



ACKNIT INDUSTRIES LIMITED

**Annual Report And Accounts
2015-16**

ACKNIT INDUSTRIES LIMITED

CIN : L01113WB1990PLC050020

Annual Report 2015-16

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf
Managing Director

Mr. Deo Kishan Saraf
Whole-time Director & CFO

Mr. Samir Kumar Ghosh
Independent Director

Mrs. Trishna Patodia Pereira
Independent Director

Mrs. Kusum Saraf
Non-Executive-Non-Independent Director
(till 21.09.2015)

Mr. Mukul Banerjee
Independent Director
(w.e.f. 30.05.16)

COMPANY SECRETARY

Ms. Shruti Poddar
(February, 2016 onwards)

Ms. Deepa Singh
(till 31.05.2015)

Mr. Mithun Paul
(June-Aug 2015)

AUDITORS

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

BANKERS

State Bank of India
Bank of Baroda
HDFC Bank Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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



CONTENTS

Notice	3
Board's Report	7
Report on Corporate Governance	19
Management Discussion & Analysis Report	23
Independent Auditor's Report	28
Balance Sheet	32
Statement of Profit & Loss	33
Cash Flow Statement	34
Notes to the Financial Statements	35
Proxy Form	

**NOTICE OF THE 26TH ANNUAL GENERAL MEETING**

Notice is hereby given that the 26th Annual General Meeting of the Members of ACKNIT INDUSTRIES LIMITED will be held on Monday, the 26th day of September, 2016, at 11.00 AM at "Gyan Manch", 11, Pretoria Street, Kolkata-700071, to transact the following business:-

ORDINARY BUSINESS :**Item No. 1****Adoption of Audited Financial Statements.**

To receive, consider and adopt the Audited Financial Statements for the year ended on 31st March 2016 together with the Reports of the Directors and the Auditors thereon.

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

To declare dividend for the financial year ended on 31st March, 2016.

Item No. 3**Appointment of Auditors.**

To ratify the appointment of auditors of the Company, and to fix their remuneration and in this connection 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 there under, and pursuant to the recommendation 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 that 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 authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be recommended by the audit committee in consultation with the auditors."

SPECIAL BUSINESS :**Item No. 4****Appointment of Mr. Mukul Banerjee 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, & 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 applicable provisions of SEBI (LODR) Regulations 2015, Mr. Mukul Banerjee (DIN: 07527632) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 30th May, 2016 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 the Company having received a notice in writing along with requisite security deposit from a Member pursuant to Section 160 of the Act, proposing his candidature for the office of an Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, to hold office for a term of 5 (Five) consecutive years upto the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2021, and he will not be subject to retirement by rotation."

"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. 5**Appointment of Mrs. Rashi Saraf as a Non Executive 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 and 152, and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Rashi Saraf, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as a Non Executive Director of the Company, whose period in office shall be subject to retirement by rotation.

Item No. 6**Re-appointment of Whole Time Director Pursuant to section 196 of the Companies Act, 2013**

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 196, 197, 203 and all other applicable provisions under the Companies Act, 2013 and 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 pursuant to recommendation of the Nomination & Remuneration Committee of the Board of Directors and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to re-appointment of Mr. Deo Kishan Saraf (DIN 00128804) as the Whole Time Executive Director and CFO of the Company for a period of 3 (three) years w. e. f. April 1, 2016 upon the terms and condition including Remuneration as set out in the draft Agreement placed before the Meeting of the Board of Directors held on 30th May, 2016 and details whereof are given in the Explanatory Statement annexed to the notice convening this Meeting and THAT the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and condition including remuneration of the said Mr. Deo Kishan Saraf in such manner as may be agreed by the Board and Mr. Deo Kishan Saraf.

"RESOLVED FURTHER THAT the remuneration payable to Mr. Deo Kishan Saraf, shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby 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."

By Order of the Board
For Acknit Industries Limited

Place: Kolkata

Shruti Poddar

Date: 30th May, 2016

Company Secretary & Compliance Officer

**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 Friday, 23rd September, 2016 to Monday, 26th September, 2016 (both days inclusive) for payment of dividend on equity shares for the financial year ended on 31st March, 2016.
4. The dividend for the financial year ended on 31st March 2016, 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 22nd September, 2016.
5. Members desiring any information on the Accounts for the financial year ended on 31st March, 2016 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 share in physical form are requested to provide their latest bank details to the Company's Registrar and Share Transfer Agent, M/s. S. K. Info Solutions (P) Ltd.
7. Information under the applicable provisions of SEBI (LODR) Regulation, 2015 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 Accounts Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

9. Those members who have so far not en-cashed their dividend warrants 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 125 of the Companies Act, 2013 (or section 205C of the Companies Act, 1956) on the respective dates mentioned there against. Kindly note that after such transfer, the members will not be entitled to claim such dividend.

Financial Year Ended	Last date of claiming unpaid dividend
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
31.03.2015	28.10.2022

10. 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 dispatched 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.
11. Electronic copy of the Annual Report for F.Y. 2015-16 along with the notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
12. 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.
13. 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.
14. 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, with prior appointment.



15. The members who will 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.

The remote e-voting period commences on 23rd September, 2016 (9:00 a.m.) and ends on 25th September, 2016 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2016 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.

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

Place: Kolkata
Date: 30th May, 2016

Shruti Poddar
Company Secretary & Compliance Officer

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

(Pursuant to the SEBI (LODR) Regulations, 2015)

- a. Mr. Mukul Banerjee, is a MA, LLB from the University of Calcutta and is presently engaged in the profession of Advocate. He was previously employed in a Nationalized Bank as a Senior Executive holding the position of AGM. He has a vast exposure in the matter of Finance over a period of 3 decades and he is not holding any Directorship in any other Company, nor he is holding any share in the capital of Acknit Industries Limited.
- b. Mrs. Rashi Saraf wife of Mr. Abhishek Saraf aged about 37 years a commerce graduate and being a descendent from a business family and growing up in such environment has acquired an extensive knowledge and experience in corporate dealings and transactions. Her active participation as a non-executive Director will immensely help in the Company's operations. She is not having any Directorship in any other Company, nor she is holding any share in the capital of Acknit Industries Limited.
- c. Mr. Deo Kishan Saraf, seeks re-appointment as whole time Director pursuant to the provision of the Companies Act, 2013.

Brief resume and nature of expertise

Mr. Deo Kishan Saraf, aged about 50 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. He is also the CFO of the Company. He is on the Board of your Company from the inception of the Company.

Apart from Acknit Industries Ltd. Mr. Deo Kishan 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 members of Audit Committee and Stakeholders Relationship Committee of Acknit Industries Ltd.

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

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Item No. 4

Appointment of Mr. Mukul Banerjee as an Independent Director.

Mr. Mukul Banerjee was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and his term expires at the conclusion of the ensuing Annual General Meeting.

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 Rs. 1,00,000/- proposing Mr. Mukul Banerjee to be appointed as an Independent Director under the provisions of Section 149 of the Companies Act, 2013. Meanwhile, the Company has received from Mr. Mukul Banerjee (i) his 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 he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he 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, Mr. Mukul Banerjee fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under for his appointment as an Independent Directors of the Company.

Your Director feel that presence of Mr. Mukul Banerjee 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 Mr. Mukul Banerjee as an Independent Director, as set out at item No: 4 of the notice be adopted in the interest of the Company.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Mukul Banerjee, to whom the resolution relates, is interested or concerned, in this resolution.

Copy of the draft letter for appointment of Mr. Mukul Banerjee as an Independent Directors 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 with prior appointment.



Item No. 5

Appointment of Mrs. Rashi Saraf as a Non Executive Director

Mrs. Rashi Saraf is a young Commerce Graduate and having necessary commercial background will be of immense benefit to the Company as a Non-Executive women Director of the Company and the Company has received a notice u/s 160 of the Companies Act 2013 proposing her appointment from a member with a requisite security deposit. While Mrs. Rashi Saraf has already submitted to the Company her consent in DIR-2 and other declarations in DIR-8 as are required under the provision of the Companies Act, 2013, your Directors recommended the resolutions as set out in Item No. 5 of the notice be adopted in the interest of the Company. The Managing Director of the Company Mr. Shri Krishan Saraf being the father in law of Mrs. Rashi Saraf is considered to be interested in this resolution. Save and except the same none of the Directors are concerned to be interested or concerned in this resolution.

Item No. 6

Re-appointment of Whole Time Director pursuant to the section 196 of the Companies Act, 2013

Mr. Deo Kishan Saraf has been associated with the Company since incorporation and having vast experience of the business of the Company. His continued association with the Company as a whole time Director would be beneficial to the Company and his active participation is required for further growth and development of the business of the Company.

Since the condition laid down in Section II of Part II of Schedule V appended to the Companies Act, 2013 have been fulfilled, approval of the shareholders of the Company is required for his re-appointment. An agreement with Mr. Deo Kishan Saraf will be entered to record the term and conditions of appointment after getting the approval of shareholders. A copy of the draft agreement is available for inspection at Registered office of the Company during the business hours with prior appointment upto the date of AGM.

The terms and condition of re-appointment are enumerated below:-

1. Period of Appointment

The appointment will be for a period of 3(three) years with effect from 1st April, 2016.

2. Remuneration

In terms of Schedule V to the Companies Act, 2013 read with Sec 196, & 197 of the Act and subject to approval of the Company in General Meeting by a Special Resolution the whole time Director shall be paid the following remuneration:

- I) Salary : ₹ 2,00,000/- (Rupees two lacs only) per month.
- II) In addition to the Salary as above the Whole Time Director shall be entitled to the following benefits which shall not be included in the computation of his Remuneration package in terms of Section IV of Part II of the Schedule V to the Act.
 - a) Contribution to provident fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 payable as per Rules of Company.
 - b) Gratuity payable at the rate of half month salary drawn last per year of service put in; and
 - c) Earned leave on full pay as per the Rules of the Company and Encashment of accumulated un-utilized leave at the end of the term.

Not-with-standing anything contained herein in the event of any loss, absence, or in adequacy of Profit in any financial year, during the term of office of the Whole Time Director, the remuneration by way of salary and other payment as specified herein above shall be considered as the minimum remuneration as prescribed under Section II of Part II of Schedule V to the Act.

None of the other Directors and KMP except Mr. Shri Krishan Saraf, the Managing Director, are concerned or otherwise interested in this resolution as they are related to each other.

The draft Agreement to be entered will remain open for inspection by members at the registered office of the Company during 12 noon to 1.00 pm on all working days until the date of the ensuing AGM with prior appointment.

**BOARDS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 26th Annual Report of the Company, along with Audited Accounts for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

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

	(₹ in Lacs)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Gross Revenue	16077	14872
Other Income	20	383
Total Revenue	16097	15255
Less: Total Expenditure	15021	14349
Gross Profit (before Depreciation & Finance Cost)	1076	906
Less: Depreciation	185	145
: Finance Cost	401	321
Profit Before Extraordinary Item	490	440
Less: Extraordinary item	-	-
Profit Before Tax (PBT)	490	440
Less: Provision for Income Tax	140	141
: Deferred Tax	47	(2)
Profit After Tax (PAT)	303	301
Balance B/F	181	136
Balance available for appropriation	484	437
Less: Dividend & Dividend Tax	46	46
Less: Transfer to General Reserve	240	200
Less: Adjustment relating to fixed Assets	0	10
Balance transfer to Balance Sheet	198	181

SUMMARY OF OPERATIONS

During the year under review, the gross revenue from operation had a substantial increase over that of the last year (from ₹ 148.72 Crores to ₹ 160.77 Crores). Gross profit for the F.Y 2015-16 ₹ 10.76 Crores as against ₹ 9.06 Crores in the F.Y.2014-15. For the Financial year 2015-16, PAT stood at ₹ 3.03 Crores vis-à-vis ₹ 3.01 Crores in the previous year.

