



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 (IEPF), 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.

**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

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

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.

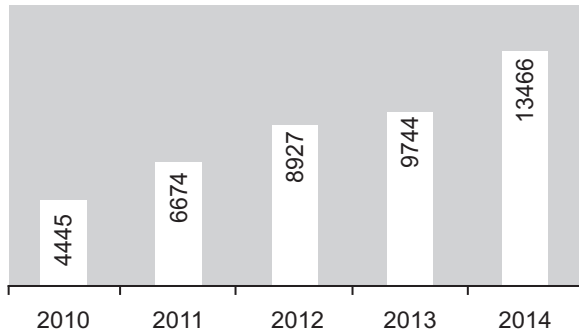
In view of the provision as stated above the directors recommends the resolution set out under item no. 8 be adopted by the members for the interest of the company.

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

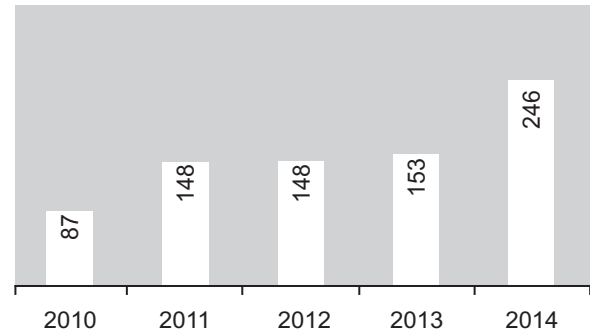


HISTORICAL DATA

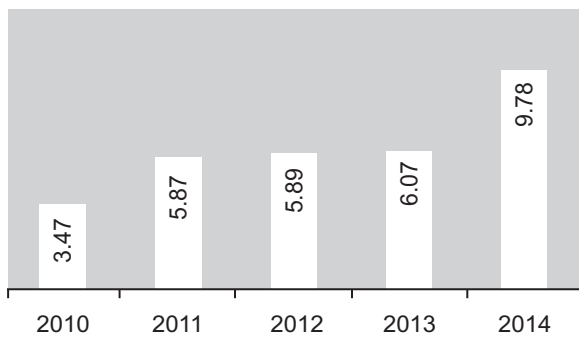
Total revenue (₹ in Lacs)



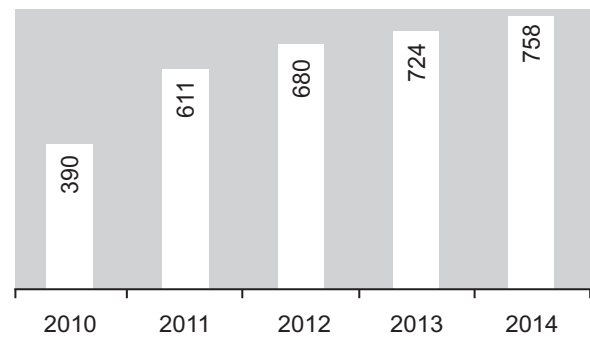
Profit After Tax (₹ in Lacs)



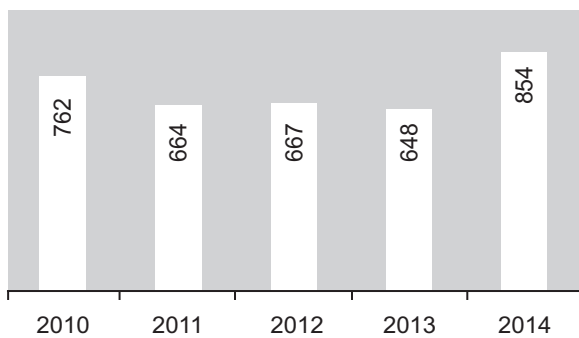
Basic EPS (in ₹)



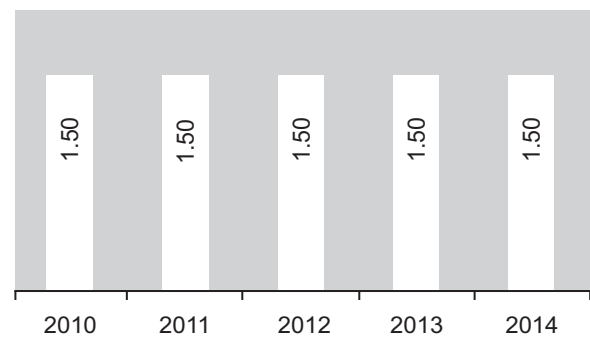
Operating Profit (PBIDT) (₹ in Lacs)



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