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ACKNIT KNITTING LIMITED

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# ANNUAL REPORT & ACCOUNTS



## **ACKNIT KNITTING LIMITED**

Annual Report 1996-97

### **BOARD OF DIRECTORS**

Shri S. K. Saraf

*Managing Director*

Shri D. K. Saraf

Shri P. K. Goenka

Shri B. K. Kedia

### **AUDITORS**

M/s. R. K. Bajaj & Co.

Chartered Accountants

40/5, Strand Road

Calcutta - 700 001

### **SHARE TRANSFER AGENTS**

AMI Computers (I) Ltd.

60A & B Chowringhee Road

Calcutta - 700 020

### **BANKERS**

Bank of Baroda

State Bank of Bikaner & Jaipur

### **REGISTERED OFFICE**

817, KRISHNA

224, A. J. C. Bose Road,

Calcutta - 700 017

## ACKNIT KNITTING LIMITED

**Notice****TO THE SHAREHOLDERS**

NOTICE is hereby given that the 7th Annual General Meeting of the shareholders of ACKNIT KNITTING LIMITED will be held at 'Gyan Munch' 11, Pretoria Street, Calcutta-700 071 on Tuesday, the 23rd September, 1997 at 10.00 A.M. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit and Loss Account for the year ended that day and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 1996-97.
3. To appoint a Director in place of Shri D. K. Saraf who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :  
"RESOLVED that M/s R.K.Bajaj & Company, Chartered Accountants, be and is hereby re-appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company."

Place : Calcutta

Dated : August 18, 1997

By order of the Board

S. K. Saraf

*Managing Director*

**NOTES :**

1. A member entitled to attend and vote in the meeting is also entitled to appoint a proxy/proxies to attend and vote in his/her stead and a proxy need not be a member of the Company. The proxies in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. If approved by the members in the Annual General Meeting, the dividend for the year 1996-97 will be paid on or before 31st October 1997.
3. Members are required to notify any change in their mailing address immediately to the Company.
4. The Register of members and the share transfer Books of the company shall remain closed from Saturday, the 13th September, 1997 to Saturday, the 20th September, 1997, both days inclusive.
5. Members and proxy holders attending the meeting are requested to bring with them the signed 'Attendance Slip' sent herewith and their respective copies of Annual Report.

## ACKNIT KNITTING LIMITED

**Directors' Report****TO THE MEMBERS**

Your Directors take the pleasure in presenting the Audited Financial Results of the Company for the year ended on 31st March, 1997.

**FINANCIAL RESULTS**

	Rs. in lacs	
	Year ended 31.03.97	Year ended 31.03.96
Gross Revenue & Other Income	386.50	388.21
Profit before depreciation & Taxation	94.96	110.00
Less : Depreciation	43.74	39.17
Profit before Taxation	51.22	70.83
Less : Provision for Taxation	—	—
Profit after Taxation	51.22	70.83
Less : Misc. Expenditure Written off	3.73	3.73
Less : Adjustment for previous year	0.27	0.60
Profit for the year	47.22	66.50
Add : Balance brought forward	29.19	28.69
Add : Excess provision for dividend w/back	3.03	—
Profit available for Appropriation	79.44	95.19
Less : Transferred to General Reserve	10.00	30.00
Less : Proposed Dividend	30.00	36.00
Less : Provision for dividend tax	3.00	—
Balance Carried to Balance Sheet	36.44	29.19

**OPERATION**

During the year under review, the Company was able to maintain its level of profit even at the face of all round increase in cost of raw materials and other cost of production. The Company recently concluded an agreement with leading French gloves manufacturer, PROCOVES for upgradation of technology, product range etc. A new range of high value in products will be shortly offered by your Company in the international market with the assistance of the said PROCOVES and the Directors are hopeful that both turnover and profitability of the Company will substantially improve in the current year.

**PERFORMANCE - VS PROJECTION (Rs. in lacs)**

	Actuals	Projection
Sales	359.61	800.39
Profit after Tax	51.22	164.42
Equity Capital	274.89	300.00
EPS (Rs.)	1.86	5.48

**Note :**

In the face of stiff competition from the old and established players in the Foreign market as well steep increase in the domestic cotton yarn price full effect of expansion projects could not be achieved during the year. However having concluded a joint venture agreement with one of such established international player as stated above, it is expected that the Company will improve its turnover and profitability to a substantial export in the near future. Further due to appreciation of Indian rupee against almost all foreign currencies, sales realisation in rupee terms was also lower.

**ACKNIT KNITTING LIMITED****FOREIGN COLLABORATION**

As reported in the previous year the scheme of Joint Venture with a renowned Foreign Collaborator have since been cleared by the Government of India and accordingly a collaboration agreement have since been executed with the French Giant PROCOVES which provides joining forces in three basic sectors, namely :

1. Participation of PROCOVES in the equity of ACKNIT by acquisition of a percentage of share capital.
2. Distribution and marketing in certain European countries like United Kingdom, Germany, Holland and France supplemented by procuring orders in other countries in the West and in the East as well.
3. Providing modern technologies and know-how for production of various other ranges of value added products and necessary assistance for obtaining accreditation for ISO 9000 range of standardisation.

Your directors feel that such collaboration agreement will act as a booster and soon the Company would be able establish its presence in the International market.

**DIVIDEND**

Your directors recommend a dividend @ 10% on the paid up equity capital of the Company .

**DIRECTORS**

Shri D. K. Saraf retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

**NOTES ON ACCOUNTS**

The observation of the Auditor and the Notes on Accounts are self explanatory. Fund flow statement in terms of clause 32 (as amended) of Listing Agreement, is enclosed.

**DEPOSITS**

The Company has not accepted and/or renewed any deposit from the public during the year under review.

**AUDITORS**

M/s R. K. Bajaj & Co., Chartered Accountants, the auditor of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company having drawn Salaries/Emoluments above the specified limit, annexation of Statements pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended vide Notification No. 752 (E) dated 17.10.1994, is not required.

**PARTICULARS OF ENERGY CONSERVATION, ETC.**

A statement of particulars with respect to conservation of Energy as per section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors ) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 1997 are annexed to this report.

**INDUSTRIAL RELATIONS**

The Industrial relations continues to be most cordial throughout the career of the Company. Your Directors place on record their sincere appreciation for the excellent team work with which the workers and officers of the Company at all levels contributed for the satisfactory performance of the Company.

**ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to the Falta Export Processing Zone Authority and the State Government and all Financial Institutions and Banks for their valuable co-operation and assistance.

Your Directors also wish to place on record their heartiest appreciation of the continued support extended by the Share holders and Investing public which had always been a source of strength for the Company.

On behalf of the Board

224, A.J.C.Bose Road  
Calcutta-700 017  
18 August, 1997

S. K. Saraf  
Managing Director