Segment-wise performance:-

Industrial Safety Handgloves:

The Company's main segment of operation is production of Industrial safety hand gloves for the export market. This segment accounted for 78% of the Company's total turnover. There was significant increase in the generation of revenue in comparison the previous year. Though the demand for industrial safety hand gloves in the international market remained restricted due to persistent depressionary climate engulfing the global economy for the last couple of years, your company had met its target by exploring new avenues.

As against the same, the safety regulations for industrial operations across the world are being enforced more and more rigidly resulting in increase of demands for the company's products in the international market. It is more so, when there is a positive indication for global economy endeavour into return back to its normal tracks.

Windmills:

During the F.Y 2015-16 the performance of windmills at Dhule in Maharashtra remained satisfactory and it generated 18 lacs kwh units of wind energy during the year as against 17 lacs kwh units in previous year. The revenue generated by the windmills for the F.Y 2015-16 was ₹ 86 Lacs as compared to ₹ 79 Lacs in

the previous year. It may also be noted that the Loan Liability for installation of the windmills having been liquidated in full during the F.Y2015-16 henceforth the entire revenue generated by the windmills will be added to the profit without affecting of any finance cost on capital investment.

Garment Sector:

Unlike the primary segment of Company's operation in the manufacture of Industrial Safety Hand Gloves which concentrates on export markets only, this segment is engaged exclusively for production of baby garments to cater the domestic market. This unit had recorded a significant progress in the revenue. The company have further undertaken a programme of widening its area of operation to enter into rapidly growing Fashion Industry of the upcoming Indian Market, the Company foresees a potential for multiplying its revenue generation in the near future.

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

During the financial year ended 31st March, 2016, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

DIVIDEND

Your Directors are pleased to recommend Dividend of ₹ 1.50 per equity share of ₹ 10 each for the Financial Year 2015-16. i.e. 15% on the paid up equity share capital of the company. The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 46 lacs (including Corporate Dividend Tax of ₹ 8 lacs) out of the net profits of the Company. The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Record Date i.e. from the close of business hours of 22nd September 2016. The Register of Members and Share Transfer books shall remain closed from 23rd September 2016 to 26th September 2016 (both days inclusive).

RESERVES

Your Company proposes to transfer a sum of ₹ 240 lacs to the General Reserve and carry forward a balance ₹ 198 lacs in the Profit and Loss Account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of the Companies Act, 2013, your Company has transferred ₹ 1,19,850/- during the year 2015-16 to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of Dividend for the financial year 2007-08.

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

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

CHANGE IN NATURE OF BUSINESS, IF ANY

During the F.Y 2015-16, there has been no change in the nature of business of the Company.

**CAPITAL / FINANCE**

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

As on 31st March, 2016, the paid up share capital of your Company stood at ₹ 2,52,00,000, comprising 25,20,000 Equity shares of ₹ 10 each fully paid.

The company proposes to raise further capital to the tune of ₹ 12.50 crores (Rupees Twelve Crore Fifty lacs) by issue and allotment of further equity shares on Right basis during the current year with a view to augment its Working Capital needs and repayment of outstanding unsecured loans as well as financing the company's expansion projects .

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

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

Mr. Deo Kishan Saraf (DIN: 00128804) the Whole Time Director and CFO is proposed to be appointed for a term of 3(three) years pursuant to section 196 of the Companies Act 2013 in terms of draft agreement approved by Board subject to approval of the members in the following Annual General Meeting.

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

Mr. Mukul Banerjee (DIN- 07527632) has been appointed as Non- Executive Independent Director of the Company with effect from 30th May 2016 for a term of five years subject to approval of the Shareholders at the ensuing Annual General Meeting, by the Board of Directors of the Company at its meeting held on 30th May 2016.

The Company has received a notice under section 160(1) of the Companies Act 2013 along with a security deposit proposing candidature of Mrs. Rashi Saraf (DIN- 07152647) for appointment as a Non-Executive Non-Independent Rotational Director.

Mrs. Kusum Saraf (DIN-01503955) who was appointed as Non-Executive Non-Independent Additional Director ceased to be the Director of the Company with effect from 21st September 2015.

Miss Shruti Poddar was appointed as the Company Secretary and Compliance Officer of the Company with effect from 01.02.2016. Before that Mr. Mithun Paul had been appointed as the Company Secretary and Compliance Officer of the Company for a very short period from 01.06.2015 to 31.08.2015 after Miss. Deepa Singh having resigned with effect from 31.05.2015.

As per the disclosure received from the Directors, none of the Directors are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

The Independent Directors have furnished required declaration as provided in Section 149(7) of the Companies Act, 2013 regarding their independence.

KEY MANAGERIAL PERSONNEL

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

1. Mr. Shri Krishan Saraf - Managing Director
2. Mr. Deo Kishan Saraf - Whole-time Director & CFO
3. Miss. Shruti Poddar - Company Secretary

FORMAL ANNUAL EVALUATION

As the ultimate responsibility for sound governance and prudential management of a company lies with its Board, it is imperative that the Board remains continually energized, proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance. In accordance with the framework approved by the Nomination and Remuneration Committee, the Board of Directors, in its Meeting held on 28th March, 2016, undertook the evaluation of its own performance, its Committees and all the individual Directors. The review concluded by affirming that the Board as a whole as well as all of its Members, individually of the Committees of the Board continued to display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member and Committee of the Board contribute his best in the overall growth of the organisation.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2015-2016, the Board of Directors of the Company, met 9 (Nine) times on 30th May, 2015, 15th July, 2015, 14th August 2015, 14th November, 2015, 8th December, 2015, 17th December, 2015, 27th January 2016, 11th February 2016 and 28th March, 2016. Further, a separate Meeting of the Independent Directors of the Company was also held on 28th March, 2016, where as the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 25 of the Listing Regulations were discussed.

EXTRACT OF THE ANNUAL RETURN

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

At the Annual General Meeting (AGM) held on 9th September, 2014, M/s. R. K. Bajaj & Co., Chartered Accountants (Firm Regn. No. 314140E) had been appointed as the Statutory Auditors of the Company for a 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.

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

2. COST AUDITORS

In view of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the provisions of Cost Audit is not applicable on the products of the Company for the FY 2015-16.

3. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Rekha Goenka & Associates, Company Secretaries were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2016.

SECRETARIAL AUDIT REPORT

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

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year as defined under Section 73 of the Companies Act, 2013. Deposit outstanding as on 31st March 2016 including unclaimed deposit was Nil.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year ended 31st March 2016 no Loan or Guarantees u/s 186 of the Companies Act, 2013 was made or provided by the Company. The particulars of investments made by the Company under Section 186 forms part of the Notes to the financial statements provided in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Subject to any disclosure in the financial section thereof, the Company has not entered into any contract or arrangement

with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013.

HUMAN RESOURCE

The total number of employees of the Company as on 31st March 2016 was 165.

Your Company believes that employees are the most valuable assets of an organization and the optimum utilization of the skill, knowledge and attitude they possess are instrumental to the growth of the organization.

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

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, comprises 3 (Three) Members, namely Mr. S. K. Ghosh, Mrs. Trishna Patodia Pereira and Mr. D. K. Saraf, majority of them being Independent Directors except Mr. D.K Saraf, who is a Non-Independent -Executive Director. Mr. S. K. Ghosh, an Independent Director, is the Chairperson of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

The details of terms of reference of the Nomination and Remuneration Committee, number and dates of the meetings held, attendance of the Directors and remuneration paid to all the Directors during the year ended 31st March 2016, are given



separately in the attached Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in both letter and spirit. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making.

The Corporate Governance Report giving the details as required under Paragraph C of Schedule V of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 is attached as **Annexure III** and forms part of this Report. The Corporate Governance Certificate for the year ended on 31st March 2016 issued by M/s Rekha Goenka & Associates, Practising Company Secretary, Kolkata is also attached as **Annexure IV** and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

PARTICULARS OF EMPLOYEES

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

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

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CREDIT RATINGS

ICRA Ltd. vide their rating report of March, 2016 has upgraded the following ratings of your Company's financial instruments:

Instrument	Rating action (March 2016)
Cash credit	[ICRA]BBB- (Stable) upgraded
Term loan	[ICRA]BBB- (Stable) upgraded
Bank guarantee	[ICRA]BBB- (Stable) upgraded
Non-Fund Based Limits	[ICRA]A3+ upgraded

LISTING OF SHARES

The shares of the Company are listed on the Calcutta Stock Exchange Ltd (CSE) and BSE Limited (BSE). Subsequent to the notification of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year, the Company has entered into "Uniform Listing Agreement" with both the Stock Exchanges where its securities are listed, namely, CSE and BSE Limited in order to carry out a novation of the erstwhile Listing Agreement. The listing fee for the year 2016-17 has already been paid to the credit of BSE and rectified bill has been demanded from CSE for processing the payment.

MANAGING DIRECTOR'S CERTIFICATE

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

ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants, business associates and all the employees with whose help, co-operation and hard work the Company is able to achieve the results. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

For and on behalf of the Board of Directors

For Acknit Industries Limited

Shri Krishan Saraf
Managing Director
DIN-00128999

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

Place: Kolkata

Date: 30th May, 2016



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

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. 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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1089046	-	1089046	43.22	1089046	-	1089046	43.22	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	80000	-	80000	3.17	80000	-	80000	3.17	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1169046	-	1169046	46.39	1169046	-	1169046	46.39	NIL
(2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	1169046	-	1169046	46.39	1169046	-	1169046	46.39	NIL



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% 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	507707	150700	658407	26.13	438535	150700	589235	23.38	-2.75
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	341460	97782	439242	17.43	393726	92482	486208	19.30	1.87
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	241475	-	241475	9.58	266465	-	266465	10.57	0.99
c) Others (specify)									
Non Resident Indians	4830	7000	11830	0.47	2446	6600	9046	0.36	-0.11
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	1095472	255482	1350954	53.61	662637	249782	1350954	53.61	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1095472	255482	1350954	53.61	1101172	249782	1350954	53.61	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2264518	255482	2520000	100.00	2270218	249782	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	321047	12.74	9.92	321047	12.74	9.92	-
3	Deo Kishan Saraf	228532	9.07	5.95	228532	9.07	5.95	-
4	Deo Kishan Saraf (HUF)	136300	5.41	-	136300	5.41	-	-
5	Ritula Saraf	67696	2.69	-	67696	2.69	-	-
6	Kusum Saraf	159452	6.33	-	159452	6.33	-	-
7	Abhishek Saraf	107814	4.28	-	107814	4.28	-	-
8	Aditya Saraf	5799	0.22	-	5799	0.22	-	-
9	Saraf Capital Markets Ltd.	80000	3.17	-	80000	3.17	-	-
	Total	1169046	46.39	15.87	1169046	46.39	15.87	-

