



ACKNIT KNITTING LIMITED



99-2000 ANNUAL REPORT AND ACCOUNTS

ACKNIT KNITTING LIMITED

Annual Report 1999-2000

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 10th Annual General Meeting of the Shareholders of ACKNIT KNITTING LTD., will be held at Gyan Manch, 11, Pretoria Street, Calcutta-700 071, on Friday, the 22nd September, 2000 at 2.00 P. 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, 2000 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare the Dividend for the year 1999-2000.
3. To appoint a Director in place of Shri B. K. Kedia who retires by rotation at this meeting 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 a Special Resolution :-

"RESOLVED that pursuant to the provisions of sec 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Memorandum and Articles of Association of the company and subject to the approvals of RBI, SEBI and such other Bodies and Authorities as may be required and subject to such modifications and/or alterations that may be required by the above authorities while according their approval/consents/permission and which the Board of Directors is hereby authorised to accept and subject to such conditions and modifications as may be considered necessary and acceptable by the Board of Directors in that behalf, the consent of the company be and is hereby accorded to the Board of Directors to issue, offer and allot further Equity Shares not exceeding 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- each aggregating to Rs. 5,00,00,000/- (Rupees Five Crore) on such terms and conditions and at such price or prices and at such discounts or premium to Financial Institutions, Banks, Mutual Funds, Non-resident Indians, Employees of the Company, bodies corporate, individuals and other entities whether they be existing shareholders of the Company or not, on a Right basis or as a Public issue or on a preferential allotment basis or by a private placement or by a combination of two or more of such modes/methods in due compliance of the guidelines issued by the securities and Exchange Board of India (SEBI) in this regard, in one or more tranches at such time or times as the Board of Directors may decide in its sole and absolute discretion.

RESOLVED FURTHER THAT in case such offer and issue is not fully subscribed, the Board of Directors be and is hereby authorised to dispose of the un-subscribed portion by allotment to such person or persons on such terms and conditions as the Board may think fit and proper and most beneficial to the company.

RESOLVED FURTHER THAT the Directors of the Company be and is hereby authorised to do all such acts deeds matters and things as may be deemed necessary and expedient for effecting the above resolution.

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

"RESOLVED that pursuant to the provisions u/s 31 of the Companies Act, 1956, the Articles of Association of Company be and is hereby altered by replacing the existing regulations/articles no. 1 to 40 by the new set of regulations/articles as are contained in the printed document placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification".

Place : Calcutta

Dated : August 19, 2000

By order of the Board

S. K. Saraf

Chairman-cum-Managing Director

NOTES :

1. A member who is entitled to attend and vote at the meeting is also entitled to appoint a proxy/proxies to attend and vote at the meeting in his/her stead and a proxy need not be a member. A proxy, in order to be effective, must be received by the company, not less than 48 hours before the meeting.
2. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of members and share Transfer Books of the Company will remain closed from 09/09/2000 to 19/09/2000 both days inclusive.
4. Members holding shares in identical order of names in more than one folio are requested to write to the Register and Share Transfer Agents to consolidate their holdings in one folio.
5. Members are requested to immediately intimate any change in their address to the Registrar and Transfer Agents of the Company.
6. Members/Proxy holders should bring their attendance slip duly filled in for attending the meeting.
7. The Documents referred to in this Notice/Explanatory statement are open for inspection by members at the Registered office of the company, during business hours on any working day with prior notice.

EXPLANATORY STATEMENT PURSUANT TO SEC 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

Your Directors have recently reviewed thoroughly the Company's financial requirements during the next 3 years, having taken into account the Company's expansion/modernisation programs consequent to increasing demands of the company's product both in the Export and domestic markets, the escalation in capital costs arising out of the high level of inflation and the devaluation of the Indian Rupee. On such review it was felt that even after taking into account the expected loans/borrowings and the company's internal generation of funds, the company would need further funds to be raised by issue of capital to finance a balanced expansion/modernisation program.

Whereas, the provisions u/s 81 of the Companies Act, 1956 provides, inter alia, that in case of for further issue/allotment of shares, such shares are required to be offered to the existing shareholders of the company in proportion to their existing shareholding in the capital of the company, at the first instance, unless the shareholders in a general meeting decide otherwise. The consent of the shareholders is, therefore, sought to authorise the Board to issue/allot further shares in the capital of the company in the manner and to extent as set out in item no. 5 of the notice.

The Directors recommend approval of the resolution in the interest of the company. Directors may be considered to be interested in this resolution to the extent they may subscribe and/or are offered in the proposed issue.

