



ACKNIT INDUSTRIES LIMITED

Annual Report And Accounts
2014-15

ACKNIT INDUSTRIES LIMITED

Annual Report 2014-15

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf

Managing Director & CEO

Mr. Deo Kishan Saraf

Whole-time Director & CFO

Mr. Samir Kumar Ghosh

Independent Director

Mrs. Trishna Patodia Pereira

Independent Director

Mrs. Kusum Saraf

Additional Director

EXECUTIVE OFFICERS

Ms. Deepa Singh

*Compliance Officer & Company Secretary
(till May, 2015)*

Mr. Mithun Paul

*Compliance Officer & Company Secretary
(June, 2015 onwards)*

AUDITORS

R. K. Bajaj & Co.

*Chartered Accountants
40/5, Strand Road,
Kolkata- 700 001*

BANKERS

State Bank of India

Bank of Baroda

HDFC Bank Ltd.

REGISTERED OFFICE

817, Krishna,

224, A. J.C Bose Road,

Kolkata- 700 017

Ph: (033) 2287-8293

E-mail: calcutta@acknitindia.com

Website : www.acknitindia.com

CORPORATE IDENTITY NUMBER (CIN)

L01113WB1990PLC050020

REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Street

Kolkata- 700 006

Ph: (033) 2219 4815 / 6797

E-mail: contact@skcinfo.com



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**NOTICE OF THE 25th ANNUAL GENERAL MEETING**

Notice is hereby given that the 25th Annual General Meeting of the Members of ACKNIT INDUSTRIES LIMITED will be held on Monday, the 21st day of September, 2015, at 11.00 A.M at "Gyan Manch" 11, Pretoria Street, Kolkata- 700 071, to transact the following business:-

ORDINARY BUSINESS :**Item No. 1****Adoption of audited financial statements.**

To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2015 and the Audited Statement of Profit & Loss for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.

Item No. 2**Declaration of dividend.**

To declare a dividend for the financial year ended on 31st March, 2015.

Item No. 3**Appointment of director.**

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

Item No. 4**Appointment of auditors.**

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass, with or without modification(s), the following resolution as an ordinary resolution-

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors of the Company, and pursuant to the resolution passed by the members at the 24th AGM held on September 9, 2014, the appointment of R. K. Bajaj & Co., Chartered Accountants (Firm Regn. No. 314140E) as the auditors of the Company, to hold office from the conclusion of the AGM to the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and are hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be recommended by the audit committee in consultation with the auditors."

SPECIAL BUSINESS :**Item No. 5****Appointment of Mrs. Trishna Patodia Pereira as an Independent Director.**

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

"**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, 160 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 statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Trishna Patodia Pereira (DIN – 03501546) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 1st June, 2015 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and whose period of office expires on the date of this Annual General Meeting and meanwhile the Company has received a notice in writing along with requisite deposit of ₹1,00,000/- from a Member pursuant to Section 160 of the Act, proposing her candidature for the office of an Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2020."

"**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things which are necessary to give effect to the above said resolution."

Item No. 6**Re-appointment of Mr. Shri Krishan Saraf as Managing Director.**

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

"**RESOLVED THAT** pursuant to the provisions of Section 164, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to such approvals as may be necessary, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Shri Krishan Saraf (DIN- 00128999) as the Managing Director of the Company for a period of 3 (three) years with effect from April 1, 2015 upon the terms and conditions including remuneration as set out in draft agreement submitted to the meeting of the Board of Directors held on March 30, 2015 and the details of which are given in the Explanatory Statement annexed hereto be and is hereby approved and sanctioned with the authority to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as the Board may deem fit and as may be acceptable to Mr. Shri Krishan Saraf, the Managing Director."

"**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution."



Item No. 7

Revision in terms of remuneration of Mr. Deo Kishan Saraf, Whole-time Director-cum-Chief Financial Officer.

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

"RESOLVED THAT pursuant to the recommendation of the remuneration committee in partial modification of Resolution passed at the meeting of the Board of Directors of the Company held on 30th September 2014 for the revision in terms of remuneration of Mr. Deo Kishan Saraf (DIN - 00128804), Whole-time Director and CFO of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the consent of the members of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Deo Kishan Saraf, as the Whole-time Director and CFO of the Company, by way of increase in the monthly remuneration payable to him at Rs. 2 Lakhs (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April 2015 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting."

Item No. 8

Consent for further issue of shares.

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

"RESOLVED THAT pursuant to Section 62 read with Section 42 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification thereto or re-enactment thereof for the time being in force), and other applicable laws including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable SEBI Regulations and Guidelines, the provisions of Listing Agreements entered into by the Company with Stock Exchanges upon which its equity shares are listed, the provisions of the Memorandum and Articles of Association of the Company, and subject to receipt of approvals of the Government of India (GOI), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other

appropriate authorities, and such other approvals, permissions and sanctions as may be necessary, including the approval of any long-term lenders/bankers and subject to such conditions and/or modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company or any duly constituted committee of the Board, the consent of the Company be and is hereby accorded to the Board of Directors to issue and allot further equity shares in the capital of the Company to the extent of not exceeding 25,00,000 (Twenty Five Lacs) equity shares of Rs. 10/- each through Rights Issue or through Preferential Allotment Basis on Private Placement to the Promoter Group and known persons and/or through a combination of the two modes of issues in one or more tranches at such premium as may be decided by the Board of Directors or any duly constituted committee thereof in due compliance of applicable regulations of the SEBI with reference to the pricing of the issue."

"RESOLVED FURTHER THAT the equity shares to be allotted shall be subject to the Memorandum of Association of the Company and shall rank pari-passu in all respect with the existing equity shares of the Company including the rights in respect of dividends."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of shares, the Board of Directors be and is hereby authorised to determine the terms of issue including the class of investors, to whom the equity shares are to be allotted, the number of shares to be allotted in each tranche, issue price including premium with reference to the prevailing market price, amount of issue at each tranche, price to a class of investors, mode of payment, listing on the concerned Stock Exchanges, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle or give directions or instruction for settling any questions, difficulties or doubt that may arise in regard to allotment and utilisation of issue proceeds and to accept and give effect to such modifications, changes, variations, alienation as regards terms and conditions in its absolute discretion, as it may deem proper and in the interest of the Company without requiring further approval of the Members and that all or any of the power conferred on the Company and the Board vide this resolution may be exercised by the Board or the duly constituted and authorised committee thereof."

By Order of the Board

For Acknit Industries Limited

Place: Kolkata

Mithun Paul

Date: 15th July, 2015

Compliance Officer & Company Secretary

**Notes**

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

A person can act as proxy on behalf of members not exceeding (50) fifty and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. Members are requested to bring their attendance slip in the meeting. Corporate members are requested to send to the Company's registered office, a duly certified copy of board resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 17th September, 2015 to Monday, 21st September, 2015 (both days inclusive) for payment of dividend on equity shares for the financial year ended on 31st March, 2015.
4. The dividend for the financial year ended on 31st March, 2015, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid within 30 days from the date of declaration to those members whose names appear in the register of members/statement of beneficial ownership furnished by the depositories at the close of business hours on 16th September, 2015.
5. Members desiring any information on the Accounts for the financial year ended on 31st March, 2015 are requested to write to the Company at least 10 days in advance, so that the management is enabled to keep the information ready at the meeting.
6. In order to avoid risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, shareholders holding shares in demat form are requested to register their latest bank details with their respective depository participant and those holding shares in physical form are requested to provide their latest bank details to the Company's Registrar and Share Transfer Agent, M/s. S. K. Infosolutions (P) Ltd.
7. Information under clause 49 of the listing agreement with the stock exchanges in respect of directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/re-appointment.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

9. Under Section 205C of the Companies Act, 1956 (or Section 125 of the Companies Act, 2013 once notified), the amount of dividend remaining unpaid or unclaimed for a period of (7) seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had accordingly, transferred ₹ 29,964/- being the unpaid and unclaimed dividend amount pertaining to interim dividend for the financial year 2006-07 and final dividend for the financial year 2006-07, respectively, to the Investor Education and Protection Fund Account.

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

Financial Year Ended	Last date of claiming unpaid dividend
31.03.2008	30.10.2015
31.03.2009	29.10.2016
31.03.2010	24.10.2017
31.03.2011	23.10.2018
31.03.2012	29.10.2019
31.03.2013	24.10.2020
31.03.2014	15.10.2021

11. The Company has implemented the "GREEN INITIATIVE" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) by allowing paperless compliances by the Companies for service of documents to their members through electronic mode, which will be in compliance with section 20 of the Companies Act, 2013. Henceforth, the e-mail addresses indicated in your respective depository participant accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered e-mail address for serving notices/documents etc. In view of the above, the company has already despatched the written communication to its members on April 21, 2014 requesting them to register their designated e-mail ID. However, members who wish to receive physical copy of the Notices, Annual Reports and other documents may forward their written requests to the Company for the same.
12. Electronic copy of the Annual Report for 2015 along with the notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants 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 2014-15 is being sent in the permitted mode.
13. The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.acknitindia.com of the company and may be accessed by the members.



14. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting, is annexed hereto.
15. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the members at the registered office of the Company during business hours on any working day up to the date of Annual General Meeting of the Company.

16. Instructions for e-voting

A separate sheet containing the complete details of the instructions for e-voting is being sent to all the members along with the Annual Report for the year 2014-15 to enable them to cast their votes through e-voting.

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

Place: Kolkata
Date: 15th July, 2015

Mithun Paul
Compliance Officer & Company Secretary

Details of director seeking re-appointment in the ensuing Annual General Meeting.

(Pursuant to clause 49 of the listing agreement with the stock exchange)

Item No. 3

Mr. D. K. Saraf, retires by rotation, being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. D. K. Saraf, aged about 49 years, is a Commerce graduate from Calcutta University. He is an industrialist with diversified business experience. He is presently whole-time director of the Company who is liable to retire by rotation. He is also the CFO of the Company. He is on the Board of your Company from inception of the Company.

Apart from Acknit Industries Ltd., Mr. D. K. Saraf holds Directorship and Committee membership of the following Companies:

Sl. No.	Name of the Company	Designation	Name of the Committee	Designation
1.	Saraf Capital Markets Ltd.	Director	NA	NA
2.	Ramnagar Properties Pvt. Ltd.	Director	NA	NA
3.	Century Safetywears Pvt. Ltd.	Director	NA	NA

He is the member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Acknit Industries Ltd.

He is holding 3,64,832 equity shares of ₹ 10/- each of the Company.

Item No. 6

A brief resume and nature of expertise of Mr. S. K. Saraf, who has since been re-appointed as the Managing Director of the Company for a period of 3 (three) years w.e.f. 01.04.2015 has been given in the explanatory statements in respect of Item No. 6 as below.

Explanatory Statements in respect of the special business pursuant to section 102(1) of the Companies Act, 2013

Item No. 5

Mrs. Trishna Patodia Pereira has a Bachelor of Science degree in Finance and Mathematics from Carnegie Mellon University, USA and a Post Graduate Degree in Management from the Indian School of Business, Hyderabad. She also holds a Chartered Financial Analyst (CFA) certification.

Mrs. Trishna Patodia Pereira has worked professionally in internationally renowned investment banks gaining global experience across London, New York and Singapore. Her last banking position was at Deutsche Bank in Singapore as a Vice President in their Global Markets division.

She currently runs a successful metal component manufacturing company, M/s Lords Vanijya Pvt. Ltd and a

metal component export company M/s Netri International Pvt. Ltd. She is a full-time Director in both companies.

Mrs. Trishna Patodia has also been a member of the Executive Committee of FIEO (The Federation of Indian Export Organisation).

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member along with a deposit of ₹1,00,000/- proposing the candidature of Mrs. Trishna Patodia Pereira for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mrs. Trishna Patodia Pereira (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that she meets the Criteria of Independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

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

The Board feels that presence of Mrs. Trishna Patodia Pereira on the Board is desirable and would be of immense benefit to the Company and hence the Board recommends the resolution in relation to appointment of Mrs. Trishna Patodia Pereira as an Independent Director, not liable to retire by rotation, for the approval by the shareholders of the Company.

No Director, Key Managerial Personnel and their relatives except Mrs. Trishna Patodia Pereira, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 6

Mr. S. K. Saraf, one of the Promoters of the Company, was re-appointed as the Managing Director of the Company for a period of 5 (five) years w.e.f. 01.04.2010. Mr. S. K. Saraf is a Bachelor of Science from Calcutta University and is aged about 61 years. He is the pivot of the Company's expansion and acquiring of international reputation in Manufacture and Supply



of Industrial Safety Gloves and outfits. The Board of Directors of the Company, on the recommendation of the Remuneration Committee, has since re-appointed him as the Managing Director of the Company for a period of 3 (three) years w.e.f. 01.04.2015 on the terms and conditions as set out hereunder :

- (a) Mr. S. K. Saraf shall continue to hold the office of Managing Director and CEO of the Company under the control and supervision of the Board of Directors of the Company and shall exercise all the powers and authorities as are prescribed under the provisions of the Companies Act, 2013 and the provisions of the Articles of Associations of the Company, till the end of 31st March, 2018.
- (b) The proposed remuneration of Mr. S. K. Saraf during the tenure of his office as set out hereunder is designed to compensate him for his role and responsibility as the Managing Director and CEO of the Company and on the scale of remuneration available in comparative position in Industry and recommended by the Remuneration Committee.
 - (i) SALARY : ₹ 3,50,000/- per month.
 - (ii) PERQUISITES:
 - (a) Contribution to Provident Fund as per the Company's rules.
 - (b) Gratuity: at the rate of half-a-month's Salary for every completed year of service.
 - (c) Leave: As per the Company's rules with the provision for accumulation of un-availed leave encashment at the end of the term.
 - (d) Leave travel concession: Reimbursement of return passage for self and family once in every year to any destination in India.
 - (e) Medical expenses: Reimbursement of medical expenses for self and family at actual to the extent of one month's salary in each year or 3 months' salary for a block of 3 years.
 - (f) Car: Company's car for the business of the Company.
 - (g) Telephone: Free telephone facility at his residence.
- (c) In the absence or inadequacy of profit in any financial year, the remuneration payable to the Managing Director and CEO shall not exceed the upper limits prescribed under Schedule V to the Companies Act, 2013.
- (d) The Board of Directors is authorised to vary, alter and increase the remuneration of the Managing Director and CEO subject to an upward revision of 10% of the last drawn remuneration subject to the upper limits prescribed under Schedule V to the Companies Act, 2013.