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

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



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

Sl. No.	Shareholder's Name	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	PBS INVESTMENTS PVT. LTD.	No Change	149900	5.95	149900	5.95
2	SHREE VINIYOG PVT LTD.	No Change	117075	4.65	117075	4.65
3	ALPS VINIYOG PVT. LTD.	No Change	116450	4.62	116450	4.62
4	SRI KRISHNA VINIYOG PRIVATE LTD.	No Change	116307	4.61	116307	4.61
5	MACKERTICH CONSULTANCY SERVICES PRIVATE LIMITED (At the end of the year – not in Top 10)	21.08.15	75500	2.99	75500	2.99
6	DIPAK KANAYALAL SHAH	03.07.15 10.07.15 17.07.15 24.07.15	40000	1.59	40000 42000 42500 42600 60000	1.59 1.67 1.69 1.69 2.38
7	PRABHA DEVI SARAF	No Change	36000	1.43	36000	1.43
8	AMIT JAIN (At the end of the year – not in Top 10)	30.06.15	34521	1.37	34521 —	1.37 —
9	SATYA PRAKASH MITTAL (HUF)	30.09.15	33060	1.31	33060 36848	1.31 1.46
10	GOPI KRISHAN SARAF	No Change	26000	1.03	26000	1.03
11	AJAY KUMAR KAYAN	22.01.16 12.02.16 19.02.16 26.02.16	—	—	— 73500 53475 42768 37397	— 2.92 2.12 1.70 1.48
12	REMCOS SALES SERVICES PVT LTD	29.01.16	—	—	— 26000	— 1.03

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Krishan Saraf	No Change	321047	12.74	321047	12.74
2	Deo Kishan Saraf	No Change	228532	9.07	228532	9.07
3	Samir Kumar Ghosh	No Change	1500	0.06	1500	0.06
4	Kusum Saraf (till 21.09.2015)	No Change	159452	6.33	159452	6.33

*The following Directors / Key Managerial Personnel (KMP) Did not hold any shares during the F. Y 2015-16 :

Mr. Mukul Banerjee – Independent Director.

Ms. Trishna Patodia Pereira – Independent Director.

Ms. Shruti Poddar – Company Secretary.

Mr. Mithun Paul and Ms. Deepa Singh were KMP for part of the year.



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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	48,78,53,429	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
Change in Indebtedness during the financial year				
* Addition	95,66,729	8,32,91,658	-	9,28,58,387
* Reduction	1,31,64,609	5,48,07,916	-	6,79,72,525
Net Change	(35,97,880)	2,84,83,742	-	2,48,85,862
Indebtedness at the end of the financial year				
i) Principal Amount	48,42,55,549	7,76,83,357	-	56,19,38,906
ii) Interest due but not paid	-	53,76,879	-	53,76,879
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	48,42,55,549	8,30,60,236	-	56,73,15,785

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

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

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

**B. Remuneration to other directors**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Samir Kumar Ghosh	Trishna Patodia Pereira	
1	Independent Directors			
	Fee for attending board committee meetings	65,000	54,000	1,19,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	65,000	54,000	1,19,000
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1+2)	65,000	54,000	1,19,000*
	Total Managerial Remuneration			66,00,000
	Overall Ceiling as per the Act	Not applicable, as only sitting fees paid.		

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

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1	Gross salary	-	2,14,242	-	2,14,242
	(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	-	11,469	-	11,469
	Total	-	2,25,711	-	2,25,711

viii. Penalties / Punishment / Compounding of Offences :

There was not any case of Penalties / Punishment / Compounding of Offences during the FY 2015-16.

**SECRETARIAL AUDIT REPORT****For the Financial Year Ended 31st March, 2016****[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 us 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, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016, 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, 2016 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;
- vi) As identified by the Management, following laws are specifically available to the Company:
- a) West Bengal Ground Water Resources(Management Control and Regulation) Act, 2005.
 - b) West Bengal Fire Services Act, 1958.
 - c) Indian Factories Act, 1948.
 - d) Petroleum Act, 1934.
 - e) Petroleum Rules, 2002.
 - f) Provision of Hazardous Waste (Management, Handling and Trans-boundary Movement Rules, 2008.)
 - g) Bengal Electricity Duty Act, 1935 and Rules thereunder
 - h) Air Prevention and Control of Pollution Act, 1981
 - i) Industrial Dispute Act, 1947
 - j) SEZ Act, 2005
 - k) Various other Acts relating to Employment and Protection of Employees Interest are applicable.

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

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

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

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



thereof, issuance of notices or meeting of Board, Committees, Shareholders, recording of minutes of meetings, filing of return, etc and compliance of various other provisions of Companies Act & SEBI Regulations as are applicable to the Company.

I further report that:

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

I further report that:

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

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

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

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

I further report that during the audit period the Company has passed Special Resolutions which are having major bearing on Company's affairs in pursuance of the above refereed laws. Rules, regulations, guidelines, standards, etc. :

- i. Authorizing the Board of Directors for issue and Allotment of further shares on Right Basis.

- ii. Re-appointment of Managing Director for a further period of 3 years in terms of section of the Companies Act, 2013.
- iii. Revision in terms of Remuneration of Whole-Time Director in terms of section 196, 197, & other applicable provision of Companies Act, 2013.

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

Rekha Goenka & Associates

Sd/-

Rekha Goenka

Proprietor

Place: Kolkata

Membership No. ACS -17805

Date: 30th May, 2016

C. P. No: 11357

Annexure - A to Secretarial Audit Report

To,

The Members

ACKNIT INDUSTRIES LTD.

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

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

Rekha Goenka & Associates

Sd/-

Rekha Goenka

Proprietor

Place: Kolkata

Membership No. ACS -17805

Date: 30th May, 2016

C. P. No: 11357

**REPORT ON CORPORATE GOVERNANCE**

Annexure - III

As per Regulation 34(3) read with Schedule V of the Listing Regulations 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 Regulations with the Stock Exchange.

2. BOARD OF DIRECTORS

i) Composition of Board :

The Board of Directors of the Company consists of 4 members (for part of the year 5 member) comprising:

- One Managing Director.
- One Whole-time Director.
- 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2015-16, Nine (9) number of Board Meetings were held on 30th May, 2015, 15th July, 2015, 14th August 2015, 14th November, 2015, 8th December, 2015, 17th December, 2015, 27th January 2016, 11th February 2016 and 28th March, 2016.

Name of the Directors	Category	No. of Board Meetings Attended	Attendance at the Last AGM	Directorships held in other Indian Public Limited Companies	Committee Positions held in other Indian Public Limited Companies #	
					As Chairperson	As Member
Shri Krishan Saraf	Managing Director	9	Yes	Nil	Nil	Nil
Deo Kishan Saraf	Whole-time Director	9	Yes	1	Nil	Nil
Samir Kumar Ghosh	Non Executive Independent Director	9	Yes	Nil	Nil	Nil
Trishna Patodia Pereira	Non Executive Independent Director	8	No	Nil	Nil	Nil
Kusum Saraf	Non Executive Non-Independent Director	3	No	Nil	Nil	Nil

Notes:

- Only Audit Committee and Stakeholders Relationship Committee have been considered for this purpose.
- 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, Additional Director ceased to be the Director of the Company w.e.f. 21st Sep, 2015.

ii) Disclosure of relationships between Directors inter-se:

Mr. Deo Kishan Saraf, Whole-time Director & CFO of the Company is the brother of Shri Krishan Saraf, Managing Director.

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

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

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

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

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

3. COMMITTEES OF BOARD

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

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

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

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

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 5 times on 30th May 2015, 14th August 2015, 14th November 2015, 1st January 2016, and 11th February 2016.

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

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

The composition of nomination and remuneration committee as on 31st March 2016 is given below :

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

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.

Mr. Deo Kishan Saraf ceased to be the member of committee w.e.f. 28th March, 2016.

During the year the Committee had met twice on 30th May, 2015 and 14th January, 2016.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS :

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

REMUNERATION OF DIRECTORS

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

-NIL except for the Sitting Fee to the Independent Directors.

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

-The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company <http://www.acknitindia.com/corporate-policies/nomination->

and-remuneration-policy.pdf. The Non-Executive Directors are entitled to sitting fees for attending Meetings of the Board, its Committees and the Shareholders. The remuneration to the Managing Director(s) and Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting in compliance of the provisions of the Companies Act, 2013 and schedules to the Act.

- Disclosures with respect to Remuneration:**

Details of remuneration/ sitting fees paid to Directors during the financial year 2015-16 is given below:

Name of Director	Fixed Salary(Rs in lakhs)				Total Fixed Salary	Bonus	Commission	Total	Stock options
	Basic Salary	Sitting Fees	Perquisites or Allowances	Rental Benefits					
Mr. S. K. Saraf	42.00	-	-	-	42.00	-	-	42.00	-
Mr. D. K. Saraf	24.00	-	-	-	24.00	-	-	24.00	-
Mrs. Trishna Patodia Pereira	-	0.54	-	-	0.54	-	-	0.54	-
Mr. Samir Kumar Ghosh	-	0.65	-	-	0.65	-	-	0.65	-

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

i. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

ii. The broad terms of reference of the stakeholders' relationship committee are as under:

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

The Composition of Stakeholders Relationship / Grievance Redressal Committee as on 31st March, 2016, is given below :

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

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 3 times on 30th May, 2015, 31st August, 2015 and 28th March, 2016.

- Name & Designation of Compliance Officer :**

Miss Shruti Poddar, Company Secretary is the Compliance Officer of the Company w.e.f. 1st February, 2016.



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

The number of shareholder's grievances received and resolved during financial year 2015-16 is given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1	1	Nil

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

None. All complaints were resolved to the satisfaction of shareholders.

● **Number of pending complaints :**

As at 31st March, 2016, no complaint was pending unresolved.

4. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Venue	No. of Special Resolution
2014-15	21.09.2015	11:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	Three
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

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

5) MEANS OF COMMUNICATION:

● **Quarterly results:**

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

● **Newspapers wherein results normally published:**

The quarterly/ half-yearly/ annual financial results are published in Business Standard & Arthik Lipi in both English and Bengali Daily editions.

● **Website, where displayed:**

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

● **Official news releases:**

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

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

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

6. General Shareholder Information :

i) **Annual General Meeting:**

Date & Time : Monday, 26th September, 2016 at 11:00 A.M

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

ii) **Financial Year** : 1st April, 2015 to 31st March, 2016

iii) **Book Closure Date** : Friday, 23rd September 2016 to Monday, 26th September 2016 (both days inclusive)

iv) **Dividend Payment Date** : Within 30 days from the date of AGM, i.e. on or before 26th day of October, 2016, if declared in AGM.

