

**NOTICE**

Notice is hereby given that the 20th Annual General Meeting of the Members of **ACKNIT INDUSTRIES LIMITED**, will be held at '**Gyan Manch**' at 11, Pretoria Street, Kolkata - 700 071 on Monday, 20th September, 2010 at 10.30 a.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the company for the year ended 31st March 2010 and the Balance Sheet as on that date and the Reports of the Directors and Auditors there on.
2. To declare Dividend.
3. To appoint a Director in place of Mr. M. K. Nath, who retires by rotation at this meeting and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board
For **Acknit Industries Limited**

D. K. Saraf
Executive Director

Place : Kolkata

Date : The 20th day of August, 2010

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.
2. An instrument appointing the proxy should reach the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from the 14th September, 2010 to 20th September, 2010, both days inclusive.
4. Members are requested to notify any change in their mailing address to the Registrar & Share Transfer Agents of the Company quoting their folio number.
5. Members holding Shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agents for consolidation of the folios into one.
6. Member desiring to have any information/clarification on the published Accounts may write to the company at least 7 days before the meeting specifying the required information/clarification, so that, the information could be made ready in hand.
7. Pursuant to Sec. 205C of the Companies Act 1956, unpaid/unclaimed dividend remaining unpaid for 7 (Seven) years is to be transferred to the **Investor Education & Protection Fund** of the Central Govt. and once the amount is so transferred, no claim shall lie in respect thereof. Hence the shareholders, who have not encashed dividend warrants for the F.Y. 2002-03 and thereafter are requested to forward the same to the company for revalidation immediately.



8. Members holding shares in physical form may avail the facility of nomination in respect of the shares held by them pursuant to amendments in the Companies Act 1956. The prescribed format (Form 2B) can be obtained from the RTA of the company, M/s. S. K. Computers, 34/1A Sudhir Chatterjee St. Kolkata - 700 006.
9. Investors and Shareholders may kindly note that if Physical documents viz Demat Request Form (DRF) and share certificates etc, are not received from their DPS by the Registrar within a period of 5 days from the date of generation of DRN for dematerialization, the DRN will be treated as rejected/ cancelled pursuant to the advice of National Securities Depository Limited (NSDL) so that no Demat Request remain pending beyond 21 days upon rejection of DRN as above. A fresh DRN has to be forwarded along with the Share Certificate by the DPS to the Registrar. This note is only to caution the Investors/Shareholders.
10. Dividend on Equity Shares for the year ended 31st March, 2010, if declared at the meeting, will be paid:
 - a. To those members whose names appear in the Register of Members of the company as on the date of the meeting ;
 - b. In respect of shares held in electronic forms, to those deemed members whose names appear on the statement of Beneficial ownership furnished by NSDL/CDSL at the end of the business hour on the date preceeding book closure i.e. 13.09.2010.
 - c. SEBI has made it mandatory for all to use bank details furnished by the investors for distributing dividends or other cash benefits, on payment instrument to the Investors.
 - d. SEBI vide its circular dated 27.04.2007 and 25.06.2007 has made it effective from 02.07.2007 for every participants in the securities/capital market to furnish PAN No. Therefore, members holding shares in physical mode are requested to furnish their PAN number alongwith a photo copy of their PAN card.

PARTICULARS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

NAME	M K. NATH
DESIGNATION	NON-EXECUTIVE INDEPENDENT DIRECTOR
DATE OF BIRTH	20.10.1939
DATE OF APPOINTMENT	29.04.2009
QUALIFICATION	B. COM (HONS), LLB, MBA DIPLOMA IN PUBLIC SPEAKING FROM IIM
EXPERIENCE	BEING QUALIFIED HRD EXECUTIVE HAVING MORE THAN 40 YEARS OF CORPORATE EXPOSURE IN HRD & ADMINISTRATION

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 20th Annual Reports of your company alongwith the operating and financial results for the year ended 31st March, 2010.

FINANCIAL RESULTS*(Rs. in Lacs)*

	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
Gross Sales (Including Customs Duty)	4376.34	6192.17
Other Income (Including Extra Ordinary items)	102.15	66.90
Less : Total Expenditure	4082.52	5794.13
Gross Profit (before Depreciation & Interest)	395.97	464.94
Less : Depreciation	151.56	149.82
: Interest	137.46	145.51
Net Profit before Taxation (PBT)	106.95	169.61
Less : Provision for Income Tax & FBT	19.00	21.77
: Deferred Tax	0.50	12.92
Profit after Tax (PAT)	87.45	134.92
Balance B/F	93.17	92.47
Less : Dividend & Dividend Tax	44.22	44.22
Less : Transfer to General Reserve	40.00	90.00
Balance C/F to Balance Sheet	96.40	93.17

OPERATING PERFORMANCE

In the recent past the International Economy witnessed unprecedented recession affecting all round business activities. The Developed European Countries were hit most by the recession curbing generation of their orders for supplies. And your company being engaged in 100% EOU is fully dependent on orders from the European Union. Although there was a sign of recovery, full restoration of activities in the west was not achieved during the year in question resulting in a substantial reduction in the company's sales and Turnover. Gross Turnover of the company was reduced by about 29% as against the previous year from Rs. 61.92 Crores to Rs. 43.76 Crores. The changed situation in the European Countries has led to serious price war amongst the low cost Asian Countries, and in order to maintain the bare break even, the company was forced to offer more and more discounts to retain its customers. Your directors are hopeful that Global Economy will be brought back to its normal track and the crisis of reduced business orders will be over very soon and the company is expected to be brought back to its normal growth track by the end of the current fiscal.

The turn over of the company during the year under review was Rs. 43.76 Crores as against Rs. 61.92 crores in the last year, the gross profit was also reduced to Rs.3.96 crores from Rs.4.65 crores in the previous year and the net profit after tax was Rs.0.87 crore which works out to an EPS of Rs.3.47 per share.

DIVIDEND

Your Directors have recommended a dividend of 15% on equity shares which together with dividend tax is expected to absorb Rs. 44.22 Lacs.

**DIRECTORS**

In accordance with the statutory provisions Shri M. K. Nath, Non Executive Independent Director retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers himself for re-appointment.

The Particulars of Directors seeking appointment/re-appointment have 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.

None of the Directors of the Company is disqualified in terms of section 274 (l) (g) of the Companies Act 1956, as amended.

AUDITORS

The Auditors of the company, M/s. R.K Bajaj & Co., Chartered Accountants, Kolkata, retires at the forthcoming Annual General Meeting and have given their consent for re-appointment and have also notified that if appointed, such re-appointment will be within the prescribed limits u/s 224 (IB) of the Companies Act, 1956 and they are duly qualified to accept such assignment.

INFORMATION U/S 217 OF THE COMPANIES ACT, 1956**a. Conservation of Energy, etc.**

Information pursuant to section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 and forming part of this Report is annexed hereto as "Annexure C".

b. Particulars of Employees :-

The Company has no employee drawing salaries in excess of the prescribed limits u/s 217 (2A) of the Act.

c. Directors' Responsibility Statement u/s 217 (2AA) of the Companies Act, 1956 :-

The Directors hereby confirm

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures ;
- b) That the directors have selected such accounting policies and adopted 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 the year ;
- c) That the directors have 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 preventing and detecting fraud and other irregularities ; and
- d) That the directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

The company believes that Corporate Governance is a way of business life than a legal compulsion. Though the provisions of 292 A of the Companies Act, 1956 and/or clause 49 of the Listing Agreement corresponding to the Legal obligation for Corporate Governance, are not applicable to this Company, your Directors are committed to the application of best management Practices, Compliance with Law and adherence to ethical standard while discharging social responsibilities. A report on Corporate Governance is annexed hereto separately as part of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

A Separate Report on management Discussion and Analysis is annexed hereto.

PUBLIC DEPOSITS

The Company has not accepted or renewed any Public Deposit, as defined u/s 58A of the Companies Act, 1956, during the year under review.

COMPLIANCE CERTIFICATE

The provisions u/s 383A of the Companies Act, 1956 regarding obtaining compliance certificate from practising Company Secretary, have since been extended to companies having a paid-up capital of not exceeding Rs. 5.00 Crores. Accordingly, your company has since obtained such Compliance Certificate for the year ended 31.03.2010 from Mr. Rajarshi Ghosh, a Company Secretary in practice, a copy thereof is annexed hereto as part of the Director's Report and marked as Annexure 'D'.

PERSONNEL AND INDUSTRIAL RELATION

All along, the Company maintained a cordial and harmonious relationship with its employees at all level. Your directors put on record their appreciation of the hard work and efficiency of its employees which enabled the Company to achieve its objectives.

CAUTIONARY STATEMENT

The statements made in this report describing Company's estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand supply conditions, raw material prices, changes in Government regulations, tax regimes, economic developments of the country and other factors like litigations and labour negotiations, etc.

CONCLUSION

Your Directors place on record their appreciation of the co-operation and support received from investors, customers, shareholders, bankers, vendors and statutory and Regulatory Authorities. The Directors also thank the employees for their significant contribution in Company's performance. The Directors now look forward to the future with confidence and optimism.

For and on behalf of the Board of Directors
Acknit Industries Limited

S. K. Saraf
Chairman-Cum-Managing Director

S. K. Ghosh
Director

Place : Kolkata
Date : The 20th day of August, 2010

**ANNEXURE - 'A'****MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion and Analysis has been included in the Directors Report in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India (SEBI). The Report herein presents a brief discussion on Industry Structure and Development, Company's Performance and Outlook, SOWT analysis, Internal Control Systems, financial performance and Human Resource Development. This discussion is based on the assessment of the current environment which may vary due to future economic and other developments in the universal arena.

INDUSTRY STRUCTURE AND DEVELOPMENT

Industrial safety measures has been made mandatory all over the world ; And as part of the Industrial safety measurer, different variants of Industrial Gloves and other safety gears are in increasing demands corresponding to further increases in Industrial activities across the world. On the other hand, increased cost of production in the Industrialised Developed countries of West, have resulted to closer of their own production units for safety gears in favour of job outsourcing to low cost Developing countries like India and other countries of the East with a view to cut down their own cost without compromising with the safety requirements. In this arena India with its abundant supply of raw materials and cheap labour associated with most advanced Technology and expertise occupies comparatively favoured position. Added to this the recent steps taken in liberalizing the Indian economy and overall improvement in business environment and a steady improvement in infrastructure developments across the country has given a positive impact to the growth of all types of businesss and manufacturing activities and export promotions.

