



# ACKNIT KNITTING LIMITED

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# 2000-01 ANNUAL REPORT AND ACCOUNTS

**ACKNIT KNITTING LIMITED**  
**Annual Report 2000-01**

**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,

Kolkata - 700 001

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**SHARE TRANSFER AGENTS**

AMI Computers (I) Ltd

60A, & B, Chowringhee Road,

Kolkata - 700 020

**BANKERS**

Bank of Baroda

State Bank of Bikaner & Jaipur

**REGISTERED OFFICE**

817, KRISHNA

224, A.J.C Bose Road,

Kolkata - 700 017

**ACKNIT KNITTING LIMITED****NOTICE****TO THE SHARE HOLDERS**

Notice is hereby given that the 11th Annual General Meeting of the Share Holders of ACKNIT KNITTING LTD. will be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 on Friday, the 21st September, 2001 at 10 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, 2001 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 Dividend for the year 2000-01.
3. To appoint a Director in the place of Shri P.K.Goenka, 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 the consent of the company be and is hereby accorded for delisting of the securities of the company from the Stock Exchanges at Delhi and Madras, which are not the Regional Stock Exchange for the company".

"RESOLVED further that the Board of Directors of the company be and are hereby severally authorised to do all such acts, deeds, matters; and things as may be deemed necessary and expedient for effecting this resolution and also to give such undertakings as may be required under the SEBI guidelines for Voluntary Delisting of Securities".

Registered Office :-  
224, A.J.C. Bose Road,  
Kolkata - 700 017  
Dated : 30th July, 2001

By order of the Board  
D.K.Saraf  
Executive Director

**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 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 the members and share transfer books of the company shall remain closed from, 11/09/2001 to 18/09/2001 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 to inspection by members at the Registered office of the Company during business hours on any working day with prior notice.
8. Pursuant to the provisions u/s 205A of the Companies Act, 1956 as amended, Dividends for the Financial year ended 31st March 1995 and thereafter which remain unpaid or unclaimed for a period of 7 years will be transferred to the "Investors Education and Protection Fund" to be constituted by the Central Government. Members who have not encashed the Dividend Warrant(s) so far, for the financial year ended 31st March, 1995 or any subsequent Financial Year(s) are requested to make their claim at the registered office of the company.

Further, it may be noted that under the amended Companies Act, once the unclaimed / unencashed Dividend is transferred to the Government as above, no claim will be entertained in respect of such amount.

**ACKNIT KNITTING LIMITED**

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

The company got its share listed on various Stock Exchanges, in addition to its Regional Stock Exchange, at Calcutta. Whereas, it is observed that only a negligible portions of its shareholders are covered by the Stock Exchanges at Delhi and Madras and that, the shares of the company are rarely traded and or quoted at the said Stock Exchanges at Delhi and Madras, since the inception of their listing in these exchanges. On the other hand the listing fees and the cost of Compliances at those exchanges have gone up over the years which is disproportionately high as compared to the benefits accrued to the shareholders of the Company.

Your Directors consider that keeping the securities listed at those Exchanges at such a high cost is uneconomical when no tangible benefit is derived to the share holders of the company and therefore, recommends adoption of the Resolution as set out under item no. 5 of the notice.

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



**ACKNIT KNITTING LIMITED****DIRECTOR'S REPORT  
TO THE SHARE HOLDERS**

Your Directors take pleasure in presenting the 11th Annual Report and Accounts of the Company for the year ended on 31st March, 2001.

<b>Financial Results</b>	<b>Year ended 31.03.2001 (Rs. in Lacs)</b>	<b>Previous year ended 31.03.2000 (Rs. in Lacs)</b>
Gross sales	1567.55	990.28
Other income	34.72	46.83
Less : Total Expenditure	1272.76	799.88
Gross Profit (before Depr. & Interest)	329.51	237.23
Less : Interest	45.87	36.70
Less : Depreciation	51.35	41.06
Net Profit (before tax)	232.29	159.47
Less : Provision for Tax	1.58	1.42
Profit after tax (PAT)	230.71	158.05
Balance B/F	61.15	65.05
Less : Dividend & Div. Tax	41.66	41.95
Less : Transfer to General Reserve	200.00	120.00
Balance to Balance Sheet	50.20	61.15

**PERFORMANCE :**

During the year under review, your company could further consolidate its presence in the market. The increased gross turnover followed by increased resultant profit speaks for the maintenance of company's product quality at the highest standard and gaining more and more acceptance in the overseas market.