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

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

The Company has paid Annual listing fees for the year 2015-16 to the above stock exchanges.

vi) **Market Price Data :**

The Market Price of Equity shares of the company during the year 2015-16 is given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2015	62.40	47.15
May, 2015	59.60	50.00
June, 2015	66.90	45.00
July, 2015	106.90	55.10
Aug, 2015	94.95	54.50
Sept, 2015	77.50	48.95
Oct, 2015	77.95	60.00
Nov, 2015	103.00	56.35
Dec, 2015	109.10	78.75
Jan, 2016	154.90	91.00
Feb, 2016	105.00	64.85
Mar, 2016	99.00	70.00

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

The shares of Acknit are suspended from trading on the Calcutta Stock Exchange for alleged non-compliance whereas the Company had provided all compliances to CSE along with compliances to BSE but the record of CSE being not updated at their end. In fact CSE has no trading terminal at all and in spite of our providing them the copies of receipt for such compliances they have failed to update their records till date.

viii) **Registrar and Share Transfer Agent :**

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

ix) **Share Transfer System:**

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

x) **Shareholding Pattern :**

Shareholding Pattern as on 31.03.2016 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	9046	0.36
other Bodies Corporate	589235	23.38
Resident Individual	752073	29.87
Institutional Investor (Bank)	Nil	Nil
Total: Non-Promoter	1350954	53.61
Grand Total	2520000	100

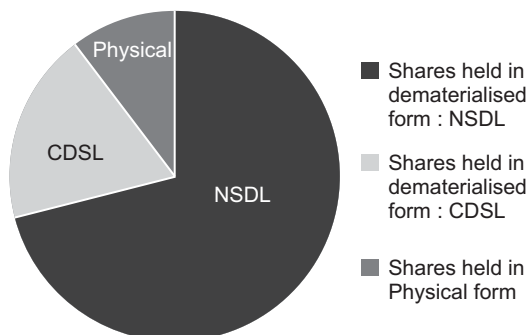
xi) **Distribution of shareholding :**

Distribution of shareholding as on 31.03.2016 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	1097	80.84	170531	6.77
501 to 1000	127	9.36	97768	3.89
1001 to 2000	63	4.64	92563	3.67
2001 to 3000	18	1.33	46745	1.85
3001 to 4000	11	0.81	36926	1.47
4001 to 5000	12	0.88	57999	2.30
5001 to 10000	5	0.37	33091	1.31
10001 to 50000	11	0.81	261398	10.37
50001 to 100000	4	0.30	270102	10.72
100001 and above	9	0.66	1452877	57.65
Grand Total	1357	100.00	2520000	100.00

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

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2016, 22,70,218 shares representing 90.09% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity shares of the company are actively traded in BSE Ltd.



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

xiv) **Plant Location :**

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

xv) **Address for Correspondence:**

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

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

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

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Details of the transactions entered with the related parties have been reported separately in the Annual Report.

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

There has been a couple of occasion of delay in filing the compliance report with Stock Exchanges during the absence of compliance officer in the company.

iii) **Vigil Mechanism**

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

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

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

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

The Company does not have any 'material' subsidiary.

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

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

**COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS**

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

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

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

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

For and on behalf of Board of Directors

Date: 30th May, 2016

Place: Kolkata

Shri Krishan Saraf

Managing Director

DIN: 00128999

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

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

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

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

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

Rekha Goenka & Associates

Company Secretary in Practice

Place: Kolkata

Date: 30th May, 2016

C.P. No. 11357

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

Acknit Industries Ltd, is a globally acclaimed industrial safety hand gloves makers of every description to meet the needs of Industrial as also domestic activities.

The company is both vertically and horizontally integrated to cater for other safety wears and also fashion wears used by Industrial setups and domestic 'Brand' Markets.

Its product are broadly classified as Cotton knitted Gloves with PU, Latex & Nitrile Coating and dotting as per requirement of diversified Industrial safety needs; Leather Gloves and other protective jackets and wears for Industrial safety measures, Fashion wears as per the requirement of the Indian 'Brand' markets and various other safety Jeans of specified designs for bulk consumers.

The Company has been basically involved and engaged in the production and supply of safety cum protective gadgets in the form of gloves, garment and other safety jeans which is considered as an essential element in minimising health related risk and hazards at workplaces in all countries across the world. In almost all Industrially developed and/or developing Countries usage of such safety items are legally mandatory.

Your company has since earned a wide reputation across the world and established its name for timely supply of highest grade safety wears. As a result repeat orders with more and more new enquires are continuously being increased by leaps and bonds from year to year encouraging the Company to expand its area of operation as a continuous process. These facts about the Company's operations will be appropriately illustrated in the graphical representations.(enclosed).

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

For and on behalf of Board of Directors

Date: 30th May, 2016

Place: Kolkata

Shri Krishan Saraf

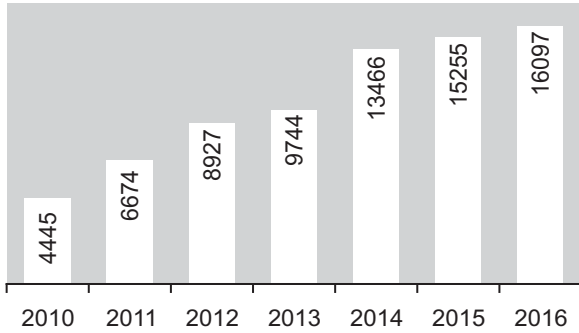
Managing Director

DIN: 00128999

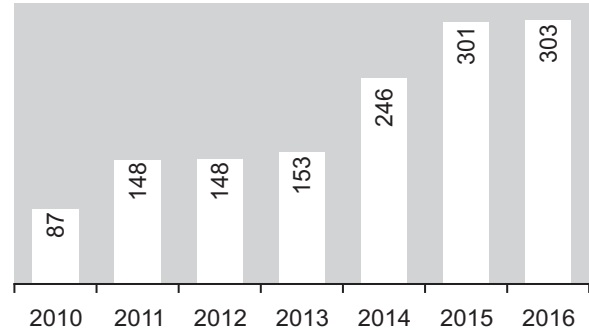


HISTORICAL DATA

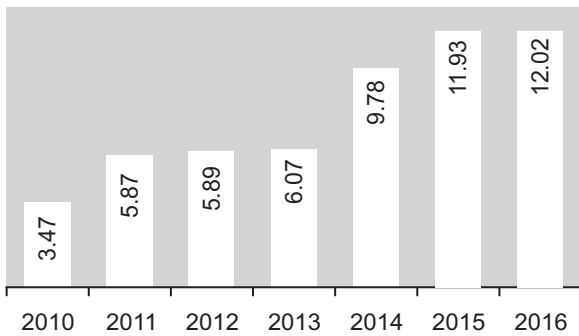
Total revenue (₹ in Lacs)



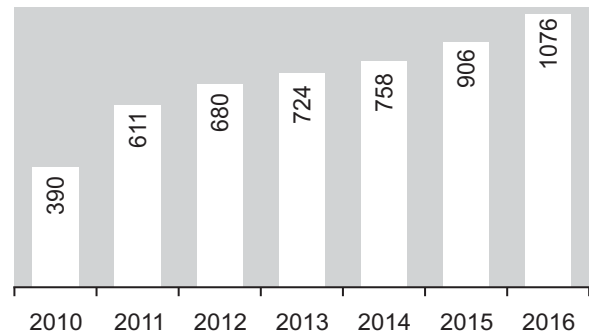
Profit After Tax (₹ in Lacs)



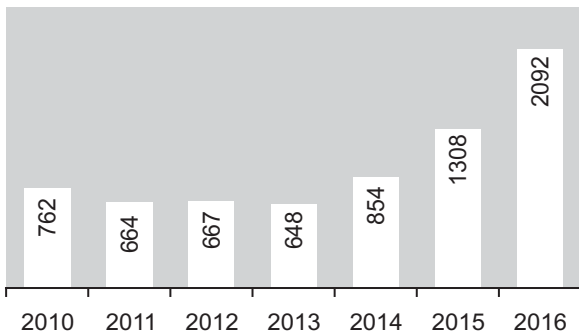
Basic EPS (in ₹)



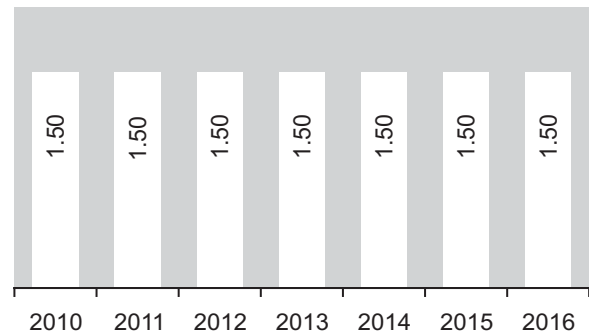
Operating Profit (PBIDT) (₹ in Lacs)



Market Capitalisation (₹ in Lacs)



Dividend Declared Per Share (in ₹)



**Annexure - VI**

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March 2016:

A. CONSERVATION OF ENERGY**i) Steps taken or impact on conservation of energy:**

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

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

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

B. TECHNOLOGY ABSORPTION**i) Efforts made towards technology absorption:**

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

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

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

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

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

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

iii) Expenditure incurred on Research and Development:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹ Lacs)

	FY 2015-16	FY 2014-15
Total foreign exchange earned in terms of actual inflows	11,218.20	10,242.68
Total foreign exchange outgo in terms of actual outflow	2,591.23	1,443.35

For and on behalf of Board of Directors

Date: 30th May, 2016
Place: Kolkata

Shri Krishan Saraf
Managing Director
DIN: 00128999



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

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	Shri Krishan Saraf, MD	45.57		
		b.	Deo Kishan Saraf, WTD & CFO	26.04		
		None of the other directors received any remuneration other than sitting fees during FY 2015-16				
ii	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;	a	Company Secretary	30.68%		
		b.	Shri Krishan Saraf, MD	165.15%		
		c.	Deo Kishan Saraf, WTD & CFO	81.82%		
		No change in the remuneration of Non executive directors and they are entitled for sitting fees only.				
iii.	The percentage increase in the median remuneration of employees in the financial year;	18.46%				
iv	The number of permanent employees on the rolls of Company;	165 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 30.89% for the year 2015-16 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 2015-16 as compared to 2014-15	8.10%		
		b.	% increase in PAT in 2015-16 as compared to 2014-15	0.82%		
		c.	% increase in EBIDTA in 2015-16 as compared to 2014-15	18.78%		
		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	
		31.03.2016	₹ 83.00	₹ 20,91,60,000	6.90	
		31.03.2015	₹ 51.90	₹ 13,07,88,000	4.35	
		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 30.89%. Average salary increase of managerial personnel is 113.65% 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 2015-16 as compared to 2014-15	% 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	165.15%	8.10%	0.82%	18.78%
		Mr. D. K. Saraf, WTD & CFO	81.82%	8.10%	0.82%	18.78%
		CS - Deepa Singh/ Mithun Paul/Shruti Poddar	30.68%	8.10%	0.82%	18.78%
x	The key parameters for any variable component of remuneration availed by the Directors;	There is no variable component in the remuneration availed by the directors.				
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					



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Regulation 34(3) read with Part D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March 2016.

For and on behalf of Board of Directors

Date: 30th May, 2016

Place: Kolkata

Shri Krishan Saraf

Managing Director

DIN: 00128999

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Acknit Industries Limited

Report On The Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Acknit Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility For The Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

Report On Other Legal And Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations given to us, we enclose in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by sub-section 3 of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
- e. On the basis of the written representations received from the Directors as on 31 March 2016 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2016 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the Financial Statements.
 - (ii) The Company has no long-term contracts, including derivative contracts, as at 31st March, 2016; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R. K. Bajaj
Proprietor
Membership No. : 051715

Place: 40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May 2016.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT - 31ST MARCH, 2016

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, the fixed assets 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.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 10 to the standalone financial statements, are held in the name of the Company, except for the following:
 - (1) One plot of lease hold land having gross book value of ₹ 97.50 lacs and net book value of ₹ 97.50 lacs where formal transfer of lease right in favour of the company is pending.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not specified the maintenance of Cost Records under sub section (1) of Section 148 of the Act for any of the products of the Company.