In view of the provision as stated above the Directors recommends the resolution set out under item No. 6 be adopted by the members in the interest of the Company.

Save and except Mr. S. K. Saraf and Mr. D. K. Saraf, none of the Directors and Key Managerial Personnel of the Company and/or their relatives, is interested or concerned, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 7

The Board of Directors at their meeting held on 30th September, 2014, appointed Mr. D. K. Saraf, Whole-time Director as the Chief Financial Officer (CFO) of the Company without any revision in his remuneration.

Consequent to assignment of additional responsibility of CFO, at the meeting of the Board of Directors held on 30.09.2014, the Remuneration Committee had recommended revision in his monthly remuneration package to ₹ 2.00 lacs w.e.f 1st April, 2015 with further annual increase @15% payable even in case of loss or in-adequacy of profit in any financial year. It is therefore, proposed to revise his monthly remuneration accordingly w.e.f 01.04.2015 for the remaining period of his tenure. All other terms and conditions of appointment of Mr. Saraf as Whole-time Director and CFO of the Company, as approved at the meeting of the Board of Directors held on 30th September, 2014, shall remain unchanged.

In compliance with the provisions of Sections 188, 196 and 197 read with Schedule V to the Act, the revised terms of remuneration of Mr. Saraf are now being placed before the Members for their approval.

Save and except Mr. D. K. Saraf and Mr. S. K. Saraf, none of the Directors and Key Managerial Personnel of the Company and/or their relatives, is interested or concerned, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 8

The opportunities in the Leather and Garment division of the Company shows huge prospects of increase in multiples, in the immediate future, in view of responses received from the new horizons of Export markets and the expanded market of kids wear in the country. In addition, the Government of India's policy of encouraging the Export trade with increased schemes of exports subsidies opens up new avenues of expansion.

The Company proposes to avail of the opportunities to its fullest extent in such areas the Company has achieved a commendable presence over the last 25 years of its existence.

The Company proposes to venture in all round expansion scheme of multiplying its production capacity in Leather, Coatings and Garment segments by installation of new and modern production units for which necessary land has already been acquired.

It is estimated that initially a total expenditure of Rs. 100 Crores will be invested to give shape to the projects in hand. The new projects in hand are proposed to be financed by a combination of Borrowed funds, internal generation and partly by induction of fresh capital which is absolutely necessary to maintain the Capital Ratings as required by the long-term lenders.

It is assessed that induction of fresh capital to the extent of an amount of equity shares in 1:1 ratio of the existing paid-up equity shares at the prevailing market price to comply with the minimum requirements for a sustainable rating standard for the Company's capital structure.

The provisions under Section 62 read with Section 42 of the Companies Act, 2013 require prior approval of members by a Special Resolution in a General Meeting for issue and allotment of further shares in diverse modes of issue as proposed.

Your Directors recommend the resolution as set out under Item No. 8 of the notice convening the meeting.

None of the Directors of the Company is personally interested or concerned in this resolution save and except to the extent the respective Director(s) and their relatives subscribe to the Preferential Allotment and/or Rights Issue as may be offered.

**BOARDS' REPORT**

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 25th Annual Report together with the Audited Statement of Accounts of ACKNIT INDUSTRIES LIMITED ("the Company") for the year ended March 31, 2015.

FINANCIAL RESULTS

(₹ in Lacs)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Gross Revenue	14872	13430
Other Income	383	36
Total Revenue	15255	13466
Less: Total Expenditure	14349	12708
Gross Profit (before Depreciation & Finance Cost)	906	758
Less: Depreciation	145	172
: Finance Cost	321	205
Profit Before Extraordinary Item	440	381
Less: Extraordinary item	—	—
Profit Before Tax (PBT)	440	381
Less: Provision for Income Tax	141	139
: Deferred Tax	(2)	(5)
Profit After Tax (PAT)	301	247
Balance B/F	136	133
Balance available for appropriation	437	380
Less: Dividend & Dividend Tax	45	44
Less: Transfer to General Reserve	200	200
Less: Adjustment relating to fixed Assets	11	—
Balance transfer to Balance Sheet	181	136

SUMMARY OF OPERATIONS

During the year, the net revenue from operations of your Company increased by 10.74% from ₹134.30 Crores to ₹148.72 Crores. For Financial Year 2014-15, your Company's profit after tax stood at ₹ 3.01 Crores vis-à-vis ₹ 2.47 Crores in the previous year, registering a growth of 21.86%.

RESERVES

The company has transferred a sum of ₹ 2 crore to General Reserve during the year which is equal to the sum transferred in the previous year.

CAPITAL / FINANCE

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

As on 31st March, 2015, paid up share capital of your Company stood at ₹ 2,52,00,000/-, comprising 25,20,000 Equity shares of ₹ 10/- each.

DIVIDEND

Your Directors have recommended a dividend of 15% on equity shares i.e ₹ 1.50 per share for the financial year ended March 31, 2015, amounting to ₹ 0.45 crore (inclusive of tax of ₹ 0.08 crore). The dividend payout is subject to approval of members at the ensuing Annual General Meeting. The dividend, if approved will be paid to members whose names would appear in the Register of Members as on 16.09.2015.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has already filed the necessary form(s) and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 9th September, 2014) with the Ministry of Corporate Affairs.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. S. K. Saraf was re-appointed as Managing Director of the Company for three years w.e.f 01.04.2015 whose appointment shall be subject to confirmation by the members at the forthcoming Annual General Meeting (AGM).

During the year Mr. Manindra Kumar Nath (DIN - 02666031), Director of the Company passed away on 31st December, 2014. The Board of Directors of the Company expressed their deep condolences at the sad demise of Mr. Nath and prayed that may his soul rest in peace. Mrs. Trishna Patodia Pereira (DIN - 03501546) was appointed as a Non-Executive Independent Additional Director to fill the vacancy caused by the death of Mr. Manindra Kumar Nath w.e.f. 1st June, 2015 whose appointment office shall be subject to confirmation by the members at the forthcoming AGM.

As per provisions of the Companies Act, 2013 Mr. D.K. Saraf, shall retire at the ensuing Annual General Meeting of the Company being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment.

During the year Mr. D. K. Saraf, Director of the Company was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. 30th September, 2014.

During the year Mrs. Kusum Saraf (DIN- 01503955) was appointed as Non-Executive Non-Independent Additional Director who shall hold office until the conclusion of the forthcoming AGM. Mrs. Kusum Saraf has expressed her unwillingness to be re-appointed as a Director of the Company.

During the year Mr. Deepa Singh resigned from the office of the Company Secretary and Compliance Officer of the Company w.e.f 31.05.2015 and Mr. Mithun Paul was appointed as the Company Secretary and Compliance Officer in her place w.e.f. 01.06.2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm having:

- Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;
- Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that year;
- Taken proper and sufficient care for 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 fraud and other irregularities;
- Prepared the Annual Accounts on a going concern basis;
- Laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- Devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report along with the requisite certificates confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance separately as annexure.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section of this Annual Report as annexed.

CREDIT RATING

ICRA Ltd. vide their rating report of February, 2015 has reaffirmed the following ratings of your Company's financial instruments:

Instrument	Rating action (as in February 2015)
Cash credit	[ICRA]BB+ (Stable) reaffirmed
Term loan	[ICRA]BB+ (Stable) reaffirmed
Bank guarantee	[ICRA]BB+ (Stable) reaffirmed
Non-Fund Based Limits	[ICRA]A4+ reaffirmed

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is Annexed as **Annexure 1**.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

In the last Annual General Meeting (AGM) held on 9th September, 2014, M/s. R. K. Bajaj & Co., Chartered Accountants (Firm Regn. No. 314140E) had been appointed as the Statutory Auditors of the Company for a period of Three (3) years. Ratification of the appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM, pursuant to Sec. 139 of the Companies Act, 2013

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

COST AUDIT

As per the Cost Audit Orders, Cost Audit was applicable to the Company's Apparel, Clothing and Leather products for the FY 2013-14.

However in view of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the provisions of Cost Audit is no longer applicable on the products of the Company for the FY 2014-15.

SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made thereunder, Mr. Rajarshi Ghosh, Practicing Company Secretary, has been appointed as the Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as **Annexure 2** to this report.

The report is self-explanatory and do not call for any further comments.

PUBLIC DEPOSIT

The Company has not accepted or renewed any public deposits as defined under section 58A of the Companies Act, 1956/Sec. 73 of the Companies Act, 2013, during the year. Under the above provisions, there is no deposit lying with the Company as on 31.03.2015.

PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on particulars of conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, forms a part of this report and a statement on the above is annexed as **Annexure 3**.

PARTICULARS OF EMPLOYEES

The information on particulars of employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 4**.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the Clients, Vendors, Shareholders, Bankers and Advisors of the Company for their continued support during the year.

Your Directors also thank the Central and State Government(s) and other statutory authorities for their continued support during the year.

We now look forward to the future with confidence and optimism.

For and on behalf of the Board of Directors
For Acknit Industries Limited
Shri Krishan Saraf **Deo Kishan Saraf**
Managing Director & CEO Whole-time Director & CFO
Place: Kolkata
Date: 15th July, 2015



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

As on financial year ended on 31.03.2015

[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:

1	CIN	L01113WB1990PLC050020
2	Registration Date	12.10.1990
3	Name of the Company	ACKNIT INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
5	Address of the Registered office & contact details	817, Krishna, 22A, A.J.C. Bose Road, Kolkata – 700 017
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Share Transfer Agent, if any.	S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006 Ph: (033) 2219 4815 / 6797 Email: contact@skinfo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Gloves, Mittens & Mitts Knitted or Crocheted	173	13.20%
2	Articles of Apparel & Clothing Accessories of Leather or composition of Leather	181	63.74%
3	Baby Garments & Clothing Accessories	181	19.18%

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual / HUF	1167051	-	1167051	46.31	1089046	-	1089046	43.22	(3.09)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	80000	-	80000	3.17	3.17
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1167051	-	1167051	46.31	1169046	-	1169046	46.39	0.08
(2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1167051	-	1167051	46.31	1169046	-	1169046	46.39	0.08



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	482231	150700	632931	25.12	507707	150700	658407	26.13	1.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	322688	100892	423580	16.81	341460	97782	439242	17.43	0.62
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	288292	-	288292	11.44	241475	-	241475	9.58	(1.86)
c) Others (specify)									
Non Resident Indians	746	7400	8146	0.32	4830	7000	11830	0.47	0.15
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	1093957	258992	1352949	53.69	1095472	255482	1350954	53.61	(0.08)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1093957	258992	1352949	53.69	1095472	255482	1350954	53.61	(0.08)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2261008	258992	2520000	100.00	2264518	255482	2520000	100.00	-



ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shree Krishan Saraf (HUF)	62406	2.48	-	62406	2.48	-	-
2	Shri Krishan Saraf	319052	12.66	9.92	321047	12.74	9.92	0.08
3	Deo Kishan Saraf	228532	9.07	5.95	228532	9.07	5.95	-
4	Deo Kishan Saraf (HUF)	136300	5.41	-	136300	5.41	-	-
5	Ritula Saraf	147696	5.86	-	67696	2.69	-	(3.17)
6	Kusum Saraf	159452	6.33	-	159452	6.33	-	-
7	Abhishek Saraf	107814	4.28	-	107814	4.28	-	-
8	Aditya Saraf	5799	0.22	-	5799	0.22	-	-
9	Saraf Capital Markets Ltd.	-	-	-	80000	3.17	-	3.17
	Total	1167051	46.31	15.87	1169046	46.39	15.87	0.08

iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf At the beginning of the year Purchase of shares from April 1, 2014 to March 31, 2015 Sale of shares from April 1, 2014 to March 31, 2015 At the end of the year	319052	12.66	319052	12.66
		1995	0.08	321047	12.74
		-	-	321047	12.74
		-	-	321047	12.74
		-	-	321047	12.74
2	Ritula Saraf At the beginning of the year Purchase of shares from April 1, 2014 to March 31, 2015 Sale of shares from April 1, 2014 to March 31, 2015 At the end of the year	147696	5.86	147696	5.86
		-	-	147696	5.86
		80000	3.17	67696	2.69
		-	-	67696	2.69
		-	-	67696	2.69
3	Saraf Capital Markets Ltd. At the beginning of the year Purchase of shares from April 1, 2014 to March 31, 2015 Sale of shares from April 1, 2014 to March 31, 2015 At the end of the year	-	-	-	-
		80000	3.17	80000	3.17
		-	-	80000	3.17
		-	-	80000	3.17
		-	-	80000	3.17
4	Shri Krishan Saraf (HUF) (No Change)	62406	2.48	62406	2.48
5	Deo Kishan Saraf (No Change)	228532	9.07	228532	9.07
6	Deo Kishan Saraf (HUF) (No Change)	136300	5.41	136300	5.41
7	Kusum Saraf (No Change)	159452	6.33	159452	6.33
8	Abhishek Saraf (No Change)	107814	4.28	107814	4.28
9	Aditya Saraf (No Change)	5799	0.22	5799	0.22



