



ACKNIT INDUSTRIES LIMITED

Annual Report And Accounts
2013-14

ACKNIT INDUSTRIES LIMITED

Annual Report 2013-14

BOARD OF DIRECTORS

Mr. Shri Krishan Saraf
Managing Director

Mr. Deo Kishan Saraf
Executive Director

Mr. Samir Kumar Ghosh
Independent Director

Mr. Manindra Kumar Nath
Independent Director

EXECUTIVE OFFICERS

Mr. Bishnu Kumar Kesan
Chief Financial Officer

Ms. Deepa Singh
Compliance Officer & Company Secretary

AUDITORS

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

BANKERS

State Bank of India
HDFC Bank Ltd.

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER (CIN)

L01113WB1990PLC050020

REGISTRAR & SHARE TRANSFER AGENT

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



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**NOTICE OF THE 24th ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of ACKNIT INDUSTRIES LIMITED, will be held on Tuesday, the 9th day of September, 2014, at 10.30 A.M at "Gyan Manch" 11, Pretoria Street, Kolkata- 700 071, to transact the following business:-

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

To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2014 and the Audited Statement of Profit & Loss for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.

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

To declare a dividend at ₹ 1.50 per equity share for the financial year ended on 31st March, 2014, as recommended.

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

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

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

To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of (3) three consecutive AGM hereafter and to fix their remuneration and in this connection, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution-

"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors of the Company, R. K. Bajaj & Co., Chartered Accountants (Firm Regn. No. 314140E), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the three consecutive AGM hereafter (Subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be recommended by the audit committee in consultation with the auditors."

SPECIAL BUSINESS :**Item No. 5****Appointment of Mr. Samir Kumar Ghosh as an independent director.**

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 160 and any other applicable provisions of Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Samir Kumar Ghosh (holding DIN 00129301), former rotational Independent Director of the company, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of director of the company, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w. e. f the conclusion of the AGM on such terms and conditions as set out in the letter of appointment".

Item No. 6**Appointment of Mr. Manindra Kumar Nath as an independent director.**

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 160 and any other applicable provisions of Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Manindra Kumar Nath (holding DIN 02666031), former rotational Independent Director of the company, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of director of the company, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w. e. f the conclusion of the AGM on such terms and conditions as set out in the letter of Appointment."

Item No. 7**Enhancement of Borrowing Limits from ₹ 200 Crores to ₹ 500 Crores.**

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

"RESOLVED THAT in supersession of all resolution passed under section 293(1)(d) of the Companies Act 1956, and pursuant to section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time such amount of moneys as they may consider adequate for the purposes of the business of the company, notwithstanding that the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) aggregating in excess of the paid-up share capital and free reserves but not exceeding a sum of ₹ 500 Crores (Rupees Five Hundred Crores only) outstanding at any point of time."

Item No. 8**Creation of Charge/ Mortgage etc. on Company's Properties.**

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

"RESOLVED THAT in supersession of all resolution passed under section 293(1)(a) of the Companies Act 1956, and pursuant to section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create charge or mortgage or lien on Company's assets in favour of the lenders to secure the moneys or loans borrowed by the Company's as is subsisting and or may be required in future for the purpose of the business of the Company to the extent not exceeding in value of ₹ 500 Crores (Five Hundred Crores Only) in aggregate."

By Order of the Board
For Acknit Industries Limited

Place: Kolkata
Date: 29th July, 2014

Deepa Singh
Compliance Officer & Company Secretary

**Notes**

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

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

2. Members are requested to bring their attendance slip in the meeting. Corporate members are requested to send to the Company's registered office, a duly certified copy of board resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 5th September, 2014 to Tuesday, 9th September, 2014 (both days inclusive) for payment of dividend on equity shares for the financial year ended on 31st March, 2014.
4. The dividend for the financial year ended on 31st March, 2014, 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 4th September, 2014.
5. Members desiring any information on the Accounts for the financial year ended on 31st March, 2014 are requested to write to the Company at least 10 days in advance, so that the management is enabled to keep the information ready at the meeting.
6. In order to avoid risk of loss / interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, shareholders holding shares in demat form are requested to register their latest bank details with their respective depository participant and those holding shares in physical form are requested to provide their latest bank details to the company's registrar and share transfer agents, M/s S. K. Infosolutions (P) Ltd.
7. Information under clause 49 of the listing agreement with the stock exchanges in respect of directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/re-appointment.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the company.

9. Under Section 205C (or section 125 of the Companies Act, 2013 once notified) of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of (7) seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEFP), constituted by the Central Government. The Company had accordingly, transferred ₹ 1,06,038/- and ₹ 80,998.50 being the unpaid and unclaimed dividend amount pertaining to final dividend for the financial year 2005-06 and Interim dividend for the financial year 2006-07, respectively, to the Investor Education and Protection Fund Account.

10. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to section 205C of the companies act, 1956 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
31.03.2007	31.10.2014
31.03.2008	30.10.2015
31.03.2009	29.10.2016
31.03.2010	24.10.2017
31.03.2011	23.10.2018
31.03.2012	29.10.2019
31.03.2013	24.10.2020

11. The Company has implemented the "GREEN INITIATIVE" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) by allowing paperless compliances by the Companies for service of documents to their members through electronic mode, which will be in compliance with section 20 of the Companies Act, 2013. Henceforth, the e-mail addresses indicated in your respective depository participant accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered e-mail address for serving notices/documents etc. In view of the above, the company has already despatched the written communication to its members on April 21, 2014 requesting them to register their designated e-mail ID. However, members who wish to receive physical copy of the Notices, Annual Reports and other documents may forward their written requests to the Company for the same.
12. Electronic copy of the Annual Report for 2014 along with the notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
13. The Notice of Annual General Meeting and the copies of audited financial statements, directors'



report, auditors' report etc. will also be displayed on the website www.acknitindia.com of the company and may be accessed by the members.

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

16. Instructions for e-voting

A separate sheet containing the complete details of the instructions for e-voting is being sent to all the members along with the Annual Report for the year 2013-14 to enable them to cast their votes through e-voting.

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

Place: Kolkata
Date: 29th July, 2014

Deepa Singh
Compliance Officer & Company Secretary

Details of director seeking re-appointment in the ensuing Annual General Meeting. (Pursuant to clause 49 of the listing agreement with the stock exchange)

Item No. 3

Mr. Deo Kishan Saraf, retires by rotation, being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Deo Kishan Saraf, aged 48 years, is a Commerce graduate from Calcutta University. He is industrialist with diversified business experience. He is presently executive director of the Company who is liable to retire by rotation. He is on the Board of your Company from 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.	Orient Tea Estate Pvt. Ltd.	Director	NA	NA
3.	Ramnagar Properties Pvt. Ltd.	Director	NA	NA
4.	Century Safetywears Pvt. Ltd.	Director	NA	NA

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

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

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

Item No. 5

Mr. Samir Kumar Ghosh, is an associate member of Institute of Company Secretaries of India, holds a Master Degree in Commerce from the University of Calcutta and a qualified Cost Accountant from ICMA, London. He possesses professional experience of more than 48 years.

Mr. Samir Kumar Ghosh, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in April, 2005. He is the Chairman of the Audit Committee and Stakeholder Relationship Committee and a member of the Nomination and Remuneration Committee of Board of Directors of the Company.

Mr. Samir Kumar Ghosh retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr Samir Kumar Ghosh being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years until the

conclusion of the fifth Annual General Meeting hereafter.

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

The Company has received from Mr. Samir Kumar Ghosh (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that 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. Samir Kumar Ghosh fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is Independent of the Management. A Copy of the draft letter for appointment of Mr. Samir Kumar Ghosh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working days up to the date of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Samir Kumar Ghosh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Samir Kumar Ghosh as an Independent Director, not liable to retire by rotation, for the approval by the shareholders of the Company.

No Director, Key Managerial Personnel and their relatives except Mr. Samir Kumar Ghosh, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 5.

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

Item No. 6

Mr. Manindra Kumar Nath, is commerce and law graduate from Calcutta University and also did his MBA from Calcutta University. He occupied head of HRD position in several reputed corporate houses in Kolkata for different period of time and is a distinguished faculty member of several management institution.

Mr. Manindra Kumar Nath, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of



the Company in April, 2009. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Stakeholder Relationship Committee of Board of Directors of the Company.

Mr. Manindra Kumar Nath retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr Manindra Kumar Nath being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years until the conclusion of the fifth Annual General Meeting, hereafter.

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

The Company has received from Mr. Manindra Kumar Nath (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that 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. Manindra Kumar Nath fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is Independent of the Management. A copy of the draft letter for appointment of Mr. Manindra Kumar Nath as an Independent Director setting out the Terms and Conditions would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working days up to the date of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manindra Kumar Nath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Manindra Kumar Nath as an Independent Director, not liable to retire by rotation, for the approval by the shareholders of the Company.

No Director, Key Managerial Personnel and their relatives except Mr. Manindra Kumar Nath, to whom the resolution relates, is interested or concerned, in the resolution set out at Item No. 6.

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

Item No. 7

In terms of the resolution passed by the shareholders of the company at the Annual General Meeting held on the 13th September, 2005 the Board of Directors of the Company was authorised to borrow money upto a sum of ₹ 200 Crores (Rupees Two Hundred Crores Only) in aggregate (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) notwithstanding that such borrowed money may exceed the aggregate of the paid-up capital of the company and its free reserves.

Whereas Section 180 of the Companies Act, 2013, provides under sub section (1) (c) that the director's authority to borrow moneys together with already borrowed money may exceed the aggregate of his paid-up-capital and free reserve with prior approval and consent of members by special resolution in a general meeting and pursuant to the rules made under this section any previous authority shall remain valid upto one year from the date of coming into force of this section i.e 12.09.2013.

In view of the provision as stated above the directors recommends the resolution set out under item No. 8 be adopted by the members for the interest of the company.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested in the said resolution.

Item No. 8

In terms of the resolution passed by the shareholders of the company under section 293(1) (a) of the companies Act, 1956 at the Annual General Meeting held on the 13th September, 2005 the Board of Directors of the Company was authorised to create charges on all or any of the company's immovable and/or movable assets, both present & future, in favour of the banks or other financial Institutions to secure loans and/or other credit facilities obtained for the business of the company.

Though whereas the Provisions under section 180 (1) (a) of the companies Act, 2013 corresponds to the provisions under section 293 (1) (a) of the companies Act, 1956 pursuant to the rules made under this section any previous authority shall remain valid upto one year from the date of coming into force of this section i.e 12.09.2013.

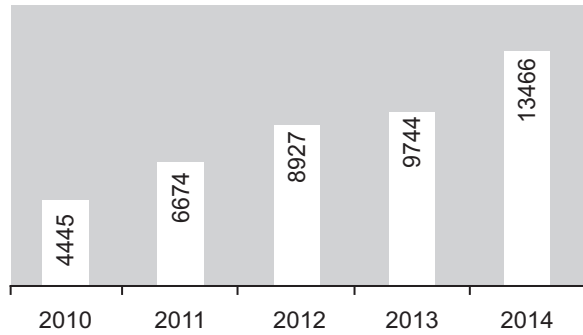
In view of the provision as stated above the directors recommends the resolution set out under item no. 8 be adopted by the members for the interest of the company.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested in the said resolution.

