.08.)
- iii) Evaluation of recoverability of deferred tax assets
- iv) Contingencies

### 2.05 PROPERTY PLANT AND EQUIPMENT

Property plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an assets comprises it's purchase price, any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economics benefits associated with the item will flow to the company and the cost of item can be measured reliably. The carrying amount of any components accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charges to Statement of Profit and loss during the reporting period in which they are incurred.

#### **Depreciation on Property, plant and equipment:**

Depreciation on Property, plant and equipment is provided on straight line basis method. In accordance with requirements prescribed under Schedule II of the Companies Act 2013, the Company has assessed the estimated useful lives of it's property ,plant and equipment and has adopted the useful lives and residual values as prescribed in Schedule II .

Depreciation on addition/deletion during the year are provided on pro rata basis. In case of impairment , depreciation is provided on the revised carrying amount over it's remaining useful life.

### 2.06 INTANGIBLE ASSETS

Intangible assets acquired separately are measure on initial recognition at cost. Following initial recognition , intangible assets are carried at cost else's any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised on straight line basis over their useful economics life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible assets with a finite

useful life are reviewed at each year end. The amortization expenses on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and loss.

### 2.07 INVESTMENT IN SUBSIDIARY

A subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following

- i) Power over the investee,
- ii) exposure ,or rights to variable returns from its involvement with the investee and
- iii) the ability to use its power over the investee to affect the amount of the investors returns. The Company's investments in it's subsidiary is accounted at cost and reviewed for impairment at each reporting date.

### 2.08 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

#### **Initial Recognition and Measurement-Financial Assets And Financial Liabilities**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisitions or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit And Loss.

#### **Classification and Subsequent Measurement :Financial Assets**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- i) the entity's business model for managing the financial assets and
- ii) the contractual cash flow characteristics of the financial asset

#### **Classification and Subsequent Measurement :Financial liabilities**

The Company's financial liabilities includes trade payables and other liabilities.

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on financial liabilities held for trading are recognized in the Statement of Profit & Loss.

#### **Other Financial Liabilities**

Other financial liabilities ( including borrowing, trade and other payables) are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments ( including all fees and points paid or received that form the integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial liability, or ( where appropriate) a shorter period, to the net carrying amount of initial recognition.

#### **Derecognition of Financial Assets and Financial liabilities**

The Company derecognizes a financial asset when the contractual right to the cash flow from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risk and reward of ownership of the financial assets are transferred. If the Company enters into transaction whereby it transfers assets recognized in it's Balance Sheet, but retain either all or substantially all of the risks and rewards of the transferred assets, the transferred asset are not derecognized.

The financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### **Offsetting Financial Instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realized the asset and settled the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency, or bankruptcy of the Company or the counterparty.

### **2.09 INVENTORIES**

#### **Inventories are valued as follow:**

Inventories of Raw materials, packing materials, stores and spares, work-in process and finished goods are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is determined on FIFO basis. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to present location and condition.

### **2.10 BORROWING COST**

Interest and other borrowing cost attributable to qualifying assets are capitalized. Other interest and borrowing cost are charged to Statement of Profit & Loss.

### **2.11 PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed in respect of possible obligation that arises from past events but their existence will be confirmed by the occurrence or non-occurrence of any or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of obligation can not be made.

### **2.12 TAXES ON INCOME**

#### **Current Tax:**

Tax on Income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax :**

Deferred Tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets is realized or liability is settled, based on tax rates ( and tax laws ) that have been enacted or substantively enacted at the reporting period.

### **2.13 REVENUE RECOGNITION**

The Company derives revenue primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised contract or services to customers is an amount that reflects the consideration the Company expect to receive in exchange for those product and services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods and services to the customer and payment by the customer exceeds one year. As a consequences, it does not adjust any of the transaction prices for the time value of money.

### **2.14 EARNING PER SHARE**

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity Shares.

### **2.15 CASH & CASH EQUIVALENT**

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash on hand, bank overdraft ,deposit held at call with bank and financial institutions, other short term , highly liquid investment with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk in change in value.