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	PBS INVESTMENTS PVT. LTD. (No Change)	149900	5.95	149900	5.95
2	SHREE VINIYOG PVT LTD. (No Change)	117075	4.65	117075	4.65
3	ALPS VINIYOG PVT. LTD. (No Change)	116450	4.62	116450	4.62
4	SRI KRISHNA VINIYOG PVT. LTD. (No Change)	116307	4.61	116307	4.61
5	MACKERTICH CONSULTANCY SERVICES PVT. LTD. (No Change)	75500	2.99	75500	2.99
6	DIPAK KANAYALAL SHAH (No Change)	40000	1.59	40000	1.59
7	PRABHA DEVI SARAF (No Change)	36000	1.43	36000	1.43
8	AMIT JAIN At the beginning of the year Purchase of shares from April 1, 2014 to March 31, 2015 Sale of shares from April 1, 2014 to March 31, 2015 At the end of the year	2949 79024 47452 34521	0.12 3.14 1.88 1.37	2949 81973 34521 34521	0.12 3.26 1.37 1.37
9	SATYA PRAKASH MITTAL (HUF) At the beginning of the year Purchase of shares from April 1, 2014 to March 31, 2015 Sale of shares from April 1, 2014 to March 31, 2015 At the end of the year	- 33628 568 33060	- 1.33 0.02 1.31	- 33628 33060 33060	- 1.33 1.31 1.31
10	GOPI KRISHAN SARAF (No Change)	26000	1.03	26000	1.03

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf At the beginning of the year Purchase of shares from April 1, 2014 to March 31, 2015 Sale of shares from April 1, 2014 to March 31, 2015 At the end of the year	319052 1995 - -	12.66 0.08 - -	319052 321047 321047 321047	12.66 12.74 12.74 12.74
2	Deo Kishan Saraf (No Change)	228532	9.07	228532	9.07
3	Samir Kumar Ghosh (No Change)	1500	0.06	1500	0.06
4	Kusum Saraf (No Change)	159452	6.33	159452	6.33

The following Directors / Key Managerial Personnel (KMP) did not hold any shares during the F.Y. 2014-15:

- Mr. Manindra Kumar Nath – Independent Director
- Ms. Deepa Singh – Company Secretary



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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35,13,37,581	9,21,68,206	-	4,43,05,787
ii) Interest due but not paid	3,82,194	-	-	3,82,194
iii) Interest accrued but not due	-	1,10,88,308	-	1,10,88,308
Total (i+ii+iii)	35,17,19,775	10,32,56,514	-	45,49,76,289
Change in Indebtedness during the financial year				
* Addition	13,61,33,654	-	-	13,61,33,654
* Reduction	-	(4,86,80,020)	-	(4,86,80,020)
Net Change	13,61,33,654	(4,86,80,020)	-	8,74,53,634
Indebtedness at the end of the financial year				
i) Principal Amount	48,78,53,429	5,33,76,494	-	54,12,29,923
ii) Interest due but not paid	-	12,00,000	-	12,00,000
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	48,78,53,429	5,45,76,494	-	54,24,29,923

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

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shri Kishan Saraf - Managing Director	Deo Kishan Saraf - Whole-time Director & CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	15,84,000	13,20,000	29,04,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	- -	- -	- -
5	Others: Employer's Contribution to Provident Fund @12%on Salary in Point 1(a) above	1,90,080	1,58,400	3,48,480
	Total (A)	17,74,080	14,78,400	32,52,480
	Ceiling as per the Act	Rs. 44,00,102 (being 10% of the Net Profit of the Company calculated as per Sec. 198 of the Companies Act, 2013)		

**B. Remuneration to other directors**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Samir Kumar Ghosh	Manindra Kumar Nath	
1	Independent Directors			
	Fee for attending board committee meetings	67,000	51,000	1,18,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	67,000	51,000	1,18,000
2	Other Non-Executive Directors	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
Total (B) = (1+2)		67,000	51,000	1,18,000
Overall Ceiling as per the Act		Rs. 4,40,010 (being 1% of the Net Profit of the Company calculated as per Sec. 198 of the Companies Act, 2013)		

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total (₹)
1	Gross salary	-	2,87,802	-	2,87,802
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
Total		-	2,87,802	-	2,87,802

viii. Penalties / Punishment / Compounding of Offences :

There was not any case of Penalties / Punishment / Compounding of Offences during the FY 2014-15.

**SECRETARIAL AUDIT REPORT****For the Financial Year Ended 31st March, 2015****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

ACKNIT INDUSTRIES LTD.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ACKNIT INDUSTRIES LTD. ("The Company") for the period ended on 31st March, 2015 according to the provisions of:

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

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, The Calcutta Stock Exchange Limited and the Memorandum and Articles of Association.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with BSE Limited and The Calcutta Stock Exchange Limited.

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

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of the Register of Members.
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) notice of Board meetings and Committee meetings of Directors;
- f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the 24th Annual General Meeting held on 9th September 2014;
- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;



- k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) appointment and remuneration of Auditors and Cost Auditors;
- m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) declaration and payment of dividends;
- o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) investment of the Company's funds including investments and loans to others;
- r) form of balance sheet and statement of profit and loss as prescribed and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- s) Directors' report;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that :

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

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

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

- The Company has obtained all necessary approvals under the various provisions of the Act; and

- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

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

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

I further report that :

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and Calcutta Stock Exchange Limited;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

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

Sd/-

Rajarshi Ghosh

Company Secretary in Practice

Membership No. ACS 17717

C.P. No. 8921

Place: Kolkata

Date: 30th May, 2015



(A) CONSERVATION OF ENERGY

Annexure - 3

i. The steps taken or impact on conservation of energy: The Company continued to give major emphasis for conservation of energy, and the measures taken in the previous year were continued. The efficiency of Energy Utilization at each plant is monitored at the Corporate level, in order to achieve effective conservation of energy. The significant Energy conservation measures during the year were as follows :-

- Switching off machines / equipment immediately after use and fixing of timers to avoid over usage of water pumps.
- Use of power capacitors to improve the Power factor.
- Creating awareness among employees about the necessity of energy conservation by celebrating energy conservation week.

ii. The steps taken by the company for utilizing alternate sources of energy: The Company is considering the following resources as the alternate sources of energy :-

- To generate power through wind mills
- Generation of Steam by in-house waste dry herbs.
- Solar Water heater.
- Solar street lights at various plants.

The generation of power through alternate means such as wind mills provides power to the company at a rate lower than the market rates for purchasing power from power generating companies and thereby reducing the cost of production and dependency on the traditional sources of energy.

iii. The capital investment on energy conservation equipments: NIL

iv. Total energy consumption and energy consumption per unit of production is as follows:

i) Power & Fuel Consumption

Particulars	2014-15	2013-14
(I) Electricity		
a) Purchased Unit (Kwh in lacs)	10.24	11.50
b) Total Amount (₹ in lacs)	128.68	107.18
c) Average Rate per unit ₹	12.57	9.32
Through diesel generator Units (Kwh in lacs)	N.A	N.A
Unit per ltr. Of Diesel Oil (kwh) cost/unit (Kwh in lacs)	Nil	Nil
Through steam turbine / Generator units (Kwh in lacs)	Nil	Nil
Unit per ltr. Of LD oil (kwh) Cost/unit (Kwh in lacs)	Nil	Nil

ii) Consumption per unit of production per Doz Pairs

Particulars	2014-15		2013-14	
	Gloves (Doz. Pr.)	Garment (Pcs)	Gloves (Doz. Pr.)	Garment (Pcs)
Electricity	0.76 Kwh	0.15 Kwh	0.74 Kwh	0.11 Kwh
Coal	Nil	Nil	Nil	Nil
Furnace Oil	0.72 Ltr	Nil	0.55 Ltr	Nil
Light Diesel Oil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil

B) TECHNOLOGY ABSORPTION : RESEARCH & DEVELOPMENT (R & D)

Separate account of R & D expenditure is not maintained. The expenses are merged into relevant heads of expenditure. The Company's Research & Development wing is fully geared to absorb and innovate & tie up Imported Technology on a continuing basis. The R & D wing has continually developed various customer friendly product ranges and has set up performance testing mechanism to generate various parameters required by customers.

Particulars	2014-15	2013-14
1 Specific areas in which R & D carried Out by the company	Nil	Nil
2 Benefit derived as a result of the above R & D	Nil	Nil
3 Future plan of action	Nil	Nil
4 Expenditure on R & D	Nil	Nil
Capital	Nil	Nil
Recurring	Nil	Nil
Total	Nil	Nil
Total R & D expenditure as % of total turnover	N.A	N.A

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- a) Modernization and expansion of product range to meet the growing market needs.
- b) Upgradation of existing products and process by adopting most appropriate options available.
- c) Keeping abreast with new emerging technologies with long term potential.

Obtained certification under ISO 9001:2008

Benefits: Launching new products has improved the company's positive position in the market. Introduction of new designs and material has also yielded significant cost savings.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

Promising Foreign Exchange Reserves, with a low inflation rate and encouraging GDP growth rates during the last couple of years, have presented a unique atmosphere of increased business activities. Your company is well positioned to take advantage of opportunities and continued to maintain its pace of progression. The company is basically engaged in export oriented manufacturing activities, and is continuing its effort to increasing support to the country's forex reserves by exploring, creating and developing new markets.

During the year, the total foreign exchange earned and used are as follows :

(₹ in Lacs)

Particulars	2014-15	2013-14
Earnings (on FOB Basis)	10242.68	9943.23
Outgo	1443.35	1159.39



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

Rule	Particulars					
i.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	a	Mr. S. K. Saraf, Managing Director and CEO	18.39:1		
		b.	Mr. D. K. Saraf, Whole-time Director & CFO	15.33:1		
		None of the other directors received any remuneration other than sitting fees during FY 2014-15				
ii	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;	a	Ms Deepa Singh, Company Secretary	56.42%		
		b.	All other Directors, CEO and CFO	Nil		
iii.	The percentage increase in the median remuneration of employees in the financial year;				26.87%	
iv	The number of permanent employees on the rolls of Company;				148 Employees	
v	The explanation on the relationship between average increase in remuneration and Company's performance;	The average increase in remuneration of all employees was 22.37% for the year 2014-15 which was based on the Company's policy and individual's performance.				
vi	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	a	% increase in Net Sales in 2014-15 as compared to 2013-14	10.74%		
		b.	% increase in PAT in 2014-15 as compared to 2013-14	21.86%		
		c.	% increase in EBIDTA in 2014-15 as compared to 2013-14	16.84%		
		For comparison purpose the percentage increase in remuneration of KMP is given in Rule No. (ii) above				
vii	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Financial Year ended	Closing Share Price (BSE)	Market Capitalization	Price Earning Ratio	
		31.03.2015	Rs. 51.90	Rs. 13,07,88,000	4.35	
		31.03.2014	Rs. 33.90	Rs. 8,54,28,000	3.47	
	The Company has not made any Public issue or Rights issue of securities in last more than 10 years and so comparison has not been made of current share price with public offer price.					
viii	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average salary increase of employees is 22.37%. Average salary increase of managerial personnel is 5.53% There are no exceptional circumstances in the increase of managerial remuneration.				
ix	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	Name of KMP	% increase in Remuneration in 2014-15 as compared to 2013-14	% increase in Net Sales in 2014-15 as compared to 2013-14	% increase in PAT in 2014-15 as compared to 2013-14	% increase in EBIDTA in 2014-15 as compared to 2013-14
		Mr. S. K. Saraf, MD & CEO	Nil	10.74%	21.86%	16.84%
		Mr. D. K. Saraf, WTD & CFO	Nil	10.74%	21.86%	16.84%
		Ms. Deepa Singh, CS	56.42%	10.74%	21.86%	16.84%
x	The key parameters for any variable component of remuneration availed by the Directors;	The key parameters are a) Net Sales b) PAT c) EBIDTA and d) Net Operating Cash Flows from Business.				
xi	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;	None				
xii	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company					

**REPORT ON CORPORATE GOVERNANCE**

As per clause 49 of the Listing Agreement with the Stock Exchanges, the Directors submit the following report on the Corporate Governance, for the information of the shareholders.

1. COMPANY'S PHILOSOPHY :

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

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

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

The Board of Directors of the Company consists of 5 members comprising :

- One Managing Director and CEO
- One Whole-time Director and CFO
- Two Non-Executive Independent Directors
- One Non-Executive Non-Independent Director.

The composition of the Board was in conformity with the provisions of the Corporate Governance Code of the Listing Agreement.