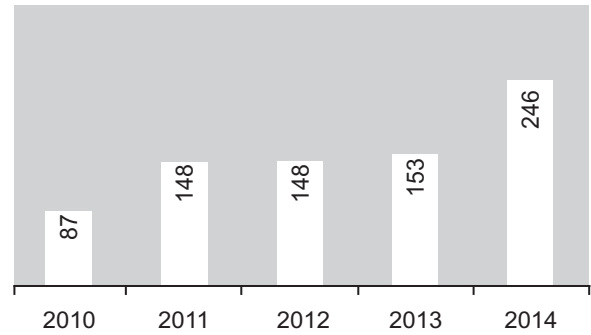


HISTORICAL DATA

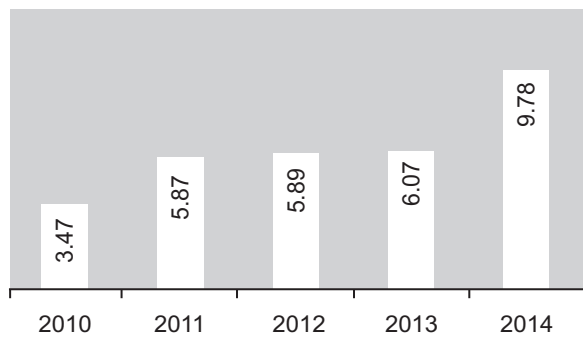
Total revenue (₹ in Lacs)



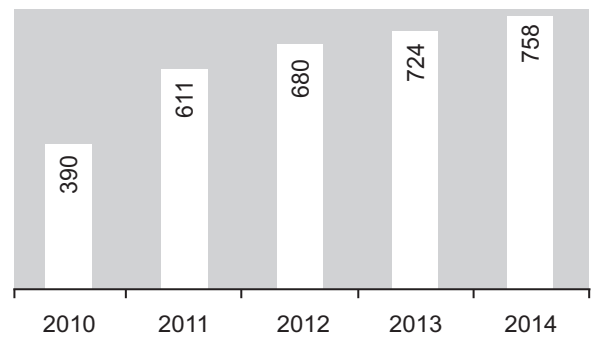
Profit After Tax (₹ in Lacs)



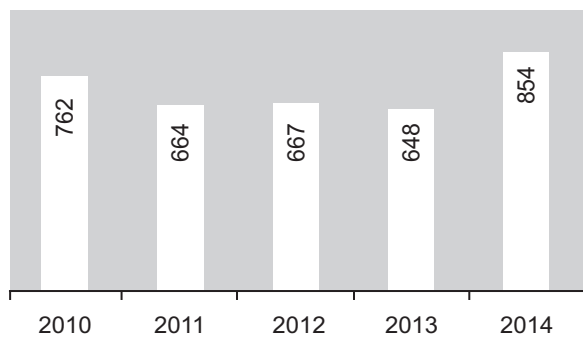
Basic EPS (in ₹)



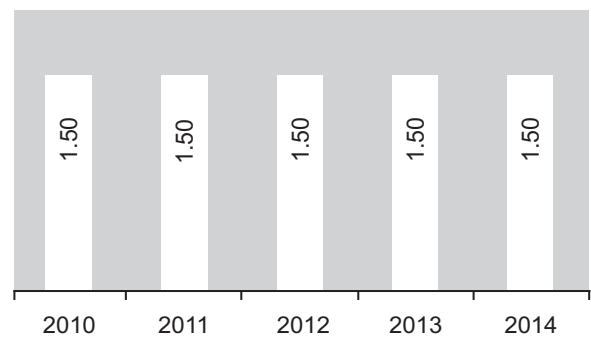
Operating Profit (PBIDT) (₹ in Lacs)



Market Capitalisation (₹ in Lacs)



Dividend Declared Per Share (in ₹)



**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 24th Annual Report of your company along with the operating and financial results for the year ended 31st March, 2014

FINANCIAL RESULTS

(₹ in Lacs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Gross Revenue	13430	9660
Other Income	36	84
Total Revenue	13466	9744
Less: Total Expenditure	12708	9020
Gross Profit (before Depreciation & Finance Cost)	758	724
Less: Depreciation	172	171
: Finance Cost	205	308
Profit before Extraordinary item	381	245
Less: Extraordinary item	-	-
Profit before Tax (PBT)	381	245
Less: Provision for Income Tax	139	104
: Deferred Tax	(5)	(12)
Profit after Tax (PAT)	247	153
Balance B/F	133	124
Balance available for appropriation	380	277
Less: Dividend & Dividend Tax	44	44
Less: Transfer to General Reserve	200	100
Balance transfer to Balance Sheet	136	133

REVIEW OF PERFORMANCE

During the year under review the Indian Economy has passed through a continued slow down of growth rates, overall runaway inflation, high interest rates, falling industrial output, depreciating rupee and last but not the least the global uncertainty causing reduction in Export Orders severely hurting the economic activities. This had a major adverse impact on the expansion programme of the company.

In spite of so many obstacles, your directors with the support of its Management team and other stakeholders of the company succeeded in steering the company to a commendable performance of the company as compared to the last financial year.

Your Company has closed the year 2013-14 with 39.03% growth in Revenue from operation, 4.70% growth in profit before depreciation, interest and taxation (PBDIT) and net profit after tax (PAT) has shown a growth of 61.44% as compared to previous year

RESERVES

The company has transferred a sum of ₹ 2 crore to General Reserve against ₹ 1 crore transferred last year.

DIVIDEND

Your Directors have recommended a dividend of 15% on equity shares i.e ₹ 1.50 per share which together with dividend tax is expected to absorb ₹ 0.44 Crore.

DIRECTORS**Appointment :**

Pursuant to provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, your directors appointed Mr. Samir Kumar Ghosh and Mr. Manindra Kumar Nath as Independent Directors of the Company to hold office for a period of five years with effect from 1st April, 2014, subject to approval by the members in the ensuing Annual General Meeting and their office as Independent Director shall not be subject to retirement by rotation. Details of the proposal for appointment of Mr. Samir Kumar Ghosh and Mr. Manindra Kumar Nath are

mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the ensuing Annual General Meeting.

A statement on declaration given by independent directors under section 149(6) of the Companies Act, 2013 (**Annexure D**) forming part of this report.

As per provisions of the Companies Act, 2013 Mr. Deo Kishan Saraf, shall retire at the ensuing Annual General Meeting of the Company being eligible, seeks re-appointment. The Board of Directors recommend their re-appointment.

The particulars of the director seeking appointment / re-appointment has duly been furnished as part of the notes to the notice convening the ensuing Annual General Meeting pursuant to clause 49 of the listing agreement.

DIRECTORS' RESPONSIBILITY STATEMENT

As required u/s 217(2AA) of the Companies Act, 1956 which is corresponding to Section 134(5) of the Companies Act, 2013, your directors confirm having :

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

CORPORATE GOVERNANCE

The company believes that corporate governance is a way of business life rather than a legal compulsion. Your director being committed to best management practices and adhering to the policy of full transparency, enclose herewith a Report on Corporate Governance as stipulated by clause 49 of the listing agreement along with compliance certificate on Corporate Governance (**Annexure A**) and a Report on Management Discussion and Analysis (**Annexure B**) forming part of this report.

GREEN INITIATIVES

Electronic copies of the Annual Report 2014 along with the Notice of the 24th AGM are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2014 along with the Notice of the 24th AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting is provided in the separate sheet, attached with the Annual Report.

**STATUTORY AUDITORS**

The Auditors of the company, M/s R. K. Bajaj & Co., Chartered Accountants, retires at the ensuing Annual General Meeting and have confirm their eligibility and willingness to accept office, if appointed. Pursuant to section 139 of the Companies Act, 2013 and rules made thereunder, M/s R. K. Bajaj & Co. having completed more than 10 years as Auditors of the Company, their re-appointment is proposed to be made for a period of consecutive (3) three years from the conclusion of the ensuing Annual General Meeting.

DIRECTOR'S RESPONSE TO THE COMMENT MADE BY THE AUDITORS IN THEIR REPORT

Auditor's Report read together with annexure thereto does not contain any qualification of significant nature. Comment under para xxi of the Annexure to the Auditors' Report are self explanatory and, therefore, require no further comments from the Board of Directors.

COST AUDITOR

In respect of financial year ended 31st March, 2014, your company has appointed M/s Patangi & Co. Cost Accountants, as a cost auditor for audit of cost records maintained as is applicable in case of this company. The due date for filing the Cost Audit Report is 27th September, 2014.

PUBLIC DEPOSIT

The Company has not accepted or renewed any public deposits as defined under section 58A of the Companies Act, 1956 during the year. Under section 73 of the Companies Act, 2013 there is no deposit lying with the Company as on 31.03.2014.

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

The information on particulars of conservation of Energy, technology absorption and foreign exchange earnings & outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of the Board of Directors) rules 1988 forms a part of this report (**Annexure C**).

PARTICULARS OF EMPLOYEES

The information on particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 in respect of the Company is not attracted to the Company.

ACKNOWLEDGMENTS

We thank our Customers, Vendors, Investors and Bankers for their continued support during the year. We also thank the employees for their significant contribution in Company's performance. We now look forward to the future with confidence and optimism.

For and on behalf of the Board of Directors
For Acknit Industries Limited

Place: Kolkata Shri Krishan Saraf Deo Kishan Saraf
Date: 29th July, 2014 Managing Director Executive Director

ANNEXURE – A TO DIRECTORS' REPORT**A REPORT ON CORPORATE GOVERNANCE**

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

1. Company's Philosophy

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

It is committed to good corporate governance and adequate disclosure and it lays emphasis on transparency, accountability and integrity in all its operations and dealings.

2. Board of Directors**i) Composition of Board :**

As on 31st March, 2014 the Board comprised of four (4) Directors out of which two are executive directors and other two are non-executive independent directors. The composition of the Board was in conformity with the provisions of the Corporate Governance Code of the Listing Agreement.

DETAILS OF COMPOSITION OF THE BOARD, DIRECTORSHIPS ON BOARD AND MEMBERSHIPS HELD AS ON 31.03.2014

Name of the Directors	Category	No. of Directorships held*	Number of Board Committees in which Chairman/Member**	
			Membership	Chairmanship
Shri Krishan Saraf	Promoter/Managing Director	Nil	Nil	Nil
Deo Kishan Saraf	Promoter/Executive Director	One	Nil	Nil
Samir Kumar Ghosh	Non Executive Independent Director	One	Nil	Nil
Manindra Kumar Nath	Non Executive Independent Director	Nil	Nil	Nil

*Other than directorship in Acknit Industries Limited and private companies.

**In accordance with requirements of Clause 49 of the listing agreement, Memberships/ Chairmanships of only Audit Committees and Shareholder Grievance committees of only Public limited companies (except Acknit Industries Limited) have been considered.