Under this background, the future of production and Export of Industrial Safety Gloves in the country is extremely bright and in this arena 'Acknit' enjoys a privileged position because of its maintenance of Quality Standard conforming to ISO 9001-2000 and strict adherence to time schedules at the most competitive price over the decades.

COMPANY'S PERFORMANCE & OUTLOOK

The company's products cover wide range of Industrial safety requirements with different types of coating, dottings, rubberized and of such materials as per specific requirements of the consumers. The company's products have received wide acceptance across the world and the company is flooded with various trade enquiries from various types of Industries of the Developed countries. The booming Indian economy, the growth in infrastructure facilities and added to it the increased amount of Industrial Investments in the country has added to the growing needs of safety gears directly in conformity with the increasing pollution control measures. The Company's products are well established in the market and its brand name 'Acknit' has a substantial recall value creating an edge over other competitors.

Although there had been an all round increase in production during the year under review, the inflationary trend in Indian Economy and with the firming up of Indian currency as against US Dollar and Euro continued its negative impact on the company's turnover whereas, the Indian Economies because of its uniqueness has maintained its progress in every directions and remains one of the fastest growing economies of the present day world. As such, the International connections and Economic interactions would not allow the Indian industries to be quarantined against the recessionary effect of the World Economy.

Inspite of all such restraints the demand for Industrial Safety can not be compromised at any cost. International demand for Industrial safety wears will continue increasing directly in proportion to increased activities in Industrial restructuring efforts in the west. Acknit being exclusively engaged in the production and supply of Industrial Safety wears, its activities are directly responsive to Industrial Activities of Developed countries.



The strength of brand 'Acknit', the enhanced product range, excellent distribution network and market relations and the projected booming conditions after the by-gone recession in European market - all these factors are expected to act as synergies having potential propelling the workings of the company in the immediate future.

SWOT ANALYSIS

1. Strengths

- ◆ The Company has most strategically located production units having varied and advanced Technologies and sophisticated Machinerries installed adequately ;
- ◆ The company's products having been well established in the market over the years with commandable reputation ;
- ◆ The company has an excellent customer base with efficient Distribution network supplemented by continued liaison.
- ◆ Maintenance of Quality Standard conforming to ISO 9001-2000 and strict adherence to supply schedules at the most competitive price.

2. Weakness

- ◆ The company being a 100% EOU is dependant on the inflow of Export orders which has become subjected to increased propagation agsint outsourcing by the European union which may cause concern for the Future.
- ◆ The profitability is generally dependant on the Government policy decision particularly with reference to GATT and WTO resolutions.
- ◆ Increasing trend of price war introduced by the new entrants in the market from other low cost Asian Countries may cause ultimate concern in the future.

3. Opportunities

- ◆ Due to expansion of manufacturing base and development of Diverse types of protective safetywears as per the customers requirements and industrial safety specifications, substantial increase of demand for the company's products is foreseen.
- ◆ There are opportunities to explore geographical insights of the global market.
- ◆ There are opportunities to develop and increase Distribution network across the global markets in Developing countries.
- ◆ There are opportunities to increase sale of different range of products though tie ups with retail outlets and other brand owners of the West.

4. Threats

- ◆ Stiff competition from other low- cost countries of the East and the increasing price wars are continuously reducing the returns on sale.
- ◆ The unprecedented global recession caused substantial decrease in International demand which is though of temporary nature.
- ◆ Prolonged Financial crisis in European Countries causes serious fluctuations in Exchange rates having a negative effect on the company's earnings.
- ◆ Propagation against outsourcing in the European Countries may cause further shrinkage in the demand for company's products.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company has established a well defined organization structure having an extensive system of internal control to ensure optimum utilisation of resources, accurate reporting of financial transactions and strict compliance of applicable statutory laws and regulations at all times. The company has adequate system to ensure that the assets of the company are safeguarded against loss from unauthorized use or depreciation and that all transactions are properly authorized, recorded and reported correctly.

An audit committee of the Board of Directors regularly reviews the audit plans, significant audit findings, adequacy of internal control, compliances with Applicable Accounting Standard and particularly reasons for changes in Accounting policies and practices, if any.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE

The financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Policies (GAAP) in India.

HUMAN RESOURCE DEVELOPMENT

The Company is built around people. The Spirit of Trust, Transparency and Team Work has enabled the company to build a tradition and harmonious relation.

The company has a systems of annual appraisal of its employees. It believes that in order to unleash 100% potential, it is necessary to empower Talent and prepare its people with the necessary skill to exploit their own potential. System of succession planning has commenced and it is expected to ensure that performances have a fast career growth.

ANNEXURE - 'B'**CORPORATE GOVERNANCE**

During the Year under review, the Company continued its endeavour to achieve their objectives by means of adoption and monitoring corporate strategies, prudent business plans and pursued such policies and procedure to satisfy its ethical responsibilities.

BOARD OF DIRECTORS

In due compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board is evenly composed with 2 (Two) Executive Promoter Directors and 2 (two) Non Executive Independent Directors. The company did not have any pecuniary relationship or transactions with the non-executive Independent Directors. The Independent Directors are not related with the promoters or persons occupying management positions at the Board level or any level below the Board. They are neither in employment for the last 3 years nor are they material suppliers, Service providers or customer or a lessee to the Company which may effect their Independence. They are not holding substantial shares of the Company.

None of the Directors is a member of more than ten(10) committees and Chairman of more than five(5) companies in which he is a Director.

The necessary disclosures regarding committee positions have been made by the Directors.

MEETING OF THE BOARD

During the year under review, there were 6 (six) meetings of the Board of Directors held on 29.04.09, 31.07.09, 24.08.09, 31.10.09, 30.01.10, & 26.03.10 with a maximum gap between two consecutive meetings of not more than 4 (four) months and the information as required were made available to the Board for discussion. The dates and venue of each meeting was decided well in advance and the Directors were duly communicated of the same alongwith 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 Name and Categories of the directors, their membership in committee and attendance in the meeting during the year are given in the table below.

Name of Director	Category	No. of Directorship in other Pub Cos.	No. of Comm. Membership	No. of B.M. attended	Attendance at last AGM
S. K. Saraf	Promoter / Executive CMD	-	-	4	Yes
D. K. Saraf	Promoter / Executive Wholetime Director	One	Two	6	No
S. K. Ghosh	Non Executive Independent Director	One	Three	6	Yes
M. K. Nath (Addl. Director)	Non Executive Independent Director	-	Three	6	Yes

4. BOARD COMMITTEES

The Board has constituted 3 (Three) committees of Directors to assist the Board in discharging its responsibilities in strategic supervision.

(I) AUDIT COMMITTEE

The Board has formed an Audit committee in due compliance of the Provisions of section 292A of the Companies Act, 1956 and the clause 49 of the Listing Agreements, comprising of 3 (three) directors with Mr. S. K. Ghosh an Independent non Executive Director as its Chairman. Mr. Ghosh is a qualified Cost Accountant with an extensive exposures in financial Management over a period of 40 years is assisted by Mr. M. K. Nath, an Independent Non executive Director with commercial and Business Exposures for 3 (three) decades and Mr. D. K. Saraf, The Executive whole time Director as its members.

The Audit committee provides, inter alia, assurance to the Board on the adequacy or otherwise of internal Control system, Financial disclosures and ensure due observation of the generally accepted Accounting Standards. It provides the management the necessary guidance for preparation of periodic and Annual Financial statements before they are placed before the Board for its review and approval and at the same time, liaisons between the Internal Auditor and the statutory Auditor. The functions of the Committee includes reviewing the adequacy of Internal Audit system, its structures and discussion with Internal Auditor on any significant finding and follow up therewith. In short, the role of the committee is more or less the same as one laid down in the listing Agreement and in Sec. 292A of the Companies Act, 1956.

During the year, the Audit committee met 5 times on 29.04.09; 31.07.09; 24.08.09; 31.10.09 and 30.01.2010.

**Audit Committee :**

SL NO	NAME OF MEMBER	STATUS	NO OF MEETINGS ATTENDED
1	Mr. S.K GHOSH	Independent Non- Executive Director	5
2	Mr. M. K. NATH	- Do -	5
3	Mr. D.K.SARAF	Wholetime Executive Director	5

The matter dealt with by the committee includes, inter alia, analysis of financial conditions and operating results, statement submitted by the management relating to significant related party transaction, review of management discussion forming part of the Director Report, Internal audit report, particularly in relation to control the weakness in operating system, etc.

(II) SHARE TRANSFER COMMITTEE

The share Transfer committee of the Board was comprised of Mr. M. K. Nath, Mr. S. K. Ghosh and Mr. D. K. Saraf. The share Transfer committee approves the Transfer of Shares, Consolidation/ Sub division of shares, issue of duplicate share certificates and related matters.

The Committee holds periodical meetings for approving requests for Transfer / Transmission of shares and also for issue / splitting of share certificates.

The under noted Table, shows attendance of the members in such meetings.

SL No	Name of Member	Status	No of meetings
1	Mr. S. K. Ghosh	Independent Non Executive Director	4
2	Mr. M. K. Nath	- Do -	4
3	Mr. D. K. Saraf	Wholetime Executive Director	4

(III) SHAREHOLDERS' GRIEVANCE COMMITTEE

The Committee was composed of the Independent / Non Executive directors , Mr. S. K. Ghosh and Mr. M. K. Nath. The committee holds periodical meetings for immediate redressal of Shareholders grievances.

The committee met 4 (four) times during the year on 29.04.09, 31.07.09, 31.10.09 and 30.01.10 to dispose of 10 Grievances received from shareholders.

RISK MANAGEMENT

At 'ACKNIT' Risk Management Approach has been formalised by effective systems and processes. As a result the risks are adequately balanced by business decisions while ensuring that initiatives taken are duly rewarded by generation of revenue which is consistent with the risks taken. The corporate policy is so designed to provide Risk Standards and Corresponding guidelines for credit, marketing, liquidity, funding etc., while the Risk Management is facilitated through involvement of senior Management for necessary approvals, periodic reviews and other policy measures including mitigation of plans and factors. Thus the end point responsibilities vest with the Senior Management who approves the initiatives and makes a continuous review.

**EXECUTIVE DIRECTOR/CFO CERTIFICATION :**

The Executive Director and the Chief Financial Officer (CFO) certify that (i) the financial statements and the cash flow statements for the year have been reviewed and to their belief those statements do not contain any untrue statement and it present a true and fair view of the Company's affairs; (ii) that there are no transaction entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct; (iii) that they accept responsibility for establishing and maintaining Internal Control and that they evaluated the effectiveness of the internal control system of the company; (iv) that they have indicated to the Statutory Auditor and the Audit Committee :

- (a) Significant changes in internal control during the year;
- (b) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements;
- (c) Instances of significant fraud, if any, of which they have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system.