During the financial year 2014-15, Nine (9) number of Board Meetings were held on 4th April, 2014, 30th May, 2014, 6th June, 2014, 29th July, 2014, 14th August, 2014, 30th September, 2014, 14th November, 2014, 14th February, 2015 and 30th March, 2015.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	No. of other Directorship ¹	No. of Membership/ Chairmanship of other Companies/mandatory committees ²	
					Membership	Chairmanship
Shri Krishan Saraf	Managing Director and CEO	7	Yes	Nil	Nil	Nil
Deo Kishan Saraf	Whole-time Director and CFO	9	Yes	1	Nil	Nil
Samir Kumar Ghosh	Non Executive Independent Director	9	Yes	Nil	Nil	Nil
Mahindra Kumar Nath ³	Non Executive Independent Director	7	Yes	Nil	Nil	Nil
Kusum Saraf ⁴	Non Executive Non-Independent Director	1	No	Nil	Nil	Nil

Notes:

- Other than directorship in Acknit Industries Limited and private companies.
- In accordance with requirements of Clause 49 of the listing agreement, Memberships/ Chairmanships of only Audit Committees and Shareholder Grievance committees of only Public Limited Companies (except Acknit Industries Limited) have been considered.
- Mr. M. K. Nath was a Member on the Board till his demise on 31.12.2014. Mrs. Trishna Patodia Pereira was appointed as a Director to fill the vacancy caused by the death of Mr. Manindra Kumar Nath w.e.f. 01.06.2015.
- Mrs. Kusum Saraf was appointed as a Director on the Board w.e.f. 30.03.2015.

ii) Code of Conduct :

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has adopted the following codes:

Acknit Industries Ltd.- Code of Conduct for Prevention of Insider Trading : Under this code, obligations are cast upon directors and officers to preserve Price Sensitive Information. Procedures are prescribed to ensure that such information is not misused for any personal advantage. The Company Secretary has been appointed as the Compliance Officer for monitoring implementation of the Code in the Company.

Acknit Industries Ltd.- Code of Corporate Disclosure Practices : This code lays down principles and procedures with the objective of ensuring that the Price Sensitive Information related to the Company is handled in prescribed manner. Adequate disclosure of such information is sought to be made to the public through stock exchanges, press, media and the in website of the Company in a timely manner to enable the investors to take informed investment decisions with regard to the Company's Securities.

Code of Conduct for Directors and Senior Management Personnel - In terms of para no.I - D of Clause 49 of the listing agreement, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code during the year ended 31.03.2015. The Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

3. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy ("the policy").

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

Criteria and qualifications for appointment of Directors:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. While ascertaining the qualifications of Directors the Committee shall take into account following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchange(s).

**Remuneration Policy of Directors, Key Managerial Personnel and other Employee:****Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Director(s) and Whole-time Director(s) and other Executive Director(s). This may be then approved by the Board of Directors and shareholders. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to Non-Executive Director(s).

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Managing Director(s) and Whole-time Director(s). Salary is paid within the range approved by the Shareholders. Annual increments may be recommended by the Nomination and Remuneration Committee, and then approved by the Board. The perquisites package shall also be approved by the Remuneration Committee and it shall be within the prescribed ceiling.

The remuneration paid to Executive Director(s) is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent and other Non-Executive Director(s) are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent and other Non-Executive Director(s) shall receive sitting fees for attending the meetings of the Board and Committees which shall be approved by the Board and/or shareholders, as the case may be.

Key Managerial Personnel and Other Employees

The remuneration of Key Managerial Personnel and employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to the prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

The remuneration policy of the company also includes grant of repayable Loans and Advances to its employees in deserving cases of emergency subject to approval / ratification of the Board of Directors on such terms and conditions as may be ratified by the Remuneration committee.

4. COMMITTEES OF BOARD

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

A. Audit Committee:

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

* Mr. M. K. Nath was a Member of the Audit Committee till his demise on 31.12.2014. Mrs. Trishna Patodia Pereira who was appointed as a Director to fill the vacancy caused by the death of Mr. Manindra Kumar Nath has since been appointed as a member of the Audit Committee w.e.f. 01.06.2015. During the year the Committee had met 4 times on 30.05.2014, 14.08.2014, 14.11.2014 and 14.02.2015. The requisite Quorum was present at the meetings

B. Stakeholders Relationship Committee:

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

* Mr. M. K. Nath was a Member of the Stakeholders Relationship Committee till his demise on 31.12.2014. Mrs. Trishna Patodia Pereira who was appointed as a Director to fill the vacancy caused by the death of Mr. Manindra Kumar Nath has since been appointed as a member of the Stakeholders Relationship Committee w.e.f. 01.06.2015.

During the year the Committee had met 4 times on 30.05.2014, 14.08.2014, 14.11.2014 and 14.02.2015. The requisite Quorum was present at the meetings.

C. Nomination and Remuneration Committee:

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

* Mr. M. K. Nath was a Member of the Nomination and Remuneration Committee till his demise on 31.12.2014. Mrs. Trishna Patodia Pereira who was appointed as a Director to fill the vacancy caused by the death of Mr. Manindra Kumar Nath has since been appointed as a member of the Nomination and Remuneration Committee w.e.f. 01.06.2015.

During the year the Committee had met thrice on 14.08.2014, 14.11.2014 and 30.03.2015.

5. DECLARATION BY INDEPENDENT DIRECTORS

Mr. S. K. Ghosh and Mrs. Trishna Patodia Pereira are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

**6. SUBSIDIARY COMPANY**

Your company do not have any subsidiary company.

7. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Venue	No. of Special Resolution
2013-14	09.09.2014	10:30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	Four
2012-13	21.09.2013	11:00 A.M	Bhartiya Bhasha Parishad Auditorium, 36A Shakespeare Sarani, Kolkata- 700 017	None
2011-12	25.09.2012	3:00 P.M	Kala Kunj, 48 Shakespeare Sarani, Kolkata- 700 017	None

8. DISCLOSURES**i) Materially Significant Related Party Transactions:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any fresh contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The particulars of contracts / arrangements / transactions entered during the year as per Form AOC -2 is enclosed in this report.

ii) Details of compliances :

The company is regular in complying with the requirements of the regulatory authorities on the matters relating to the Capital Market and no penalties/strictures have been imposed on the company by Stock Exchanges, SEBI or any regulatory authority, during the year.

iii) Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

iv) Review of Directors' Responsibility Statement :

The Board in its report has confirmed that the annual account for the year ended 31.03.2015 have been made as per applicable accounting standards and policies and that sufficient care has been taken for maintaining proper accounting record.

v) Non Mandatory Requirement:

The Company has complied with all the mandatory requirements of clause 49 of Listing Agreement. Although the company is not mandatorily required but it has constituted the Remuneration Committee and has also adopted a whistle Blower Policy.

9. Means of communication :

- Quarterly Results are being generally published in leading print media, both in regional and English language having nationwide circulation. The Annual Results are posted to every shareholder of the Company.
- Official news releases are given directly to the Stock Exchanges concerned and then to press.
- All notices of shareholders meetings are posted to every shareholder in due compliance of the respective provisions of the Companies Act, 1956 and Companies Act, 2013 as are applicable.

10. General Shareholder Information :**i) Annual General Meeting:**

Date & Time : Monday, 21st September, 2015 at 11:00 A.M

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

ii) Financial Year : 1st April, 2014 to 31st March, 2015

iii) Book Closure Date : Thursday, 17th September 2015 to Monday, 21st September 2015 (both days inclusive)

iv) Dividend Payment Date: On or before 21st day of October, 2015

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

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

The Company has paid Annual listing fees for the year 2014-15 to the above stock exchanges.

vi) Market Price Data :

The Market Price of Equity shares of the company during the year 2014-15 is given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2014	33.50	30.75
May, 2014	32.40	25.15
June, 2014	38.50	32.15
July, 2014	38.70	35.15
Aug, 2014	41.00	36.80
Sept, 2014	54.50	36.60
Oct, 2014	52.50	45.40
Nov, 2014	60.45	44.35
Dec, 2014	59.90	40.40
Jan, 2015	63.80	45.45
Feb, 2015	75.50	50.00
Mar, 2015	63.05	40.30

vii) Share Transfer System:

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

viii) Registrar and Share Transfer Agents:

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

**ix) Shareholding Pattern :**

Shareholding Pattern as on 31.03.2015 is given below :

CATEGORY	NO. OF SHARES	%
Promoter Group		
Indian Promoters	1169046	46.39
Foreign Promoters	Nil	Nil
Total : Promoter Group	1169046	46.39
Non Promoter Group		
NRI/OCB	11830	0.47
other Bodies Corporate	658407	26.13
Resident Individual	680717	27.01
Institutional Investor (Bank)	Nil	Nil
Total: Non-Promoter	1350954	53.61
Grand Total	2520000	100

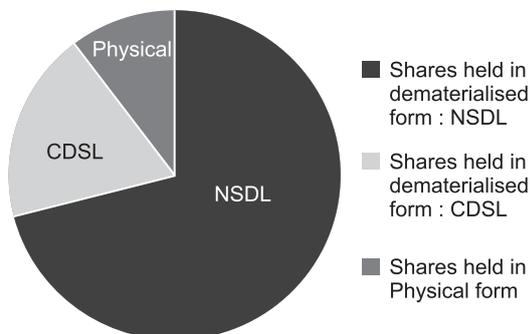
x) Distribution of shareholding :

Distribution of shareholding as on 31.03.2015 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	853	77.33	146032	5.79
501 to 1000	122	11.06	96579	3.83
1001 to 2000	54	4.90	79534	3.16
2001 to 3000	24	2.18	59768	2.37
3001 to 4000	9	0.82	31990	1.27
4001 to 5000	8	0.73	37465	1.49
5001 to 10000	9	0.82	56884	2.26
10001 to 50000	11	1.00	273269	10.84
50001 to 100000	4	0.36	285602	11.33
100001 and above	9	0.82	1452877	57.65
Grand Total	1103	100.00	2520000	100.00

xi) Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2015, 2264518 shares representing 89.86% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity shares of the company are actively traded in BSE Ltd.



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

xiii) Plant Location :

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

xiv) Address for Correspondence:

Members are requested to correspond with the company through email to get faster response. Address for correspondence is 817, Krishna, 224 A. J. C. Bose Road, Kolkata 700 017, Phone No. – (033) 2287 8293, Email-Id of the company secretary and compliance officer is cs@acknitindia.com. Shareholder may lodge their complaints on this email address.

xv) Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the company, by sending a letter, duly signed by the first/sole holder quoting details of folio no.

MANAGING DIRECTOR & CFO CERTIFICATION

We, Shri Krishan Saraf, Managing Director and Deo Kishan Saraf, Chief Financial Officer of Acknit Industries Ltd, do hereby certify that:-

- We have reviewed the Balance Sheet of the company as at 31st March, 2015, the statement of Profit & Loss Accounts and all its Schedules and Notes to the Financial Statements as well as the Cash Flow Statements and Directors' Report for the year ended on that date and to the best of our Knowledge and belief.
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the company during the year, are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
 - There has not been any significant change in internal control over financial reporting during the year under reference.
 - There has not been any significant change in accounting policies during the year that required disclosures in the notes to the financial statements.
 - We are not aware of any instance of significant fraud during the year with involvement therein of the management or any employees who have significant role in the company's internal control system over financial reporting.

Place: Kolkata

Date: 30th May, 2015

Shri Krishan Saraf
Managing Director

Deo Kishan Saraf
Chief Financial Officer

**DECLARATION****(Pursuant to clause 49 I (D) (ii) of the listing agreement)**

I, Shri Krishan Saraf, Managing Director of the company, do hereby declare that all the Board Members and Senior Management personnel of the company have affirmed due compliance with the company's Code of Business Conduct and Ethics during the Financial Year Ended 31.03.2015.

Date: 30th May, 2015
Place: Kolkata

Shri Krishan Saraf
Managing Director

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
(Pursuant to clause 49 VII of the listing agreement)****To The Members of
ACKNIT INDUSTRIES LIMITED**

I have examined the compliance of conditions of Corporate Governance by Acknit Industries Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges and the relevant records and documents maintained and also furnished to me by the company.

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

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

On the basis of my review and according to the information and explanation given to me, I certify that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with by the company.

Rajarshi Ghosh
Company Secretary in Practice
Place: Kolkata Membership No. ACS 17717
Date: 30th May, 2015 C.P. No. 8921

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Report herein presents a brief discussion on the Industry structure and Development, company's performance and Human Resource Development. This discussion is based on the assessment of the current environment which may vary due to future economic and other developments in the universal arena.

BUSINESS SCENARIO

Your Company has been involved in the production and export of industrial safety gloves and garments, which are considered essential elements in minimizing health related risks at the workplace all over the world. Export to European Companies account for more or less 80% of the annual turnover of the Company. Your Company has a reputed and established client base which generates repeat orders and reduces counterparty risks. Further your Company has since tapped customers in new geographies including USA and Latin America which mitigated its dependence on the European markets. The Company is basically an EOU production unit and it receives a significant amount of export incentives from the Central Government, which supports its profitability. However the same otherwise makes its profit margins highly sensitive to the export policies of the Government and exposure to the risks arising from volatility in exchange rate movements. As against this the Company's policy of utilisation of export packing credit in foreign currency, future bookings as well as conservative formula of foreign exchange conversion rates in book keeping and export receivable acts to mitigate the unforeseen risks to a great extent and on the contrary it appears that such conservative policy has resulted in the increased volume of exchange gain at the end of the year.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH
RESPECTS TO OPERATIONAL PERFORMANCE.**

The financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Policies (GAAP) in India.

INTERNAL FINANCIAL CONTROLS

Your company has established a well defined organization structure having an extensive system of internal control to ensure optimum utilisation of resources, accurate reporting of financial transactions and strict compliance of applicable statutory laws and regulations at all times. Your company has adequate system to ensure that the assets of the company are safeguarded against loss from unauthorized use or depreciation and that all transactions are properly authorized, recorded and reported correctly.

An audit committee of the Board of Directors regularly reviews the audit plans, significant audit findings, adequacy of internal control and internal audit, compliances with applicable accounting standard and particularly reasons for changes in accounting policies and practices, if any.

**RISK MANAGEMENT POLICY**

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically.

Most of your Company's sales contracts are denominated in foreign currencies, exposing it to risks arising from volatility in exchange rate movements. However, utilization of export packing credit in foreign currency as well import of some amount of raw material requirement mitigates such risk to a considerable extent.