During the financial year 2013-14, the Board of the company met on six (6) times on 30.04.13, 30.05.13, 14.08.13, 10.10.13, 14.11.13 & 10.02.14. The time gap between two consecutive meetings of the Board of Directors of the company was not more than four (4) months. The dates and venue of each meeting was decided well in advance and the directors were duly communicated of the same along with the supporting papers and notes on the agenda of the meeting enabling them to deliberate in the meetings with full knowledge of the issues under discussion.

The information on attendance of the directors of the company at the Board Meetings held during the year under review and also at the last Annual General Meeting of the company is given below:

Name of the Directors	No. of Board Meetings Attended	Attendance at the Last AGM
Shri Krishan Saraf	5	Attended
Deo Kishan Saraf	6	Attended
Samir Kumar Ghosh	6	Attended
Mahindra Kumar Nath	6	Attended

ii) Code of Conduct :

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

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

Acknit Industries Ltd.- Code of Corporate Disclosure Practices: This code lays down principles and procedures with the objective of ensuring that the Price Sensitive Information related to the Company is handled in prescribed manner. Adequate disclosure of such information is sought to be made to



the public through stock exchanges, press, media and the in website of the Company in a timely manner to enable the investors to take informed investment decisions with regard to the Company's Securities.

Code of Conduct for Directors and Senior Management Personnel- In terms of para no.I - D of Clause 49 of the listing agreement, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code during the year ended 31.03.2014. The Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

3. Audit Committee:

The Board has formed an Audit Committee in due compliance of the provisions of Section 292A of the companies act, 1956 and the clause 49 of the listing agreement, comprising of (3) three directors with Mr. S. K. Ghosh an Independent non- executive director as its chairman, Mr. M. K. Nath, an Independent non-executive director and Mr. D. K. Saraf, an executive whole time director as its members.

The terms of reference and powers of audit committee are in compliance with the provisions of corporate governance code of the listing agreement and section 292A of the Companies Act, 1956. The committee provides, inter alia, assurance to the Board on the adequacy of internal control system, financial disclosures and ensure due observation of the statutory accounting standards.

The committee invites senior management personnel of the Company as it consider appropriate, to attend the meeting of the committee. The minutes of the audit committee meeting are circulated and discussed at the Board Meeting.

During the year under review, the Audit committee met (5) five times on 30.05.13, 14.08.13, 09.10.13, 14.11.13 and 10.02.14. The requisite Quorum was present at the meetings.

The under noted Table, shows attendance of the members in such meetings :

Name of the Directors	Status	No. of Meetings Attended
Samir Kumar Ghosh	Non Executive Independent director	5
Mahindra Kumar Nath	Non Executive Independent director	5
Deo Kishan Saraf	Executive Whole time director	5

4. Stakeholders Relationship Committee:

In view of section 178(5) of the Companies Act, 2013, which became effective from 1st April, 2014, all listed Companies are required to constitute the Stakeholder Relationship Committee. The Board of Directors in their meeting held on 29th July 2014, changed the nomenclature of its existing Share Transfer-Cum-Investors Grievance Committee to Stakeholder Relationship Committee.

Stakeholders Relationship committee of the Board was comprised of Mr. S. K. Ghosh, an Independent non- executive director as its chairman, Mr. M. K. Nath Independent non-executive director and Mr. D. K. Saraf an executive whole time director as its members. Mr. Bishnu Kumar Kesan, General Manager and Chief Financial Officer was designated as compliance officer of the company till 18th August, 2013. Ms. Deepa Singh has since been appointed as Company Secretary and Compliance Officer of the Company with effect from 19th August, 2013.

The Committee holds periodical meetings for approving requests for Transfer/Transmission of shares and also for issue/splitting of share certificates.

The under noted Table, shows attendance of the members in such meetings:

Sl. No.	Name of Member	Status	No. of Meetings Attended
1	Samir Kumar Ghosh	Non Executive Independent director	4
2	Mahindra Kumar Nath	Non Executive Independent director	4
3	Deo Kishan Saraf	Executive Whole time director	4

The committee met four (4) times during the year on 30.05.13, 14.08.13, 14.11.13 and 10.02.14 also to dispose of Grievances received from shareholders.

The Company received 2 complaints, excluding correspondences which are not in the nature of complaints, from shareholders in financial year 2013-14 and all the complaints were resolved to the satisfaction of the investors. It is the policy of the company to promptly attend and resolve the complaints received from the shareholders.

5. Nomination and Remuneration Committee :

In view of Section 178(1) of the Companies Act, 2013, which became effective from 1st April, 2014, all listed Companies are required to constitute the Nomination and Remuneration Committee. The Board of Directors in their meeting held on 29th July 2014, changed the nomenclature of its existing Remuneration Committee to Nomination and Remuneration Committee.

The remuneration committee has been constituted to review remuneration payable to Directors, based on their performance vis a vis on performance of the company on defined assessment parameters. The remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the industry standards. During the year under review one meeting was held on 09.10.13.

Executive Directors :

The aggregate value of salary and perquisite paid for the financial year 2013-2014 to the Managing Director and Whole Time Director are as follows :-

Name of The Director	Designation	Salary (Amount in ₹)	Perquisites & Allowances
Shri Krishan Saraf	Managing Director	17,74,080	Nil
Deo Kishan Saraf	Whole Time Director	14,78,400	Nil

Non-Executive Directors:

No remuneration is paid to Non Executive Directors except sitting fees at the rate of ₹ 5000/- for each Board meeting and ₹ 2000/- for each other committee meeting attended by them. The sitting fees paid for the financial year 2013-2014 is as follows:-

Name of The Director	Sitting Fees Paid (Amount in ₹)
Samir Kumar Ghosh	50000
Manindra Kumar Nath	50000

6. Subsidiary Company:

Your company do not have any subsidiary company.

7. General Body Meetings :

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

Financial Year	Date of AGM	Time	Venue	No. of Special Resolution
2012-13	21.09.2013	11:00 A.M	Bhartiya Bhasha Parishad Auditorium, 36A Shakespeare Sarani, Kolkata- 700 017	None
2011-12	25.09.2012	3:00 P.M	Kala Kunj, 48 Shakespeare Sarani, Kolkata- 700 017	None
2010-11	19.09.2011	10:30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	None

At the above mentioned meetings all the resolution were passed on show of hands. During the year under review, there was no such business which required passing of resolution through Postal Ballot.

**8. Disclosures:****i) Materially Significant related Party Transactions:**

The company has not entered into any transactions of material nature with its promoters, Directors or the Management, its associates or with the Directors' relatives, etc., that may have potential conflict with the interest at large, other than those in the normal course of business. The transactions undertaken during the year have been appropriately disclosed in the Notes to the Financial Statements for the year ended 31st March, 2014. The Company's major related party transactions are entered into based on various business exigencies, synergy in operation, legal requirements, liquidity and capital resources of the Associates. All related Party transactions are negotiated at arms length basis and in the interest of the company.

ii) Details of compliances :

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

iii) Whistle Blower Policy :

The company has a whistle blower policy and appropriate mechanism in place. Employees can directly report to the Top Management any concern about any unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethic policy. Management on its turn is responsible for establishing a fearless atmosphere where the reporting employee does not fear of being harassed or threatened in any way. We further affirm that no personnel of the Company have been denied access to the Audit Committee during the year under review.

iv) Review of Directors' Responsibility Statement :

The Board in its report has confirmed that the annual account for the year ended 31.03.14 have been made as per applicable accounting standards and policies and that sufficient care has been taken for maintaining proper accounting record.

v) Non Mandatory Requirement:

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

9. Means of communication :

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

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

Date & Time : Tuesday, 9th September, 2014 at 10:30 A.M

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

ii) Financial Year : 1st April, 2013 to 31st March, 2014

iii) Book Closure Date : Friday, 5th September 2014 to Tuesday, 9th September 2014 (both days inclusive)

iv) Dividend Payment Date: On or before 9th day of October, 2014

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
Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata- 700 001	10011078	INE 326C01017

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

vi) Market Price Data :

The Market Price of Equity shares of the company during the year 2013-14 is given below:

Months	BSE	
	High (₹)	Low (₹)
April, 2013	27.00	23.80
May, 2013	27.00	22.70
June, 2013	24.25	23.10
July, 2013	24.90	23.00
Aug, 2013	33.25	26.00
Sept, 2013	39.15	30.60
Oct, 2013	33.50	32.00
Nov, 2013	34.00	28.80
Dec, 2013	29.45	24.70
Jan, 2014	32.00	26.15
Feb, 2014	32.70	29.55
Mar, 2014	34.00	26.65

vii) Share Transfer System:

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

viii) Registrar and Transfer Agents:

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

**ix) Shareholding Pattern :**

Shareholding Pattern as on 31.03.2014 is given below :

CATEGORY	NO. OF SHARES	%
Promoter Group		
Indian Promoters	746290	29.61
Person Acting in concert	420761	16.70
Foreign Promoters	Nil	Nil
Total : Promoter Group	1167051	46.31
Non Promoter Group		
NRI/OCB	8146	0.32
other Bodies Corporate	632931	25.12
Resident Individual	711872	28.25
Institutional Investor (Bank)	Nil	Nil
Total: Non-Promoter Group	1352949	53.69
Grand Total	2520000	100

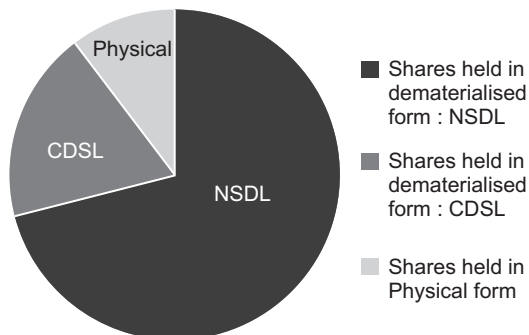
x) Distribution of shareholding :

Distribution of shareholding as on 31.03.2014 is given below:

Range of Shares	No. of Holders	%	No. of Shares	%
1 to 500	814	78.19	131382	5.21
501 to 1000	110	10.57	87374	3.47
1001 to 2000	49	4.71	72731	2.88
2001 to 3000	18	1.73	46651	1.85
3001 to 4000	11	1.06	39244	1.56
4001 to 5000	10	0.96	48921	1.94
5001 to 10000	7	0.67	48921	1.94
10001 to 50000	9	0.86	208292	8.27
50001 to 100000	3	0.29	237906	9.44
100001 and above	10	0.96	1598578	63.44
Grand Total	1041	100	2520000	100

xi) Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2014, 2261008 shares representing 89.72% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form. The Equity shares of the company are actively traded in BSE Ltd.