(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the dues	Amount (in ₹)	Period to which the amount relates	Forum where pending	Remarks
West Bengal Value Added Tax Act, 2003	VAT	8,07,300	2007-08	West Bengal Commercial Taxes, Appellate & Revisional Board	-
West Bengal Value Added Tax Act, 2003	VAT	65,42,794	2008-09	West Bengal Commercial Taxes, Appellate & Revisional Board	-
Central Sales Tax Act, 1956	CST	2,66,664	2008-09	West Bengal Commercial Taxes, Appellate & Revisional Board	-
Income Tax Act, 1961	Income tax	13,28,960	2011-12	Appellate Authority - upto Commissioner's Level	-

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

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans have been applied for the purpose for which they were obtained.

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

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

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

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

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

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

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

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

R. K. Bajaj
Proprietor
Membership No. : 051715
Place: 40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May 2016.



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT - 31ST MARCH, 2016 (Referred to in our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

- 1 We have audited the internal financial controls over financial reporting of Acknit Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

Chartered Accountants
Firm Reg. No. : 314140E

R. K. Bajaj
Proprietor
Membership No. : 051715

Place: 40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2016.



Balance Sheet as at March 31, 2016

		As at 31.03.2016	Amount in ₹ As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,75,77,000	2,75,77,000
Reserves and surplus	3	26,91,68,523	24,34,07,249
		<u>29,67,45,523</u>	<u>27,09,84,249</u>
Non Current Liabilities			
Long term borrowings	4	9,83,99,639	6,94,42,802
Deferred tax liabilities (net)	5	2,61,42,200	2,14,78,800
		<u>12,45,41,839</u>	<u>9,09,21,602</u>
Current Liabilities			
Short term borrowings	6	45,38,34,304	46,21,78,913
Trade payables	7	13,83,32,580	12,67,25,269
Other current liabilities	8	4,41,43,841	4,18,97,121
Short term provisions	9	45,49,519	45,49,519
		<u>64,08,60,244</u>	<u>63,53,50,822</u>
TOTAL		<u><u>1,06,21,47,606</u></u>	<u><u>99,72,56,673</u></u>
ASSETS			
Non Current Assets			
Fixed Assets	10		
Tangible assets		25,30,07,062	20,82,13,470
Intangible assets		14,830	44,696
Capital work-in-progress		24,75,314	2,16,82,250
Non-current investments	11	16,58,580	35,57,735
Long term loans and advances	12	1,76,04,640	1,01,98,490
Other non-current assets	13	25,90,700	47,63,700
		<u>27,73,51,126</u>	<u>24,84,60,341</u>
Current Assets			
Inventories	14	40,42,27,825	36,09,54,254
Trade receivables	15	24,31,58,090	20,87,55,009
Cash and bank balances	16	53,07,792	2,76,85,033
Short term loans and advances	17	12,57,78,733	14,45,94,925
Other current assets	18	63,24,040	68,07,111
		<u>78,47,96,480</u>	<u>74,87,96,332</u>
TOTAL		<u><u>1,06,21,47,606</u></u>	<u><u>99,72,56,673</u></u>

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

As per our report of even date

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

Chartered Accountants

(Firm Reg. No.314140E)

R.K. BAJAJ

Proprietor

Membership No.051715

40/5, Strand Road, Kolkata - 700 001

Date: The 30th day of May, 2016

For and on behalf of the Board of Directors

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 001288804

Samir Kumar Ghosh

Director

DIN 00129301

Shruti Poddar

Company Secretary

M. No. A36374



Statement of Profit and Loss for the year ended March 31, 2016

		<u>For the Year Ended</u> <u>31.03.2016</u>	<u>Amount in ₹</u> <u>For the Year Ended</u> <u>31.03.2015</u>
INCOME			
Gross Revenue From Sale of products		1,49,98,21,445	1,39,62,68,453
Less: Excise Duty / Customs Duty		1,20,98,037	1,14,71,359
Net Revenue from sale of products		1,48,77,23,408	1,38,47,97,094
Other operating revenue		11,99,32,626	10,23,88,416
Revenue From Operation	19	1,60,76,56,034	1,48,71,85,510
Other Income	20	20,25,225	3,82,85,349
TOTAL REVENUE		1,60,96,81,259	1,52,54,70,859
EXPENSES			
Cost of raw materials consumed	21	1,04,64,30,773	1,09,53,88,396
Purchase of stock-in-trade	22	4,49,95,002	-
Changes in inventories of finished goods, work in progress and stock in trade	23	(2,06,50,499)	(1,61,79,566)
Employee benefits expense	24	4,43,23,649	2,79,57,539
Finance Costs	25	4,00,84,802	3,21,19,168
Depreciation and amortisation expense	10	1,85,49,689	1,44,77,676
Other expenses	26	38,69,73,650	32,77,06,623
TOTAL EXPENSES		1,56,07,07,066	1,48,14,69,836
PROFIT BEFORE TAX		4,89,74,193	4,40,01,023
Tax Expense:			
Current tax	27	1,40,00,000	1,41,00,000
Deferred tax		46,63,400	(1,62,900)
PROFIT AFTER TAX		3,03,10,793	3,00,63,923
Earnings Per Equity Share (Face Value ₹ 10/- each)	28		
Basic and Diluted		12.03	11.93

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

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

R.K. BAJAJ
Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2016

For and on behalf of the Board of Directors
Shri Krishan Saraf
Managing Director
DIN 00128999
Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
DIN 001288804
Samir Kumar Ghosh
Director
DIN 00129301
Shruti Poddar
Company Secretary
M. No. A36374



Cash Flow Statement for the year ended March 31, 2016

	For the Year Ended 31.03.2016	Amount in ₹ For the Year Ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	4,89,74,193	4,40,01,023
Adjustments for :		
Depreciation and amortisation expense	1,85,49,689	1,44,77,676
Provision for bad and doubtful debts	-	42,44,319
Finance Costs	4,00,84,802	3,21,19,168
Interest Income	(7,19,356)	(9,90,171)
(Profit)/Loss on sale of Investment	(1,20,528)	-
(Profit)/Loss on sale of Fixed Assets/Assets Discarded	(1,80,170)	61,893
Operating profit before working capital changes	10,65,88,630	9,39,13,908
Adjustments for changes in working capital :		
Trade receivables, loans and advances and other assets	(1,96,57,732)	3,26,92,400
Inventories	(4,32,73,571)	(4,57,12,322)
Trade payables other liabilities and provisions	1,00,10,459	(5,90,02,050)
Cash generated from operations	5,36,67,786	2,18,91,936
Tax paid (including TDS) (net)	(1,50,94,987)	(1,59,70,106)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	3,85,72,799	59,21,830
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,50,46,309)	(5,20,43,245)
Sale of fixed assets	11,20,000	57,974
Sale / (Purchase) of investment (net)	20,19,683	(24,88,598)
Payables for capital goods	(4,17,724)	6,07,907
Interest received	11,31,870	4,77,073
NET CASH USED IN INVESTING ACTIVITIES (B)	(4,11,92,480)	(5,33,88,889)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term secured loan	(45,44,609)	11,09,28,332
Short term unsecured loan	(38,00,000)	(2,92,77,341)
Proceeds from/(repayment) of long term unsecured loan	2,80,10,108	(1,05,02,579)
Repayment of long term loan	10,43,484	2,65,75,724
Interest and financing charges	(3,59,07,923)	(4,23,89,670)
Dividend & dividend tax paid	(45,61,857)	(44,49,656)
NET CASH FROM FINANCING ACTIVITIES (C)	(1,97,60,797)	5,08,84,810
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(2,23,80,478)	34,17,751
Cash & Cash Equivalents at the beginning of the year	2,46,82,794	2,12,65,043
Cash & Cash Equivalents at the end of the year	23,02,316	2,46,82,794
Notes to cash flow statement for the year ended March 31, 2016		
Cash and cash equivalents include the following balance sheet amounts		
Cash in hand	13,87,315	16,73,275
Cheques in hand	-	1,32,591
Balances with banks		
- In Current Accounts	9,15,001	23,93,682
- In Deposit Accounts	-	2,04,83,246
	23,02,316	2,46,82,794

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

R.K. BAJAJ
Proprietor
Membership No.051715
40/5, Strand Road, Kolkata - 700 001
Date: The 30th day of May, 2016

For and on behalf of the Board of Directors
Shri Krishan Saraf
Managing Director
DIN 00128999
Deo Kishan Saraf
Whole Time Director & Chief Financial Officer
DIN 001288804
Samir Kumar Ghosh
Director
DIN 00129301
Shruti Poddar
Company Secretary
M. No. A36374

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

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

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

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

Convention

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

Basis Of Accounting

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

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

Use Of Estimates

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

Tangible Assets And Impairment Losses

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

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

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

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

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

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

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

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

Intangible Assets

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

Investments

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

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

Valuation Of Inventories

Inventories are valued as follows :

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



NOTES TO THE FINANCIAL STATEMENTS

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

Revenue Recognition

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

Sales & Export Incentives

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

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

Investment Income

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

Employee Benefits

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

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

Segment Reporting Policies

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

Foreign Currency Transaction

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

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

To account for differences between the forward exchange rates and the exchange 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 31.03.2016		As at 31.03.2015	
	Numbers	Amount (₹)	Numbers	Amount (₹)
2 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each fully paid	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
	<u>1,20,00,000</u>	<u>12,00,00,000</u>	<u>1,20,00,000</u>	<u>12,00,00,000</u>
Issued and Subscribed				
Equity Shares of ₹ 10/- each fully paid	30,00,000	3,00,00,000	30,00,000	3,00,00,000
	<u>30,00,000</u>	<u>3,00,00,000</u>	<u>30,00,000</u>	<u>3,00,00,000</u>
Paid-up				
Equity Shares of ₹ 10/- each fully paid	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Add: Shares Forfeited		23,77,000		23,77,000
TOTAL	<u>25,20,000</u>	<u>2,75,77,000</u>	<u>25,20,000</u>	<u>2,75,77,000</u>

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

b) Reconciliation of the number of Shares outstanding:

	As at 31.03.2016		As at 31.03.2015	
	Numbers	Amount (₹)	Numbers	Amount (₹)
Equity Shares				
At the beginning of the year	25,20,000	2,52,00,000	25,20,000	2,52,00,000
Issued during the year	—	—	—	—
At the end of the year	<u>25,20,000</u>	<u>2,52,00,000</u>	<u>25,20,000</u>	<u>2,52,00,000</u>