The key risk areas for 2015-16 are outlined below:

1. Technology

An inability to leverage rapid technological advancements to improve production efficiency represents a threat to the Company's competitiveness. To mitigate this risk, the Company continuously invests in Research & Development and allocates sufficient budget for machine and equipment upgrades. It also ensures change-readiness through constant market surveillance and intelligence, which enables the Company to continue producing consistently high quality gloves at efficient low cost.

2. Production

Interruptions to production is a risk that can cause a temporary shutdown of factory operations resulting in financial losses to the Company. The three major risks i.e. fire, water and labour as being able to cause interruption to production, are closely monitored by the respective Risk Owners, with risk mitigation plans proposed and implemented as follows:

- Explored alternative water source;
- Treated tube wells water, built on-site retention for rain water and recycled water to reduce water usage;
- Strengthened fire prevention controls, improved housekeeping and cleaning routine and performed daily
- checks on high risk areas; and
- Alliance with various manpower supply organization to mitigate the risk of shortage of manpower.

3. Energy

The Company has to absorb any increase in the cost of energy that would result in higher production costs.

To mitigate this risk, the Company embarked on energy efficiency improvement projects at factories to reduce energy consumption to stay competitive and efficient.

HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

DISCLAIMER

Statements made in Management Discussion and Analysis report include forward looking statements and may differ from the actual situation. The important factor that would make a difference to the company's operation include market factors, government regulations and policies, developments within and outside the country.

FORM AOC-2

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

From for Disclosure of particulars of contract / 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 transaction under third proviso is given below

- Details of contracts or arrangements or transactions not at Arm's length basis :

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts / arrangements / transaction	Nil
c)	Duration of the contracts / arrangements / transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date 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

- Details of material contracts or arrangements or transactions at Arm's length basis :

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts / arrangements / transaction	Nil
c)	Duration of the contracts / arrangements / transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any :	Nil
e)	Date (s) of approval by the Board, if any :	Nil
f)	Amount paid as advances, if any	Nil

Note: The material contracts or arrangements or transactions at Arm's length basis has been ascertained as per Clause 49 of the Listing Agreement executed by the Company with Stock Exchanges.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Acknit Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Acknit Industries Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, 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 the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
2. 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 have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 and
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company.

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

Chartered Accountants
Firm registration number : 314140E

R. K. Bajaj
Proprietor
Membership number: 051715

Place: Kolkata

Date: The 30th day of May 2015.



Annexure to the Auditors' Report

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under subsection 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in **Annexure I** to this report.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amount which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the year and has not incurred cash losses during the year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution during the year.
- (x) The Company has not given any guarantee for loan taken by others from bank and financial institutions.
- (xi) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- (xii) According to the information and explanations given to us no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

For **R. K. Bajaj & Co.**
Chartered Accountants
Firm registration number : 314140E

R. K. Bajaj
Proprietor
Membership number: 051715
Place: Kolkata
Date: The 30th day of May 2015.

Annexure I forming part of the Auditors Report as mentioned in clause (vii) (b) of Annexure to the Auditors' report :-

Name of the Statute	Name of the dues	Amount (in ₹)	Period to which the amount relates	Forum where pending
West Bengal Sales Tax Act, 1994.	Sales Tax	13,200/-	Year 1996-97	Assistant Commissioner, Commercial Taxes, Calcutta South Circle
West Bengal Value Added Tax Act, 2003	VAT	8,07,300/-	Year 2007-08	West Bengal Commercial Taxes, Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	VAT	65,42,794/-	Year 2008-09	West Bengal Commercial Taxes, Appellate & Revisional Board
Central Sales Tax Act, 1956	CST	2,66,664/-	Year 2008-09	West Bengal Commercial Taxes, Appellate & Revisional Board

For **R. K. Bajaj & Co.**
Chartered Accountants
Firm registration number : 314140E

R. K. Bajaj
Proprietor
Membership number: 051715
Place: Kolkata
Date: The 30th day of May 2015.



Balance Sheet as at March 31,2015

		As at 31.03.2015	Amount in ₹ As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,75,77,000	2,75,77,000
Reserves and surplus	3	24,34,07,249	21,89,58,384
		<u>27,09,84,249</u>	<u>24,65,35,384</u>
Non Current Liabilities			
Long term borrowings	4	6,94,42,802	5,90,90,865
Deferred tax liabilities (net)	5	2,14,78,800	2,16,41,700
		<u>9,09,21,602</u>	<u>8,07,32,565</u>
Current Liabilities			
Short term borrowings	6	46,21,78,913	38,05,27,922
Trade payables	7	12,67,25,269	19,13,41,348
Other current liabilities	8	4,18,97,121	4,02,51,724
Short term provisions	9	45,49,519	61,72,789
		<u>63,53,50,822</u>	<u>61,82,93,783</u>
TOTAL		<u><u>99,72,56,673</u></u>	<u><u>94,55,61,732</u></u>
ASSETS			
Non Current Assets			
Fixed Assets	10		
Tangible assets		20,82,16,470	19,17,35,345
Intangible assets		44,696	58,992
Capital work-in-progress		2,16,82,250	17,68,916
Non current investments	11	35,54,735	10,66,137
Long term loans and advances	12	1,01,98,490	1,31,16,830
Other non current assets	13	47,63,700	2,73,065
		<u>24,84,60,341</u>	<u>20,80,19,285</u>
Current Assets			
Inventories	14	36,09,54,254	31,52,41,932
Trade receivables	15	20,87,55,009	22,54,97,450
Cash and bank balances	16	2,76,85,033	2,24,06,780
Short term loans and advances	17	14,45,94,925	16,92,76,091
Other current assets	18	68,07,111	51,20,194
		<u>74,87,96,332</u>	<u>73,75,42,447</u>
TOTAL		<u><u>99,72,56,673</u></u>	<u><u>94,55,61,732</u></u>

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

As per our report of even date

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

Chartered Accountants
(Firm Reg. No.314140E)

R.K. BAJAJ

Proprietor

Membership No.051715

40/5, Strand Road, Kolkata - 700 001

Date: The 30th day May 2015

For and on behalf of the Board

Shri Krishan Saraf

Managing Director

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

Samir Kumar Ghosh

Director

Deepa Singh

Company Secretary



Statement of Profit and Loss for the year ended March 31, 2015

		<u>For the Year Ended</u> <u>31.03.2015</u>	<u>For the Year Ended</u> <u>31.03.2014</u>
Amount in ₹			
INCOME	Notes		
Gross Revenue From Sale of products		1,39,62,68,453	1,24,94,21,299
Less: Excise Duty / Customs Duty		1,14,71,359	1,00,94,462
Net Revenue from sale of products		1,38,47,97,094	1,23,93,26,837
Other operating revenue		10,23,88,416	10,36,81,884
Revenue From Operation	19	1,48,71,85,510	1,34,30,08,721
Other Income	20	3,82,85,349	36,26,116
TOTAL REVENUE		1,52,54,70,859	1,34,66,34,837
EXPENSES			
Cost of raw materials consumed	21	1,09,53,88,396	1,00,24,26,819
Purchase of stock-in-trade	22	-	1,10,664
Changes in inventories of finished goods, work in progress	23	(1,61,79,566)	(4,17,24,012)
Employee benefits expense	24	2,79,57,539	2,29,25,898
Finance Costs	25	3,21,19,168	2,05,48,319
Depreciation and amortisation expense	10	1,44,77,676	1,72,20,995
Other expenses	26	32,77,06,623	28,70,72,801
TOTAL EXPENSES		1,48,14,69,836	130,85,81,484
PROFIT BEFORE TAX		4,40,01,023	3,80,53,353
Tax Expense:			
Current tax	27	1,41,00,000	1,39,21,017
Deferred tax		(1,62,900)	(5,15,700)
PROFIT AFTER TAX		3,00,63,923	2,46,48,036
Earnings Per Equity Share (Face Value ₹ 10/- each) Basic and Diluted	28	11.93	9.78

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

As per our report of even date

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

Chartered Accountants
(Firm Reg. No.314140E)

R.K. BAJAJ

Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day May 2015

For and on behalf of the Board

Shri Krishan Saraf

Managing Director

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

Samir Kumar Ghosh

Director

Deepa Singh

Company Secretary



Cash Flow Statement for the year ended March 31, 2015

	For the Year Ended 31.03.2015	Amount in ₹ For the Year Ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	4,40,01,023	3,80,53,353
Adjustments for :		
Depreciation and amortisation expense	1,44,77,676	1,72,20,995
Finance Costs	3,21,19,168	2,05,48,319
Interest Income	(9,90,171)	(11,85,995)
(Profit)/Loss on sale of Fixed Assets/Assets Discarded	61,893	(38,936)
Operating profit before working capital changes	8,96,69,589	7,45,97,736
Adjustments for changes in working capital :		
Trade receivables, loans and advances and other assets	4,03,69,516	(12,49,43,730)
Inventories	(4,57,12,322)	(5,18,27,317)
Trade payables other liabilities and provisions	(5,90,02,050)	9,45,86,259
Cash generated from operations	2,53,24,733	(75,87,052)
Tax paid (including TDS) (net)	(1,59,70,106)	(1,35,10,733)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	93,54,627	(2,10,97,785)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5,20,43,245)	(2,16,95,980)
Sale of fixed assets	57,974	40,000
Sale / (Purchase) of investment (net)	(24,88,598)	-
Intercompany deposits	-	2,00,31,403
Payables for capital goods	6,07,907	5,48,862
Movement in loans and advances and other Current Assets	(34,32,797)	(53,07,391)
Interest received	4,77,073	11,90,539
NET CASH USED IN INVESTING ACTIVITIES (B)	(5,68,21,686)	(51,92,567)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term secured loan	11,09,28,332	6,33,15,469
Short term unsecured loan	(2,92,77,341)	55,77,341
Proceeds from/(repayment) of long term unsecured loan	(1,05,02,579)	(40,09,135)
Repayment of long term loan	2,65,75,724	(51,88,000)
Interest and financing charges	(4,23,89,670)	(1,41,37,343)
Dividend & dividend tax paid	(44,49,656)	(44,01,908)
NET CASH FROM FINANCING ACTIVITIES (C)	5,08,84,810	4,11,56,424
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	34,17,751	1,48,66,072
Cash & Cash Equivalents at the beginning of the year	2,12,65,043	63,98,971
Cash & Cash Equivalents at the end of the year	2,46,82,794	2,12,65,043
Notes to cash flow statement for the year ended March 31, 2015		
1. Cash and cash equivalents include the following balance sheet amounts		
Cash in hand	16,73,275	15,44,020
Cheques in hand	1,32,591	8,01,229
Balances with banks		
- In Current Accounts	23,93,682	99,16,294
- In Deposit Accounts	2,04,83,246	90,03,500
	2,46,82,794	2,12,65,043

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

R.K. BAJAJ
Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day May 2015

For and on behalf of the Board
Shri Krishan Saraf
Managing Director
Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
Samir Kumar Ghosh
Director
Deepa Singh
Company Secretary

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

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

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

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

Convention

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

Basis of Accounting

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

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

Use of Estimates

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

Fixed Assets and Impairment Losses

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

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

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

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

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

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM) Method except in case of assets acquired prior to 31.03.1995 where depreciation is provided on Written down value Method (WDV). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used;

Particulars	Depreciation
Assets acquired under finance lease	over the period of lease term.
Clicking Dies / Embossing dies, Boards (Useful life: upto 1 year)	100% Depreciation in the year of addition.

Investments

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

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

Valuation of Inventories

Inventories are valued as follows :

Raw materials, components, stores and spares and Packing material	Lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis and includes cost incurred in bringing the material to its present location and condition.
Work-in-progress & Finished goods	Lower of cost and net realizable value. Cost includes direct material and Labour and a proportion of manufacturing overheads based on normal operating capacity. The company accrues for excise duty liability in respect of stock of finished goods lying at works.



NOTES TO THE FINANCIAL STATEMENTS

Revenue Recognition

Revenue from business and other activities consist primarily of revenue earned on a "time and material" basis. The related revenue is recognized as and when the material supplied/services performed. Sales are recognized inclusive of duty if any but net of sales tax. Export Incentives are accounted on accrual basis and include estimated realizable value / benefits from Duty Free Import Authorization Scheme (DFIA), Focus Product Scheme and Focus Market Scheme.

