



ACKNIT KNITTING LIMITED



2009 ANNUAL REPORT AND ACCOUNTS

ACKNIT KNITTING LIMITED

Annual Report 1998-99

BOARD OF DIRECTORS

Shri S. K. Saraf

Chairman-cum-Managing Director

Shri D. K. Saraf

Executive Director

Shri P. K. Goenka

Shri B. K. Kedia

AUDITORS

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

NOTICE**TO THE SHAREHOLDERS**

NOTICE is hereby given that the 9th Annual General Meeting of the share holders of ACKNIT KNITTING LTD. will be held at Gyan Manch, 11 Pretoria Street, Calcutta-700 071 on Saturday, the 25th September 1999 at 11.45 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 1999 and the Profit & Loss Account for the year ended that day and Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 1998-1999.
3. To appoint a Director in place of Shri P. K. Goenka who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business

5. To consider and, if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution :-

"RESOLVED that subject to section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, the appointment of Shri S. K. Saraf as the Chairman-cum-Managing Director of the Company for the period from 1st April, 1999 to 31st March, 2000, be and it is hereby approved on such salary and other perquisites as are set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting and a copy whereof initialed by the Chairman for the purpose of identification is placed before this meeting, with such modification as may be required by any Law and as may be agreed to by the Board of Directors of the Company and Shri S. K. Saraf".

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

"RESOLVED that subject to section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, the appointment of Shri D. K. Saraf, as the Executive Director of the Company for the period from 1st April, 1999 to 31st March 2000, be and it is hereby approved on such salary and other perquisites as are set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting and a copy whereof initiated by the Chairman for the purpose of identification is placed before this meeting, with such modification as may be required by any Law and as may be agreed to by the Board of Directors of the Company and Shri D. K. Saraf".

Place : Calcutta

Dated : August 16, 1999

By Order of the Board

S. K. Saraf

Chairman-cum-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, should be lodged at the Registered Office of the Company not less than 48 hours before the meeting.
2. Explanatory Statement pursuant to sec 173 (2) of the Companies Act, 1956, is annexed hereto.
3. If approved by the members in the Annual General Meeting, the dividend for the year 1998-99 will be paid on or before 4th November, 1999.
4. Members are requested to notify any change in their mailing address immediately to the Company.
5. The Register of members and the Share Transfer Books of the Company shall remain closed from Thursday, the 23rd September, 1999 to Tuesday the 28th September, 1999, both days inclusive.
6. 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.
7. The Companies Equity Shares are listed on :
 - (i) The Calcutta Stock Exchange Association Ltd., 7 Lyons Range, Calcutta-700 001,
 - (ii) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400 001,
 - (iii) The Delhi Stock Exchange Association Ltd., 3&4/4B Asaf Ali Road, New Delhi-110 002 &
 - (iv) Madras Stock Exchange Ltd., Exchange Building, Second Line Beach, Chennai-600 001

The Company has paid the Annual Listing Fees for the year 1999-2000 to the aforesaid Stock Exchanges.

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors take pleasure in presenting the 9th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 1999.

Performance of the Company

The year under review witnessed allround increase in the business activity of the Company. By the year end, gross sales registered a growth of 51.6% over the previous year with the resultant increase in the gross operating profit by 40.5%.

The summarised financial Results of the Company during the year under review as against those of the previous year are given below :-

	Year ended 31.03.99 (Rs. in Lacs)	Year ended 31.03.98 (Rs. in Lacs)
Gross Sales	874.38	576.64
Other Income	20.87	8.39
Less : Total Expenditure	719.70	460.40
Gross Profit (before Depr., Interest & Tax)	175.55	124.63
Less : Interest	19.62	16.15
Less : Depreciation	40.00	39.23
Net Profit (before Tax)	115.93	69.25
Less : Prov. for Tax	----	----
Profit after Tax (PAT)	115.93	69.25
Balance Brought Forward	42.69	36.44
Less : Prov. for Dividend & D. Tax	33.57	33.00
Less : Transfer to General Reserve	60.00	30.00
Balance to P & L A/c	65.05	42.69

Future Prospects

The products of your company having established a strong presence in the European markets the demands for same is growing day by day necessitating substantial increase in production capacity. While examining the long-term viability for expanding the scale of operations, your Directors are focusing their attention towards developing the other overseas markets.

Year 2000 (Y2K)

Your Company have already formulated necessary programmes towards mitigating any known risks to its IT systems due to year 2000 (Y2K) issues.

While it is not possible for your company to completely assess the Y2K readiness of its suppliers and service providers, it is taking all possible steps, including contingency plans to protect business continuity and to manage possible disruption resulting from Y2K failure.

Dividend

Your Directors are pleased to recommend declaration by the members a dividend at the rate of Rs.1.20 per share i.e., @ 12% pro-rata, to be paid to those shareholders whose names will appear on the Register of Members of the Company as on the 25th September, 1999.

Forfeiture

During the year 4,80,000 Equity shares were forfeited for non-payment of Allotment Money inspite of repeated reminders.

Directors

Shri P. K. Goenka retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Shri S. K. Saraf was appointed as the Managing Director by the members for a period of 5 years w.e.f. 1st April, 1995. The Company having no Chairman so appointed, the Board of Directors have since appointed Shri S. K. Saraf as the Chairman-cum-Managing Director w.e.f. 01.04.99.