Item No. 6

Members are informed that consequent to the passing of Depositories Act, 1996, and the introduction of the Depository system, some of the provisions of the Companies Act, 1956, pertaining to the issue, holding, transfer and dealing in shares and other Securities and certificates thereof have been amended so as to facilitate depository system. The Articles of Association of the Company need to be amended as proposed in the resolution to bring it in line with the provisions of the Depositors Act, 1996.

The Directors recommend the resolution as set out under item no. 6 of the notice for approval in the interest of the company.

None of the Directors of the company is personally concerned or interested in this resolution.

DIRECTOR'S REPORT**TOTHE SHAREHOLDERS**

Your Directors take pleasure in presenting the 10th Annual Report and the Audited Accounts of the Company for the year ended on 31st March, 2000.

Performance of the Company

During the year under review your company has been able to consolidate and increase its turnover and also the resultant profit - which is a reflection on the product quality and its gaining acceptance in the overseas market.

Your company has recorded an impressive performance with the sales increasing by over 13.25%. The Gross profit correspondingly increased from Rs. 175.55 lacs to Rs. 237.23 lacs recording a growth of 35%.

	Year ended 31.03.2000 (Rs. in Lacs)	Year ended 31.03.1999 (Rs. in Lacs)
Gross Sale	990.28	874.38
Other Income	46.83	20.87
Less : Total Expenditure	799.88	719.70
Gross Profit (before Depr. & Interest)	237.23	175.55
Less : Interest	36.70	19.62
Less : Depreciation	41.06	40.00
Net Profit (before Tax)	159.47	115.93
Provision for Tax	1.42	----
Profit after Tax (PAT)	158.05	115.93
Balance B/F	65.05	42.69
Less : Dividend & D. Tax	41.95	33.57
Less : Transfer to General Reserve	120.00	60.00
Balance to Balance Sheet	61.15	65.05

Production : Capacity Utilisation

The capacity utilisation of the production unit was in line with aggregate requirements of Export supplies. In respect of the on-stream efficiency, performance of the plant was satisfactory.

Marketing

Despite difficult trading conditions prevalent in the global markets, the sales of your company has shown a remarkable progress.

Your company has since established itself as a significant player in the European Market inspite of growing competition from the third world countries. Further prospect in the Middle East and South Asian countries appears to be very bright and the company is receiving more and more enquiries from these markets. Finally, a huge domestic market still remains untapped.

Future prospects

Your company has an ambitious growth plan for the year 2000 and onwards. Your Directors are confident of achieving the same through aggressive strategies for widening its Distribution systems.

Depository System

The company will shortly sign an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd (CDSL) for dematerialisation of the company's shares. This facility will be operational with effect from 01.11.2000 and the members are requested to avail of the same. The securities and exchange Board of India (SEBI) through a letter dated 29.05.2000 indicated that delivery of shares of your company in dematerialised form will be compulsory with effect from 27.11.2000.

Dividend

In view of the proposed expansion programmes in hand and in consideration of the estimated funds requirements for such expansion programmes, your Directors recommends that the interim Dividend paid in the month of May, 2000 be treated as the final Dividend for the year ended on 31.03.2000.

Directors

Shri B. K. Kedia, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Particulars of Employees

None of the employees having drawn remuneration in excess of prescribed ceiling no statement giving information and particulars of employees as are required under section 217(2A) of the Companies Act, 1956 and forming part of the Directors Report is annexed hereto.

Conservation of Energy etc.

The particulars relating to the conservation of energy, technology absorption, foreign exchange earnings & outgo, etc. as are required under Sec. 217(1)(e) of the Companies Act, 1956 and forming part of this report is annexed.

Auditors

The Auditor M/s. R. K. Bajaj & Co. Chartered Accountants, Calcutta, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. The Auditors Report and the Notes on Accounts are self explanatory and needs no elaboration.

Listing of Securities

The Shares of the Company are listed in the Stock Exchanges at Mumbai, Chennai and Delhi, besides the Regional Stock Exchange at Calcutta and the Company is regular in payment of Annual listing fees to all the Stock Exchanges and there has been no default under the provisions of the listing Agreements.

Acknowledgement

Your Directors have pleasure in recording their appreciation of the co-operation and assistance extended by various officials of the Central and State Governments and the members of the company's Bankers and participating Financial Institutions. Your Directors also place on records their appreciation of the efforts and contributions of the employees of the company without which the steady progress of the company could not be possible.

224, A. J. C. Bose Road,
Place : Calcutta
Dated : August 19, 2000

By order of the Board
S. K. Saraf
Chairman-cum-Managing Director