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

	As at 31.03.2016		As at 31.03.2015	
	Numbers	%	Numbers	%
1. Shri Krishan Saraf	3,83,453	15.22	3,83,453	15.22
2. Deo Kishan Saraf	3,64,832	14.48	3,64,832	14.48
3. Kusum Saraf	1,59,452	6.33	1,59,452	6.33
4. PBS Investment Pvt Ltd	1,49,900	5.95	1,49,900	5.95

d) Rights, Preference and Restriction attached to Shares

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



NOTES TO THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31.03.2016</u>	<u>Amount in ₹</u> <u>As at</u> <u>31.03.2015</u>
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	21,10,00,000	19,10,00,000
Add: Transfer from Surplus in Statement of Profit and Loss	2,40,00,000	2,00,00,000
At the end of the year	23,50,00,000	21,10,00,000
d) Surplus/(Deficit) in Statement of Profit and Loss		
At the beginning of the year	1,80,53,405	1,36,04,540
Add: Profit during the year	3,03,10,793	3,00,63,923
Less: Appropriations		
Proposed dividend	37,80,000	37,80,000
Tax on proposed dividend	7,69,519	7,69,519
Transfer to general reserve	2,40,00,000	2,00,00,000
Adjustments relating to Fixed Assets (Refer note 10 (4))	-	10,65,539
At the end of the year	1,98,14,679	1,80,53,405
TOTAL (a+b+c+d)	26,91,68,523	24,34,07,249
4 LONG TERM BORROWINGS		
A. SECURED		
Rupee Loan (Term Loan)		
- From Bank	2,18,01,245	2,08,54,516
Total	2,18,01,245	2,08,54,516
B. UNSECURED		
Rupee Loan		
- From Others	7,55,00,000	4,75,00,000
Vehicle Loan		
- From Bank	10,98,394	10,88,286
Total	7,65,98,394	4,85,88,286
TOTAL (A + B)	9,83,99,639	6,94,42,802

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, 2016:** -
The Scheduled maturity of the Long-term borrowings is summarised as under :

	Banks & Corporates		Banks	
	Vehicle & Inter Corporate Loan		Term Loan	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Borrowings Repayable				
In the first year (Note 8)	10,84,963	9,88,208	86,20,000	86,20,000
Current maturities of long-term debt	10,84,963	9,88,208	86,20,000	86,20,000
In the second year	7,41,978	7,34,942	86,20,000	86,20,000
In the third year	3,56,416	3,53,344	86,20,000	86,20,000
In the fourth year and onwards	—	—	45,61,245	36,14,516
Long Term Borrowings	10,98,394	10,88,286	2,18,01,245	2,08,54,516

	Amount in ₹	
	As at 31.03.2016	As at 31.03.2015
c) Period of Continuing Default		
There is no continuing default in repayment of Long Term Borrowings.		
d) Unsecured Loan from Others includes		
i) Related party (bearing interest)	1,00,00,000	60,00,000
ii) Intercorporates		
a) Bearing interest	6,55,00,000	4,15,00,000
iii) Vehicle Loan From Bank	10,98,394	10,88,286
	7,65,98,394	4,85,88,286
e) Long Term Borrowings from Related Party includes payable to:		
Prince Vanijya Pvt. Ltd.	1,00,00,000	60,00,000
	1,00,00,000	60,00,000



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2016	Amount in ₹ As at 31.03.2015
5 DEFERRED TAX LIABILITIES (NET)		
a) Deferred tax liability:		
On depreciation & amortisation	2,75,14,300	2,41,42,200
Total deferred tax liability (A)	2,75,14,300	2,41,42,200
b) Deferred tax asset:		
Provision for doubtful assets	22,400	13,98,100
Provision for doubtful loan & advances	13,49,700	12,65,300
Total deferred tax asset (B)	13,72,100	26,63,400
Net Deferred tax liability (A - B)	2,61,42,200	2,14,78,800
6 SHORT TERM BORROWINGS		
a) SECURED		
(i) Foreign currency loan from banks		
– PCFC	23,20,95,483	23,21,27,944
– Bill Discounting	2,56,32,686	4,09,97,316
(ii) Buyers' Credit	–	2,97,89,263
(iii) Rupee loan from banks		
Cash credit	19,61,06,135	15,54,64,390
	45,38,34,304	45,83,78,913
(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
	–	38,00,000
TOTAL (a+b)	45,38,34,304	46,21,78,913
7 TRADE PAYABLES		
Trade payables (including acceptances)	13,83,32,580	12,67,25,269
TOTAL	13,83,32,580	12,67,25,269
Note: - A sum of ₹ 29,05,411 (Previous Year ₹ 1,19,629) payable to Micro Small and Medium Enterprises as at 31st March, 2016. 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, 2016. 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))	97,04,963	96,08,208
(c) Interest accrued and due on borrowings	53,76,879	12,00,000
(d) Unpaid dividends *	6,76,080	6,88,418
(e) Other payables	2,83,85,919	3,04,00,495
TOTAL	4,41,43,841	4,18,97,121



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2016	Amount in ₹ As at 31.03.2015
Other payables comprise :		
Payables for fixed assets	18,46,818	22,64,542
Advance received from customers	32,65,321	62,13,466
Statutory Liabilities	21,43,694	15,74,061
Others	2,11,30,086	2,03,48,426
	2,83,85,919	3,04,00,495
* 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	7,69,519
TOTAL	45,49,519	45,49,519

10 FIXED ASSETS

PARTICULARS	TANGIBLE ASSETS								INTANGIBLE ASSETS	
	Land		Building	Plant & Machineries	Furniture & Fixtures	Vehicles	Office Equipment	Other - Electric Installations	Total Tangible Assets	Computer Softwares
	Freehold	Leasehold								
Gross Block										
Balance as at March 31, 2014	95,76,076	97,50,000	5,59,64,298	22,96,68,687	1,04,00,781	43,68,521	39,41,039	1,17,79,711	33,54,49,113	2,96,601
Additions	-	-	66,79,728	1,86,32,420	11,10,936	14,26,929	13,78,921	29,00,977	3,21,29,911	-
Deletions	-	-	-	2,38,450	-	-	-	-	2,38,450	-
Balance as at March 31, 2015	95,76,076	97,50,000	6,26,44,026	24,80,62,657	1,15,11,717	57,95,450	53,19,960	1,46,80,688	36,73,40,574	2,96,601
Additions	1,15,72,626	-	1,20,05,624	3,17,27,977	24,85,093	13,80,593	9,47,692	41,33,640	6,42,53,245	-
Deletions	-	-	-	30,34,707	-	-	-	-	30,34,707	-
Balance as at March 31, 2016	2,11,48,702	97,50,000	7,46,49,650	27,67,55,927	1,39,96,810	71,76,043	62,67,652	1,88,14,328	42,85,59,112	2,96,601
Accumulated Depreciation										
Balance as at March 31, 2014	-	-	1,05,72,430	12,28,55,818	17,27,624	16,19,915	22,33,667	47,07,314	14,37,16,768	2,37,609
Additions	-	-	21,40,494	93,05,137	10,05,836	4,19,039	5,47,717	10,45,157	1,44,63,380	14,296
Deletions	-	-	-	1,18,585	-	-	-	-	1,18,585	-
Adjustments	-	-	31,889	-	1,71,150	65,503	1,66,504	6,30,495	10,65,541	-
Balance as at March 31, 2015	-	-	1,27,44,813	13,20,42,370	29,04,610	21,04,457	29,47,888	63,82,966	15,91,27,104	2,51,905
Additions	-	-	24,26,266	1,23,06,110	11,56,649	5,44,464	6,79,324	14,07,010	1,85,19,823	29,866
Deletions	-	-	-	20,94,877	-	-	-	-	20,94,877	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	-	-	1,51,71,079	14,22,53,603	40,61,259	26,48,921	36,27,212	77,89,976	17,55,52,050	2,81,771
Net Block										
Balance as at March 31, 2015	95,76,076	97,50,000	4,98,99,213	11,60,20,287	86,07,107	36,90,993	23,72,072	82,97,722	20,82,13,470	44,696
Balance as at March 31, 2016	2,11,48,702	97,50,000	5,94,78,571	13,45,02,324	99,35,551	45,27,122	26,40,440	1,10,24,352	25,30,07,062	14,830

Note:

- Building Freehold include ₹4,60,92,582 (Previous Year ₹4,42,20,857), 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 5.45 lacs upto 31.03.2016.
- Depreciation of ₹ NIL (Previous Year ₹ 10.66 lacs) on account of assets whose useful life was exhausted on April 01, 2015 has been adjusted against General Reserve pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013 [Refer note 3(d)]. In respect of component depreciation, the management has decided to apply the same in next financial year, impact of which shall be considered accordingly.



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2016	Amount in ₹ As at 31.03.2015
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		
Bharat NRE Coke Limited #	10,50,000	10,50,000
8,871 (P.Y. NIL) shares of ₹ 10 each, fully paid		
West Bengal Hosiery Park Infrastructure Ltd		
3,000 (P.Y. 3,000) shares of ₹ 10 each, fully paid	3,000	3,000
	10,53,000	10,53,000
Quoted		
Hindustan Copper Limited 5000	4,36,265	4,36,265
(P. Y. 5000) shares of ₹ 5 each		
Prism Cement Limited - Nil	-	7,72,064
(P. Y. 10000) shares of ₹ 10 each		
The Shipping Corporation of India Ltd - Nil	-	3,08,087
(P. Y. 5000) shares of ₹ 10 each		
Firstsource Solutions Limited - Nil	-	8,19,004
(P. Y. 20000) shares of ₹ 10 each		
Hindustan Construction Company Limited 5000	1,69,315	1,69,315
(P. Y. 5000) shares of ₹ 1 each		
	6,05,580	25,04,735
Aggregate amount of non-current investments	16,58,580	35,57,735
Aggregate market value of quoted investments.	3,51,750	23,34,750
# One equity share of ₹ 10 each of Bharat NRE Coke Limited has been allotted in lieu of seven equity shares of ₹ 10 each of Gujrat NRE Mineral Resources Limited held consequent to merger of the company.		
12 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
(a) Security Deposits	1,34,33,029	78,44,882
(b) Deposits with body corporate and others		
- Considered good	-	-
- Considered doubtful	39,00,000	39,00,000
(c) Loan to Employees	13,27,016	6,04,000
(d) Advance Income Tax (Net Provision for ₹ 5,75,00,000)	12,14,715	1,19,728
(e) Other advances recoverable in cash or kind	16,29,880	16,29,880
	2,15,04,640	1,40,98,490
Less: Provision for doubtful advances	39,00,000	39,00,000
TOTAL	1,76,04,640	1,01,98,490
(i) Loans & Advances to Related Parties - Nil		
(ii) Loan to employees are given as per company's policy.		
13 OTHER NON-CURRENT ASSETS		
(a) Deposits with Banks (with maturity more than 12 months)	25,90,700	47,63,700
TOTAL	25,90,700	47,63,700



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) Traded goods (refer note 23)
- (e) Stores spares & packing materials @

TOTAL

* Inventory of raw material includes ₹ 221.97 lacs (Previous Year ₹ 100.79 lacs) as stock in transit and ₹ 148.66 lacs (Previous Year ₹ 311.17 lacs) as stock lying with third party.

\$ Inventory of work-in-progress includes ₹ 295.33 lacs (Previous Year ₹ 274.90 lacs) as stock lying with third party.

Inventory of finished goods includes ₹ 56.64 lacs (Previous Year Nil) as stock in transit out of which ₹ 21.63 lacs (Previous Year Nil) is lying with third party.