SHAREHOLDERS INFORMATION**a. Share Transfer System**

Share Transfer Requests valid and complete in all respects are normally processed within 15 days. Power has been delegated to Share Transfer Committee and the Registrar & Share Transfer Agents for expediting Transfers. Valid requests for Dematerialisation of shares are completed within 10 days. The company's shares are compulsorily traded in dematerialized form. The ISIN No. allotted to the company is ISIN No. 326C 01017.

b. Details of Shares Transfers during the Year :-

No. of valid Share Transfer Requests received -	01
No. of Share Transfer Requests processed and registered	01
No. of Share Transferred	500
No. of Pending Share Transfer Requests as on 31.03.2010	NIL
No. of Shares Demated to NSDL	18,17,149
No. of Shares Demated to CDSL	3,78,285
No. of Shares Remated	NIL
No. of Complaints remaining unresolved as on 01.04.2009	NIL
No. of complaints received during the year	10
No. of complaints resolved during the year	10
No. of complaints remaining unresolved as on 31.03.2010	NIL

c. Address for Communication :

All communication regarding Share Transfer, change of Address, Nomination etc, should be addressed to the Registrar & Share Transfer Agents at the following Address :-

S.K. Computers
34/1 A, Sudhir Chatterjee Street
Kolkata- 700 006.
Phone No.(033) 2219 4815
Email: skckolkata.invcom@gmail.com



Complaints, if any, may also be addressed to the Compliance Officer at the registered office of the company at 817 Krishna, 224 A.J.C Bose Road, Kolkata- 700 017.

Shareholders are advised to correspond with the Registrar & Share Transfer Agents and the company via email to speed up response and to help us to expedite redressal of complaints. They are requested to mention clearly their Folio Nos./DP ID and Client ID and their respective addresses. However, in case of instructions for change of address and/or Transfer and Transmission of Shares their letter should be signed by the shareholders concerned, otherwise such requests can not be processed.

COMPLIANCE OFFICER

Mr. B. K. Kesan, General Manager of the company has been designated as the Compliance Officer for the purpose of Listing Agreement. The Shareholders may send their complaints directly to "The Compliance Officer", Acknit Industries Ltd, 817 Krishna, 224, A.J.C Bose Road, Kolkata 700 017 or email to acknit@vsnl.com or phone to (033) 2287 8293.

MEANS OF COMMUNICATION

1. Quarterly Results are published in one of the prominent business dailies in english and a Local Language Newspaper. The Annual Results are posted to every share holder of the company.
2. Official News Releases are given directly to the Stock Exchanges concerned and then to the press.
3. All Notices of General Meetings are posted to every shareholder in due compliance of the provisions of the Companies Act,1956.

CODE OF CONDUCT

Annual Declaration by CEO pursuant to clause 49(1) (D) (11) of the Stock Exchange Listing Agreement.

As Managing Director and CEO (Chief Executive Officer) of Acknit Industries Ltd. and as required by clause 49 (1) (D) (11) of the Listing Agreements, I do hereby declare that all the Board Members and Senior Management personnel of the company have affirmed due compliance with the Company's Code of Business conduct and Ethics during the financial year ending 31.03.2010.

SD/- S. K. Saraf

Chairman-Cum-Managing Director

Date : 20.08.2010

Place: Kolkata

GENERAL BODY MEETINGS :-

The date, time and venue of the Last Three Annual General Meetings are given herein below :

Financial Year	Date	Venue	Time
2006-2007	27.09.2007	GYAN MUNCH 11, Pretoria Street Kolkata – 700 071	2. 00 p.m.
2007-2008	26.09.2008	- Do -	3.30 p.m.
2008-2009	24.09.2009	- Do -	10.30 a.m.

No Special Resolution through ballot was put at the last AGM.

**DIRECTORS REMUNERATION**

The details of remuneration paid to Directors during the year are given below :-

NAME OF DIRECTOR	SALARY	PERQUISITES	SITTING FEES	TOTAL
Mr. S. K. Saraf (CMD)	16,12,800	NIL	NIL	16,12,800
Mr. D. K. Saraf (Exe.Dir)	13,44,000	NIL	NIL	13,44,000
Mr. M K Nath (Ind. Dir.)	NIL	NIL	15,750	15,750
Mr. S. K. Ghosh (Ind. Dir.)	NIL	NIL	15,750	15,750

GENERAL SHAREHOLDERS INFORMATION :**1. ANNUAL GENERAL MEETINGS**

20th Annual General Meeting of the shareholders will be held at "Gyan Munch", 11, Pretoria Street, Kolkata – 700 071, on Monday, the 20th September 2010 at 10.30 a.m.

2. FINANCIAL CALAENDER

The financial year of the company is April to March, every year. Un-audited Financial Results are drawn and published on a quarterly basis in the month following the end of the respective quarters.

3. BOOK CLOSURE

In terms of the provisions under Sec.154 of the Companies Act, 1956 the share transfer Books and the Register of Member shall remain closed from 14.09.2010 to 20.09.2010 (both days inclusive) to ascertain members entitled to dividend, if declared in the AGM.

4. LISTING OF SHARES

The shares of the Company continue to be listed on the Stock Exchanges at Mumbai and Calcutta. The Company is regular in payment of the Listing Fees to the Exchanges. The Security code of the Company's shares on those exchanges are : **BSE:530043, CSE:10011078.**

The shares of the Company are permitted to be traded only in dematerialized mode in NSDL & CDSL with effect from 24.11.2000 **ISIN No. is INE 326C01017.** -

DIVIDEND PAYMENT RECORD

The Company always maintained a commendable dividend paying records since the commencement of its commercial production. The rates of Dividend paid during last 7 years are :-

Year	Rate of Dividend	Amount Disbursed
2002-2003	15%	Rs.37.80 Lacs
2003-2004	20%	Rs.50.40 Lacs
2004-2005	20%	Rs.50.40 Lacs
2005-2006	20%	Rs.50.40 Lacs
2006-2007	20%	Rs.50.40 Lacs
2007-2008	20%	Rs.50.40 Lacs
2008-2009	15%	Rs.37.80 Lacs

**DISTRIBUTION OF SHARE HOLDINGS AS ON 31.03.2010**

Range of Shares	No. of holders	%	No. of Shareholders	%
1 to 500	772	75.46	143,465	5.69
501 to 1000	121	11.83	95,979	3.81
1001 to 2000	60	5.87	83,925	3.33
2001 to 3000	19	1.86	47,656	1.89
3001 to 4000	11	1.08	38,588	1.53
4001 to 5000	8	0.78	37,697	1.50
5001 to 10,000	6	0.58	45,838	1.82
10,001 to 50,000	11	1.08	253,026	10.04
50,001 to 1,00,000	7	0.68	527,866	20.95
1,00,001 to above	8	0.78	1,245,960	49.44
Grand Total	1023	100.00	2,520,000	100.00

STOCK MARKET DATA

The shares of the Company are regularly traded on the BSE whereas trading on CSE is not regular. The Annual data for Trading on BSE are given below :-

Month	Month's High	Month's Low	Volume
April,09	23.35	18.65	10,174
May,09	27.10	20.10	3,146
June,09	31.80	27.00	8,135
July,09	29.90	26.60	3,529
August,09	34.00	25.00	14,393
September,09	32.45	27.80	15,310
October,09	32.50	27.00	16,068
November,09	32.00	28.35	4,287
December,09	32.80	28.05	22,175
January,10	34.35	29.70	11,818
February,10	32.60	28.70	2,118
March,10	30.90	28.00	4,366

Shareholding Pattern as on 31.03.2010

CATEGORY	NO. OF SHARES	PERCENTAGE OF TOTAL
Promoter Group		
Indian Promoters	746,290	29.61
Persons Acting in concert	422,059	16.75
Foreign Promoters	-	-
Total : Promoter Group	1,168,349	46.36
Non Promoter Group		
NRI/OCB	35,000	1.39
Other Bodies Corporate	636,526	25.26
Resident Individual	680,125	26.99
Institutional Investors (Bank)	-	-
Total : Non-Promoters Group	1,351,651	53.64
Grand Total	25,20,000	100.00

**DISCLOSURES**

- (a) Details of Transactions with any of the related parties as specified in Accounting Standard 18 (As-18) issued by the Institute of Chartered Accountants of India have been reported in the 'Notes to Accounts'. There was no transaction of material nature with any of the related party which was in conflict with the interest of the company.
- (b) There was no non-compliance, penalties or strictures imposed on the company by any Stock Exchange, SEBI or other Statutory Authority on matters related to capital Market during the last three (3) years.
- (c) Management Discussion and Analysis Report forms part of Director's Report.
- (d) No representation was made to Institutional Investors and Analysts during the year.
- (e) The company does not have any subsidiary.
- (f) There had been no Public issue, Right issue or other public offerings during the last ten (10) years. The company has not issued any GDRs/ADRs or any convertible instrument.
- (g) Plant Locations of the company are given hereunder :
- I. Faltal Special Economic Zone-Sector I, 24 Parganas (S) W.B.
 - II. Faltal Special Economic Zone-Sector II, 24 Parganas (S) W.B.
 - III. Ganganagar, Madhyamgram, 24 Parganas (S) W.B.
 - IV. 16B, Methopara, Opposite Tandra Garden, Ganganagar, Doltala, Kolkata, W.B.

Significant Information

The demand for traditional Knitted items have reached a saturation point due to severe competition from other Low cost Asian Countries. However, by installation of most sophisticated Machineries & production processes, the company could reduce its cost of production which resulted in increasing its competitiveness. The company has shifted its attention to the alternate market for leather items which is still open for further expansions. Moreover, the Company's diversification project in Power Generation has commenced generation of revenue. But consequent to Interest outgo for the Loan drawn in connection with the Power Generation project adversely effected the net profit of the Company substantially.