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

xiii) Plant Location :

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

xiv) Address for Correspondence:

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

xv) Green Initiative

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

MANAGING DIRECTOR & CFO CERTIFICATION

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

- We have reviewed the Balance Sheet of the company as at 31st March, 2014, the statement of Profit & Loss Accounts and all its Schedules and Notes to the Financial Statements as well as the Cash Flow Statements and Directors' Report for the year ended on that date and to the best of our Knowledge and belief.
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the company during the year, are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- There has not been any significant change in internal control over financial; reporting during the year under reference.
 - There has not been any significant change in accounting policies during the year that required disclosures in the notes to the financial statements.
 - We are not aware of any instance of significant fraud during the year with involvement therein of the management or any employees who have significant role in the company's internal control system over financial reporting.

Place: Kolkata Shri Krishan Saraf Bishnu Kumar Kesan
Date: 29th July, 2014 Managing Director Chief Financial Officer



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

I, Shri Krishan Saraf, Managing Director of the company do hereby declare that all the Board Members and Senior Management personnel of the company have affirmed due compliance with the company's Code of Business Conduct and Ethics during the Financial Year Ended 31.03.2014.

Date: 29th July, 2014
Place: Kolkata

Shri Krishan Saraf
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
(Pursuant to clause 49 VII of the listing agreement)

To The Members of
ACKNIT INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Acknit Industries Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges and the relevant records and documents maintained and also furnished to us by the company.

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

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

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

Place: Kolkata
Date: 29th July, 2014

Rajarshi Ghosh
Company Secretary in Practice
Membership No. ACS 17717
C.P. No. 8921

ANNEXURE – B TO DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENT

Industrial Safety measures has been made mandatory all over the world, and as part of the Industrial safety measures different variants of Industrial Gloves and other safety gears are in increasing demands corresponding to further increases in Industrial activities across the world. On the other hand, increased cost of production in the Industrialised developed

countries of West, have resulted to close their own production units for safety gears in favour of job outsourcing to low cost developing countries like India and other countries of the East with a view to cut down their own cost without compromising with the safety requirements. In this arena India with its abundant supply of raw materials and cheap labour associated with most advanced Technology and expertise occupies comparatively favoured position. Added to this the recent steps taken in liberalizing the Indian economy and overall improvement in business environment and a steady improvement in infrastructure developments across the country has given a positive impact to the growth of all types of business and manufacturing activities and export promotions.

Under this background, the future of production and Export of Industrial Safety Gloves in the country is extremely bright and in this arena 'Acknit' enjoys a privileged position because of its maintenance of Quality Standard confirming to ISO 9001-2008 and strict adherence to time schedules at the most competitive price over the decades.

COMPANY'S PERFORMANCE & OUTLOOK

Your company's products cover wide range of Industrial safety requirements with different types of coatings, dotting, rubberized and of such materials as per specific requirements of the consumers. The company's products have received wide acceptance across the world and your company is flooded with various trade enquiries from various types of Industries of the Developed countries.

The booming Indian economy, the growth in infrastructure facilities and added to it the increased amount of Industrial Investments in the country has added to the growing needs of safety gears directly in conformity with the increasing pollution control measures. Your Company's products are well established in the market and its brand name 'Acknit' has a substantial recall value creating an edge over other competitors.

Although there had been an all round increase in production during the year under review, the inflationary trend in Indian Economy and with continued fluctuation of Indian currency as against US Dollars and Euros resulted in a favourable impact on your company's turnover on the other hand, the Indian Economy because of its failure to maintain its progress in every directions has lost its competitive position amongst the fastest growing economy of the present day world. However, the International connections and Economic interactions would not allow the Indian Economy to be quarantined against the recessionary effect of the global Economy.

In spite of all such restraints, the demand for Industrial Safety cannot be compromised at any cost. International demand for Industrial safety wears will continue increasing directly in proportion to increased activities in Industrial restructuring efforts in the west. 'Acknit' being exclusively engaged in the production and supply of Industrial Safety wears, its activities are directly responsive to Industrial Activities of Developed countries.

The strength of the brand name 'Acknit', enhanced product range, excellent distribution network and market relations, projected booming conditions after the by-gone recession in European market- all these factors are expected to act as synergies having potential propelling the workings of your company in the immediate future.

**SWOT ANALYSIS****1. Strengths**

- Your Company has most strategically located production units having varied and advanced technologies and sophisticated machineries installed adequately;
- Your company's products having been well established in the market over the years with commendable reputation, further increases in sales is foreseen;
- Your company has an excellent customer base with efficient distribution network supplemented by continued liaison.
- Maintenance of quality standard confirming to ISO 9001-2008 and strict adherence to supply schedules at the most competitive price are the basic strength of your company.

2. Weakness

- Your company being an export oriented unit is dependant on the inflow of export orders which has become subjected to increased propagation against outsourcing by the European union may cause concern for the future.
- The profitability is generally dependant on the Government policy decision particularly with reference to GATT and WTO resolutions.
- Increasing trend of price war introduced by the new entrants in the market from other low cost Asian Countries may cause ultimate concern in the future.

3. Opportunities

- Due to expansion of manufacturing base and development of diverse types of protective safety wears as per the customers requirements and industrial safety specifications, substantial increase of demand for your company's products is foreseen.
- There are opportunities to explore geographical insights of the global market.
- There are opportunities to develop and increase distribution network across the global markets in developing countries.
- There are opportunities to increase sale of different range of products through tie ups with retail outlets and other brand owners of the west.

4. Threats

- Stiff competition from other low- cost countries of the east and the increasing price wars are continuously reducing the returns on sale;
- The unprecedented global recession caused substantial decrease in International demand which is, though, of temporary nature.
- Prolonged Financial crisis in European Countries causing fluctuations in exchange rates have since been neutralized by the devaluation of Indian Currency.
- Propagation against outsourcing in the European Countries may cause further shrinkage in the demand for your company's products.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has established a well defined organization structure having an extensive system of internal control to ensure optimum utilisation of resources, accurate reporting of financial

transactions and strict compliance of applicable statutory laws and regulations at all times. Your company has adequate system to ensure that the assets of the company are safeguarded against loss from unauthorized use or depreciation and that all transactions are properly authorized, recorded and reported correctly.

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE.

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

HUMAN RESOURCE DEVELOPMENT

Your Company is built around people. The Spirit of Trust, Transparency and Team Work has enabled your company to build a tradition and harmonious relation.

Your company has a systems of annual appraisal of its employees. It believes that in order to unleash 100% potential, it is necessary to empower talent and prepare its people with the necessary skill to exploit their own potential. System of succession planning has commenced and it is expected to ensure that performances have a fast career growth.

DISCLAIMER

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

ANNEXURE - C TO DIRECTORS' REPORT**Form A**

(Form for disclosure of particulars with respect to Conservation of Energy)

i) POWER & FUEL CONSUMPTION

	2013-14	2012-13
(I) Electricity		
a) Purchased Unit (Kwh)-in-lacs	11.50	12.18
b) Total Amount (₹ in lacs)	107.18	103.60
c) Average Rate per unit ₹	9.32	8.51
Through diesel generator	N.A	N.A
Units (lakh Kwh)		
Unit per ltr. Of Diesel	Nil	Nil
Oil (kwh) cost/unit (lakh kwh)		
Through steam turbine/	Nil	Nil
Generator units (lakh kwh)		
Unit per ltr. Of LD oil (kwh)	Nil	Nil
Cost/unit (lakh kwh)		

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Acknit Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Acknit Industries Limited which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

R. K. Bajaj
Proprietor
Membership number: 051715

Place: Kolkata

Dated: The 30th day of May, 2014.

**Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of Acknit Industries Limited for the year ended 31 March 2014. We report that:

- I. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.
- (c) During the year, in our opinion the company has not disposed of a substantial part of the fixed assets. According to the information and explanations given to us, we are of the opinion that the withdrawal of the fixed assets has not affected the going concern status of the company.
- II. (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
- III. (a) The company has granted unsecured loans to two Body Corporate covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to ₹ 2,20,00,000/-
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 are not , prima facie, prejudicial to the interest of the company.
- (c) According to information and explanations given to us, the loan as aforesaid was repayable on demand and Body Corporate is regular in payment of Principal amount and interest as and when demanded by the company.
- (d) According to information and explanations given to us, there is no overdue amount of loans and interest granted to the companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
- (e) The company has taken unsecured loan from one Body Corporate covered in the register maintained under section 301 of the companies Act, 1956 and the maximum amount involved in the transaction is ₹ 1,11,00,000/-
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been received from the company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (g) According to information and explanations given to us, there is no overdue amount of loans and interest received from the companies listed in the register maintained under section 301 of the companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis of our examination and according to the information and explanation given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- V. (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us and excluding certain transactions of purchases/sales of goods and materials of special nature for which alternate quotations are not available, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year covered by our audit report and therefore the provision of section 58A & 58AA or any other relevant provision of the Companies Act, 1956 and Rules there under are not applicable to the company.
- VII. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- VIII. We have broadly reviewed the cost records maintained by the company, as prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- IX. (a) According to the information and explanation given to us, and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing



undisputed statutory dues including provident fund, Investors Education Protection Fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

- (b) According to the information and explanation given to us and the records of the company examined by us the particulars of dues at income tax, sales tax, wealth tax, service tax, customs duty, excise duty and the Cess as at 31.03.2014 which have not been deposited on accounts of dispute are as follows :

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

- X. The company does not have accumulated losses as at 31st March 2014 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not defaulted in re-payment of dues to any financial institution, bank during the year.
- XII. According to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- XIII. The Provisions of any special statute applicable to chit fund/ nidhi /mutual benefit fund/societies are not applicable to the company.
- XIV. In our opinion and according to the information and explanations given to us, the company has maintained proper records of transaction and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made there in. All shares, debentures & other investments have been held by the company in its own name.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by other from banks and financial institution.
- XVI. In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII. According to the information and explanations given to us and on overall examinations of Balance Sheet of the company, in our opinion there are no funds raised on short-term basis which have been used for long-term investments.
- XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the Year.
- XIX. As the company has no debenture outstanding at any time during the year, paragraph (xix) of the Order is not applicable to the company.
- XX. The company has not raised any money by public issue during the year.
- XXI. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been notified or reported during the course of our audit.

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

R. K. Bajaj
Proprietor
Membership number: 051715

Place: Kolkata

Dated: The 30th day of May, 2014.