Shri D. K. Saraf the whole-time Director is looking after the day to day administration of the Company and is functioning as the Chief Executive of the Company and accordingly the Board of Directors have since appointed him as the Executive Director w.e.f. 01.04.99.

Employees

Your Directors wish to record their appreciation of the contribution made by the employees at all levels during the year under review.

Auditors

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

The Report of the Auditors as annexed to this Annual Report is self explanatory.

Statutory Reports

- (i) The information required to be disclosed in accordance with Sec. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 :
There being no employee drawing remuneration in excess of the prescribed limit, no such particulars are required to be published.
- (ii) Information on Energy conservation and Technology Absorption, as required to be disclosed in accordance with the provisions 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 and forming part of the Directors Report for the year ended 31st March, 1999 is enclosed as Annexure to this Report.

Acknowledgement

The Directors have pleasure in recording their appreciation of the assistance extended to the Company by various officials of the Central and State Governments and by members of the participating Financial Institutions and Commercial Banks.

224, A. J. C. Bose Road,
Calcutta-700 017
16th August, 1999

On Behalf of the Board

S. K. Saraf

Chairman-cum-Managing Director

EXPLANATORY STATEMENT

Pursuant to Sec. 173(2) of the Companies Act, 1956

Item No. 5

Members would recall that Shri S. K. Saraf was initially appointed as whole-time Managing Director of the Company for a period of 5 years from 1st April, 1995 to 31st March, 2000.

The post of Chairman having been remained vacant, the Board of Directors of the Company in its meeting held on 30th April, 1999 appointed Shri S. K. Saraf as the Chairman-cum-Managing Director with effect from 1st April, 1999.

Members' approval is now sought for the appointment of Shri S. K. Saraf as the Chairman-cum-Managing Director from 1st April, 1999 to 31st March, 2000 and for the payment of remuneration to him as detaild below :-

Salary

Rs.50,000/- per month in the scale of Rs.50,000 - Rs.7,500- Rs.95,000 (with annual increments on 1st April)

Perquisites

In addition to the salary, perquisites like furnished accommodation or House Rent Allowance in lieu of Accommodation, Gas, Electricity, water and Furnishing expenses, Medical reimbursement for self & family, Club Fees, Personal Accident Insurance etc. in accordance with the rules of the Company, the Monetary value of such perquisites being limited to Rs.4,50,000/- per annum.

For the Purpose of such limit :-

- (i) Perquisites shall be valued as per I/Tax Rules, wherever applicable and in the absence of any such rule, shall be valued at cost, and
- (ii) Use of Company's car for official purpose and Telephone at residence, including payment for local calls and long distance official calls shall not be included.
- (iii) Encashment of leave at the end of the tenure shall not be included.
- (iv) Company's contribution to P.F./Super Annuation Fund/Annuity Fund to the extent these, either singly or put together are not taxable under the I/Tax Act shall not be included.
- (v) Gratuity payable at a rate of half a month's salary for each completed year of service also shall not be included.

PROVIDED THAT the aggregate of the salary and perquisites shall not exceed the limit prescribed in section 198 and 309 of the Companies Act, 1956.

No Director other than Shri S. K. Saraf and Shri D. K. Saraf are concerned or interested in this resolution. Your Directors recommend the resolution for your approval.

Item No. 6

Members would recall that Shri D. K. Saraf was initially appointed as whole-time Director of the Company for a period of 5 years from 1st April, 1995 to 31st March, 2000.

The post of Dy. Managing Director having been remained vacant, the Board of Directors of the Company in its meeting held on 30th April, 1999 appointed Shri D. K. Saraf as the Executive Director with effect from 1st April, 1999.

Members' approval is now sought for the appointment of Shri D. K. Saraf as the Executive Director from 1st April, 1999 to 31st March, 2000 and for the payment of remuneration to him as detaild below :-

Salary

Rs.40,000/- per month in the scale of Rs.40,000-Rs.5,000-Rs.70,000 (with annual increments on 1st April)

Perquisites

In addition to the salary, perquisites like furnished accomodation or House Rent Allowance in lieu of Accomodation, Gas, Electricity, Water and Furnishing expenses, Medical reimbursement for self & family, Club Fees, Personal Accident Insurance etc. in accordance with the rules of the Company, the Monetary value of such perquisites being limited to Rs. 4,50,000/- per annum.

For the purpose of such limit :

- (i) Perquisites shall be valued as per I/Tax Rules, wherever applicable and in the absence of any such rule, shall be valued at cost, and
- (ii) Use of Company's car for official purpose and Telephone at residence, including payment for local calls and long distance official calls shall not be included.
- (iii) Encashment of leave at the end of the tenure shall not be included.
- (iv) Company's contribution to P.F./Super Annuation Fund/Annuity Fund to the extent these, either singly or put together are not taxable under the I/Tax Act shall not be included.
- (v) Gratuity payable at a rate of half a month's salary for each completed year of service also shall not be included.

PROVIDED THAT the aggregate of the salary and perquisites shall not exceed the limit prescribed in section 198 and 309 of the Companies Act, 1956

No Director other than Shri D. K. Saraf and Shri S. K. Saraf are concerned or interested in the resolution. Your Directors recommend the resolution for your approval.