Related Party Discloses as required under Accounting Standards (AS 18) issued by the institute of Chartered Accountants of India :-

- I. Associate Companies / Firms
 1. Acme Safetywears Ltd.
 2. Saraf Capital Markets Ltd.
- II. Enterprises in which key Management personnel have significant influence :-
 1. Rosinate India Company.
- III. Key Management Personnel :
 1. Sri Shri Krishan Saraf – Chairman-cum-Managing Director
 2. Sri Deo Kishan Saraf – Whole time Executive DirectorRelatives of Key Management Personnel :
 1. Sri Abhishek Saraf
 2. Sri Aditya Saraf



ANNEXURE : C

Statement pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988

(i) Conservation of Energy :-

The Company accords great importance to conservation of energy. The main focuses of the Company during the year were :-

- Close monitoring on consumption of electricity, diesel and water;
- Optimisation on electricity consumption by equipment modification and replacement process modification;
- Achieving power factor standards nearing unity in all units;
- Total energy consumption and energy consumption per unit of productions - Form 'A' enclosed.

(ii) Technology absorption : as per Form 'B'

A. Research and Development (R & D)

Separate account of R & D expenditure is not maintained. The expenses are merged into relevant heads of expenditure. The Company's Research & Development wing is fully geared to absorb and innovate & tie up Imported Technology on a continuing basis. The R & D wing has continually developed various customer friendly product ranges and has set up performance Testing mechanism to generate various parameters required by customers.

(iii) FOREIGN EXCHANGE EARNINGS & OUTGO

Promising Foreign Exchange Reserves of the Country, with a low inflation rate and encouraging GDP growth rates during the last couple of years, have presented a unique atmosphere of increased business activities. Your Company is well positioned to take advantage of opportunities and continued to maintain its pace of progression. The company is engaged in 100% export oriented manufacturing activities, and is continuing its effort to increasing support to the country's forex Reserves by exploring, creating and developing new markets.

	2009-10	2008-09
Earning (on FOB Basis)	3,412.75	Rs. 5,341.10 Lacs
Outgo	662.43	Rs. 867.51 Lacs

Form A

(Form of disclosure of particulars with respect to Conservation of Energy)

POWER & FUEL CONSUMPTION

	2009-10	2008-09
1) Electricity		
a) Purchased Unit (Kwh)	1,082,488	1,040,453
Total Amount (Rs.)	5,295,002	4,428,801
Average Rate per unit Rs.	4.89	4.26
Through diesel generator units (lakh Kwh)	N.A.	N. A.
Unit per ltr. of Diesel oil (kwh) cost /unit (lakh kwh)	NIL	NIL
Through steam turbine / generator units (lakh kwh)	NIL	NIL
Unit per ltr. of LD oil (kwh) cost/unit (lakh kwh)	NIL	NIL

CONSUMPTION PER UNIT OF PRODUCTION PER DOZ PAIRS

	2009-10	2008-09
Electricity	0.97 kwh	0.81 kwh
Coal	NIL	NIL
Furnace Oil	NIL	NIL
Light Diesel Oil	NIL	NIL
Others	NIL	NIL

Form - B

(Form of disclosure of particulars with respect to Technology Absorption)

1. Specific areas in which R & D carried out by the Company	NIL	NIL
2. Benefit derived as a result of the above R & D	NIL	NIL
3. Future Plan of action	NIL	NIL
4. Expenditure on R & D	NIL	NIL
Capital	NIL	NIL
Recurring	NIL	NIL
Total	N.A.	N.A.
Total R & D expenditure as % of total turnover		

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- Mordernisation and expansion of Product range to meet the growing market needs
- Upgradation of existing products and process by adopting most appropriate options available.
- Keeping abreast with new emerging technologies with long term potential

Obtained certification under ISO 9001 : 2000

Benefits : Launching new products has improved the Company's positive position in the market.

Introduction of new designs and material has also yielded significant cost savings.

ANNEXURE : D
COMPLIANCE CERTIFICATE
 (u/s 383A of the Companies Act, 1956)

To
 The Members of
ACKNIT INDUSTRIES LTD.
 817, Krishna
 224, AJC Bose Road
 Kolkata-700 017

CIN: L01113WB1990PLC050020
 Paid-up capital : Rs. 25,200,000/-

I have examined the registers, records, books and papers of **Acknit Industries Ltd** as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify the following clauses as set out in Form specified under The Companies (Compliance Certificate) Rules, 2001 to the extent relevant to the said Company in respect of the aforesaid financial year :



01. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
02. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, which were required to be filed with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
03. The Company being a public limited company has the minimum prescribed paid up capital.
04. The Board of Directors duly met 6 (Six) times on 29.04.2009, 31.07.2009, 24.08.2009, 31.10.2009, 30.01.2010 and 26.03.2010 during the year 2009-2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. Resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
05. The Company has closed its register of Members from 19.09.2009 to 24.09.2009 (both days inclusive) during the financial year under scrutiny.
06. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 24th September, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose;
07. No extra ordinary general meeting was held during the year.
08. No loan of the nature specified in section 295 of the Companies Act, 1956 was made; hence no comments are required on the compliance of the provisions of the said section.
09. The Company has duly complied with the provisions of section 297 of the Companies Act, 1956 in respect of the contracts specified in that section.
10. The Company has made necessary entries in the register maintained u/s 301 of the Act.
11. The Company was not required to obtain any approval of the Members (pursuant to section 314 of the Act).
12. No duplicate share certificates were issued by the Company during the year.
13. The Company has :
 - (i) received no cases for allotment/transfer/transmission of securities during the financial year
 - (ii) deposited the amount of dividend declared including interim dividend in separate bank account on 29th September, 2009 which is within 5 working days from the date of declaration of such dividend.
 - (iii) paid/posted warrants for dividend to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to unpaid dividend account of the Company with HDFC Bank on 24th October, 2009.
 - (iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remain unpaid/unclaimed for a period of 7 years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act;
14. The Board of Directors of the Company is duly constituted and the appointments of directors have been duly made. No new appointments of any nature have been made.
15. The Company has made appointment of Managing Director/ Whole- time Director/ Manager in compliance with the provisions of Section 269 read with Schedule XIII.
16. No appointment of sole-selling agents was made by the company.



17. The Company was not required to obtain any specific approval of the Central Government, Company Law Board, Regional Director, Registrar or any other authorities as may be prescribed under any of the provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under and necessary entries have been done in the register maintained for the purpose.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year ending 31st March 2010.
21. The Company does not have any issued preference shares or debentures in its capital structure.
22. The Company was not required to keep in abeyance any rights to dividend, rights shares and bonus shares (no bonus or right issue was made by the company during the year under consideration).
23. The Company has not accepted any deposits as contemplated u/s 58A and 58AA and as such was not required to comply with the provisions of said section read with Companies (Acceptance of -Deposit) Rules, 1975/the applicable directions issued by the Reserve Bank of India/any other authority in respect of deposits accepted including unsecured loans taken, or raised by a company.
24. The amount borrowed by the Company during the financial year ending 31st March, 2010 does not exceed the borrowing limits of the directors under the provisions of section 293(1)(d) of the Act.
25. The Company has maintained the register of loans and investments made, guarantees given or securities provided as required under section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. As per information furnished and explanation given to me no prosecution was initiated against or show cause notice received by the company for any alleged offence under the Act and also no fines and/or penalties or any other punishment were imposed on the company in.
32. The Company has not received any amount as security from its employees during the year under certification requiring deposit as per provisions of section 417(1) of the Act;
33. The Company has deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.

Place: Kolkata

Date: The 20th day of August 2010

RAJARSHI GHOSH

Company Secretary in Practice

C.P. No. 8921

**ANNEXURE 'A' of Compliance Certificate****Registers as maintained by the Company**

1. Register & Index of Members u/s 150/ 151.
2. Register of directors etc u/s 303.
3. Register of disclosure u/s 301(3) read with section 299.
4. Register of directors' shareholdings u/s 307.
5. Register of Application & Allotment
6. Minutes books for minutes of meetings of the Board & shareholders, separately.
7. Register of Contracts u/s 301.
8. Register of Charges u/s 143.
9. Books of Accounts u/s 209

Annexure 'B' of Compliance Certificate**ANNEXURE 'B'**

Form and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

S. No.	Form No. / Return	Filed under section	Purpose	Date of Filing	Whether filed within prescribed time	If delay in filling whether requisite additional fee paid (Yes / No)
1.	20B	159	For AGM held on 24.09.2009	21.11.2009	Yes	No
2.	23AC/ACA	220	For the Financial Year 2008-2009	24.10.2009	Yes	No
3.	66	383A	For the year ended 31.03.2009	21.10.2009	Yes	No

Managing Director and Chief Financial Officer (CFO) Certification

We, S. K.Saraf, Chairman-Cum-Managing Director and A. Dhand, Chief Financial Officer of Acknit Industries Limited, do hereby certify, to the best of our knowledge and belief, that :-

- i) We have reviewed the Balance Sheet of the Company as at 31st March, 2010, the Profit & Loss Accounts and all its Schedules and Notes on Accounts as well as the Cash Flow Statements and Directors Report for the year ended on that date;



- ii) Based on our knowledge and information, the financial statements and other financial information included in this report reflects in all material respects, a true and fair view of the Company's affairs, the financial conditions, results of operation and cash flows of the Company as on and for the periods presented in this report and are in compliance with the existing Accounting Standards and / or applicable laws and regulations;
- iii) Based on our knowledge and information, these statements do not contains any statement that might be misleading;
- iv) To the best of our knowledge and belief, no transactions entered into by the company during the year, are fraudulent, illegal or violative of the company's code of conduct;
- v) We are responsible for establishing and maintaining disclosures, controls and procedures and internal controls over financial reporting for the Company and we have :-
 - a) evaluated the effectiveness of the Company's disclosures, controls and procedures over financial reporting; and
 - b) disclosed in this report any change in Company's internal control over financial reporting that occurred during the Company's most recent accounting period that may have materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting
- vi) We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Board of Directors :-
 - a) All deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
 - b) Significant changes in internal control during the year covered by this report, if any;
 - c) All significant changes in the accounting policies during the year, if any and the same have been disclosed in the notes to the financial statement;
 - d) No instances of significant fraud of which we are aware involving managing or other employees who have significant role in the Company's internal control system.
- vii) We further declare that all board members and senior management personnel have affirmed compliance with the code of conduct (since its adoption) during the year under review.

For Acknit Industries Limited

S. K. Saraf

Chairman-Cum-Managing Director

Aniruddh Dhand

Chief Financial Officer

Place : Kolkata

Date : The 20th day of August, 2010

**AUDITORS' REPORT****To The Members of M/s. ACKNIT INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of M/s. Acknit Industries Limited as at 31st March 2010, the Profit and Loss account and also the Cash Flow Statement for year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to sub-section (3C) of section 211 of the Companies Act, 1956; subject to notes given herein under.
 - e) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of Sub - section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our informations and according to the explanation given to us, the said accounts, read in conjunction with the significant accounting policies and notes on accounts along with other schedules, give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 ;
 - b) In the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

R. K. Bajaj & Co.
Chartered Accountants
(Firm Regn. No. 314140E)

R. K. Bajaj
Proprietor
Membership No. 051715

Place : Kolkata
Date : The 20th day of August, 2010

**Annexure to the Auditors' Report to the Members of Acknit Industries Limited**

[Referred to in paragraph (3) thereof.]