@ Inventory of stores, spares & packing materials includes ₹ 0.15 lacs (Previous Year Nil) as stock in transit.

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

15 TRADE RECEIVABLES

- (a) Outstanding for a period exceeding six months

Unsecured, considered good
Doubtful

Less: Provision for doubtful receivables
Total

- (b) Others

Unsecured, considered good

TOTAL (a+b)

The company has written off a sum of ₹ 96.30 lacs as bad debts in view of non-realisation of the same. Consequently, a provision for doubtful debts for ₹ 42.44 lacs made in earlier year has been written back / adjusted.

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 ₹ 25,90,700 (Previous Year : ₹ 47,63,700) 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 body corporates in the normal course of business.

Other Loans and Advances includes advances to sundry creditors.

	As at 31.03.2016	Amount in ₹ As at 31.03.2015
(a) Raw Materials *	19,19,92,208	17,09,04,425
(b) Work-in-progress (refer note 23) \$	10,92,01,695	7,74,62,940
(c) Finished goods (refer note 23) #	9,36,15,419	10,63,51,937
(d) Traded goods (refer note 23)	16,48,262	-
(e) Stores spares & packing materials @	77,70,241	62,34,952
TOTAL	40,42,27,825	36,09,54,254
(a) <u>Outstanding for a period exceeding six months</u>		
Unsecured, considered good	86,69,531	95,35,703
Doubtful	64,800	43,09,119
Less: Provision for doubtful receivables	87,34,331	1,38,44,822
Total	64,800	43,09,119
(b) <u>Others</u>		
Unsecured, considered good	23,44,88,559	19,92,19,306
TOTAL (a+b)	24,31,58,090	20,87,55,009
(a) Cash and Cash Equivalents		
Balances with banks		
- In current accounts	9,05,605	22,52,709
- In EEFC accounts	9,396	1,40,973
- In deposit accounts (with less than 3 months maturity)	-	2,04,83,246
Cash in hand	13,87,315	16,73,275
Cheques in hand	-	1,32,591
Total	23,02,316	2,46,82,794
(b) Other Bank Balances		
- In deposit accounts (with maturity of more than 3 months but less than 12 months)	23,32,096	23,10,854
- In unpaid dividend accounts	6,73,380	6,91,385
Total	30,05,476	30,02,239
TOTAL (a+b)	53,07,792	2,76,85,033
(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	10,19,99,684	11,75,75,831
(iii) Loans & Advances to Employees	3,86,250	5,84,204
(iv) Other Loans and Advances #	1,97,25,338	2,27,67,429
TOTAL (a+b)	12,57,78,733	14,45,94,925



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2016	Amount in ₹ As at 31.03.2015
18 OTHER CURRENT ASSETS		
(a) Prepaid expenses	59,63,674	60,34,231
(b) Interest accrued on deposits	3,60,366	7,72,880
TOTAL	63,24,040	68,07,111
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
19 REVENUE FROM OPERATIONS		
Sale of products	1,49,98,21,445	1,39,62,68,453
Other operating revenue	11,99,32,626	10,23,88,416
Revenue from operations (gross)	1,61,97,54,071	1,49,86,56,869
Less: Excise / Customs duty attributable to product sold	1,20,98,037	1,14,71,359
Revenue from operations (net)	1,60,76,56,034	1,48,71,85,510
<u>Details of products sold</u>		
<u>(A) Finished goods sold (incl. traded goods)</u>		
Hand Gloves	1,13,62,90,491	1,05,41,08,638
Readymade Garments	30,14,81,226	32,68,74,235
Windpower	86,07,498	78,67,532
Others	4,55,95,513	25,29,501
	1,49,19,74,728	1,39,13,79,906
<u>(B) Raw materials sold</u>		
Yarn, fabrics, chemicals etc.	78,46,717	48,88,547
	78,46,717	48,88,547
<u>(A)+(B)</u>	1,49,98,21,445	1,39,62,68,453
<u>Other operating revenue</u>		
(i) Scrap sales	2,38,503	62,520
(ii) Export Incentives	11,54,56,047	10,23,25,896
(iii) Discount Received	42,38,076	-
	11,99,32,626	10,23,88,416
20 OTHER INCOME		
Interest income on		
Bank Deposits	7,02,512	9,90,171
Others	16,844	-
Net gain on foreign currency transaction and translation	-	3,63,18,333
Other Non-operating income *	13,05,869	9,76,845
TOTAL	20,25,225	3,82,85,349
* Other Non-operating income includes		
Discount Received	1,54,310	68,915
Dividend Received	750	-
Other Misc. Income	8,20,879	6,51,227
Profit on sale of Investments	1,20,528	-
Profit on sale of Fixed Assets	1,80,170	-
Sample Income	29,232	2,56,703
	13,05,869	9,76,845
21 COST OF RAW MATERIALS CONSUMED		
Opening Stock	17,09,04,425	14,06,12,688
Add: Purchase	1,06,75,18,556	1,12,56,80,133
Less: Closing Stock	19,19,92,208	17,09,04,425
Cost of raw materials consumed	1,04,64,30,773	1,09,53,88,396



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Details of raw materials consumed		
Yarn	10,48,43,272	7,19,64,706
Fabrics	11,18,39,393	15,43,40,065
Leathers	64,14,22,837	70,81,21,927
Chemicals	3,04,48,640	3,01,79,623
Others (incl. leather and garment accessories)	15,78,76,631	13,07,82,075
	1,04,64,30,773	1,09,53,88,396
Value of Raw materials consumed during the year		
Imported	18% 19,13,94,057	15% 16,15,12,736
Indigenous	82% 85,50,36,716	85% 93,38,75,660
	1,04,64,30,773	1,09,53,88,396
22 PURCHASES OF STOCK-IN-TRADE		
Hand Gloves	4,18,29,619	-
Others (incl. Industrial garments)	31,65,383	-
TOTAL	4,49,95,002	-
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Opening Stock		
Work-in-progress	7,74,62,940	5,99,86,364
Finished goods	10,63,51,937	10,76,48,947
Traded goods	-	-
	18,38,14,877	16,76,35,311
Closing Stock		
Work-in-progress	10,92,01,695	7,74,62,940
Finished goods	9,36,15,419	10,63,51,937
Traded goods	16,48,262	-
	20,44,65,376	18,38,14,877
TOTAL	(2,06,50,499)	(1,61,79,566)
Details of inventories		
Work-in-progress		
Hand gloves	3,95,83,533	5,08,99,865
Garments	6,96,18,162	2,63,65,395
Others	-	1,97,680
	10,92,01,695	7,74,62,940
Finished goods		
Hand gloves	8,98,39,172	10,01,07,937
Garments	35,64,967	61,80,625
Others	2,11,280	63,375
	9,36,15,419	10,63,51,937
Traded goods		
Hand gloves	14,34,362	-
Others (incl. industrial garments)	2,13,900	-
	16,48,262	-
24 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, etc	3,50,56,146	2,47,64,701
Contribution to provident and other funds	31,37,311	22,43,110
Gratuity expenses	39,65,769	2,72,181
Staff welfare expense	21,64,423	6,77,547
TOTAL	4,43,23,649	2,79,57,539
Note: No provision was made in respect of Leave encashment in the account.		
As required by Accounting Standard "Employee Benefits" (AS-15), the disclosures are as under:		
(I) Employer's Contribution to Provident Fund	25,90,667	17,59,693
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 31.03.16 in respect of CGCA scheme of Acknit Industries Limited.

	For the Year Ended 31.03.2016	Amount in ₹ For the Year Ended 31.03.2015
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	47,40,988	40,56,619
Interest cost	3,79,279	3,24,530
Current service cost	3,22,523	2,91,413
Benefits paid	(1,06,262)	-
Actuarial (gain)/ loss on obligation	37,18,757	68,426
Present value obligation as at end of the year	90,55,285	47,40,988
3 Changes in fair value of plan assets		
Plan assets as at beginning of the year	54,75,699	45,62,009
Expected return on plan assets	4,54,790	4,12,188
Contributions	5,03,661	5,01,502
Benefits Paid	(1,06,262)	-
Actuarial gain /(loss)	-	-
Plan assets as at end of the year	63,27,888	54,75,699
4 Fair value of plan assets		
Plan assets as at beginning of the year	54,75,699	45,62,009
Actual return on plan assets	4,54,790	4,12,188
Contributions	5,03,661	5,01,502
Benefit paid	(1,06,262)	-
Fair value plan assets as at end of the year	63,27,888	54,75,699
Funded status	(27,27,397)	7,34,711
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	37,18,757	68,426
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	37,18,757	68,426
Actuarial (gain) /loss recognized in the year	37,18,757	68,426
6 Amounts to be recognized in the Balance Sheet		
Present value obligation as at end of the year	90,55,285	47,40,988
Fair value plan assets as at end of year	63,27,888	54,75,699
Funded status	(27,27,397)	7,34,711
Net assets / (liability) recognized in Balance Sheet	(27,27,397)	7,34,711
7 Expenses Recognized in the Statement of Profit & Loss		
Current service cost	3,22,523	2,91,413
Interest cost	3,79,279	3,24,530
Expected return on plan assets	(4,54,790)	(4,12,188)
Net actuarial (gain)/ loss recognized in the year	37,18,757	68,426
Expenses recognized in the statement of profit & Loss	39,65,769	2,72,181
Expenses related to previous year	-	-

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



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
25 FINANCE COST		
Bank charges	19,78,753	31,33,783
Interest Expense	3,79,23,977	2,88,22,344
Others	1,82,072	1,63,041
TOTAL	4,00,84,802	3,21,19,168
26 OTHER EXPENSES		
Consumption of stores, spares & packing materials @	3,27,86,992	3,45,58,558
Power & fuels	2,69,24,713	2,73,89,231
Rent, rates & taxes etc.	91,85,076	54,24,986
Packing & finishing charges	79,74,623	70,17,698
Printing & stationary	11,90,391	9,13,525
Processing charges	22,02,29,029	18,42,19,210
Bank Charges	48,65,293	58,60,328
Travelling & conveyance expenses	1,10,37,378	91,78,220
Auditor's remuneration *	4,05,025	3,28,094
Insurance charges	43,29,822	29,66,692
Postage & telephone expenses	35,92,403	23,81,518
Motor car expenses	14,62,380	14,14,481
Repairs & maintenance		
Plant & machinery	37,16,400	21,59,657
Building	5,86,925	7,37,844
Others	64,52,004	54,08,773
Commission on sales	55,301	84,209
Sales promotion expenses	38,62,108	24,96,987
Coolie, cartage, freight & forwarding charges	2,00,97,785	2,40,28,417
Quality Claim on Sales / Exports	63,75,606	1,42,121
Loss on sale of Fixed Assets	-	61,893
Provision for Doubtful Debts	-	42,44,319
Provision for Doubtful Debts written back	(42,44,319)	-
Bad Debts written off	96,30,108	-
Net loss on foreign currency transactions	26,87,645	-
Sundry balance Written Off	31,25,656	(1,37,409)
Sales Tax Expenses	25,16,077	12,22,322
Misc. expenses	75,71,380	64,52,827
Prior Period items #	5,57,849	(8,47,878)
TOTAL	38,69,73,650	32,77,06,623
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	14% 45,83,631	14% 47,42,721
Indigenous	86% 2,82,03,361	86% 2,98,15,837
	3,27,86,992	3,45,58,558
* Auditors' remuneration and expenses		
Audit Fees	2,76,000	2,24,720
Tax Audit Fees	69,000	56,180
Vat Audit Fees	12,650	11,236
Other Matters	47,375	35,958
	4,05,025	3,28,094
# Details of Prior period items (Net)		
(a) Prior period item (Debit Adjustments)		
Coolie, Cartage, Freight & Forwarding Charges	2,78,603	25,598
Export Incentives	8,807	-
Gram Panchayat Tax	-	56,180
Insurance Charges	2,51,935	-
Postage & Telephone Charges	3,793	-
Power & Fuel Expenses	45,127	-
Purchases	-	38,341
Repairs & Maintenance	95,382	-
Others	1,82,316	39,579
	8,65,963	1,59,698