Balance Sheet as at March 31,2014

		As at 31.03.2014	Amount in ₹ As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,75,77,000	2,75,77,000
Reserves and surplus	3	21,89,58,384	19,87,32,759
		24,65,35,384	22,63,09,759
Non Current Liabilities			
Long term borrowings	4	5,90,90,865	6,69,87,000
Deferred tax liabilities (net)	5	2,16,41,700	2,21,57,400
		8,07,32,565	8,91,44,400
Current Liabilities			
Short term borrowings	6	38,05,27,922	31,16,35,112
Trade payables	7	19,13,41,348	9,67,73,117
Other current liabilities	8	4,02,51,724	3,45,83,555
Short term provisions	9	61,72,789	57,33,305
		61,82,93,783	44,87,25,089
TOTAL		94,55,61,732	76,41,79,248
ASSETS			
Non Current Assets			
Fixed Assets	10		
Tangible assets		19,17,35,345	18,84,02,583
Intangible assets		58,992	1,00,833
Capital work-in-progress		17,68,916	5,85,916
Non current investments	11	10,66,137	10,66,137
Long term loans and advances	12	1,31,16,830	72,83,781
Other non current assets	13	2,73,065	10,24,225
		20,80,19,285	19,84,63,475
Current Assets			
Inventories	14	31,52,41,932	26,34,14,615
Trade receivables	15	22,54,97,450	15,00,77,118
Cash and bank balances	16	2,24,06,780	73,15,206
Short term loans and advances	17	16,92,76,091	14,17,16,546
Other current assets	18	51,20,194	31,92,288
		73,75,42,447	56,57,15,773
TOTAL		94,55,61,732	76,41,79,248

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

Dated: The 30th day of May 2014

For and on behalf of the Board

Shri Krishan Saraf

Deo Kishan Saraf

Directors

Bishnu Kumar Kesan

Chief Financial Officer

Deepa Singh

Company Secretary



Statement of Profit and Loss for the year ended March 31, 2014

		As at 31.03.2014	Amount in ₹ As at 31.03.2013
INCOME			
Gross Revenue From Sale of products		1,24,94,21,299	90,69,35,701
Less: Excise Duty / Customs Duty		1,00,94,462	1,33,80,640
Net Revenue from sale of products		1,23,93,26,837	89,35,55,061
Other operating revenue		10,36,81,884	7,24,39,307
Revenue From Operation	19	1,34,30,08,721	96,59,94,368
Other Income	20	36,26,116	84,38,046
TOTAL REVENUE		1,34,66,34,837	97,44,32,414
EXPENSES			
Cost of raw materials consumed	21	1,00,24,26,819	69,37,47,513
Purchase of stock-in-trade	22	1,10,664	1,76,231
Changes in inventories of finished goods, work in progress and stock-in-trade	23	(4,17,24,012)	(2,75,78,448)
Employee benefits expense	24	2,29,25,898	1,92,81,418
Finance Costs	25	2,05,48,319	3,07,91,037
Depreciation and amortisation expense	10	1,72,20,995	1,70,86,868
Other expenses	26	28,70,72,801	21,64,07,408
TOTAL EXPENSES		1,30,85,81,484	94,99,12,027
PROFIT BEFORE TAX		3,80,53,353	2,45,20,387
Tax Expense:			
Current tax	27	1,39,21,017	1,04,17,073
Deferred tax		(5,15,700)	(11,95,000)
PROFIT AFTER TAX		2,46,48,036	1,52,98,314
Earnings Per Equity Share (Face Value ₹ 10/- each) Basic and Diluted	28	9.78	6.07

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

Dated: The 30th day of May 2014

For and on behalf of the Board

Shri Krishan Saraf

Deo Kishan Saraf

Directors

Bishnu Kumar Kesan

Chief Financial Officer

Deepa Singh

Company Secretary



Cash Flow Statement for the year ended March 31, 2014

	For the Year Ended 31.03.2014	Amount in ₹ For the Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	3,80,53,353	2,45,20,387
Adjustments for		
Depreciation and amortisation expense	1,72,20,995	1,70,86,868
Finance Costs	2,05,48,319	3,07,91,037
Interest Income	(11,85,995)	(4,78,946)
(Profit)/Loss on sale of Fixed Assets/Assets Discarded	(38,936)	
Net (gain)/loss on sale of current investments	-	23,020
Net loss on sale of long term investments	-	6,96,031
Operating profit before working capital changes	7,45,97,736	7,26,48,111
Adjustments for changes in working capital :		
Trade receivables, loans and advances and other assets	(12,49,43,730)	(2,45,10,386)
Inventories	(5,18,27,317)	(5,46,83,859)
Trade payables other liabilities and provisions	9,45,86,259	2,12,13,062
Cash generated from operations	(75,87,052)	1,46,66,928
Tax paid (including TDS) (net)	(1,35,10,733)	(70,44,742)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	(2,10,97,785)	76,22,186
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,16,95,980)	(58,84,605)
Sale of fixed assets	40,000	-
Sale / (Purchase) of investment (net)	-	22,35,956
Intercompany deposits	2,00,31,403	(2,10,14,362)
Payables for capital goods	5,48,862	3,73,912
Movement in loans and advances and other Current Assets	(53,07,391)	(7,13,357)
Interest received	11,90,539	3,81,523
Profit / (loss) on sale of investments & dividend	-	(7,19,051)
NET CASH USED IN INVESTING ACTIVITIES (B)	(51,92,567)	(2,53,39,984)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term secured loan	6,33,15,469	4,41,71,240
Short term unsecured loan	55,77,341	2,50,00,000
Proceeds from/(repayment) of long term unsecured loan	(40,09,135)	(69,00,000)
Repayment of long term loan	(51,88,000)	(1,01,78,560)
Interest and financing charges	(1,41,37,343)	(3,22,11,804)
Dividend & dividend tax paid	(44,01,908)	(43,64,424)
NET CASH FROM FINANCING ACTIVITIES (C)	4,11,56,424	1,55,06,738
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1,48,66,072	(22,11,060)
Cash & Cash Equivalents at the beginning of the year	63,98,971	86,10,031
Cash & Cash Equivalents at the end of the year	2,12,65,043	63,98,971
Notes to cash flow statement for the year ended March 31, 2014		
1. Cash and cash equivalents include the following balance sheet amounts		
Cash in hand	15,44,020	4,86,928
Cheques in hand	8,01,229	-
Balances with banks		
- In Current Accounts	99,16,294	28,88,697
- In Deposit Accounts	90,03,500	30,23,346
	2,12,65,043	63,98,971

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
Dated: The 30th day of May 2014

For and on behalf of the Board
Shri Krishan Saraf
Deo Kishan Saraf
Directors
Bishnu Kumar Kesan
Chief Financial Officer
Deepa Singh
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS****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.

1. SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

To prepare the financial statements in accordance with applicable Accounting Standards in India. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

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 and other criteria set out in the revised Schedule VI to the Companies Act, 1956 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 Indian GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

Fixed Assets and Impairment Losses

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

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

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of

the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortizes the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in schedule XIV of the Companies Act, 1956, whichever is lower.

Investments

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

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

Valuation of Inventories

Inventories are valued as follows :

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

Revenue Recognition

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

Sales & Export Incentives

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

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

Investment Income

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

**NOTES TO THE FINANCIAL STATEMENTS****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.

Foreign Currency Transaction

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

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

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

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

Taxes on Income

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

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

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

Insurance Claims

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

Other Claims :

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

Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognized when an estimate has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current management estimates.

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

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.

To account for inter-segment revenue on the basis of transactions which are primarily market led.

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

2 a) SHARE CAPITAL

	As at 31.03.2014		As at 31.03.2013	
	Numbers	Amount (₹)	Numbers	Amount (₹)
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>



NOTES TO THE FINANCIAL STATEMENTS

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

c) Reconciliation of the number of Shares outstanding:

	As at 31.03.2014		As at 31.03.2013	
	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	25,20,000	2,52,00,000	25,20,000	2,52,00,000

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

	As at 31.03.2014		As at 31.03.2013	
	Numbers	%	Numbers	%
1. Shri Krishan Saraf	3,81,458	15.14	3,81,458	15.14
2. Deo Kishan Saraf	3,64,832	14.48	3,64,832	14.48
3. Kusum Saraf	1,59,452	6.33	1,58,150	6.28
4. PBS Investment Pvt Ltd	1,49,900	5.95	1,49,900	5.95
5. Ritula Saraf	1,47,696	5.86	1,47,696	5.86

e) Rights, Preference and Restriction attached to Shares

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

	As at	Amount in ₹
	31.03.2014	As at 31.03.2013
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	17,10,00,000	16,10,00,000
Add: Transfer from Surplus in Statement of Profit and Loss	2,00,00,000	1,00,00,000
At the end of the year	19,10,00,000	17,10,00,000
d) Surplus/(Deficit) in Statement of Profit and Loss		
At the beginning of the year	1,33,78,915	1,24,73,812
Add: Profit during the year	2,46,48,036	1,52,98,314
Less: Appropriations		
Proposed dividend	37,80,000	37,80,000
Tax on proposed dividend	6,42,411	6,13,211
Transfer to general reserve	2,00,00,000	1,00,00,000
At the end of the year	1,36,04,540	1,33,78,915
TOTAL (a+b+c+d)	21,89,58,384	19,87,32,759



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2014	Amount in ₹ As at 31.03.2013
4 LONG TERM BORROWINGS		
A. SECURED		
Term Loans		
Rupee Loan		
- From Financial Institution	-	38,87,000
Total	-	38,87,000
B. UNSECURED		
Rupee Loan		
- From Others	5,90,90,865	6,31,00,000
Total	5,90,90,865	6,31,00,000
TOTAL (A + B)	5,90,90,865	6,69,87,000
a) Secured Loans are covered by:		
From Financial Institution		
Term Loan, including current maturities, from financial institution is secured by way of both immovable and moveable assets / properties, both existing & future pertaining to the Project, Personal guarantee of Directors, PDC.		
b) Repayment Terms of outstanding long term borrowings (including current maturities) as on March 31, 2014: -		
The Scheduled maturity of the Long-term borrowings is summarised as under :		
Term Loan from Financial Institution		
Borrowings Repayable		
In the first year (Note 8)	38,87,000	51,88,000
Current maturities of long-term debt	38,87,000	51,88,000
In the second year	-	38,87,000
Long Term Borrowings	-	38,87,000
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)	1,01,00,000	1,11,00,000
ii) Intercorporates		
a) Bearing interest	2,30,00,000	2,70,00,000
b) Interest free	2,50,00,000	2,50,00,000
iii) Vehicle Loan From Bank	9,90,865	-
	5,90,90,865	6,31,00,000
e) Long Term Borrowings from Related Party includes payable to:		
Prince Vanijya Pvt. Ltd.	1,01,00,000	1,11,00,000
	1,01,00,000	1,11,00,000
5 DEFERRED TAX LIABILITIES (NET)		
a) Deferred tax liability:		
on depreciation & amortisation	2,29,28,000	2,34,75,000
Total deferred tax liability (A)	2,29,28,000	2,34,75,000
b) Deferred tax asset:		
Provision for doubtful assets	21,000	21,600
Provision for doubtful loan & advances	12,65,300	12,96,000
Total deferred tax assets (B)	12,86,300	13,17,600
Net Deferred tax liability (A - B)	2,16,41,700	2,21,57,400