- I. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.
- (c) During the year, in our opinion the company has not disposed of a substantial part of the fixed assets. According to the information and explanations given to us, we were of the opinion that the withdrawal of the fixed assets has not affected the going concern status of the company.
- II. (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
- III. (a) The company has granted unsecured loans to one Body Corporate covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to Rs. 15,685,197/-
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) According to information and explanations given to us, the loan as aforesaid was repayable on demand and Body Corporate is regular in payment of Principal amount and interest as and when demanded by the company.
- (d) According to information and explanations given to us, there is no overdue amount of loans and interest granted to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provision of clause (iii) (f) and (iii) (g) of the Company's (Auditors' Report) order 2003 are not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis of our examination, and according to the information and explanation given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.



- V. (a) In our opinion and according to the information and explanation given to us, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us and excluding certain transactions of purchases/sale of goods and materials of special nature for which alternate quotations are not available, in our opinions, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year covered by our audit report and therefore the provision of section 58A & 58AA or any other relevant provision of the Companies Act, 1956 and Rules there under are not applicable to the company.
- VII. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- VIII. To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the company.
- IX. (a) According to the information and explanation given to us, and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, Investors Education Protection Fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanation given to us and the records of the company examined by us the particulars of dues at income tax, sales tax, wealth tax, service tax, customs duty, excise duty and the Cess as at 31.03.2010 which have not been deposited on accounts of dispute are as follows :

Name of the Statute	Nature of the dues	Amount (in Rupees)	Period to which the amount relates	Forum where pending
West Bengal Sales Tax Act, 1994.	Sales Tax	13,200/-	Year 1996-1997	Assistant Commissioner, Commercial Taxes, Kolkata South Circle
West Bengal Sales Tax Act, 1994.	Sales Tax	406,863/-	Year 2003-2004	Assistant Commissioner, Commercial Taxes, Kolkata South Circle



- X. The company does not have accumulated losses as at 31st March 2010 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank during the year.
- XII. According to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- XIII. The Provision of any special statute applicable to chit fund/ nidhi /mutual benefit fund/societies are not applicable to the company.
- XIV. In our opinion and according to the information and explanations given to us, the company has maintained proper records of transaction and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made there in. All shares, debentures & other investments have been held by the company in its own name.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by other from banks and financial institution.
- XVI. In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII. According to the information and explanations given to us and on overall examinations of Balance Sheet of the company, in our opinion there are no funds raised on short-term basis which have been used for long-term investments.
- XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the Year.
- XIX. As the company has no debenture outstanding at any time during the year, paragraph (xix) of the Order is not applicable to the company.
- XX. The company has not raised any money by public issue during the year.
- XXI. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been notified or reported during the course of our audit.

Place : Kolkata
Date : The 20th day of August, 2010

R. K. Bajaj & Co.
Chartered Accountants
(Firm Regn. No. 314140E)

R. K. Bajaj
Proprietor
Membership No. 051715



BALANCE SHEET AS AT 31.03.2010

	Schedule No.	As at 31.03.2010 (Rupees)	As at 31.03.2010 (Rupees)	As at 31.03.2009 (Rupees)
SOURCES OF FUNDS :				
1) SHARE HOLDERS' FUNDS				
Share Capital	A	27,577,000		27,577,000
Reserves and Surplus	B	166,993,934	194,570,934	162,671,040
2) LOAN FUNDS				
Secured Loan	C		221,817,936	125,218,647
3) DEFERRED TAX (NET)	D		25,129,300	25,079,300
TOTAL			441,518,170	340,545,987
APPLICATION OF FUNDS :				
1) FIXED ASSETS				
Gross Block	E		264,300,110	256,329,037
Less : Depreciation			90,439,014	84,051,774
Net Block			173,861,096	172,277,263
Capital Work in Progress			13,768,922	7,895,296
			187,630,018	180,172,559
2) INVESTMENTS	F		8,134,537	3,747,227
3) CURRENT ASSETS, LOANS & ADVANCES				
I) Current Assets				
a) Inventories	G	168,722,732		88,471,746
b) Sundry Debtors	H	105,384,910		44,453,519
c) Cash & Bank Balances	I	2,741,059		6,912,278
d) Other Current Assets	J	6,984,717		6,091,948
II) Loans & Advances	K	63,385,793		60,820,900
		347,219,211		206,750,391
Less : Current Liabilities & Provisions	L	101,465,596		50,124,190
Net Current Assets			245,753,615	156,626,201
TOTAL			441,518,170	340,545,987
Significant Accounting Policies	S			
Segment Reporting	T			
Related Party Disclosures	U			
Notes on Accounts	V			

This is the Balance Sheet referred to in our Report
In terms of our report of even date

For R. K. Bajaj & Co.
Chartered Accountants
(Firm Regn. No. 314140E)

R. K. BAJAJ
Proprietor
Membership No. 051715
40/5, Strand Road, Kolkata - 700 001
Dated : The 20th day of August 2010

A. DHAND
Chief Financial Officer

For & on behalf of the Board
S. K. SARAF
Chairman cum Managing Director
D. K. SARAF
Executive Director
S. K. GHOSH
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

	Schedule No.	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)
1) INCOME				
Sales	M	434,917,873		617,214,609
Other Income	N	9,586,588		4,940,572
			444,504,461	622,155,181
2) EXPENDITURE				
Materials	O	281,836,315		444,632,813
Manufacturing & Other expenses	P	123,699,214		132,741,342
Interest to Bank & Financial Institution		13,746,283		14,550,830
Depreciation	E	15,156,259		14,981,912
			434,438,071	606,906,897
3) PROFIT BEFORE EXTRA ORDINARY ITEMS & TAX			10,066,390	15,248,284
Extraordinary Items				
- Compensation Received		-		1,750,000
- Adjustment relating to previous year (net)	Q	628,915	628,915	(36,870)
			10,695,305	16,961,414
Taxes				
Income Tax	R	1,950,000		2,934,588
Fringe Benefit Tax		-	1,950,000	535,000
4) PROFIT AFTER TAX			8,745,305	13,491,826
Add : Previous year balance Brought forward			9,317,196	9,247,781
			18,062,501	22,739,607
5) APPROPRIATIONS				
Proposed Dividend			3,780,000	3,780,000
Tax on dividend			642,411	642,411
Transfer to General Reserve			4,000,000	9,000,000
Balance Carried to Balance Sheet			9,640,090	9,317,196
			18,062,501	22,739,607
			3.47	5.35

Basic and diluted earning per equity shares of Rs. 10 (each)
(Refer Note No.9 of Schedule V)

Significant Accounting Policies
Segment Reporting
Related Party Disclosures
Notes on Accounts

S
T
U
V

This is the Profit & Loss Account referred to in our Report
In terms of our report of even date

For R. K. Bajaj & Co.
Chartered Accountants
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Chairman cum Managing Director

D. K. SARAF
Executive Director
S. K. GHOSH
Director



CASH FLOW STATEMENT FOR THE YEAR 2009-10

	Current Year (Rupees)	Previous Year (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extra ordinary items & tax	10,066,390	15,248,284
Adjustment for :		
Depreciation	15,156,259	14,981,912
Loss / (Profit) on Sale/discard of fixed Assets	(143,423)	(48,192)
Interest Paid	13,746,283	14,550,830
Interest Received	(1,219,212)	(1,182,720)
Misc. (Income) / Loss	(3,465,463)	981,562
Operating Profit before working capital changes	34,140,834	44,531,678
Adjustment for :		
Trade & Other receivables	(72,775,282)	29,706,972
Inventories	(80,250,986)	6,534,114
Trade Payable	56,516,461	1,547,237
Cash used in operations	(62,368,973)	82,319,999
Income Tax paid (net of refunds)	(2,298,968)	(3,307,678)
Interest Paid	(13,746,283)	(14,550,830)
Cash Flow before extra ordinary item	(78,414,224)	64,461,491
(Debit)/Credit Adj. Relating to pv. Yr. (N)	628,915	(36,870)
Compensation Received	-	1,750,000
NET CASH FLOW USED IN OPERATING ACTIVITIES (A)	(77,785,309)	66,174,621
B. CASH FLOW USED IN INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(23,200,295)	(24,564,964)
Sale of Fixed Assets	730,000	60,000
Sale of Investment (Net)	(4,387,310)	3,148,609
Intercorporate Deposits	10,685,197	(3,237,251)
Payables for Capital Goods	(7,075,055)	1,752,691
Interest Received	1,219,212	1,182,720
Profit / (Loss) on sale of Investment & Dividend	3,465,463	(981,562)
NET CASH USED IN INVESTING ACTIVITIES (B)	(18,562,788)	(22,639,757)
C. CASH FLOW USED IN FINANCING ACTIVITIES :		
Short term Secured Loan	99,649,343	(37,934,339)
Repayment of Long Term Loan	(3,050,054)	(194,990)
Dividend & Dividend Tax Paid	(4,422,411)	(5,896,548)
NET CASH FROM FINANCING ACTIVITIES (C)	92,176,878	(44,025,877)
NET DECREASE IN CASH & CASH EQUIVALENTS (A +B + C)	(4,171,219)	(491,013)
CASH & CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)	6,912,278	7,403,291
CASH & CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING BALANCE)	2,741,059	6,912,278

This is the Cash Flow Statement referred to in our Report
In terms of our report of even date

For R. K. Bajaj & Co.
Chartered Accountants
(Firm Regn. No. 314140E)

R. K. BAJAJ
Proprietor
Membership No. 051715
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Dated : The 20th day of August 2010