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

ESKAY K'n'IT (INDIA) LIMITED										
Notes to Financial Statements for the year ended March 31, 2019										
3 Property, Plant and Equipment <span style="float: right;">(Rs.in Lacs)</span>										
Particulars	Gross Carrying Amount				Depreciation/Impairment				Net Block	
	As At	Addition	Deduction/ Disposal	As At	As At	Elimination on Disposal	For the year	Upto	As At	
	April 1, 2018			March 31, 2019	April 1, 2018			March 31, 2019	March 31, 2019	March 31, 2018
Land	402.78	-	-	402.78	-	-	-	-	402.78	402.78
Factory Buildings	9601.65	2,796.04	-	12397.70	6759.54	-	326.35	7085.89	5311.81	2842.12
Plant & Machinery	59874.22	-	-	59874.22	59874.22	-	-	59874.22	-	-
Furniture & Fixtures	60.27	-	-	60.27	60.27	-	-	60.27	-	-
Computer	16.37	-	-	16.37	16.37	-	-	16.37	-	-
Delivery Van	4.65	-	-	4.65	4.65	-	-	4.65	-	-
Vehicles	654.93	-	-	654.93	654.93	-	-	654.93	-	-
<b>Total</b>	<b>70614.87</b>	<b>2,796.04</b>	<b>-</b>	<b>73410.92</b>	<b>67369.98</b>	<b>-</b>	<b>326.35</b>	<b>67696.33</b>	<b>5714.58</b>	<b>3244.89</b>

4 Non current Investment <span style="float: right;">(Rs.in Lacs)</span>			
Particulars	No.of share	As at 31.03.2019	As at 31.03.2018
<u>(a) Investment in Equity Instruments :</u>			
<u>(i) Quoted Shares</u>			
K-Lifestyle And Industries Limited Rs.1/- each fully paid up	3,27,11,500	1,398.91	1,398.91
<u>(ii) Unquoted Shares</u>			
Krishna Knitwear Technology Limited Rs.10/-each fully paid up	1,00,00,000	1,000.00	1,000.00
<u>(b) Bonds</u>			
13.50 % I.D.B.I. Bonds - Sixty Sixth Series (2003)	1	50.00	50.00
<b>Total</b>		<b>2,448.91</b>	<b>2,448.91</b>

5 Other Financial Assets <span style="float: right;">(Rs.in Lacs)</span>		
Particulars	As at 31.03.2019	As at 31.03.2018
Bank Deposits more than 12 months maturity and Interest Accrued	45.50	61.80
Accrued interest on deposits with bank		
<b>Total</b>	<b>45.50</b>	<b>61.80</b>

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### ESKAY K'n'IT (INDIA) LIMITED

Notes to Financial Statements for the year ended March 31, 2019

6 Deferred Tax Assets		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
Depreciation on Fixed Assets	7,056.36	7,315.61	
<b>Total</b>	<b>7,056.36</b>	<b>7,315.61</b>	

uncertainty

7 Inventories		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
<b>Textile :</b>			
Finished Goods	12.68520	13.95	
Raw Material	24.14234	21.32	
Stores, Spares Parts etc.	0.55639	0.20	
Work-in-Progress	23.09163	3.16	
<b>Total</b>	<b>60.48</b>	<b>38.63</b>	

8 Trade Receivables		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
a) Secured, Considered Good :	-	-	
b) Unsecured, Considered Good :	587.80	611.13	
c) Doubtful	-	-	
<b>Total</b>	<b>587.80</b>	<b>611.13</b>	

9 Cash & Cash Equivalent		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
<b>(a) Cash-in-Hand</b>			
Cash Balance	16.38	33.74	
<b>Sub Total (a)</b>	<b>16.38</b>	<b>33.74</b>	
<b>(b) Bank Balance</b>			
In Current Account	0.01	0.01	
<b>Sub Total (b)</b>	<b>0.01</b>	<b>0.01</b>	
<b>Total (a+b)</b>	<b>16.39</b>	<b>33.75</b>	

10 Loans		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
Others (Advance Recoverable in cash or in kind or for value to be considered good)	322.50	3,118.54	
Subsidiary receivable	1,189.59	1,189.59	
<b>Total</b>	<b>1,512.10</b>	<b>4,308.13</b>	

11 Other Current Assets		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
FDR Matured (FDR Matured but not realised)	19.00	-	
<b>Total</b>	<b>19.00</b>	<b>-</b>	