Sales & Export Incentives

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

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

Investment Income

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

Employee Benefits

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

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

Segment Reporting Policies

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

Foreign Currency Transaction

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

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

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

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

Taxes on Income

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

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

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

Insurance Claims

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

Other Claims:

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

Provisions, Contingent Liabilities and Contingent Assets

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

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



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015		As at 31.03.2014	
	Numbers	Amount (₹)	Numbers	Amount (₹)
2 a) SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each fully paid	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
	<u>1,20,00,000</u>	<u>12,00,00,000</u>	<u>1,20,00,000</u>	<u>12,00,00,000</u>
Issued and Subscribed				
Equity Shares of ₹ 10/- each fully paid	30,00,000	3,00,00,000	30,00,000	3,00,00,000
	<u>30,00,000</u>	<u>3,00,00,000</u>	<u>30,00,000</u>	<u>3,00,00,000</u>
Paid-up				
Equity Shares of ₹ 10/- each fully paid	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Add: Shares Forfeited		23,77,000		23,77,000
TOTAL	<u>25,20,000</u>	<u>2,75,77,000</u>	<u>25,20,000</u>	<u>2,75,77,000</u>

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

c) Reconciliation of the number of Shares outstanding:

	As at 31.03.2015		As at 31.03.2014	
	Numbers	Amount (₹)	Numbers	Amount (₹)
Equity Shares				
At the beginning of the year	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Issued during the year	–	–	–	–
At the end of the year	<u>25,20,000</u>	<u>2,52,00,000</u>	<u>25,20,000</u>	<u>2,52,00,000</u>

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

	As at 31.03.2015		As at 31.03.2014	
	Numbers	%	Numbers	%
1. Shri Krishan Saraf	3,83,453	15.22	3,81,458	15.14
2. Deo Kishan Saraf	3,64,832	14.48	3,64,832	14.48
3. Kusum Saraf	1,59,452	6.33	1,59,452	6.33
4. PBS Investment Pvt Ltd	1,49,900	5.95	1,49,900	5.95
5. Ritula Saraf	67,696	2.69	1,47,696	5.86

e) Rights, Preference and Restriction attached to Shares

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



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015	Amount in ₹ As at 31.03.2014
3 RESERVES & SURPLUS		
a) Capital Reserve		
At the beginning and at the end of the year	20,65,344	20,65,344
b) Securities Premium Account		
At the beginning and at the end of the year	1,22,88,500	1,22,88,500
c) General Reserve		
At the beginning of the year	19,10,00,000	17,10,00,000
Add: Transfer from Surplus in Statement of Profit and Loss	2,00,00,000	2,00,00,000
At the end of the year	21,10,00,000	19,10,00,000
d) Surplus/(Deficit) in Statement of Profit and Loss		
At the beginning of the year	1,36,04,540	1,33,78,915
Add: Profit during the year	3,00,63,923	2,46,48,036
Less: Appropriations		
Proposed dividend	37,80,000	37,80,000
Tax on proposed dividend	7,69,519	6,42,411
Transfer to general reserve	2,00,00,000	2,00,00,000
Adjustments relating to Fixed Assets (Refer note 10)	10,65,539	-
At the end of the year	1,80,53,405	1,36,04,540
TOTAL (a+b+c+d)	24,34,07,249	21,89,58,384
4 LONG TERM BORROWINGS		
A. SECURED		
Rupee Loan (Term Loan)		
- From Bank	2,08,54,516	-
Total	2,08,54,516	-
B. UNSECURED		
Rupee Loan		
- From Others	4,85,88,286	5,90,90,865
Total	4,85,88,286	5,90,90,865
TOTAL (A + B)	6,94,42,802	5,90,90,865
a) Secured Loans are covered by:		
From Bank		
Term loan, including current maturities, from bank is secured by way of first pari passu charge on machineries and other fixed assets to be procured by way of availing Term Loan and secured by way of hypothecation of plant & machineries and other fixed assets of the company.		



NOTES TO THE FINANCIAL STATEMENTS

- b) **Repayment Terms of outstanding long term borrowings (including current maturities) as on March 31, 2015:** -
The Scheduled maturity of the Long-term borrowings is summarised as under :

	Banks & Corporates		Banks & Financial Institutions	
	Vehicle & Inter Corporate Loan		Term Loan	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Borrowings Repayable				
In the first year (Note 8)	9,88,208	–	86,20,000	38,87,000
Current maturities of long-term debt	9,88,208	–	86,20,000	38,87,000
In the second year	7,34,942	–	86,20,000	–
In the third year	3,53,344	–	86,20,000	–
In the fourth year and onwards	–	–	36,14,516	–
Long Term Borrowings	10,88,286	–	2,08,54,516	–

	Amount in ₹	
	As at 31.03.2015	As at 31.03.2014
c) Period of Continuing Default		
There is no continuing default in repayment of Long Term Borrowings.		
d) Unsecured Loan from Others includes		
i) Related party (bearing interest)	60,00,000	1,01,00,000
ii) Intercorporates		
a) Bearing interest	4,15,00,000	2,30,00,000
b) Interest free	–	2,50,00,000
iii) Vehicle Loan From Bank	10,88,286	9,90,865
	4,85,88,286	5,90,90,865
e) Long Term Borrowings from Related Party includes payable to:		
Prince Vanijya Pvt. Ltd.	60,00,000	1,01,00,000
	60,00,000	1,01,00,000



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015	Amount in ₹ As at 31.03.2014
5 DEFERRED TAX LIABILITIES (NET)		
a) Deferred tax liability:		
on depreciation & amortisation	2,41,42,200	2,29,28,000
Total deferred tax liability (A)	<u>2,41,42,200</u>	<u>2,29,28,000</u>
b) Deferred tax asset:		
Provision for doubtful assets	13,98,100	21,000
Provision for doubtful loan & advances	12,65,300	12,65,300
Total deferred tax assets (B)	<u>26,63,400</u>	<u>12,86,300</u>
Net Deferred tax liability (A - B)	<u>2,14,78,800</u>	<u>2,16,41,700</u>
6 SHORT TERM BORROWINGS		
a) SECURED		
(i) Foreign currency loan from banks	23,21,27,944	22,22,47,276
(ii) Buyers' Credit	2,97,89,263	2,54,24,427
(iii) Rupee loan from banks		
Bill Discounting	4,09,97,316	6,97,78,878
Cash credit	15,54,64,390	3,00,00,000
	<u>45,83,78,913</u>	<u>34,74,50,581</u>
(Secured by way of Entire Fixed Assets, Raw material, Materials, Stock in Transit, etc. guarantees, engagements, securities, investment and right etc. both present & future and supply of bills)		
b) UNSECURED		
(i) Inter corporate loan	38,00,000	3,25,00,000
(ii) Vehicle loan	-	5,77,341
	<u>38,00,000</u>	<u>3,30,77,341</u>
TOTAL (a+b)	<u>46,21,78,913</u>	<u>38,05,27,922</u>
7 TRADE PAYABLES		
Trade payables (including acceptances)	12,67,25,269	19,13,41,348
TOTAL	<u>12,67,25,269</u>	<u>19,13,41,348</u>
Note: - A sum of ₹ 119,629/- (Previous year - ₹ 67,77,228/-) payable to Micro Small and Medium Enterprises as at 31st March, 2015. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2015. This information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.		
8 OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debt (Note 4(b))	96,08,208	38,87,000
(b) Interest accrued but not due on Borrowings	-	1,10,88,308
(c) Interest accrued and due on borrowings	12,00,000	3,82,194
(d) Unpaid dividends *	6,88,418	7,15,663
(e) Other payables	3,04,00,495	2,41,78,559
TOTAL	<u>4,18,97,121</u>	<u>4,02,51,724</u>



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015	Amount in ₹ As at 31.03.2014
Other payables comprise :		
Payables for fixed assets	22,64,542	16,56,635
Advance received from customers	62,13,466	39,67,830
Statutory Liabilities	15,74,061	14,14,285
Others	2,03,48,426	1,71,39,809
	3,04,00,495	2,41,78,559
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.		
9 SHORT TERM PROVISIONS		
Proposed Dividend	37,80,000	37,80,000
Tax on proposed dividend	7,69,519	6,42,411
Provision for Income Tax (Net of Advances)	-	17,50,378
TOTAL	45,49,519	61,72,789

10 FIXED ASSETS

Amount in ₹

TANGIBLE ASSETS											
Sl No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2014	Addition during the year	Withdrawals during the year	As at 31.03.2015	As at 01.04.2014	Withdrawals during the year	For the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Office Premises	52,71,635	-	-	52,71,635	3,60,526	-	83,181	4,43,707	48,27,928	49,11,109
2	Land	1,93,29,076	-	-	1,93,29,076	-	-	-	-	1,93,29,076	1,93,29,076
3	Freehold Building	5,06,92,663	66,79,728	-	5,73,72,391	1,02,11,904	(31,889)	20,57,313	1,23,01,106	4,50,71,285	4,04,80,759
4	Plant & Machinery	16,17,00,742	1,70,17,172	2,38,450	17,84,79,464	9,17,85,413	1,18,585	63,16,420	9,79,83,248	8,04,96,216	6,99,15,329
5	Windmill	5,96,45,616	-	-	5,96,45,616	2,48,49,183	-	22,54,364	2,71,03,547	3,25,42,069	3,47,96,433
6	Electric Installation	90,65,391	27,93,727	-	1,18,59,118	38,64,807	(1,86,149)	8,17,366	48,68,322	69,90,796	52,00,584
7	Fire Prevention Eq	22,84,799	4,59,609	-	27,44,408	1,83,692	-	2,46,666	4,30,358	23,14,050	21,01,107
8	Furniture & Fixtures	1,04,00,781	11,10,936	-	1,15,11,717	17,27,624	(1,71,150)	10,05,836	29,04,610	86,07,107	86,73,157
9	Air Conditioners	27,14,320	1,07,250	-	28,21,570	8,42,507	(4,44,346)	2,27,791	15,14,644	13,06,926	18,71,813
10	Office Equipment										
	- Computer	22,54,047	6,70,239	-	29,24,286	14,71,687	(1,65,079)	4,09,861	20,46,627	8,77,659	7,82,360
	- Other	16,66,692	6,94,082	-	23,60,774	7,51,949	(558)	1,34,747	8,87,254	14,73,520	9,14,743
11	Refrigerator	20,300	14,600	-	34,900	10,031	(867)	3,109	14,007	20,893	10,269
12	Vehicles	43,68,521	14,26,929	-	57,95,450	16,19,915	(65,503)	4,19,039	21,04,457	36,90,993	27,48,606
13	Clicking Dies	60,37,530	11,55,639	-	71,93,169	60,37,530	-	4,87,687	65,25,217	6,67,952	-
	Capital WIP	33,54,52,113	3,21,29,911	2,38,450	36,73,43,574	14,37,16,768	(9,46,956)	1,44,63,380	15,91,27,104	20,82,16,470	19,17,35,345
	Total	17,68,916	2,16,82,250	17,68,916	2,16,82,250	-	-	-	-	2,16,82,250	17,68,916
	Total	33,72,21,029	5,38,12,161	20,07,366	38,90,25,824	14,37,16,768	(9,46,956)	1,44,63,380	15,91,27,104	22,98,98,720	19,35,04,261
	Previous year	31,59,26,234	2,17,59,296	4,64,501	33,72,21,029	12,69,37,735	4,00,121	1,71,79,154	14,37,16,768	19,35,04,261	18,89,88,499
INTANGIBLE ASSETS											
1	Computer - Software	2,96,601	-	-	2,96,601	2,37,609	-	14,296	2,51,905	44,696	58,992
	Total	2,96,601	-	-	2,96,601	2,37,609	-	14,296	2,51,905	44,696	58,992
	Previous year	2,96,601	-	-	2,96,601	1,95,768	-	41,841	2,37,609	58,992	1,00,833

Note:

- Building Freehold include ₹4,42,20,857/- (previous Year ₹ 3,75,41,129/-), aggregate cost of Building on Leasehold Land situated at various locations.
- Office Premises include ₹ 52,71,635/- (previous Year ₹52,71,635/-), aggregate cost of Office Premises on lease. While the ownership of office premises ₹ 52,71,635/- is in the name of the company has not yet effected formal transfer.
- The company imported plant & machineries under concessional rate or zero customs duty under Export Promotion Capital Goods Scheme (EPCG Scheme). Under the scheme, the company is obliged to export goods equivalent to 8 times of duty saved on capital goods. The company is required to meet this export obligation over a period of 8 years from the date of issue of authorisations. Out of the above, the company has fulfilled export obligation of USD 4.05 lacs upto 31.03.2015.
- Pursuant to enactment of companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on depreciation, amortisation and depletion. Accordingly, the unamortised carrying value is being depreciated/amortised over the revised remaining useful lives of the respective assets. The written down value of fixed assets whose life have expired at 1st April, 2014 have been adjusted with the opening balance of Profit & Loss Account amounting to ₹ 10,65,539/-



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015	Amount in ₹ As at 31.03.2014
11 NON CURRENT INVESTMENTS		
(at cost unless stated otherwise)		
Long Term and Non Trade Investments		
<u>Investment in equity instruments</u>		
<u>In others</u>		
Unquoted		
Gujrat NRE Mineral Resources Limited	10,50,000	10,50,000
62,100 (P.Y.51,750) shares of ₹ 10 each, fully paid	<u>10,50,000</u>	<u>10,50,000</u>
Quoted		
Henkel Spic India Limited	–	15,341
NIL (P. Y. 250) shares of ₹ 10 each		
Ispat Industries Limited	–	796
NIL (P. Y. 100) shares of ₹ 10 each		
Hindustan Copper Limited	4,36,265	–
5000 (P. Y. Nil) shares of ₹ 5 each		
Prism Cement Limited	7,72,064	–
10000 (P. Y. Nil) shares of ₹ 10 each		
The Shipping Corporation of India Ltd	3,08,087	–
5000 (P. Y. Nil) shares of ₹ 10 each		
Firstsource Solutions Limited	8,19,004	–
20000 (P. Y. Nil) shares of ₹ 10 each		
Hindustan Construction Company Limited	1,69,315	–
5000 (P. Y. Nil) shares of ₹ 1 each		
	<u>25,04,735</u>	<u>16,137</u>
Aggregate amount of non-current investments	<u>35,54,735</u>	<u>10,66,137</u>
Aggregate market value of quoted investments.	<u>23,34,750</u>	<u>8,175</u>
12 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
(a) Security Deposits	78,44,882	1,05,95,094
(b) Deposits with body corporate and others		
- Considered good	–	–
- Considered doubtful	39,00,000	39,00,000
(c) Loan to Employees	6,04,000	8,91,856
(d) Advance Income Tax (Net Provision for Rs. 4,35,00,000)	1,19,728	–
(e) Other advances recoverable in cash or kind	16,29,880	16,29,880
	<u>1,40,98,490</u>	<u>1,70,16,830</u>
Less: Provision for doubtful advances	39,00,000	39,00,000
TOTAL	<u>1,01,98,490</u>	<u>1,31,16,830</u>
(i) Loans & Advances to Related Parties - Nil		
(ii) Loan to employees given as per company's policy.		
13 OTHER NON-CURRENT ASSETS		
(a) Prepaid Expenses	–	59,765
(b) Deposits with Banks (with maturity more than 12 months)	47,63,700	2,13,300
TOTAL	<u>47,63,700</u>	<u>2,73,065</u>



NOTES TO THE FINANCIAL STATEMENTS

14 INVENTORIES

(At lower of cost and net realisable value)

- (a) Raw Materials
- (b) Work-in-progress (refer note 23)
- (c) Finished goods (refer note 23)
- (d) Stores spares & packing materials

TOTAL

The above includes goods in transit as under:

- (i) Raw Materials
- (ii) Stores spares & packing materials

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

15 TRADE RECEIVABLES

- (a) Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good
Doubtful

Less: Provision for doubtful receivables

Total

- (b) Others

Unsecured, considered good

TOTAL (a+b)

Out of the total sundry debtors for more than 6 months, the management has decided to make a provision for doubtful debts for ₹ 42.44 lacs considering the amount of ₹ 29.98 lacs, from the total outstanding for more than six months, pending before court, proximity and estimation of realisation.