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2014	Amount in ₹ As at 31.03.2013
6 SHORT TERM BORROWINGS		
a) SECURED		
(i) Foreign currency loan from banks	22,22,47,276	11,88,73,737
(ii) Buyers' Credit	2,54,24,427	1,26,39,696
(iii) Rupee loan from banks		
Bill Discounting	6,97,78,878	4,55,92,365
Cash credit	3,00,00,000	10,70,29,314
	<u>34,74,50,581</u>	<u>28,41,35,112</u>
<p>(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)</p>		
b) UNSECURED		
(i) Inter corporate loan	3,25,00,000	2,75,00,000
(ii) Vehicle loan	5,77,341	-
	<u>3,30,77,341</u>	<u>2,75,00,000</u>
TOTAL (a+b)	<u>38,05,27,922</u>	<u>31,16,35,112</u>
7 TRADE PAYABLES		
Trade payables (including acceptances)	19,13,41,348	9,67,73,117
TOTAL	<u>19,13,41,348</u>	<u>9,67,73,117</u>
<p>Note: - A sum of ₹ 67,77,228/- payable to Micro Small and Medium Enterprises as at 31st March, 2014 (Previous year - ₹ 47,81,549/-) 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, 2014. 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.</p>		
8 OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debt (Note 4(b))	38,87,000	51,88,000
(b) Interest accrued but not due on Borrowings	1,10,88,308	50,44,497
(c) Interest accrued and due on borrowings	3,82,194	15,029
(d) Unpaid dividends *	7,15,663	7,24,360
(e) Other payables	2,41,78,559	2,36,11,669
TOTAL	<u>4,02,51,724</u>	<u>3,45,83,555</u>
<u>Other payables comprise :</u>		
Payables for fixed assets	16,56,635	11,07,773
Advance received from customers	39,67,830	22,64,131
Statutory Liabilities	14,14,285	13,44,354
Others	1,71,39,809	1,88,95,411
	<u>2,41,78,559</u>	<u>2,36,11,669</u>
<p>* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.</p>		
9 SHORT TERM PROVISIONS		
Proposed Dividend	37,80,000	37,80,000
Tax on proposed dividend	6,42,411	6,13,211
Provision for Income Tax (Net of Advances)	17,50,378	1,340,094
TOTAL	<u>61,72,789</u>	<u>5,733,305</u>



NOTES TO THE FINANCIAL STATEMENTS

10 FIXED ASSETS

Amount in ₹

TANGIBLE ASSETS

Sl No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2013	Addition during the year	Withdrawals during the year	As at 31.03.2014	As at 01.04.2013	Withdrawals during the year	For the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Office Premises	52,71,635	-	-	52,71,635	2,77,346	-	83,180	3,60,526	49,11,109	49,94,289
2	Land	1,93,29,076	-	-	1,93,29,076	-	-	-	-	1,93,29,076	1,93,29,076
3	Freehold Building	4,97,07,732	9,84,931	-	5,06,92,663	85,37,701	-	16,74,203	1,02,11,904	4,04,80,759	4,11,70,031
4	Plant & Machinery	15,56,03,086	60,97,656	-	16,17,00,742	8,31,64,857	-	86,20,556	9,17,85,413	6,99,15,329	7,24,38,229
5	Windmill	5,96,45,616	-	-	5,96,45,616	2,16,99,895	-	31,49,288	2,48,49,183	3,47,96,433	3,79,45,721
6	Electric Installation	86,73,822	3,91,569	-	90,65,391	32,35,136	-	6,29,671	38,64,807	52,00,584	54,38,686
7	Fire Prevention Eq	15,23,549	7,61,250	-	22,84,799	1,04,437	-	79,255	1,83,692	21,01,107	14,19,112
8	Furniture & Fixture	33,25,739	70,75,042	-	1,04,00,781	14,39,724	-	2,87,900	17,27,624	86,73,157	18,86,015
9	Air Conditioners	27,14,320	-	-	27,14,320	7,13,576	-	1,28,931	8,42,507	18,71,813	20,00,744
10	Office Equipment										
	- Computer	19,04,872	3,49,175	-	22,54,047	12,67,701	-	2,03,986	14,71,687	7,82,360	6,37,171
	- Other	9,14,051	7,52,641	-	16,66,692	6,61,451	-	90,498	7,51,949	9,14,743	2,52,600
11	Refrigerator	20,300	-	-	20,300	8,524	-	1,507	10,031	10,269	11,776
12	Vehicles	25,71,953	21,97,753	4,01,185	43,68,521	16,92,820	4,00,121	3,27,216	16,19,915	27,48,606	8,79,133
13	Clicking Dies	41,34,567	19,02,963	-	60,37,530	41,34,567	-	19,02,963	60,37,530	-	-
		31,53,40,318	2,05,12,980	4,01,185	33,54,52,113	12,69,37,735	4,00,121	1,71,79,154	14,37,16,768	19,17,35,345	18,84,02,583
	Capital WIP	5,85,916	12,46,316	63,316	17,68,916	-	-	-	-	17,68,916	5,85,916
	Total	31,59,26,234	2,17,59,296	4,64,501	33,72,21,029	12,69,37,735	4,00,121	1,71,79,154	14,37,16,768	19,35,04,261	18,89,88,499
	Previous year	31,00,70,229	74,35,103	15,79,098	31,59,26,234	10,98,96,240	-	1,70,41,495	12,69,37,735	18,89,88,499	20,01,73,989
INTANGIBLE ASSETS											
1	Computer - Software	2,96,601	-	-	2,96,601	1,95,768	-	41,841	2,37,609	58,992	1,00,833
	Total	2,96,601	-	-	2,96,601	1,95,768	-	41,841	2,37,609	58,992	1,00,833
	Previous year	2,68,001	28,600	-	2,96,601	1,50,395	-	45,373	1,95,768	1,00,833	1,17,606

Note:

- Building Freehold include ₹37,541,129/- (previous Year - ₹ 36,556,198/-), 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 1.96 lacs upto 31.03.2014.
- Depreciation had been provided at WDV up to the additions made on 31.03.95 and at SLM on the additions made on or after 31.03.95 as per Companies Act, 1956 (as amended). The Total depreciation provided ₹ 16,683/- on WDV method on Gross Block of ₹ 33,03,142/- (previous year depreciation ₹ 28,464/- on Gross Block of ₹ 33,03,142/-)and ₹ 1,72,04,312/- on SLM on Gross Block of ₹ 3,32,445,572/- (previous year depreciation ₹ 1,70,58,404/- on Gross Block of ₹ 3,12,333,777/-).

11 NON CURRENT INVESTMENTS

(at cost unless stated otherwise)

Long Term and Non Trade Investments

Investment in equity instruments

In others

Unquoted

Gujrat NRE Mineral Resources Limited

51,750 (P.Y. 34,500) shares of ₹ 10 each, fully paid

Quoted

Henkel Spic India Limited

250 (P. Y. 250) shares of ₹ 10 each

Ispat Industries Limited

100 (P. Y. 100) shares of ₹ 10 each

Aggregate amount of non-current investments

Aggregate market value of quoted investments.

	As at 31.03.2014	Amount in ₹ As at 31.03.2013
	10,50,000	10,50,000
	10,50,000	10,50,000
	15,341	15,341
	796	796
	16,137	16,137
	10,66,137	10,66,137
	8,175	8,175



NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2014	Amount in ₹ As at 31.03.2013
12 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
(a) Security Deposits	1,05,95,094	51,44,984
(b) Deposits with body corporate and others		
- Considered good	—	—
- Considered doubtful	39,00,000	39,00,000
(c) Loan to Employees	8,91,856	5,08,917
(d) Other advances recoverable in cash or kind	16,29,880	16,29,880
	1,70,16,830	1,11,83,781
Less: Provision for doubtful advances	39,00,000	39,00,000
TOTAL	1,31,16,830	72,83,781
13 OTHER NON-CURRENT ASSETS		
(a) Prepaid Expenses	59,765	7,21,175
(b) Deposits with Banks (with maturity more than 12 months)	2,13,300	3,03,050
TOTAL	2,73,065	10,24,225
14 INVENTORIES (At lower of cost and net realisable value)		
(a) Raw Materials	14,06,12,688	13,24,97,442
(b) Work-in-progress (refer note 23)	5,99,86,364	4,72,49,093
(c) Finished goods (refer note 23)	10,76,48,948	7,86,62,206
(d) Stores spares & packing materials	69,93,932	50,05,874
TOTAL	31,52,41,932	26,34,14,615
The above includes goods in transit as under:		
(i) Raw Materials	16,55,158	70,08,932
(ii) Stores spares & packing materials	1,80,178	1,17,125
	18,35,336	71,26,057
Note: Valuation of inventories certified and decided by the management are according to normally accepted accounting principal.		
15 TRADE RECEIVABLES		
(a) <u>Outstanding for a period exceeding six months from the date they are due for payment</u>		
Unsecured, considered good	1,27,00,027	1,66,88,226
Doubtful	64,800	64,800
	1,27,64,827	1,67,53,026
Less: Provision for doubtful receivables	64,800	64,800
Total	1,27,00,027	1,66,88,226
(b) <u>Others</u>		
Unsecured, considered good	21,27,97,423	13,33,88,892
TOTAL (a+b)	22,54,97,450	15,00,77,118



NOTES TO THE FINANCIAL STATEMENTS

16 CASH AND BANK BALANCES

	As at 31.03.2014	Amount in ₹ As at 31.03.2013
(a) Cash and Cash Equivalents		
Balances with banks		
- In current accounts	95,25,551	8,86,991
- In EEFC accounts	3,90,743	20,01,706
- In deposit accounts (with less than 3 months maturity)	90,03,500	30,23,346
Cash in hand	15,44,020	4,86,928
Cheques in hand	8,01,229	-
Total	<u>2,12,65,043</u>	<u>63,98,971</u>
(b) Other Bank Balances		
- In deposit accounts (with maturity of more than 3 months but less than 12 months)	4,32,563	1,88,467
- In unpaid dividend accounts	7,09,174	7,27,768
Total	<u>11,41,737</u>	<u>9,16,235</u>
TOTAL (a+b)	<u><u>2,24,06,780</u></u>	<u><u>73,15,206</u></u>

Deposits with banks having maturity more than 12 months of ₹ 213,300/- (Previous Year : ₹ 303,050/-) 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	-	2,00,31,403
(b) Others		
(i) Loans and advances to other body corporate	36,67,461	36,67,461
(ii) Export Incentives & Receivables from govt. authorities	14,09,63,118	9,07,87,049
(iii) Loans & Advances to Employees	4,50,667	4,59,904
(iv) Other Loans and Advances	2,41,94,845	2,67,70,729
TOTAL (a+b)	<u><u>16,92,76,091</u></u>	<u><u>14,17,16,546</u></u>

Loans and advances to Related Parties -Refer Note 31

18 OTHER CURRENT ASSETS

(a) Prepaid expenses	45,00,412	25,67,962
(b) Interest accrued on deposits	2,59,782	2,64,326
(c) Security deposits	3,60,000	3,60,000
TOTAL	<u><u>51,20,194</u></u>	<u><u>31,92,288</u></u>