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Executive Director

S. K. GHOSH
Director



SCHEDULE FORMING PART OF BALANCE SHEET

	31.03.2010 (Rupees)	31.03.2010 (Rupees)	31.03.2009 (Rupees)
SCHEDULE 'A'			
Share Capital			
Authorised			
12,000,000 Equity Share of Rs. 10/- each		<u>120,000,000</u>	<u>120,000,000</u>
Issued & Subscribed			
3,000,000 Equity Shares of Rs.10/- each (out of which 200,000 Equity Shares of Rs.10/- each issued & allotted by way of Bonus shares)		<u>30,000,000</u>	<u>30,000,000</u>
Paid Up			
2,520,000 Equity Shares of Rs.10/- each (out of which 200,000 Equity Shares of Rs.10/- each Issued & allotted by way of Bonus shares)		<u>25,200,000</u>	<u>25,200,000</u>
Add : Shares forfeited (d)		<u>2,377,000</u>	<u>2,377,000</u>
		<u>27,577,000</u>	<u>27,577,000</u>
SCHEDULE 'B'			
Reserves & Surplus			
General Reserve			
At the commencement of the year	139,000,000		130,000,000
Add : Transfer from the Profit and Loss Account	<u>4,000,000</u>		<u>9,000,000</u>
At the end of the year (a)		143,000,000	139,000,000
Share Premium Account			
At the commencement of the year	<u>12,288,500</u>		
At the end of the year (b)		12,288,500	12,288,500
Capital Reserve			
At the commencement of the year	<u>2,065,344</u>		
At the end of the year (c)		2,065,344	2,065,344
Balance in Profit and Loss Account (d)		<u>9,640,090</u>	<u>9,317,196</u>
Total (a to d)		<u>166,993,934</u>	<u>162,671,040</u>
SCHEDULE 'C'			
Secured Loan			
Term Loan (including interest to Bank)			
(Secured by way of Equitable Mortgage of entire fixed assets including Building and personal guarantee of Directors, repayable within one year Rs.13,033,589/-Previous Year Rs.10,487,436/-)		<u>17,125,382</u>	<u>14,987,436</u>
Term Loan (From Financial Institution including Interest)			
(Secured by way of both immovable and moveable assets / properties, both existing & future pertaining to the Project, Personal guarantee of Directors, PDC for installments, incl interest & Trust and Retention A/C repayable within one year Rs. 5,188,000/-Previous Year Rs. 5,188,000/-)		<u>24,639,000</u>	<u>29,827,000</u>
Packing Credit			
(Secured by way of Entire Fixed Assets, Raw material, materials, stock in transit etc., guarantees, engagements, securities, investments and right etc. both present & future)		<u>146,496,032</u>	<u>57,428,329</u>
Cash Credit (Bills)			
(Secured by way of supply bills and Entire Fixed Assets, Raw material, materials stock in transit etc., guarantees, engagements, securities, investments and right etc. both present & future)		<u>33,557,522</u>	<u>22,975,882</u>
		<u>221,817,936</u>	<u>125,218,647</u>



SCHEDULE 'D'

Deferred Tax (Net)

	As at 31.03.2010 (Rupees)	As at 31.03.2009 (Rupees)
a) Deferred Tax Assets	22,100	22,100
On Doubtful Assets	3,800	3,800
On Diminution in the Value of Investment	1,325,600	1,325,600
On Loans & Advances	—	52,700
On Other Disallowance	—	—
(a)	1,351,500	1,404,200
b) Deferred Tax Liabilities	(b) 26,480,800	26,483,500
On fiscal allowances on fixed assets	(b) 26,480,800	26,483,500
Deferred Tax (Net)	(b - a) 25,129,300	25,079,300

SCHEDULE 'E'

Fixed Assets & Depreciation

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Addition during the year	Withdrawals during the Year	Total As at 31.03.2010	As at 01.04.2009	Withdrawals during the Year	For the year	Total As on 31.03.2010	As at 31.03.2010	As at 31.03.2009
1. Office Premises	3,752,240	1,519,395	—	5,271,635	8,750	—	—	8,750	5,262,885	3,743,490
2. Land & Factory Building	47,963,532	82,138	—	48,045,670	3,244,584	—	1,279,277	4,523,861	43,521,809	44,716,948
3. Plant & Machinery	128,395,812	12,873,594	8,997,541	132,271,865	63,745,158	8,503,812	8,840,830	64,052,176	68,189,589	64,650,554
4. WindMill	59,645,616	—	—	59,645,616	9,102,739	—	3,149,289	12,252,028	47,393,588	50,542,877
5. Electric Installation	4,568,234	1,193,104	—	5,751,338	1,783,867	—	357,790	2,141,657	3,609,681	2,774,367
6. Fire Prevention & Equipment	123,144	187,013	—	310,157	42,651	—	8,345	50,996	259,161	80,493
7. Furniture & Fixtures	2,643,099	83,019	—	2,726,118	1,049,805	—	146,239	1,196,144	1,529,974	1,593,194
8. Air Conditioner	2,383,883	—	—	2,383,883	724,220	—	111,423	835,643	1,548,240	1,659,663
9. Office Equipment										
Computer	1,449,555	—	—	1,449,555	753,166	—	160,276	913,442	536,113	696,389
Other	590,765	33,240	—	624,005	462,699	—	36,785	499,484	124,544	128,009
10. Refrigerator	112,400	—	—	112,400	64,974	—	8,340	73,314	39,086	47,426
11. Vehicle	3,438,752	601,848	358,055	3,682,545	1,797,059	265,207	304,367	1,636,219	1,846,326	1,841,693
12. Clicking Dies	1,272,002	753,318	—	2,025,320	1,272,002	—	753,318	2,025,320	—	—
	256,329,037	17,326,669	9,355,596	264,300,110	84,061,774	8,769,019	15,156,259	90,439,014	173,861,096	172,277,263
CAPITAL W I P	7,895,296	13,768,922	7,895,296	13,768,922	—	—	—	—	13,768,922	7,895,296
TOTAL	264,224,333	31,095,591	17,250,892	278,069,032	84,061,774	8,769,019	15,156,259	90,439,014	187,630,018	180,172,559
Previous Year	239,939,556	54,013,165	29,728,408	264,224,333	69,338,241	268,379	14,961,912	84,061,774	160,172,559	170,601,315



SCHEDULE 'F'

Investments - At Cost			As at		As at
Long Term Investments	Face	No. of	31.03.2010	No. of	31.03.2009
Unquoted	Value	Shares	(Rupees)	Shares	(Rupees)
Equity Shares (Fully Paid)					
Electrosteel Integrated Limited	10	100000	1,000,000	-	-
Gujrat NRE Mineral Resources Limited	1	200000	900,000	-	-
			<u>1,900,000</u>		<u>-</u>
Quoted					
Equity Shares (Fully Paid)					
Areva T & D India Limited	2 (10)	-	-	8000	1,198,765
Andhra Bank Limited	10	-	-	1000	55,701
Fortis Healthcare Limited	10	5000	425,028	-	-
Greaves Cotton Limited	10	1500	109,042	-	-
Henkel Spic India Limited	10	250	15,341	250	15,341
Ispat Industries Limited	10	100	796	100	796
The Tinsplate Co Limited	10	50000	2,250,000	-	-
Mangalore Chemicals & Fertilizers Ltd.	10	35000	704,051	-	-
Mysore Cement Limited	10	-	-	25000	909,363
Nagreeka Export Limited	5	15337	671,224	15337	671,224
Nagreeka Capital Limited*	5	16403	721,427	16403	721,427
Proto Infosys Limited	1	25000	115,805	25000	115,805
Ranbaxy Laboratories Limited	5	1000	286,626	-	-
TV Eighteen (India) Limited**	5	-	-	242	69,982
Vardhman Acrylics Limited	10	50000	500,786	-	-
Waichandnagar Industries Limited	2	2000	445,588	-	-
			<u>6,245,714</u>		<u>3,758,404</u>
Total of Quoted and Unquoted Investments			8,145,714		3,758,404
Less : Provision for Diminution in the value of Investment			11,177		11,177
			<u>8,134,537</u>		<u>3,747,227</u>
Market value of quoted investments			<u>8,555,720</u>		<u>2,599,738</u>

* Equity Shares received pursuant to acquiring of Investment business of M/S Nagreeka Exports Limited under scheme of arrangement as approved by High Court.

** 121 Equity Shares received by way of Bonus Shares.



	As at 31.03.2010 (Rupees)	As at 31.03.2009 (Rupees)
SCHEDULE 'G'		
Inventories (taken valued & certified by the management)		
i) Raw Materials	83,455,256	38,723,066
ii) Finished Goods	54,122,868	40,719,706
iii) Semi finished Goods	28,227,979	6,665,792
iv) Stores, Spares & Packing Materials	2,916,629	2,363,182
	<u>168,722,732</u>	<u>88,471,746</u>
SCHEDULE 'H'		
Sundry Debtors		
Over 6 months old		
Good & Unsecured	951,713	1,332,496
Doubtful & Unsecured	64,800	64,800
	<u>1,016,513</u>	<u>1,397,296</u>
Other Debts		
Good & Unsecured	104,433,197	43,121,023
	<u>105,449,710</u>	<u>44,518,319</u>
Less : Provision for doubtful debts	(64,800)	(64,800)
	<u>105,384,910</u>	<u>44,453,519</u>
SCHEDULE 'I'		
Cash & Bank Balances		
Cash Balance	222,367	255,555
Cash Margin with Bank & Others	74,196	129,190
Cash at Bank (with scheduled bank in current accounts)	1,485,380	3,353,508
Fixed Deposits (Lying with the Bank for the facilities enjoyed, including interest accrued thereon)	959,116	3,174,025
	<u>2,741,059</u>	<u>6,912,278</u>
SCHEDULE 'J'		
Other Current Assets		
Prepaid Expenses	1,424,063	1,021,480
Security Deposit	5,560,654	5,070,468
	<u>6,984,717</u>	<u>6,091,948</u>
SCHEDULE 'K'		
Loan & Advances :		
a) Deposits		
(Short term deposits with Body Corporates)		
Unsecured considered good	167,461	10,852,658
Unsecured considered doubtful	3,900,000	3,900,000
	<u>4,067,461</u>	<u>14,752,658</u>
Less : Provision for doubtful deposits	3,900,000	3,900,000
	<u>167,461</u>	<u>10,852,658</u>
b) Advances		
Advances recoverable in cash or in kind or for value to be received or any pending adjustments	63,218,332	49,968,242
	<u>63,385,793</u>	<u>60,820,900</u>



SCHEDULE 'L' Current Liabilities & Provisions	As at	As at
	31.03.2010 (Rupees)	31.03.2009 (Rupees)
a) Current Liabilities		
Creditors for Capital goods	2,938,347	10,013,402
Creditors for goods	58,110,679	13,758,633
Creditors for others	23,121,083	11,773,319
Advance from Debtors	1,256,546	472,222
Unclaimed / Unpaid dividend	681,530	649,203
	(A) <u>86,108,185</u>	<u>36,666,779</u>
b) Provisions		
Proposed Dividend	3,780,000	3,780,000
Corporate Dividend Tax	642,411	642,411
Provision for Income Tax	9,700,000	7,800,000
Provision for FBT	1,235,000	1,235,000
	(B) <u>15,357,411</u>	<u>13,457,411</u>
Total	(A + B) <u>101,465,596</u>	<u>50,124,190</u>