12 Current tax assets (Net)		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
Advance Income tax ( Net of Provisions)	1.92	1.62	
<b>Total</b>	<b>1.92</b>	<b>1.62</b>	

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### ESKAY K'n'IT (INDIA) LIMITED Notes to Financial Statements for the year ended March 31, 2019

13 Share Capital	(Rs.in Lacs)	(Rs.in Lacs)
Particulars	As at 31.03.2019	As at 31.03.2018
<b>Authorized Capital</b>		
1,50,00,00,000 Equity Shares of Rs. 1/- each. (Previous Year 1,50,00,00,000 Equity Shares of Rs.1/-each)	15,000.00	15,000.00
150,00,000 Redeemable Preference Shares of Rs.10/- each (Previous year 150,00,000 Red. Preference Shares of Rs.10/- each)	1,500.00	1,500.00
<b>Issued &amp; Subscribed</b>		
28,08,31,852 Equity Shares of Rs. 1/- each (Previous Year 28,08,31,852 Equity Shares of Rs. 1/- each)	2,808.32	2,808.32
<b>Paid up Capital</b>		
28,08,31,852 Equity Shares of Rs. 1/- each (Previous Year 28,08,31,852 Equity Shares of Rs. 1/- each)	2,808.32	2,808.32
<b>Total</b>	<b>2,808.32</b>	<b>2,808.32</b>

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

Name of Shareholders	As at 31st March, 2019		As at 31st March,2018	
	No. of	% of	No. of Shares held	% of
Akash Fabrics Pvt. Ltd.	3,21,99,122	11.47	3,21,99,122	11.47
Delux Polymers Pvt. Ltd.	3,31,88,840	11.82	3,31,88,840	11.82
Jayshree Petrochemicals Pvt. Ltd.	4,10,35,232	14.61	4,10,35,232	14.61
Shanti Synthetics & Processors Pvt. ltd.	3,13,04,820	11.15	3,13,04,820	11.15
Sovetex Textiles Pvt Ltd.	2,53,57,414	9.03	2,53,57,414	9.03

Note: The above shareholding is pledged to unsecured lenders.

#### 13.1( b) Reconciliation of Number of Shares Outstanding as at April 1, 2018 and March 31, 2019 :

##### Equity Shares :

Particulars	Number	Rs.in Lacs
Shares outstanding as at the April 1, 2018	28,08,31,852	2,808.32
Add : Shares issued during the period	-	-
Shares outstanding as at March 31, 2019	28,08,31,852	2,808.32

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

14 Other Equity		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
(a) Reserves			
General Reserve	11,001.26	11,001.26	
Capital Redemption Reserve Account	300.00	300.00	
Securities Premium	10,298.17	10,298.17	
Capital Reserve	107.61	107.61	
<b>Total (a)</b>	<b>21,707.04</b>	<b>21,707.04</b>	
(b) Surplus			
Profit & Loss Account			
Balance brought forward from previous year	- 71,639.09	- 65,901.51	
Add: Net Profit/(Net Loss) for the year	- 615.02	- 5,737.59	
<b>Total (b)</b>	<b>- 72,254.12</b>	<b>- 71,639.09</b>	
<b>Total (a+b)</b>	<b>- 50,547.07</b>	<b>- 49,932.05</b>	

15 Borrowings		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
<b>Secured</b>			
<b>Term Loan*</b>			
From Bank	5,425.20	5,425.20	
<b>FITL (Working Capital Loan)**</b>			
From Bank	2,423.22	2,423.22	
<b>Unsecured</b>			
From Corporates	14,812.94	14,812.94	
<b>Total</b>	<b>22,661.35</b>	<b>22,661.35</b>	

\* The Company has not booked interest on the Long term borrowings from the banks nor have made any provisions towards said interest cost, in the light of fact that substantial counter

\*\*The Company contended that in the event of counter claim is admitted for which they are confident about the said outstanding liabilities towards long term borrowings would be

16 Borrowings		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
<b>Secured</b>			
<b>Working Capital Loan*</b>			
From Banks	26,332.47	26,332.47	
<b>Total</b>	<b>26,332.47</b>	<b>26,332.47</b>	