**INDUSTRIES AND DEVELOPMENT :**

The growth of the Gloves Industries is extremely bright due to invention of new material and coatings on the gloves. The Seamless Gloves are being used for various purposes and their usage is being increased more rapidly as compared to that of Leather Gloves.

**MARKET :**

Price advantage of your company's products vis-a-vis comparable items with exorbitant cost of production in the European and Developed countries has opened up huge opportunities in the European Market. On the other hand, lured by the extensive opportunities in this market, more and more players from the other Asian Countries have entered the field importing serious competition and in the process serious price war has set in. Moreover, the devaluation of currencies of these Asian Countries in quick succession causes lowering the effective prices of their products in the International Market. Despite such difficult trading conditions your company could successfully advance further with regular review and appropriate upgradation of its products and marketing policies.

Incidentally, your Directors could successfully identify untapped markets in the Middle East and South Asian Countries and could develop commendable demand for its products in the Domestic market too.

**FUTURE OUTLOOK :**

Overall demand for Gloves in the International market is increasing sharply. The increasing Industrial activities in the European and American countries causes more and more consumption of these products. Moreover, the availability of cheap labour, power and raw materials in the Indian sub continent ensures a bright prospects for the growth of this Industry in this part of the world.

As part of its ambitious growth plan, your company has since established a new production unit in the Export Processing Zone at Chennai while it has increased its production capacity at Calcutta by about 100% for catering the growing demands for its products in the global market.

**RISK FACTORS :**

Though your Directors do not foresee any immediate risk as such, yet the following factors may influence the future prospects of the Company, substantially :-

- Fluctuations in export demand consequent to signing of GATT agreement and formation of W.T.O. and Policy of the European Union.

**ACKNIT KNITTING LIMITED**

- b) Profitability is dependant on the Exchange Fluctuations , Government Policy decisions and the ultimate intensity of the price war imported by the new entrants from other Asian countries.

**AUDITORS REPORT**

The report of the Auditors, being self Explanatory, does not require any further clarification.

**EXCISE DUTY**

The entire products of the company being exported , the company is not subjected to any Excise Liability.

**DIVIDEND**

The Board of Directors has recommended payment of dividend on Equity Shares of Rs.10/- each @Rs.1.50 per share (previous year Rs.1.50 per share)

**DIRECTORS RESPONSIBILITY STATEMENT**

In compliance with Sec 217 (2AA) of the Companies Act, 1956, the Directors confirm that :-

- (i) In preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- (ii) The Directors have selected such accounting policies as mentioned in Schedule 'S' to the Annual Accounts and applied them consistently and made judgements 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 or Loss of the Company for the period.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act, for safeguarding the assets of the Company and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on the on-going concern basis.

**CORPORATE GOVERNANCE :**

Corporate Governance implies transparency and disclosure of information about the affairs of the company. It entails, essentially to show how the company is run and the manner in which the Board of Directors discharges its responsibilities to ensure proper management in the best interest of the shareholders and other stock holders.

The code of corporate governance introduced by the Securities and Exchange Board of India (SEBI) is required to be implemented by your company by 31st March 2003. Your Company has voluntarily complied with certain provisions of the said code through constitution / reconstitution of various committees and has taken adequate steps to ensure that all mandatory provisions of the code of corporate governance are duly complied with before the appointed date.

**DIRECTORS**

Shri P.K.Goenka, Director of the Company, retires by rotation, and being eligible offers himself for re-appointment.

**AUDITOR**

R.K.Bajaj & Co. Chartered Accountants, the auditor of the Company, retire at the forthcoming Annual General Meeting. Your Directors recommend their re-appointment.

**PARTICULARS OF EMPLOYEES**

There being no employee receiving salaries and remuneration in excess of the prescribed limit, the provisions u/s 217(2A) of the Companies Act, 1956 is not attributed to this company.

**CONSERVATION OF ENERGY, ETC.**

A statement showing necessary information 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 is annexed hereto.

**APPRECIATION**

Your Directors place on records their appreciation of the sincere services of the staff, workers and executives of the company, who have contributed to the success of the Company. The Directors also wish to place on record their appreciation of the valuable co-operation and support received from the Banks, FIs, Government, both Central and State. The Directors also express their thanks to shareholders for their confidence and understandings.

Place : 224, A.J.C.Bose Road,  
Kolkata - 700 017  
Date : 30th July, 2001

For and on behalf of the Board  
**S.K.Saraf**  
Chairman-cum-Mg. Director.