**SCHEDULE FORMING PART OF
PROFIT & LOSS ACCOUNT**

SCHEDULE 'M'

	Current Year (Rupees)	Previous Year (Rupees)
Sales		
Finished goods (Net of returns)	397,749,119	564,221,789
Raw Materials	3,330,626	3,699,937
Energy (Wind Power)	7,897,071	6,941,796
Total Sales	<u>408,976,816</u>	<u>574,863,522</u>
Export Incentive	28,657,477	44,353,081
	<u>437,634,293</u>	<u>619,216,603</u>
Less: Customs Duty	2,716,420	2,001,994
	<u>434,917,873</u>	<u>617,214,609</u>

SCHEDULE 'N'

Other Income		
Interest received (Tax deducted at source Rs. 124,655/- Previous year Rs.264,739/-)	1,219,212	1,182,720
Dividend Received (Tax deducted at source Rs. Nil/- Previous year Rs.Nil/-)	93,158	57,701
Profit on sale of investments (Net)	3,372,305	-
Profit on sale of Fixed Assets (Net)	143,423	48,192
Miscellaneous Income (Tax deducted at source Rs. 33,048/-, Previous year Rs. 44,536/-)	567,113	526,788
Exchange Gain (Net)	4,058,923	3,056,416
Sale of Scrap	132,454	68,755
	<u>9,586,588</u>	<u>4,940,572</u>



SCHEDULE 'O'		Current Year	Previous Year
MATERIALS		(Rupees)	(Rupees)
A : RAW MATERIAL			
Opening Stock		38,723,066	55,221,692
Add: Purchases		346,697,876	347,954,264
		<u>385,420,942</u>	<u>403,175,956</u>
Less : Closing Stock		83,455,256	38,723,066
	(A)	<u>301,965,686</u>	<u>364,452,890</u>
B : STORES, SPARES & PACKING MATERIALS			
Opening Stock		2,363,182	1,564,242
Add : Purchases		12,613,865	13,292,752
		<u>14,977,047</u>	<u>14,856,994</u>
Less : Closing Stock		2,916,629	2,363,182
	(B)	<u>12,060,418</u>	<u>12,493,812</u>
C : PURCHASE OF FINISHED GOODS	(C)	2,775,560	76,851,683
D: DECREASE/(INCREASE) IN STOCK			
I) Finished Goods			
Opening Stock		40,719,706	24,782,972
Less : Closing Stock		54,122,868	40,719,706
	(I)	<u>(13,403,162)</u>	<u>(15,936,734)</u>
II) Semi Finished Goods			
Opening Stock		6,665,792	13,436,954
Less : Closing Stock		28,227,979	6,665,792
	(II)	<u>(21,562,187)</u>	<u>6,771,162</u>
	(D)	<u>(34,965,349)</u>	<u>(9,165,572)</u>
Total : (A+B+C+D)		<u>281,836,315</u>	<u>444,632,813</u>



	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE 'P'			
Manufacturing & Other Expenses			
Wages, Salaries, Bonus etc.		9,694,907	8,913,739
Contribution to PF & Other funds		936,539	909,092
Power & Fuel		6,906,158	5,837,296
Rent, Rates & Taxes etc.		2,815,932	2,300,550
Packing & Finishing Charges		1,707,775	1,678,318
Printing & Stationary		474,751	536,885
Processing Charges		56,848,875	53,092,757
Bank Charges		3,111,243	2,816,012
Travelling & Conveyance		4,090,236	4,455,244
Auditor's Remuneration			
Audit Fees	154,420		154,420
Tax Audit Fees	33,090		33,090
Other Matters	22,616	210,126	21,631
Insurance Charges		2,986,235	3,194,983
Postage, Telegram, Telephone & Telex		1,736,583	1,335,477
Motor Car Expenses		714,949	816,444
Repairs & Maintenance			
Repairs & Maintenance to Building	576,603		128,125
Repairs & Maintenance to P/Machine	864,918		940,223
Repairs & Maintenance to Others	3,865,669	5,307,190	3,063,943
Commission on Sales		3,127,055	2,430,301
Sales Promotion Expenses		2,020,250	809,481
Coolie, Cartage, Freight & Forwarding Charges		15,465,221	16,162,311
Directors Remuneration		2,497,151	2,640,000
Loss on Sale of Investments		-	1,039,263
Quality Claim on Export		874,252	16,785,564
Misc. Expenses		2,173,786	2,646,193
		<u>123,699,214</u>	<u>132,741,342</u>
SCHEDULE 'Q'			
Adjustment relating to previous year (Net)			
A) Debit Adjustment			
Duty & Duty Drawback W/off		12,159	163,626
Vat / CST Receivable		-	100,219
Rent Rates and Taxes		-	177,523
Repairs & Maintenance to Others		1,590	13,030
Others		49,343	76,674
	(A)	<u>63,092</u>	<u>531,072</u>
B) Credit Adjustment			
Coolie, Cartage, Freight & Forwarding Charges		15,344	25,063
Commission on Export		48,413	-
Rent Paid		621,147	81,000
Interest Rate Subvention Receivable		-	50,321
Interest Received		2,697	-
DFIA Claim W/Back		-	88,493
Export Incentives under Focus Product Scheme		-	236,759
Motor Car Expenses		1,305	-
Others		3,101	12,566
	(B)	<u>692,007</u>	<u>494,202</u>
TOTAL	(B - A)	<u>628,915</u>	<u>(36,870)</u>
SCHEDULE 'R'			
Income Tax			
Income Tax for earlier year		-	242,388
Provision for Income Tax			
Current year		1,900,000	1,400,000
Deferred Tax		50,000	1,292,200
		<u>1,950,000</u>	<u>2,934,588</u>



SCHEDULE "S"

SIGNIFICANT ACCOUNTING POLICIES

A) Statement of significant Accounting Policies

a) Basis of Presentation

The financial statements have been generally prepared under the historical cost convention on an accrual basis except in case of assets for which provisions for impairment is made and revaluation is carried out. Wherever it is not possible to determine the quantum of accrual with reasonable certainty, e.g. insurance and other claims, etc. are accounted for on settlement basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

c) Revenue Recognition

Revenue from business and other activities consist primarily of revenue earned on a "time and material" basis. The related revenue is recognized as and when the material supplied/services performed. Sales are recognized inclusive of duty if any but net of sales tax. Export Incentives are accounted on accrual basis and include estimated realizable value / benefits from Duty Free Import Authorization Scheme (DFIA), Focus Product Scheme & Focus Market Scheme.

d) Fixed Assets and Impairment Losses

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, inward freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

Gains/losses arising on Foreign exchange liabilities incurred for the purpose of acquiring fixed assets are adjusted in the carrying amount of the respective fixed assets.

The cost and the accumulated depreciation for fixed assets sold are removed from the stated value and the resulting gains and losses are included in the profit and loss account.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

A previously recognized impairment loss is increased or reversed depending on the changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging useful depreciation if there was no impairment.

e) Depreciation

To calculate depreciation on Fixed Assets in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives, where specified, or lives based on the rates specified in schedule XIV of the Companies Act, 1956, whichever is lower.

f) Investments

Investments are classified into long-term investments. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments.

**g) Valuation of Inventories**

Inventories are valued as follows :

Raw materials, components, stores and spares and Packing material

Lower of cost and net realizable value. However materials and other items held for use in the production of Inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis and includes cost incurred in bringing the material to its present location and condition.

Work-in-Progress & Finished goods

Lower of cost and net realizable value. Cost includes direct material and Labour and a proportion of manufacturing overheads based on normal operating capacity.

h) Foreign currency Transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the profit & loss account, except in respect of fixed assets where exchange variance is adjusted in the carrying amount of respective fixed assets.

To account for Profit/Loss arising on cancellation or renewal of forward exchange contracts as income /expense for the period, except in case of forward exchange contracts relating to liabilities incurred for acquiring fixed assets, in which case such Profit/Loss are adjusted in the carrying amount of the respective fixed assets and liabilities at the year end.

i) Sales & Export Incentives

Sales are recognized, net of return, on despatch of goods to customers and are reflected in the accounts at gross realizable value net of taxes but inclusive of excise/ customs duties.

Export Incentives are accounted on accrual basis and include estimated realizable value / benefits from Duty Free Import Authorization Scheme (DFIA), DEPB, Focus Product Scheme & Focus Market Scheme.

j) Other Income

Income from interest accounted for on accrual basis.

k) Duty on Finished Goods and other Products

Duty on finished goods and stores in the factory premises are being accounted for as and when the clearance or transfers are made.

l) Employees Benefit

The Employee benefits are provided in accordance with revised AS - 15 and are dealt with in the following manners:

- i) Contribution to provident fund and other funds are accounted on accrual basis.
- ii) Gratuity liability is determined by actuarial valuation done at the end of the year and current year charge is debited to the Profit & Loss Account.

m) Taxes on Income

To provide & determine current tax as the amount of tax payable in respect of taxable income for the period.

To provide and recognize deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Not to recognize deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

n) Insurance Claims

Insurance Claims in respect of loss of assets are accounted for on intimation to the insurer at the value persists on the date of fire. Policy deductibles, surplus or deficit, if any, shall be accounted for when the claim is finally settled by the insurer and such income / expenditure, if any, shall be the income / expenditure of the year in which such claim is settled by the insurer.

**o) Other Claims**

Other Claims including Quality Claim on Exports are accounted for on the basis of determination / admission of outflow of resources required to settle the obligations.

p) Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognized when an estimate has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current management estimates.

Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

q) Segment Reporting policies

The Company's operating business are generally organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the location of the units wherever required.

r) Consistency

Accounting policies followed by the company are consistent from one period to other.