For the Year Ended	For the Year Ended
31.03.2014	31.03.2013

19 REVENUE FROM OPERATIONS

Sale of products	1,24,94,21,299	90,69,35,701
Other operating revenue	10,36,81,884	7,24,39,307
Revenue from operations (gross)	1,35,31,03,183	97,93,75,008
Less: Excise duty attributable to product sold	1,00,94,462	1,33,80,640
Revenue from operations (net)	<u><u>1,34,30,08,721</u></u>	<u><u>96,59,94,368</u></u>
Details of products sold		
(A) Finished goods sold		
Hand Gloves	1,03,28,06,936	73,86,68,218
Readymade Garments	20,27,56,870	11,71,27,622
Windpower	87,12,298	84,22,286
Others	24,55,771	3,79,56,272
	<u><u>1,24,67,31,875</u></u>	<u><u>90,21,74,398</u></u>
(B) Traded goods sold		
Yarn, fabrics, chemicals and other traded goods	26,89,424	47,61,303
	<u><u>26,89,424</u></u>	<u><u>47,61,303</u></u>
(A)+(B)	<u><u>1,24,94,21,299</u></u>	<u><u>90,69,35,701</u></u>
Other operating revenue		
(i) Scrap sales	8,18,657	2,87,355
(ii) Export Incentives	10,28,63,227	7,21,51,952
	<u><u>10,36,81,884</u></u>	<u><u>7,24,39,307</u></u>



NOTES TO THE FINANCIAL STATEMENTS

	<u>For the Year Ended</u> <u>31.03.2014</u>	<u>For the Year Ended</u> <u>31.03.2013</u>
Amount in ₹		
20 OTHER INCOME		
Interest income on		
Bank Deposits	2,65,694	4,33,696
Others	9,20,301	45,250
Net gain on foreign currency transaction and translation	14,61,938	76,03,837
Other Non-operating income *	9,78,183	3,55,263
TOTAL	<u><u>36,26,116</u></u>	<u><u>84,38,046</u></u>
* Other Non-operating income includes		
Discount Received	59,332	1,69,127
Brokerage Income	47,148	-
Other Misc. Income	4,72,881	1,86,136
Profit on sale of Fixed Assets	38,936	-
Job Charges Received	3,47,588	-
Sample Income	12,298	-
	<u><u>9,78,183</u></u>	<u><u>3,55,263</u></u>
21 COST OF RAW MATERIALS CONSUMED		
Opening Stock	13,24,97,442	10,49,56,976
Add: Purchase	1,01,05,42,065	72,12,87,979
Less: Closing Stock	14,06,12,688	13,24,97,442
Cost of raw materials consumed	<u><u>1,00,24,26,819</u></u>	<u><u>69,37,47,513</u></u>
Details of raw materials consumed		
Yarn	6,18,72,936	3,92,00,821
Fabrics	9,87,65,700	6,98,78,202
Leathers	65,71,87,944	38,87,61,773
Chemicals	3,94,26,421	3,23,47,794
Industrial Gloves (SF)	7,69,82,996	1,61,78,371
Others	6,81,90,822	14,73,80,552
	<u><u>1,00,24,26,819</u></u>	<u><u>69,37,47,513</u></u>
Value of Raw materials consumed during the year		
Imported	10.37% 10,39,81,659	16.03% 11,12,05,760
Indigenous	89.63% 89,84,45,160	83.97% 58,25,41,753
	<u><u>100.00%</u></u> <u><u>1,00,24,26,819</u></u>	<u><u>100.00%</u></u> <u><u>69,37,47,513</u></u>
22 PURCHASES OF STOCK-IN-TRADE		
Hand Gloves	1,10,664	8,231
Others	-	1,68,000
TOTAL	<u><u>1,10,664</u></u>	<u><u>1,76,231</u></u>
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Opening Stock		
Work-in-progress	4,72,49,093	3,59,81,024
Finished goods	7,86,62,206	6,27,08,632
Traded goods	-	3,88,476
	<u><u>12,59,11,299</u></u>	<u><u>9,90,78,132</u></u>
Closing Stock		
Work-in-progress	5,99,86,364	4,72,49,093
Finished goods	10,76,48,947	7,86,62,206
	<u><u>16,76,35,311</u></u>	<u><u>12,59,11,299</u></u>
Excise duty on increase / (decrease) of finished goods	-	(7,45,281)
TOTAL	<u><u>(4,17,24,012)</u></u>	<u><u>(2,75,78,448)</u></u>



Notes to the Financial Statements

Details of inventories	Amount in ₹	
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
Work-in-progress		
Hand gloves	3,60,56,213	3,10,67,528
Garments	2,39,29,971	1,60,51,822
Others	180	1,29,743
	5,99,86,364	4,72,49,093
Finished goods		
Hand gloves	9,77,84,639	7,56,06,528
Garments	96,97,972	27,03,465
Others	1,66,336	3,52,213
	10,76,48,947	7,86,62,206
24 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, etc	1,99,58,206	1,69,58,630
Contribution to provident and other funds	18,60,149	16,23,052
Gratuity expenses	5,79,218	2,35,098
Staff welfare expense	5,28,325	4,64,638
TOTAL	2,29,25,898	1,92,81,418

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	14,86,715	12,90,316
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The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Under AS - 15 (Revised 2005) as on 31.03.14 in respect of CGCA scheme of Acknit Industries Ltd.

	31.03.2014	31.03.2013
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	32,63,423	28,61,767
Interest cost	2,61,074	2,28,941
Current service cost	2,38,498	2,33,587
Benefits paid	(1,19,595)	(1,38,843)
Actuarial (gain)/ loss on obligation	4,13,219	77,971
Present value obligation as at end of the year	40,56,619	32,63,423
3 Changes in fair value of plan assets		
Plan assets as at beginning of the year	38,07,322	33,72,410
Expected return on plan assets	3,33,573	3,05,401
Contributions	5,40,709	2,68,354
Benefits Paid	(1,19,595)	(1,38,843)
Actuarial gain /(loss)	–	–
Plan assets as at end of the year	45,62,009	38,07,322



Notes to the Financial Statements

	Amount in ₹	
	31.03.2014	31.03.2013
4 Fair value of plan assets		
Plan assets as at beginning of the year	38,07,322	33,72,410
Actual return on plan assets	3,33,573	3,05,401
Contributions	5,40,709	2,68,354
Benefit paid	(1,19,595)	(1,38,843)
Fair value plan assets as at end of the year	45,62,009	38,07,322
Funded status	5,05,390	5,43,899
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	4,13,219	77,971
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	4,13,219	77,971
Actuarial (gain) /loss recognized in the year	4,13,219	77,971
6 Amounts to be recognized in the Balance Sheet		
Present value obligation as at end of the year	40,56,619	32,63,423
Fair value plan assets as at end of year	45,62,009	38,07,322
Funded status	5,05,390	5,43,899
Net assets / (liability) recognized in Balance Sheet	5,05,390	5,43,899
7 Expenses Recognized in the Statement of Profit & Loss		
Current service cost	2,38,498	2,33,587
Interest cost	2,61,074	2,28,941
Expected return on plan assets	(3,33,573)	(3,05,401)
Net actuarial (gain)/ loss recognized in the year	4,13,219	77,971
Expenses recognized in the statement of profit & Loss	5,79,218	2,35,098
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.		
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
25 FINANCE COST		
Bank charges	10,37,244	15,45,845
Interest Expense	1,94,42,132	2,92,45,192
Others	68,943	-
TOTAL	2,05,48,319	3,07,91,037



NOTES TO THE FINANCIAL STATEMENTS

	<u>For the Year Ended</u> <u>31.03.2014</u>	<u>Amount in ₹</u> <u>For the Year Ended</u> <u>31.03.2013</u>
26 OTHER EXPENSES		
Consumption of stores, spares & packing materials @	2,91,39,615	2,48,88,526
Power & fuels	2,18,21,478	1,90,74,250
Rent, rates & taxes etc.	38,88,804	34,35,413
Packing & finishing charges	55,72,006	64,39,345
Printing & stationary	8,29,228	6,75,381
Processing charges	16,02,68,090	10,57,67,021
Bank Charges	43,22,104	40,63,745
Travelling & conveyance expenses	82,42,370	50,70,096
Auditor's remuneration *	3,16,576	2,62,083
Insurance charges	48,32,791	26,43,449
Postage & telephone expenses	18,43,036	17,44,896
Motor car expenses	10,66,265	7,81,297
Repairs & maintenance		
Plant & machinery	19,97,506	14,40,261
Building	53,006	5,40,536
Others	56,58,288	51,67,912
Commission on sales	-	47,83,574
Sales promotion expenses	20,29,718	15,17,245
Coolie, cartage, freight & forwarding charges	1,96,86,353	1,78,66,704
Quality Claim on Exports	40,42,951	13,12,143
Loss on sale of Investments	-	7,19,051
Misc. expenses	1,02,84,918	71,83,858
Prior Period items #	11,77,698	10,30,622
TOTAL	<u>28,70,72,801</u>	<u>21,64,07,408</u>

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	17.56%	51,18,093	14.69%	36,55,679
Indigenous	82.44%	2,40,21,522	85.31%	2,12,32,847
	<u>100.00%</u>	<u>2,91,39,615</u>	<u>100.00%</u>	<u>2,48,88,526</u>

*** Auditors' remuneration and expenses**

Audit Fees	2,24,720	1,79,776
Tax Audit Fees	56,180	39,326
Vat Audit Fees	7,584	8,989
Other Matters	28,092	33,992
	<u>3,16,576</u>	<u>2,62,083</u>

Details of Prior period items (Net)

(a) Prior period item (Debit Adjustments)

Export Incentives	14,280	8,72,344
VAT Expenses	-	1,10,438
Service Tax Under VCES	11,47,121	-
Service Tax Under Reverse Charge Basis	43,759	-
Sample Charges	33,503	-
Gram Panchayat Tax	-	57,969
Interest	-	11,68,141
Repairs & Maintenance	1,560	5,500
Cost Compliance / Audit fees	19,000	-
Coolie, Cartage, Freight & Forwarding Charges	4,680	-
Others	706	1,17,890
	<u>12,64,609</u>	<u>23,32,282</u>



NOTES TO THE FINANCIAL STATEMENTS

		Amount in ₹
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
(b) Prior period item (Credit Adjustments)		
Sample Income	86,202	–
Rent Rates & Taxes	–	8,63,891
Processing Charges	–	3,57,299
Others	709	80,470
	86,911	13,01,660
TOTAL (a-b)	11,77,698	10,30,622
27 CURRENT TAX		
Income tax for the year:		
Current Tax	1,35,00,000	88,00,000
	1,35,00,000	88,00,000
Adjustments / (credits) related to previous years - Net Current Tax	4,21,017	16,17,073
	4,21,017	16,17,073
TOTAL	1,39,21,017	1,04,17,073
28 EARNINGS PERSHARE		
Profit After Taxation (₹)	2,46,48,036	1,52,98,314
Weighted average number of shares (Nos.)	25,20,000	25,20,000
Basic and Diluted Earnings Per Share (₹)	9.78	6.07
29 CONTINGENT LIABILITIES		
(a) Claims against the company not acknowledged as debts		
(i) Sales Taxes claims disputed by the company relating to issues of applicability classification and disallowance.	76,29,958	76,29,958
(ii) Tax liability demanded by the Kolkata Municipal Tax Authorities*.	25,62,342	25,62,342
(b) Guarantees		
Letter of Credit	1,91,23,102	1,52,39,170
(c) Other money for which company is contingently liable		
Bills discounted by the Bank	6,97,78,878	4,55,92,365