\* The Company has not booked interest on the Short term borrowings from the banks nor have made any provisions towards said interest cost, in the light of fact that substantial counter

The Company contended that in the event of counter claim is admitted for which they are confident about the said outstanding liabilities towards short term borrowings would be

17 Trades Payable		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
Total outstanding dues of Micro Enterprises & Small Enterprises	-	-	
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	112.98	85.06	
<b>Total</b>	<b>112.98</b>	<b>85.06</b>	

18 Other Current Liabilities		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
Others Liabilities	70.59	198.02	
<b>Total</b>	<b>70.59</b>	<b>198.02</b>	

19 Provisions		(Rs.in Lacs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
Outstanding Expenses Payable	115.58	2.50	
Provision for Interest	15,908.81	15,908.81	
<b>Total</b>	<b>16,024.39</b>	<b>15,911.31</b>	

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### ESKAY K'n'IT (INDIA) LIMITED

Notes Forming Integral Part of the Statement of Profit & Loss Accounts for the year ended 31st March, 2018

#### 20 Revenue From Operations (Rs.in Lacs)

Particulars	Year ended March 31,	
	2019	2018
Sale of Product	803.24	3,095.04
<b>Total</b>	<b>803.24</b>	<b>3,095.04</b>

#### 21 Other Income (Rs.in Lacs)

Particulars	Year ended March 31,	
	2019	2018
Other Income	3.00	27.10
<b>Total</b>	<b>3.00</b>	<b>27.10</b>

#### 22 Cost Of Material Consumed (Rs.in Lacs)

Particulars	Year ended March 31,	
	2019	2018
<b>Materials and Goods Consumed</b>		
Opening Stock	21.32	29.84
Add : Purchases	765.59	2,721.94
	786.91	2,751.77
Less : Closing Stock	24.14	21.32
<b>Total</b>	<b>762.77</b>	<b>2,730.46</b>

#### 23 Change In Inventories (Rs.in Lacs)

Particulars	Year ended March 31,	
	2019	2018
Opening Stock :		
Finished goods	13.95	45.84
Stores, Spares Parts etc.	0.20	0.11
Work in progress	3.16	26.16
<b>Total (a)</b>	<b>17.31</b>	<b>72.11</b>
Closing Stock :		
Finished goods	12.69	13.95
Stores, Spares Parts etc.	0.56	0.20
Work in progress	23.09	3.16
<b>Total (b)</b>	<b>36.33</b>	<b>17.31</b>
<b>Total (a-b)</b>	<b>- 19.02</b>	<b>54.80</b>

#### 24 Employee Benefit Expenses (Rs.in Lacs)

Particulars	Year ended March 31,	
	2019	2018
Salary & Bonus	48.84	68.49
<b>Total</b>	<b>48.84</b>	<b>68.49</b>

#### 25 Finance cost (Rs.in Lacs)

Particulars	Year ended March 31,	
	2019	2018
Interest on borrowings	-	4,350.00
<b>Total</b>	<b>-</b>	<b>4,350.00</b>

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### ESKAY K'n'IT (INDIA) LIMITED

Notes Forming Integral Part of the Statement of Profit & Loss Accounts for the year ended 31st March, 2018

26 Other Expenses	Particulars	(Rs.in Lacs)	
		Year ended March 31,	
		2019	2018
	<b>Direct/Production Expenses</b>		
	Labour Charges & Processing Charges	18.14	57.27
	Other Expenses	0.30	0.35
	Power & Fuel	14.02	52.52
	Repair & Maintenance Machinery & Electricals	0.42	0.81
	Stores, spares, chemical & Packing Materials	0.38	5.95
	<b>Total (a)</b>	<b>33.25</b>	<b>116.89</b>
	<b>Other Administrative Expenses</b>		
	Advertisement & Publicity Expenses	0.46	0.43
	Auditors Fees	0.30	0.60
	Bank Charges	-	0.01
	Directors Sitting Fees	1.50	2.50
	Discount	-	0.10
	Filing fees	-	0.09
	Freight Charges	-	0.33
	General & Misc. Expenses	0.58	1.08
	Insurance Charges	-	0.94
	Legal, Professional & Consultancy Charges	-	2.00
	Listing Fees (BSE)	2.58	2.88
	Printing & Stationery & Postage	0.10	27.47
	Provision for Bad Debtors	-	-
	Repairs and Maintenance	0.15	0.82
	Sales Promotion	-	0.16
	Security Charges(Wages)	0.45	2.02
	Service Charges (NSDL,CDSL)	3.70	2.90
	Telephone Charges	-	0.10
	Transportation Charges	-	0.55
	Toll and Diesel Expenses of Lorries	-	0.33
	Travelling & Conveyance	-	1.05
	<b>Total (b)</b>	<b>9.82</b>	<b>46.36</b>
	<b>Total(a+b)</b>	<b>43.07</b>	<b>163.26</b>