16 CASH AND BANK BALANCES

- (a) **Cash and Cash Equivalents**

Balances with banks

- In current accounts
- In EEFC accounts
- In deposit accounts (with less than 3 months maturity)
- Cash in hand
- Cheques in hand

Total

- (b) **Other Bank Balances**

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

Total

TOTAL (a+b)

Deposits with banks having maturity more than 12 months of ₹ 47,63,700/- (Previous Year : ₹ 2,13,300/-) is classified as Other Non-current Assets(Refer Note 13)

17 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

- (a) **Loans and advances to Related Parties**

- (b) **Others**

- (i) Loans and advances to other body corporate*
- (ii) Export Incentives & Receivables from govt. authorities
- (iii) Loans & Advances to Employees
- (iv) Other Loans and Advances #

TOTAL (a+b)

* Includes interest free advances to bodies corporates in the normal course of business.

Other Loans and Advances includes advances to sundry creditors.

	As at 31.03.2015	Amount in ₹ As at 31.03.2014
(a) Raw Materials	17,09,04,425	14,06,12,688
(b) Work-in-progress (refer note 23)	7,74,62,940	5,99,86,364
(c) Finished goods (refer note 23)	10,63,51,937	10,76,48,948
(d) Stores spares & packing materials	62,34,952	69,93,932
TOTAL	36,09,54,254	31,52,41,932
The above includes goods in transit as under:		
(i) Raw Materials	1,00,78,758	16,55,158
(ii) Stores spares & packing materials	-	1,80,178
	1,00,78,758	18,35,336
(a) <u>Outstanding for a period exceeding six months from the date they are due for payment</u>		
Unsecured, considered good	95,35,703	1,27,00,027
Doubtful	43,09,119	64,800
	1,38,44,822	1,27,64,827
Less: Provision for doubtful receivables	43,09,119	64,800
Total	95,35,703	1,27,00,027
(b) <u>Others</u>		
Unsecured, considered good	19,92,19,306	21,27,97,423
TOTAL (a+b)	20,87,55,009	22,54,97,450
(a) Cash and Cash Equivalents		
Balances with banks		
- In current accounts	22,52,709	95,25,551
- In EEFC accounts	1,40,973	3,90,743
- In deposit accounts (with less than 3 months maturity)	2,04,83,246	90,03,500
Cash in hand	16,73,275	15,44,020
Cheques in hand	1,32,591	8,01,229
Total	2,46,82,794	2,12,65,043
(b) Other Bank Balances		
- In deposit accounts (with maturity of more than 3 months but less than 12 months)	23,10,854	4,32,563
- In unpaid dividend accounts	6,91,385	7,09,174
Total	30,02,239	11,41,737
TOTAL (a+b)	2,76,85,033	2,24,06,780
(a) Loans and advances to Related Parties	-	-
(b) Others		
(i) Loans and advances to other body corporate*	36,67,461	36,67,461
(ii) Export Incentives & Receivables from govt. authorities	11,75,75,831	14,09,63,118
(iii) Loans & Advances to Employees	5,84,204	4,50,667
(iv) Other Loans and Advances #	2,27,67,429	2,41,94,845
TOTAL (a+b)	14,45,94,925	16,92,76,091



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2015	Amount in ₹ As at 31.03.2014
18 OTHER CURRENT ASSETS		
(a) Prepaid expenses	60,34,231	45,00,412
(b) Interest accrued on deposits	7,72,880	2,59,782
(c) Security deposits	–	3,60,000
TOTAL	68,07,111	51,20,194
	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
19 REVENUE FROM OPERATIONS		
Sale of products	1,39,62,68,453	1,24,94,21,299
Other operating revenue	10,23,88,416	10,36,81,884
Revenue from operations (gross)	1,49,86,56,869	1,35,31,03,183
Less: Excise duty attributable to product sold	1,14,71,359	1,00,94,462
Revenue from operations (net)	1,48,71,85,510	1,34,30,08,721
<u>Details of products sold</u>		
<u>(A) Finished goods sold</u>		
Hand Gloves	1,05,41,08,638	1,03,28,06,936
Readymade Garments	32,68,74,235	20,27,56,870
Windpower	78,67,532	87,12,298
Others	25,29,501	24,55,771
	1,39,13,79,906	1,24,67,31,875
<u>(B) Traded goods sold</u>		
Yarn, fabrics, chemicals and other traded goods	48,88,547	26,89,424
	48,88,547	26,89,424
<u>(A)+(B)</u>	1,39,62,68,453	1,24,94,21,299
<u>Other operating revenue</u>		
(i) Scrap sales	62,520	8,18,657
(ii) Export Incentives	10,23,25,896	10,28,63,227
	10,23,88,416	10,36,81,884
20 OTHER INCOME		
Interest income on		
Bank Deposits	9,90,171	2,65,694
Others	–	9,20,301
Net gain on foreign currency transaction and translation	3,63,18,333	14,61,938
Other Non-operating income *	9,76,845	9,78,183
TOTAL	3,82,85,349	36,26,116
* Other Non-operating income includes		
Discount Received	68,915	59,332
Brokerage Income	–	47,148
Other Misc. Income	6,51,227	4,72,881
Profit on sale of Fixed Assets	–	38,936
Job Charges Received	–	3,47,588
Sample Income	2,56,703	12,298
	9,76,845	9,78,183
21 COST OF RAW MATERIALS CONSUMED		
Opening Stock	14,06,12,688	13,24,97,442
Add: Purchase	1,12,56,80,132	1,01,05,42,065
Less: Closing Stock	17,09,04,424	14,06,12,688
Cost of raw materials consumed	1,09,53,88,396	1,00,24,26,819



NOTES TO THE FINANCIAL STATEMENTS

	For the Year Ended 31.03.2015	Amount in ₹ For the Year Ended 31.03.2014
Details of raw materials consumed		
Yarn	7,19,64,706	6,18,72,936
Fabrics	15,43,40,065	9,87,65,700
Leathers	70,81,21,927	65,71,87,944
Chemicals	3,01,79,623	3,94,26,421
Industrial Gloves (SF)	9,82,92,597	7,69,82,996
Others	3,24,89,478	6,81,90,822
	1,09,53,88,396	1,00,24,26,819
Value of Raw materials consumed during the year		
Imported	16,15,12,736	10,39,81,659
Indigenous	93,38,75,660	89,84,45,160
	1,09,53,88,396	1,00,24,26,819
22 PURCHASES OF STOCK-IN-TRADE		
Hand Gloves	-	1,10,664
TOTAL	-	1,10,664
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Opening Stock		
Work-in-progress	5,99,86,364	4,72,49,093
Finished goods	10,76,48,947	7,86,62,206
	16,76,35,311	12,59,11,299
Closing Stock		
Work-in-progress	7,74,62,940	5,99,86,364
Finished goods	10,63,51,937	10,76,48,947
	18,38,14,877	16,76,35,311
TOTAL	(1,61,79,566)	(4,17,24,012)
Details of inventories		
Work-in-progress		
Hand gloves	5,08,99,865	3,60,56,213
Garments	2,63,65,395	2,39,29,971
Others	1,97,680	180
	7,74,62,940	5,99,86,364
Finished goods		
Hand gloves	10,01,07,937	9,77,84,639
Garments	61,80,625	96,97,972
Others	63,375	1,66,336
	10,63,51,937	10,76,48,947
24 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, etc	2,47,64,701	1,99,58,206
Contribution to provident and other funds	22,43,110	18,60,149
Gratuity expenses	2,72,181	5,79,218
Staff welfare expense	6,77,547	5,28,325
TOTAL	2,79,57,539	2,29,25,898
Note: No provision was made in respect of Leave encashment in the account.		
As required by Accounting Standard "Employee Benefits" (AS-15), the disclosures are as under:		
	31.03.2015	31.03.2014
(i) Employer's Contribution to Provident Fund	17,59,693	14,86,715

Defined Benefit Plan :

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



NOTES TO THE FINANCIAL STATEMENTS

Under AS - 15 (Revised 2005) as on 31.03.15 in respect of CGCA scheme of Acknit Industries Ltd.

	Amount in ₹	
	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
1 Actuarial Assumptions		
Discount Rate (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	3.00%	3.00%
2 Changes in present value obligation		
Present value obligation as at beginning of the year	40,56,619	32,63,423
Interest cost	3,24,530	2,61,074
Current service cost	2,91,413	2,38,498
Benefits paid	—	(1,19,595)
Actuarial (gain)/ loss on obligation	68,426	4,13,219
Present value obligation as at end of the year	47,40,988	40,56,619
3 Changes in fair value of plan assets		
Plan assets as at beginning of the year	45,62,009	38,07,322
Expected return on plan assets	4,12,188	3,33,573
Contributions	5,01,502	5,40,709
Benefits Paid	—	(1,19,595)
Actuarial gain /(loss)	—	—
Plan assets as at end of the year	54,75,699	45,62,009
4 Fair value of plan assets		
Plan assets as at beginning of the year	45,62,009	38,07,322
Actual return on plan assets	4,12,188	3,33,573
Contributions	5,01,502	5,40,709
Benefit paid	—	(1,19,595)
Fair value plan assets as at end of the year	54,75,699	45,62,009
Funded status	7,34,711	5,05,390
Excess of actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	—	—
5 Actuarial (Gain) / Loss recognized		
Actuarial (gain) / loss for the year - obligation	68,426	4,13,219
Actuarial (gain) / loss for the year - plan assets	—	—
Total (gain) / loss for the year	68,426	4,13,219
Actuarial (gain) /loss recognized in the year	68,426	4,13,219
6 Amounts to be recognized in the Balance Sheet		
Present value obligation as at end of the year	47,40,988	40,56,619
Fair value plan assets as at end of year	54,75,699	45,62,009
Funded status	7,34,711	5,05,390
Net assets / (liability) recognized in Balance Sheet	7,34,711	5,05,390
7 Expenses Recognized in the Statement of Profit & Loss		
Current service cost	2,91,413	2,38,498
Interest cost	3,24,530	2,61,074
Expected return on plan assets	(4,12,188)	(3,33,573)
Net actuarial (gain)/ loss recognized in the year	68,426	4,13,219
Expenses recognized in the statement of profit & Loss	2,72,181	5,79,218
Expenses related to previous year	—	—

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



NOTES TO THE FINANCIAL STATEMENTS

	For the Year Ended 31.03.2015	Amount in ₹ For the Year Ended 31.03.2014
25 FINANCE COST		
Bank charges	31,33,783	10,37,244
Interest Expense	2,88,22,344	1,94,42,132
Others	1,63,041	68,943
TOTAL	3,21,19,168	2,05,48,319
26 OTHER EXPENSES		
Consumption of stores, spares & packing materials @	3,45,58,558	2,91,39,615
Power & fuels	2,73,89,231	2,18,21,478
Rent, rates & taxes etc.	54,24,986	38,88,804
Packing & finishing charges	70,17,698	55,72,006
Printing & stationary	9,13,525	8,29,228
Processing charges	18,42,19,210	16,02,68,090
Bank Charges	58,60,328	43,22,104
Travelling & conveyance expenses	91,78,220	82,42,370
Auditor's remuneration *	3,28,094	3,16,576
Insurance charges	29,66,692	48,32,791
Postage & telephone expenses	23,81,518	18,43,036
Motor car expenses	14,14,481	10,66,265
Repairs & maintenance		
Plant & machinery	21,59,657	19,97,506
Building	7,37,844	53,006
Others	54,08,773	56,58,288
Commission on sales	84,209	-
Sales promotion expenses	24,96,987	20,29,718
Coolie, cartage, freight & forwarding charges	2,40,28,417	1,96,86,353
Quality Claim on Sale / Exports	1,42,121	40,42,951
Loss on sale of Fixed Assets	61,893	-
Provision for Doubtful Debts	42,44,319	-
Misc. expenses	75,37,740	1,02,84,918
Prior Period items #	(8,47,878)	11,77,698
TOTAL	32,77,06,623	28,70,72,801
Note: - Cyclic expenditure such as Professional Tax, Rates, Taxes, Bonus, Insurance, Telephone expenses are treated on cash basis.		
@Value of Stores, spares & packing materials consumed during the year		
Imported	47,42,721	51,18,093
Indigenous	2,98,15,837	2,40,21,522
	3,45,58,558	2,91,39,615
* Auditors' remuneration and expenses		
Audit Fees	2,24,720	2,24,720
Tax Audit Fees	56,180	56,180
Vat Audit Fees	11,236	7,584
Other Matters	35,958	28,092
	3,28,094	3,16,576
# Details of Prior period items (Net)		
(a) Prior period item (Debit Adjustments)		
Export Incentives	-	14,280
VAT Expenses	38,341	-
Service Tax Under VCES	-	11,47,121
Service Tax Under Reverse Charge Basis	-	43,759
Sample Charges	-	33,503
Gram Panchayat Tax	56,180	-
Repairs & Maintenance	-	1,560
Cost Compliance / Audit fees	-	19,000
Coolie, Cartage, Freight & Forwarding Charges	25,598	4,680
Others	39,579	706
	1,59,698	12,64,609