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
(b) Prior period item (Credit Adjustments)		
Rent Rates & Taxes	–	2,000
Exchange Gain / (Loss)	–	1,16,197
Export Incentives - Focus Product	1,59,010	4,13,338
Processing Charges	–	1,53,163
Discount Received	1,080	–
Others	1,48,024	3,22,878
	3,08,114	10,07,576
TOTAL (a-b)	5,57,849	(8,47,878)
27 CURRENT TAX		
Income tax for the year:		
Current Tax	1,40,00,000	1,41,00,000
TOTAL	1,40,00,000	1,41,00,000
28 EARNINGS PER SHARE		
Profit After Taxation	3,03,10,793	3,00,63,923
Weighted average number of shares (Nos.)	25,20,000	25,20,000
Basic and Diluted Earnings Per Share	12.03	11.93
29 CONTINGENT LIABILITIES		
(a) Claims against the company not acknowledged as debts		
(i) Sales Tax claims disputed by the company relating to issues of applicability, classification and disallowance.	76,16,758	76,29,958
(ii) Tax liability demanded by the Kolkata Municipal Tax Authorities*.	25,62,342	25,62,342
(iii) Income Tax matters	13,28,960	–
(b) Guarantees		
Letter of Credit	64,19,380	2,92,75,524
Counter Guarantee Given	33,27,290	32,62,755
(c) Other money for which company is contingently liable		
Bills discounted by the Bank	2,56,32,686	4,09,97,316

* 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 four identified reportable segments are (i) Industrial hand gloves, (ii) Readymade garments (iii) Other & traded items and (iv) Power generation segment. The secondary segment is the geographical segment based on the location of manufacturing unit.

PRIMARY SEGMENT INFORMATION

Amount in ₹

	2015-16			2014-15		
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
A. SEGMENT REVENUE						
Hand Gloves	1,24,62,20,503	-	1,24,62,20,503	1,14,41,94,358	-	1,14,41,94,358
Readymade Garments	30,38,43,618	-	30,38,43,618	28,52,51,919	-	28,52,51,919
Power Generation	86,07,498	-	86,07,498	78,67,532	-	78,67,532
Others & Traded Items	4,89,84,415	-	4,89,84,415	4,98,71,701	-	4,98,71,701
Segment Total	1,60,76,56,034	-	1,60,76,56,034	1,48,71,85,510	-	1,48,71,85,510
Elimination			-			-
Total Revenue			1,60,76,56,034			1,48,71,85,510
B. SEGMENT RESULTS						
Hand Gloves			9,46,06,412			4,93,32,619
Readymade Garments			2,57,26,326			2,94,21,018
Power Generation			46,56,429			39,83,714
Others & Traded Items			68,99,215			55,68,865
Segment Total			13,18,88,382			8,83,06,216
Unallocated corporate expenses.			(4,48,54,612)			(1,41,53,041)
Unallocated corporate income			13,05,869			9,76,845
Profit before Finance cost , Tax			8,83,39,639			7,51,30,020
Finance cost			(4,00,84,802)			(3,21,19,168)
Interest on loan, deposits, etc.			7,19,356			9,90,171
Provision for Taxation (Net)			(1,86,63,400)			(1,39,37,100)
C. PROFIT AFTER TAXATION			3,03,10,793			3,00,63,923

D. OTHER INFORMATION

	Segment Assets		Segment Liabilities	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Hand Gloves	68,81,49,420	52,00,00,256	67,77,73,971	53,75,02,540
Readymade Garments	26,10,59,285	20,28,36,677	18,75,18,975	14,33,99,113
Power Generation	3,58,34,211	4,57,070	3,57,37,930	4,20,432
Others & Traded Items	84,97,602	34,95,392	1,73,63,889	1,41,85,626
Segment Total	99,35,40,518	72,67,89,395	91,83,94,765	69,55,07,711
Unallocated Corporate Assets / Liabilities	6,99,79,188	3,99,84,788	8,15,25,308	3,34,28,113
Total	1,06,35,19,706	76,67,74,183	99,99,20,073	72,89,35,824

	2015-16		2014-15	
	Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
Hand Gloves	4,02,35,977	1,26,75,389	3,90,64,608	98,58,923
Readymade Garments	1,29,95,265	23,94,088	1,38,11,515	12,92,256
Power Generation	-	22,54,246	-	22,54,364
Others & Traded Items	-	-	-	-
Segment Total	5,32,31,242	1,73,23,723	5,28,76,123	1,34,05,543
Unallocated Expenditure	1,34,97,317	12,25,966	9,36,038	10,72,133
Total	6,67,28,559	1,85,49,689	5,38,12,161	1,44,77,676



NOTES TO THE FINANCIAL STATEMENTS

SECONDARY SEGMENT INFORMATION	Amount in ₹	
	2015-16	2014-15
Segment Revenue		
Within Special Economic Zone	18,92,86,400	18,98,42,730
Outside Special Economic Zone	1,41,83,69,634	1,29,73,42,780
Segment Assets		
Within Special Economic Zone	27,40,67,486	25,30,26,517
Outside Special Economic Zone	78,94,52,220	74,68,93,556
Capital Expenditure		
Within Special Economic Zone	2,11,09,935	2,46,85,074
Outside Special Economic Zone	4,56,18,624	2,91,27,087

31 RELATED PARTY DISCLOSURES

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

1. COMPANIES / FIRMS WHERE THERE IS A SIGNIFICANT INFLUENCE	:	(a) Acme Safetywears Limited (b) Saraf Capital Markets Limited (c) Prince Vanijya Private Limited (d) Century Safety Wears Private Limited (e) Rosinate India Company
2. KEY MANAGEMENT PERSONNEL	:	(a) Mr. Shri Krishan Saraf (b) Mr. Deo Kishan Saraf (c) Ms. Deepa Singh (upto 31/05/2015) (d) Mr. Mithun Paul (from 01/06/2015 to 31/08/2015) (e) Ms. Shruti Poddar (w.e.f. 01/02/2016)
3. OTHERS	:	(a) Mr. Swapan Kumar Chakraborty (b) Mr. Bishnu Kumar Kesan (c) Mr. Abhishek Saraf (d) Mr. Aditya Saraf (e) Mr. Utkarsh Saraf

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2016

	Parties referred to in (1) above		Parties referred to in (2,3) above		Total	
	2016	2015	2016	2015	2016	2015
Purchase of goods	3,03,82,796	1,95,19,304	-	-	3,03,82,796	1,95,19,304
Sale of goods	49,99,793	24,16,388	-	-	49,99,793	24,16,388
Sale of Capital Goods	3,90,000	-	-	-	3,90,000	-
Purchase of Investment	-	25,04,735	-	-	-	25,04,735
Sale of investments	20,19,683	-	-	-	20,19,683	-
Rent paid	8,40,000	8,40,000	-	-	8,40,000	8,40,000
Interest income	-	-	-	-	-	-
Interest expenses	14,71,198	13,60,274	-	-	14,71,198	13,60,274
Processing charges paid	18,83,398	20,19,752	-	-	18,83,398	20,19,752
Remuneration						
- Directors	-	-	73,92,000	32,52,480	73,92,000	32,52,480
- Others	-	-	41,97,831	16,72,940	41,97,831	16,72,940
Loan given	-	-	-	-	-	-
Receipt towards refund of loan	-	-	-	-	-	-
Security Deposit Given	-	-	-	-	-	-
Loan taken	75,00,000	-	-	-	75,00,000	-
Repayment of loan	35,00,000	41,00,000	-	-	35,00,000	41,00,000
Balance as on 31st March						
Creditors / Payable	22,53,501	2,41,156	-	-	22,53,501	2,41,156
Security Deposit	50,00,000	50,00,000	-	-	50,00,000	50,00,000
Loan given	-	-	-	-	-	-
Loan taken	1,00,00,000	60,00,000	-	-	1,00,00,000	60,00,000



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
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	2,07,21,516	2,76,61,558
(ii) For purchase of Raw Materials, stores, spares & Finished Goods	21,26,03,930	10,29,94,469
(iii) For Travelling Expenses	67,35,127	47,05,216
(iv) For Commission	55,301	84,209
(v) On other accounts	1,90,07,457	88,89,511
	25,91,23,331	14,43,34,963
33 EARNINGS IN FOREIGN CURRENCY (ON FOB BASIS)		
(i) Export of goods	1,11,74,06,067	1,02,39,34,479
(ii) Other income	44,13,505	3,33,693
	1,12,18,19,572	1,02,42,68,172

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 31.03.2016		As at 31.03.2015	
		Buy	Sell	Buy	Sell
US Dollar (\$)	Indian Rupees (₹)	-	11,18,990	-	8,40,157
Euro (€)	Indian Rupees (₹)	-	12,09,258	-	16,65,224

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 of May, 2016

For and on behalf of the Board of Directors

Shri Krishan Saraf

Managing Director

DIN 00128999

Deo Kishan Saraf

Whole Time Director & Chief Financial Officer

DIN 00128804

Samir Kumar Ghosh

Director

DIN 00129301

Shruti Poddar

Company Secretary

M. No. A36374

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]

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

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

I / We, being the member (s) ofshares 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.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Monday, 26th September, 2016 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 :

Sl.No.	Resolution	For	Against
A	Ordinary Resolution		
1	Adoption of the Audited Financial Statements for the year ended on 31st March 2016 together with the Reports of the Directors and the Auditors thereon.		
2	Declaration of dividend @ ₹ 1.50 per Equity Shares of ₹ 10 each for the financial year ended 31st March, 2016		
3	Ratification of the appointment of M/s R.K. Bajaj & Co., Chartered Accountants, as Auditors and fixing their remuneration.		
4	Appointment of Mr. Mukul Banerjee as an Independent Director;		
5	Appointment of Mrs. Rashi Saraf as a Non-Executive Non-Independent Director		
B	Special Resolution		
6	Re-appointment Mr. Deo Kishan Saraf as the Whole Time Executive Director and CFO of the Company for a period of 3 (three) years w.e.f. April 1, 2016		

Signed this.....day of.....2016

Signature of Shareholder.....

Affix Revenue
Stamp

Note :

1. This Form should be signed across the stamp as per specimen signature registered with the company.
2. The proxy, to be effective, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. A proxy need not be a member of the Company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the Total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Please put a "√" in the appropriate column against the resolutions indicated in the Box. If you leave the "FOR" or "AGAINST" Column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate. This is only optional.



If undelivered please return to :

ACKNIT INDUSTRIES LIMITED

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