27 Depreciation & Amortization Expenses	Particulars	(Rs.in Lacs)	
		Year ended March 31,	
		2019	2018
	Depreciation	326.35	1,533.62
	<b>Total</b>	<b>326.35</b>	<b>1,533.62</b>

ESKAY K'n'IT (INDIA) LIMITED  
CIN :L18109DN1987PLC000034

Notes to Financial Statements for the year ended March 31, 2019

**27 Earning Per Share**

Particulars	Year ended March 31,	
	2019	2018
<b><u>Basis earning per share:</u></b>		
Attributable to equity share holders of the Company	(0.22)	(2.03)
<b><u>Diluted earning per share:</u></b>		
Attributable to equity share holders of the Company	(0.22)	(2.03)
<b><u>Reconciliation of earnings used in calculating earning per share:</u></b>		
<b><u>Basis earning per share:</u></b>		
Profit attributable to equity holders of the Company used in calculating basic earning per share (Rs. In Lakhs)	(615.02)	(5737.59)
<b><u>Diluted earning per share:</u></b>		
Profit attributable to equity holders of the Company used in calculating diluted earning per share (Rs. In Lakhs)	(615.02)	(5737.59)
<b>Weighted average number of Equity shared used as the denominator in calculating basic &amp; diluted earnings per share</b>	28,08,31,852	28,08,31,852



# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

PARTICULARS	(Rs. In Lacs)	
	Year Ended March 31,	
	2019	2018
<b>CASH INFLOWS</b>		
<b>From Operating activities</b>		
( a ) Profit from operating activities		
Adjustments :		
Depreciation and amortization	326.35	1,533.62
Provision / ( Reversal ) for doubtful debts and advances	-	-
( b ) Working capital changes :		
Decrease in inventories	-	63.32
Decrease in trade receivables	23.33	-
Decrease in loans	-	19.00
Increase in provisions	113.08	4,336.67
<b>Total of (A)</b>	<b>443.76</b>	<b>6,248.15</b>
<b>From Investing activities</b>		
<b>Total of (B)</b>	-	-
<b>From Financing activities</b>		
<b>Total of (C)</b>	-	-
<b>Total cash Inflow (A+B+C)</b>	<b>443.76</b>	<b>6,248.15</b>
<b>CASH OUTFLOWS</b>		
<b>From Operating activities</b>		
( a ) Loss from operating activities	355.77	5,778.49
Adjustments :		
( b ) Working capital changes :		
Increase in other financial assets	-	16.30
Increase in inventories	21.85	-
Increase in trade receivables	-	160.05
Increase in other current assets	-	5.59
Decrease in trade payables	-	27.92
Decrease in other current liabilities	127.42	303.13
( c ) Direct taxes paid (Net of refunds)	0.30	0.51
<b>Total of (A)</b>	<b>461.12</b>	<b>6,259.78</b>
<b>From Investing activities</b>		
(a) Purchase of tangible assets / capital work-in-progress		-
<b>Total of (B)</b>	-	-
<b>From Financing activities</b>		
Repayment of borrowings	-	4.75
<b>Total of (C)</b>	-	4.75
<b>Total cash outflows (A+B+C)</b>	<b>461.12</b>	<b>6,264.53</b>
<b>Net (decrease) / increase in cash and cash equivalents ( I - II )</b>	<b>(17.36)</b>	<b>(16.38)</b>
Add : Cash and cash equivalents at the beginning of the year	33.75	50.13
<b>Cash and cash equivalents at the end of the year</b>	<b>16.39</b>	<b>33.75</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statements:</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	16.38	33.74
Balances with Banks:		
in current accounts	0.01	0.01
<b>Balance as per cash flow statement</b>	<b>16.39</b>	<b>33.75</b>
<b>Note :</b> The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)-Statement of cash flow		