NOTES TO THE FINANCIAL STATEMENTS

		Amount in ₹
	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
(b) Prior period item (Credit Adjustments)		
Sample Income	–	86,202
Rent Rates & Taxes	2,000	–
Exchange Gain / (Loss)	1,16,197	–
Export Incentives - Focus Product	4,13,338	–
Processing Charges	1,53,163	–
Others	3,22,878	709
	<u>10,07,576</u>	<u>86,911</u>
TOTAL (a-b)	(8,47,878)	11,77,698
27 CURRENT TAX		
Income tax for the year:		
Current Tax	1,41,00,000	1,35,00,000
	<u>1,41,00,000</u>	<u>1,35,00,000</u>
Adjustments / (credits) related to previous years - Net		
Current Tax	–	4,21,017
	–	<u>4,21,017</u>
TOTAL	1,41,00,000	1,39,21,017
28 EARNINGS PER SHARE		
Profit After Taxation (₹)	3,00,63,923	2,46,48,036
Weighted average number of shares (Nos.)	25,20,000	25,20,000
Basic and Diluted Earnings Per Share (₹)	11.93	9.78
29 CONTINGENT LIABILITIES		
(a) Claims against the company not acknowledged as debts		
(i) Sales Taxes claims disputed by the company relating to issues of applicability classification and disallowance.	76,29,958	76,29,958
(ii) Tax liability demanded by the Kolkata Municipal Tax Authorities*.	25,62,342	25,62,342
(b) Guarantees		
Letter of Credit	2,92,75,524	1,91,23,102
(c) Other money for which company is contingently liable		
Bills discounted by the Bank	4,09,97,316	6,97,78,878

* Tax liability demanded by the Kolkata Municipal Tax Authorities for the periods prior to acquisition of a property of ₹12,65,475/- (Previous Year. ₹ 12,65,475/-), for the periods after acquisition of the property of ₹ 2,45,025/- (Previous Year. ₹ 2,45,025/-) and penalty and interest for above amounting to ₹ 10,51,842/- (Previous Year. ₹ 10,51,842/-) is pending disposal before Hon'ble High Court at Kolkata against which the company has deposited on account a sum of ₹ 17,00,000/- (Previous Year. ₹ 17,00,000/-).



NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENT REPORTING

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

PRIMARY SEGMENT INFORMATION

	2015			Amount in ₹ 2014		
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
A. SEGMENT REVENUE						
Cotton & Synthetic Gloves	19,63,01,648	-	19,63,01,648	15,13,99,576	-	15,13,99,576
Leather Gloves	94,78,92,710	34,77,417	95,13,70,127	97,46,48,824	49,09,573	97,95,58,397
Readymade Garments	28,52,51,919	-	28,52,51,919	18,00,61,094	-	18,00,61,094
Others & Traded Items	4,98,71,701	-	4,98,71,701	2,81,86,929	-	2,81,86,929
Power Generation	78,67,532	-	78,67,532	87,12,298	-	87,12,298
Segment Total	1,48,71,85,510	34,77,417	1,49,06,62,927	1,34,30,08,721	49,08,573	1,34,79,18,294
Elimination			34,77,417			49,09,573
Total Revenue			1,48,71,85,510			1,34,30,08,721
B. SEGMENT RESULTS						
Cotton & Synthetic Gloves			87,70,873			50,67,335
Leather Gloves			4,05,61,746			4,73,84,755
Readymade Garments			2,94,21,018			1,52,60,388
Others & Traded Items			55,68,865			65,23,936
Power Generation			39,83,714			40,03,790
Segment Total			8,83,06,216			7,82,40,204
Unallocated corporate expenses.			(1,41,53,042)			(2,18,02,710)
Unallocated corporate income			9,76,846			9,78,183
Profit before finance cost and tax			7,51,30,020			5,74,15,677
Finance cost			(3,21,19,168)			(2,05,48,319)
Interest on loan, deposits, etc.			9,90,171			11,85,995
Provision for Taxation (Net)			(1,39,37,100)			(1,34,05,317)
C. PROFIT AFTER TAXATION			3,00,63,923			2,46,48,036
D. OTHER INFORMATION						
		Segment Assets	Segment Liabilities		Segment Assets	Segment Liabilities
Cotton & Synthetic Gloves		25,30,26,517	15,35,74,597		23,51,25,585	15,52,78,293
Leather Gloves		42,47,47,454	38,39,27,943		46,26,04,966	37,55,74,312
Readymade Garments		18,75,18,975	14,33,99,113		13,97,18,504	12,14,27,950
Others & Traded Items		1,73,63,889	1,41,85,626		1,10,63,663	1,08,53,879
Power Generation		3,57,37,930	4,20,432		3,79,88,588	39,16,900
Segment Total		91,83,94,765	69,55,07,711		88,65,01,306	66,70,51,334
Unallocated Corporate Assets & Liabilities		8,15,25,307	3,34,28,112		9,19,61,148	6,48,75,736
Total		99,99,20,072	72,89,35,823		97,84,62,454	73,19,27,070
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation
Cotton & Synthetic Gloves	2,46,85,074	63,35,815	-	21,49,070	92,05,824	-
Leather Gloves	1,43,79,533	35,23,108	-	88,99,251	33,33,923	-
Readymade Garments	1,38,11,515	12,92,256	-	42,24,747	9,19,268	-
Others & Traded Items	-	-	-	-	-	-
Power Generation	-	22,54,364	-	-	31,49,289	-
Unallocated Expenditure	9,36,038	10,72,133	-	64,86,228	6,12,691	-
Segment Total	5,38,12,160	1,44,77,676	-	2,17,59,296	1,72,20,995	-



NOTES TO THE FINANCIAL STATEMENTS

SECONDARY SEGMENT INFORMATION	Amount in ₹	
	2015	2014
Segment Revenue		
Within Special Economic Zone	18,98,42,730	14,71,03,230
Outside Special Economic Zone	1,29,73,42,780	1,19,59,05,491
Segment Assets		
Within Special Economic Zone	25,30,26,517	23,51,25,586
Outside Special Economic Zone	74,68,93,555	74,33,36,868
Capital Expenditure		
Within Special Economic Zone	2,46,85,074	21,49,070
Outside Special Economic Zone	2,91,27,086	1,96,10,226

31 RELATED PARTY DISCLOSURES

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

- 1. ENTERPRISES WHERE THERE IS A SIGNIFICANT INFLUENCE** :
- (a) Acme Safetywears Limited
 - (b) Saraf Capital Markets Limited
 - (c) Prince Vanijya Pvt Ltd
 - (d) Century Safety Wears Pvt. Ltd
 - (e) Rosinate India Company
- 2. KEY MANAGEMENT PERSONNEL** :
- (a) Mr. Shri Krishan Saraf
 - (b) Mr. Deo Kishan Saraf
 - (c) Mr. Swapan Kumar Chakraborty
 - (d) Mr. Bishnu Kumar Kesan
 - (e) Mr. Abhishek Saraf
 - (f) Ms. Deepa Singh

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2015

	Parties referred to in (1) above		Parties referred to in (2) above		Total	
	2015	2014	2015	2014	2015	2014
Purchase of goods	1,95,19,304	3,21,91,387	-	-	1,95,19,304	3,21,91,387
Sale of goods	24,16,388	-	-	-	24,16,388	-
Purchase of Investment	25,04,735	-	-	-	25,04,735	-
Sale of investments	-	-	-	-	-	-
Rent paid	8,40,000	4,20,000	-	-	8,40,000	4,20,000
Interest income	-	9,05,178	-	-	-	9,05,178
Interest expenses	13,60,274	16,01,332	-	-	13,60,274	16,01,332
Proessing charges paid	20,19,752	10,78,581	-	-	20,19,752	10,78,581
Remuneration						
- Directors	-	-	32,52,480	32,52,480	32,52,480	32,52,480
- Others	-	-	9,11,858	14,39,048	9,11,858	14,39,048
Loan given	-	1,70,00,000	-	-	-	1,70,00,000
Receipt towards refund of loan	-	3,70,31,403	-	-	-	3,70,31,403
Security Deposit Given	-	50,00,000	-	-	-	50,00,000
Loan taken	-	-	-	-	-	-
Repayment of loan	41,00,000	10,00,000	-	-	41,00,000	10,00,000
Balance as on 31st March						
Creditors / Payable	2,41,156	32,38,315	-	-	2,41,156	32,38,315
Security Deposit	50,00,000	-	-	-	50,00,000	-
Loan given	-	50,00,000	-	-	-	50,00,000
Loan taken	60,00,000	1,01,00,000	-	-	60,00,000	1,01,00,000



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
32 EXPENDITURE IN FOREIGN CURRENCY		
(Amount remitted in foreign currency by way of letter of credit arrangements / others)		
(i) For purchase of Capital goods on CIF basis	2,76,61,558	49,10,701
(ii) For purchase of Raw Materials, stores, spares & Finished Goods	10,29,94,469	9,27,03,264
(iii) For Travelling Expenses	47,05,216	52,67,941
(iv) For Commission	84,209	-
(v) On other accounts	88,89,511	1,30,57,235
	<u>14,43,34,963</u>	<u>11,59,39,141</u>
33 EARNINGS IN FOREIGN CURRENCY (ON FOB BASIS)		
(i) Export of goods	1,02,39,34,479	99,35,37,482
(ii) Other income	3,33,693	7,85,342
	<u>1,02,42,68,172</u>	<u>99,43,22,824</u>

34 DERIVATIVE INSTRUMENTS:

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

Forward exchange contracts outstanding as at year end:-

Currency	Cross Currency	As at 31.03.2015		As at 31.03.2014	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupees (₹)	-	8,40,157	-	13,88,646
Euro	Indian Rupees (₹)	-	16,65,224	-	10,73,125

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

36 Figures have been rounded off to the nearest rupee.

As per our report of even date

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

Chartered Accountants

(Firm Reg. No.314140E)

R.K. BAJAJ

Proprietor

Membership No.051715

40/5, Strand Road, Kolkata - 700 001

Date: The 30th day May 2015

For and on behalf of the Board

Shri Krishan Saraf

Managing Director

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

Samir Kumar Ghosh

Director

Deepa Singh

Company Secretary

ACKNIT INDUSTRIES LTD.

CIN- L01113WB1990PLC050020

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

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

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

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 16th September, 2015 (10:00 am) and ends on 20th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Acknit Industries e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Acknit Industries Ltd".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rajaghosh2002@gmail.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] ::
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
--	----------------	---------------------
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 14th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Rajarshi Ghosh, Company Secretary in Practice (Membership No. ACS 17717) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. www.acknitindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and Calcutta Stock Exchange, Kolkata.

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ATTENDANCE SLIP

Shareholder's Folio Number/ DP Id No. & Client Id No.	Name of the Shareholder (in block letters)	Number of Shares held
E-mail:		

I hereby record my presence at the 25th Annual General Meeting of the Company to be held on Monday, 21st September, 2015 at 11:00 A.M. at "Gyan Manch" at 11, Pretoria Street, Kolkata-700071.

Name of the Proxy.....

(IN BLOCK LETTERS)

(To be filled if the Proxy attends instead of Shareholder)

Signature of the Shareholder/Proxy

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Note: Please bring the copy of the Annual Report 2014-15 to the Meeting Hall

PROXY FORM

Form No MGT-11

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

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Name of the member (s) : _____
Registered address : _____
E-mail Id : _____
Folio No./Client Id : _____
DP ID : _____

I / We, being the member (s) of shares of the above named company, hereby appoint

1. Name : Address.....

.....
E-mail ID.....Signature.....or failing him

2. Name : Address.....

.....
E-mail ID.....Signature.....or failing him

3. Name : Address.....

.....
E-mail ID.....Signature.....or failing him

Contd...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Monday, 21st September, 2015 at 11:00 A.M at "Gyan Manch" at 11, Pretoria Street, Kolkata- 700 071 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions No.	RESOLUTIONS
Ordinary Business	
1.	Ordinary Resolution for adoption of Audited Financial Statement for the year ended 31st March, 2015, etc.
2.	Ordinary Resolution for declaration of dividend at ₹ 1.50 per equity share of ₹ 10 each for the year ended 31st March, 2015.
3.	Ordinary Resolution for re-appointment of Mr. D. K. Saraf, who retires by rotation.
4.	Ordinary Resolution to ratify the appointment of M/s R. K. Bajaj & Co., Chartered Accountants, as Auditors and fixing their remuneration.
Special Business	
5.	Ordinary Resolution for appointment of Mrs. Trishna Patodia Pereira as an Independent Director of the Company.
6.	Special Resolution for re-appointment of Mr. S.K. Saraf as Managing Director of the Company.
7.	Special Resolution for revision in terms of remuneration of Mr.D.K. Saraf, Whole-time Director and Chief Financial Officer of the Company.
8.	Special Resolution for Shareholders' Consent for further issue of shares of the Company.

Signed this.....day of.....2015

Signature of the member.....

Signature of Proxy holder(s).....



Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to the notice of the 25th Annual General Meeting.

If undelivered please return to :

ACKNIT INDUSTRIES LIMITED

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