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



NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENT REPORTING

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

PRIMARY SEGMENT INFORMATION

	2014			Amount in ₹ 2013		
	External Sale	Inter segment Sales	Total	External Sale	Inter segment Sales	Total
A. SEGMENT REVENUE						
Cotton & Synthetic Gloves	15,13,99,576	-	15,13,99,576	11,37,75,994	-	11,37,75,994
Leather Gloves	97,46,48,824	49,09,573	97,95,58,397	69,16,29,477	53,65,919	69,69,95,396
Readymade Garments	18,00,61,094	-	18,00,61,094	11,03,84,878	-	11,03,84,878
Others & Traded Items	2,81,86,929	-	2,81,86,929	4,17,81,733	3,98,145	4,21,79,878
Power Generation	87,12,298	-	87,12,298	84,22,286	-	84,22,286
Segment Total	1,34,30,08,721	49,09,573	1,34,79,18,294	96,59,94,368	57,64,064	97,17,58,432
Elimination			49,09,573			57,64,064
Total Revenue			1,34,30,08,721			96,59,94,368
B. SEGMENT RESULTS						
Cotton & Synthetic Gloves			50,67,335			37,51,923
Leather Gloves			4,73,84,755			4,11,65,312
Readymade Garments			1,52,60,388			1,35,11,738
Others & Traded Items			65,23,936			63,50,002
Power Generation			40,03,790			28,92,817
Segment Total			7,82,40,204			6,76,71,792
Unallocated corporate expenses.			(2,18,02,710)			(2,07,92,814)
Unallocated corporate income			9,78,183			79,53,500
Profit before finance			5,74,15,677			5,48,32,478
Finance cost			(2,05,48,319)			(3,07,91,037)
Interest on loan, deposits, etc.			11,85,995			4,78,946
Provision for Taxation (Net)			(1,34,05,317)			(92,22,073)
C. PROFIT AFTER TAXATION			2,46,48,036			1,52,98,314
D. OTHER INFORMATION						
		Segment Assets	Segment Liabilities		Segment Assets	Segment Liabilities
Cotton & Synthetic Gloves		23,51,25,585	15,52,78,293		22,10,65,187	13,10,46,208
Leather Gloves		46,26,04,966	37,55,74,312		35,96,89,411	29,39,46,734
Readymade Garments		13,97,18,504	12,14,27,950		9,33,36,356	6,69,68,365
Others & Traded Items		1,10,63,663	1,08,53,879		69,05,585	61,01,846
Power Generation		3,79,88,588	39,16,900		4,23,94,418	98,11,715
Segment Total		88,65,01,306	66,70,51,334		72,33,90,957	50,78,74,868
Unallocated Corporate		9,19,61,148	6,48,75,736		6,52,30,596	5,44,36,926
Total		97,84,62,454	73,19,27,070		78,86,21,553	56,23,11,794
	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation	Capital Expenditure	Depreciation	Non Cash Exps Other Than Depreciation
Cotton & Synthetic Gloves	21,49,070	92,05,824	-	40,17,613	96,53,169	-
Leather Gloves	88,99,251	33,33,923	-	18,80,021	30,68,125	-
Readymade Garments	42,24,747	9,19,268	-	14,05,774	7,19,307	-
Others & Traded Items	-	-	-	-	-	-
Power Generation	-	31,49,289	-	-	31,49,289	-
Unallocated Expenditure	64,86,228	6,12,691	-	1,60,295	4,96,978	-
Segment Total	2,17,59,296	1,72,20,995	-	74,63,703	1,70,86,868	-



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	2014	2013
SECONDARY SEGMENT INFORMATION		
Segment Revenue		
Within Special Economic Zone	14,71,03,230	11,37,75,994
Outside Special Economic Zone	1,19,59,05,491	85,22,18,374
Segment Assets		
Within Special Economic Zone	23,51,25,586	22,10,65,187
Outside Special Economic Zone	74,33,36,868	56,75,56,366
Capital Expenditure		
Within Special Economic Zone	21,49,070	40,17,613
Outside Special Economic Zone	1,96,10,226	34,46,090

31 RELATED PARTY DISCLOSURES

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

- | | | |
|--|---|--|
| 1. ASSOCIATES | : | (a) Acme Safetywears Limited
(b) Saraf Capital Markets Limited |
| 2. KEY MANAGEMENT PERSONNEL | : | (a) Mr. Shri Krishan Saraf
(b) Mr. Deo Kishan Saraf
(c) Mr. Swapan Kumar Chakraborty
(d) Mr. Bishnu Kumar Kesan
(e) Mr. Abhishek Saraf |
| 3. COMPANIES WHERE THERE IS A SIGNIFICANT INFLUENCE | : | (a) Rosinate India Company
(b) Prince Vanija Pvt Ltd
(c) Century Safety Wears Pvt. Ltd |

Amount in ₹

Disclosure of transactions between the company and related parties and status of outstanding balance as on 31.03.2014

	Parties referred to in (1) above		Parties referred to in (2) above		Parties referred to in (3) above		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Purchase of goods	3,21,91,387	1,91,78,948	-	-	-	-	3,21,91,387	1,91,78,948
Sale of investments	-	15,16,906	-	-	-	-	-	15,16,906
Rent paid	-	-	-	-	4,20,000	4,20,000	4,20,000	4,20,000
Interest income	9,05,178	34,892	-	-	-	-	9,05,178	34,892
Interest paid	-	3,29,683	-	-	16,01,332	15,84,360	16,01,332	19,14,043
Proessing charges paid	85,155	1,34,938	-	-	9,93,426	11,08,054	10,78,581	12,42,992
Remuneration								
- Directors	-	-	32,52,480	29,56,800	-	-	32,52,480	29,56,800
- Others	-	-	14,39,048	11,83,144	-	-	14,39,048	11,83,144
Loan given	1,70,00,000	6,65,00,000	-	-	-	-	1,70,00,000	6,65,00,000
Receipt towards refund of loan	3,70,31,403	4,65,17,041	-	-	-	-	3,70,31,403	4,65,17,041
Security Deposit Given	-	-	-	-	50,00,000	-	50,00,000	-
Loan taken	-	10,24,01,240	-	-	-	11,00,000	-	10,35,01,240
Repayment of loan	-	10,29,00,000	-	-	10,00,000	-	10,00,000	10,29,00,000
Balance as on 31st March								
Creditors / Payable	31,17,040	43,79,276	-	-	1,21,275	-	32,38,315	43,79,276
Security Deposit Given	-	-	-	-	50,00,000	-	50,00,000	-
Loan given	-	2,00,31,403	-	-	-	-	-	2,00,31,403
Loan taken	-	-	-	-	1,01,00,000	1,11,00,000	1,01,00,000	1,11,00,000



NOTES TO THE FINANCIAL STATEMENTS

	Amount in ₹	
	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
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	49,10,701	6,18,347
(ii) For purchase of Raw Materials, stores, spares & Finished Goods	9,27,03,264	13,04,82,878
(iii) For Travelling Expenses	52,67,941	31,46,026
(iv) For Commission	-	47,83,574
(v) On other accounts	1,30,57,235	72,94,725
	11,59,39,141	14,63,25,550
33 EARNINGS IN FOREIGN CURRENCY (ON FOB BASIS)		
(i) Export of goods	99,35,37,482	73,25,64,230
(ii) Other income	7,85,342	1,76,646
	99,43,22,824	73,27,40,876

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 31.03.2014		As at 31.03.2013	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupees	-	13,88,646	-	9,34,780
Euro	Indian Rupees	-	10,73,125	-	4,52,541

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.

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
Dated: The 30th day of May 2014

For and on behalf of the Board
Shri Krishan Saraf
Deo Kishan Saraf
Directors
Bishnu Kumar Kesan
Chief Financial Officer
Deepa Singh
Company Secretary

ACKNIT INDUSTRIES LTD.

CIN- L01113WB1990PLC050020

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

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

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

Voting Through Electronic Means

In Compliance with the provisions under section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, and in accordance with clause 35B of the Listing Agreements with the Stock Exchange, the company has engaged the services of National Securities Depository limited (NSDL) to provide e-voting facilities to the members of the Company to enable them to cast their votes electronically instead of personally or through physical at the meeting. E-voting is optional. If a member has voted through E-voting facility, he is not required to vote physically at the meeting by himself or through proxy. However, in case a member votes through e-voting facility as well as cast his votes physically at the meeting, the physical votes shall be ignored.

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- (i) Open email and open PDF file viz, "Acknit Industries e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and Password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder Login.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password Change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - (vii) Select the "EVEN"(E-Voting Event Number) of Acknit Industries Limited.
 - (viii) Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e other than individuals, HUF,NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to rajagshosh2002@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants or requesting physical Copy]:
- (i) Initial password is provided as below/at the bottom at the Attendance Slip for the AGM :
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

General Instructions

- (i) In case of any queries, you may refer the Frequently Asked Question (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsdl.com
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (iii) The e-voting period commences on 2nd September, 2014 (10:00 am) and ends on 4th September, 2014 (5:00 pm). Therefore the members are requested to kindly cast their vote within the aforesaid period.**
- (iv) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of August 4, 2014 and not casting their vote electronically, may only cast their vote at the AGM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 4, 2014.
- (vi) The Board has appointed Mr. Rajarshi Ghosh, Company Secretary in Practice (Membership No. ACS 17717) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- (vii) The Scrutinizer shall, within a period of not exceeding 3 (three) working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- (viii) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.acknitindia.com and on the website of NSDL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange where the company's shares are listed.

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 falling him

2. Name :Address.....

.....

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

3. Name :Address.....

.....

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

Contd...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Tuesday, 9th September, 2014 at 10:30 A.M. at Gyan Manch"11, Pretoria Street, Kolkata-700071 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions No.	RESOLUTIONS
Ordinary Business	
1.	Ordinary Resolution for adoption of Audited Financial Statement for the year ended 31st March, 2014, etc.
2.	Ordinary Resolution for declaration of dividend at ₹ 1.50 per equity share of ₹ 10 each for the year ended 31st March, 2014.
3.	Ordinary Resolution for re-appointment of Mr. Deo Kishan Saraf, as whole time Executive Director, who retires by rotation.
4.	Ordinary Resolution for re-appointment of M/s R. K. Bajaj & Co., Chartered Accountants, as Auditors and fixing their remuneration.
Special Business	
5.	Special Resolution for appointment of Mr. Samir Kumar Ghosh as an Independent Director of the Company.
6.	Special Resolution for appointment of Mr. Manindra Kumar Nath as an Independent Director of the Company.
7.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto ₹ 500 Crores over and above the aggregate of the paid up share capital and free reserves of the Company.
8.	Special Resolution under section 180(1)(a) of the Companies Act, 2013 for creating charge or mortgage or lien on Company's Assets not exceeding value of ₹ 500 Crores in aggregate.

Signed this.....day of.....2014

Signature of the member.....

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



Note :

1. This form of proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to the notice of the 24th Annual General Meeting.

If undelivered please return to :

ACKNIT INDUSTRIES LIMITED

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