As per our report of even date  
**For Rishi Sekhri & Associates**  
 Chartered Accountants  
 Firm Reg No.128216W

For and on behalf of Board of Directors

**Rishi Sekhri**  
 Proprietor  
 Membership No. :126656

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

**Neha Patil**  
 (Director)  
 DIN:07114205

Place: Mumbai

Date: 29-05-2019

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

### ESKAY K 'N' IT (INDIA) LIMITED

CIN: L18109DN1987PLC000034

**Registered Office:** 58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.) - 396230.  
Phone: 0260-3258845 Fax: 022-24924295 E-mail: eskay.knit1@gmail.com , info@eskayknit.com  
Website: [www.eskayknitindia.com](http://www.eskayknitindia.com)

### ATTENDANCE SLIP

(To be presented at the entrance)

**32<sup>nd</sup> ANNUAL GENERAL MEETING ON SATURDAY, SEPTEMBER 28, 2019 AT 3.15 P.M.  
at 65, Krishna Nagar, Samarvani, Silvassa (U.T.)-396230**

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_  
Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_  
Name of the Proxy holder \_\_\_\_\_ Signature \_\_\_\_\_

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

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### ESKAY K 'N' IT (INDIA) LIMITED

CIN: L18109DN1987PLC000034

**Registered Office:** 58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.) - 396230.  
Phone: 0260-3258845 Fax: 022-24924295 E-mail: eskay.knit1@gmail.com , info@eskayknit.com  
Website: [www.eskayknitindia.com](http://www.eskayknitindia.com)

### PROXY FORM

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

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No. / Client ID No. : \_\_\_\_\_ DP ID No. \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of Eskay K'n'it (India) Limited, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_

Or falling him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_

Or falling him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

RESOLUTION:	FOR	AGAINST
1. To consider and adopt a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2019, together with the Auditors thereon.		
2. To appoint a Director in place of Mrs. Manasi Wadkar (DIN: 05309693), who retires by rotation		
3. To approve the remuneration of Mr. Pradip Damania, Cost Auditor for the financial year ending March 31, 2020		
4. Re-appointment of Shri Narayan Ghumatkar (DIN 01717979) as an Independent Director of the Company		
5. Regularisation of Shri Jaiprakash Mishra (DIN 07190590) who was appointed as Additional Independent Director		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Saturday, September 28, 2019 at 3.15 p.m. at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230 and at any adjournment thereof in respect of such resolutions as are indicated below:

**NOTES:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put a '√' in the appropriate column against the resolutions indicated on the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he /she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Signed this ..... day of ..... 2019

Affix a  
Revenue  
Stamp

\_\_\_\_\_  
Signature of the Shareholder

\_\_\_\_\_  
Shareholder of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

# ESKAY K'n'IT (INDIA) LIMITED

## Annual Report 2018-19

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

32<sup>nd</sup> ANNUAL GENERAL MEETING SCHEDULED TO BE HELD ON SATURDAY, SEPTEMBER 28, 2019 AT 3.15 P.M., AT 65, KRISHNA NAGAR, SAMARVANI, SILVASSA (U.T.)-396230.

Name of the Company: Eskay K'n'IT (India) Limited  
Registered Office: Plot No.58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory)-396 230.

### BALLOT PAPER

SNo	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No. / *Client ID No. (*applicable to investor holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

SNo.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt: The Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mrs. Manasi Inderjit Wadkar (DIN: 05309693), who retires by rotation and, being eligible, offers herself for re-appointment.			
3.	To approve the remuneration of Mr. Pradip Damania, Cost Auditor for the financial year ending March 31, 2019.			
4.	Re-appointment of Shri Narayan Ghumatkar (DIN 01717979) as an Independent Director of the Company			
5.	Regularisation of Shri Jaiprakash Mishra (DIN 07190590) who was appointed as Additional Independent Director			

Place:

\_\_\_\_\_

(Signature of the shareholder)

Date:



# **Eskay K'n'IT (India) Limited**

58-B, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory) - 396 230.