SCHEDULE "T"**SEGMENT REPORTING****PRIMARY SEGMENT INFORMATION (PRODUCTWISE SEGMENT)**

	2010			2009		
	External Sale	Intersegment Sale	Total	External Sale	Intersegment Sale	Total
1. SEGMENT REVENUE						
Cotton & Synthetic Gloves	77,180,097	754,485	77,934,582	102,537,088	-	102,537,088
Leather Gloves	267,850,930	32,073,781	299,924,711	472,856,467	48,770,005	521,626,472
Others & Traded items	81,989,775	-	81,989,775	36,881,252	1,399,847	38,281,099
Power Generation	7,697,071	-	7,897,071	6,941,796	-	6,941,796
Segment Total	434,917,873	32,828,266	467,746,139	619,216,603	50,169,852	669,386,455
Elimination			(32,828,266)			(50,169,852)
Total Revenue			434,917,873			619,216,603
2. SEGMENTS RESULTS						
Cotton & Synthetic Gloves			6,111,297			12,415,700
Leather Gloves			13,152,548			20,352,357
Others & Traded items			5,684,407			3,744,958
Power Generation			3,221,967			2,812,589
Segment Total			28,170,219			39,325,604
Unallocated Corporate Exp.			(13,182,765)			(14,435,177)
Unallocated Corporate Income.			8,234,922			5,439,097
Profit before interest etc.			23,222,376			30,329,524
& Taxation						
Interest Paid			(13,746,283)			(14,550,830)
Interest received on Loan, Deposits, etc.			1,219,212			1,182,720
Provision for Taxation (Net)			(1,950,000)			(3,469,588)
3. Profit after Taxation			8,745,305			13,491,826



4. Other information

	2010			2009		
	Segment Assets	Segment Liabilities	Total	Segment Assets	Segment Liabilities	Total
Cotton & Synthetic Gloves	164,546,494	84,035,204		89,944,029	34,246,127	
Leather Gloves	210,942,015	150,434,422		135,844,936	66,500,600	
Other & Traded items	70,778,787	47,005,690		65,163,056	29,652,344	
Power Generation	52,328,890	24,973,771		56,162,878	29,843,855	
Segment Total	498,596,186	306,449,087		347,114,899	160,242,926	
Unallocated corporate Assets/Liab.	49,767,757	47,343,922		48,935,455	45,559,368	
Total	548,363,943	353,793,009		396,050,354	205,802,314	

	2010			2009		
	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation
Cotton & Synthetic Gloves	14,350,023	87,91,356	-	59,463	8,055,834	-
Leather Gloves	2,814,814	2,377,024	-	5,571,122	2,017,972	-
Others & Traded items	3,914,215	475,812	-	13,342,625	1,378,495	-
Power Generation	-	3,149,289	-	-	3,149,289	-
Unallocated Expenditure	2,121,243	362,778	-	5,591,754	380,322	-
Segment Total	23,200,295	15,156,259	-	24,564,964	14,981,912	-

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL BASIS)

	2010	2009
Revenue		Segment
WITHIN SPECIAL ECONOMIC ZONE	140,225,884	178,611,415
OUTSIDE SPECIAL ECONOMIC ZONE	294,691,989	440,605,188
Segment Assets		
WITHIN SPECIAL ECONOMIC ZONE	164,546,494	144,381,841
OUTSIDE SPECIAL ECONOMIC ZONE	383,817,449	251,668,513
Capital Expenditure		
WITHIN SPECIAL ECONOMIC ZONE	14,350,023	11,403,986
OUTSIDE SPECIAL ECONOMIC ZONE	8,850,272	13,160,978

Schedule - U : - Related Party Transactions

The company has transactions with the following related parties :

Subsidiaries :

Nil

Associates :

- Rosinate India Company.
- Acme Safety Wears Limited.
- Saraf Capital Markets Limited.

Key Management Personnel

a) Mr. Shri Krishan Saraf :

Chairman cum Managing Director

b) Mr. Deo Kishan Saraf :

Executive Director

c) Mr. Swapan Kumar Chakravarty :

Works Manager

d) Mr. Bishnu Kumar Kesan :

General Manager

e) Mr. Abhishek Saraf :

Senior Executive



(I) Summary of the transactions with the above related parties is as follows :-

Nature of Transactions	As at 31.03.2010	As at 31.03.2009
Purchase of Materials	5,642,592	2,648,901
Purchase of Investment	23,129,145	1,944,371
Sales of Investment	26,033,032	4,053,717
Job charges paid	1,234,026	994,096
Sales of Materials	-	390,040
Rent Receivable	216,000	216,000
Interest Receivables on Intercompany deposits	1,086,905	953,260
Intercompany deposits placed during the year	-	5,000,000
Realisation of intercompany deposits placed during the year	16,772,102	2,500,000
Outstanding on Intercompany deposits receivables (Incl. Int.)	-	10,685,197
Payables	2,210,796	-
Receivables	1,100,000	-
Remuneration and other benefits payable to Directors	2,956,800	2,956,800
Remuneration and other benefits to Key Management Personnel	928,500	714,000

SCHEDULE 'V' NOTES ON ACCOUNTS

- Contingent Liability in respect of :-
 - Bills discounted by the Bank amounting to Rs.33,557,522/- (Previous year Rs.22,975,882/-).
 - In respect of Letter of Credit Rs. 7,482,562/- approx (Previous year Rs. 8,478,429/- approx)
 - Counter Guarantee given to Bank Rs.3,167,833/- (Previous year Rs.1,868,229/-)
 - Tax liability demanded by the Kolkata Municipal Tax Authorities for the periods prior to acquisition of a property of Rs. 1,265,475/- (Previous year Rs. 1,265,475/-), for the period after acquisition of the property of Rs. 245,025/- (Previous year Rs. 245,025/-) and penalty and interest for the above amounting to Rs. 1,051,842/- (Previous year Rs. 1,051,842/-) is pending disposal before Hon'ble High Court at Kolkata against which the Company has deposited on account a sum of Rs. 1,700,000/- (Previous year Rs. 700,000/-)
- Cyclic expenditure such as Professional Tax, Rates; Taxes, Bonus, Insurance, Telephone expenses are treated on cash basis.
- Valuation of inventories certified and decided by the management are according to normally accepted accounting principal.
- Balance under heading Sundry Debtors, Creditors and Loans & Advances are subject to confirmations.
- Depreciation had been provided at WDV up to the additions made on 31.03.95 and at SLM on the additions made on or after 31.03.95 as per Companies Act, 1956 (as amended). The Total depreciation provided Rs.28,042/- on WDV method on Gross Block of Rs. 3,707,017/- (previous year depreciation Rs. 36,076/- on Gross Block of Rs. 3,707,017/-) and Rs. 15,128,217/- on SLM on Gross Block of Rs. 260,593,093/- (previous year depreciation Rs. 14,945,836/- on Gross Block of Rs. 252,622,020/-)
- No provision was made in respect of Leave encashment in the accounts.
- 480,000 Equity shares of Rs.10/- each forfeited in terms of Board resolution during the year 1998-99.
- With reference to disclosure for amount due to SSI undertakings in Schedule 'L', to the extent of availability of information as to the identify of SSI undertaking, no amount was due to such undertaking in excess of Rs. 1.00 lacs and no outstanding was for more than 30 days as at Balance Sheet date.



9. Earning per Share Calculation of EPS

Sl. No.	Particulars	Equivalent No. of Shares	
		Year ended 31 st March	
		2010	2009
1.	Opening No. of Shares	2520000	2520000
2.	Total shares Outstanding	2520000	2520000
3.	Profit after taxes	8,745,305	13,491,826
4.	EPS	3.47	5.35

10. Segment Reporting

The Company's operating business are organized and managed separately according to the nature of Products. The four identified reportable segments are (i) own manufactured cotton & synthetic gloves, (ii) Leather Gloves (iii) Other & traded items & (iv) Power Generation Segment. The secondary segment is the Geographical segment based on the location of manufacturing unit.

11. Schedule "A" to "U" and Annexure "A" for Company's General Business Profile, forms a part of Balance Sheet and Profit & Loss Account for the year ended on 31st March, 2010.
12. An asset is treated as impaired when cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the Year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
13. The disclosures required under Accounting Standard-15 (Revised) on Employees Benefits notified in the Companies (Accounting Standard) Rules 2006 are given below.

	2009-10	2008-09
Employees contribution to Provident Fund	Rs. 751,654/-	Rs. 735,651/-

Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Under AS - 15 (Revised 2005) as on 31.03.2010 in respect of GGCA scheme of Acknit Industries Ltd.

	As on 31.03.2010	As on 31.03.2009
I. Actuarial Assumptions		
Discount Rate (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	3.00%	3.37%
II. Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	Rs. 1,866,468/-	Rs. 1,728,556/-
Interest cost	Rs. 149,317/-	Rs. 138,284/-
Current Service Cost	Rs. 1,172,358/-	Rs. 176,065/-
Benefits Paid	-	-
Actuarial (gain)/Loss on obligations	(Rs. 955,775/-)	(Rs. 176,437/-)
Present value of obligations as at end of year	Rs. 2,232,368/-	Rs. 1,866,468/-



	As on 31.03.2010	As on 31.03.2009
III. Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	Rs. 2,251,585/-	Rs. 1,907,931/-
Expected return on plan assets	Rs. 202,657/-	Rs. 171,883/-
Contributions	Rs. 190,171/-	Rs. 171,771/-
Benefits paid	-	-
Actuarial gain / (Loss) on plan Assets	-	-
Fair value of plan assets at the end of year	Rs. 2,644,413/-	Rs. 2,251,585/-
IV. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	Rs. 2,251,585/-	Rs. 1,907,931/-
Actual return on plan assets	Rs. 202,657/-	Rs. 171,883/-
Contributions	Rs. 190,171/-	Rs. 171,771/-
Benefits Paid	-	-
Fair value of plan assets at the end of year	Rs. 2,644,413/-	Rs. 2,251,585/-
Funded status	Rs. 412,045/-	Rs. 385,117/-
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	-	-
V. Actuarial Gain/Loss recognised		
Actuarial (gain)/Loss for the year - obligation	Rs. 955,775/-	Rs. 176,437/-
Actuarial (gain)/Loss for the year - plan assets	-	-
Total (gain)/Loss for the year	(Rs. 955,775/-)	(Rs. 176,437/-)
Actuarial (gain)/ Loss recognised in the year	(Rs. 955,775/-)	(Rs. 176,437/-)
VI. The amounts to be recognized in the balance sheet		
Present value of obligations as at the end of year	Rs. 2,232,368/-	Rs. 1,866,468/-
Fair value of plan assets as at the end of the year	Rs. 2,644,413/-	Rs. 2,251,585/-
Funded status	Rs. 412,045/-	Rs. 385,117/-
Net Asset/(Liability) recognised in the Balance Sheet	(Rs. 412,045/-)	Rs. 385,117/-
VII. Expenses Recognised in statement of Profit & Loss		
Current Service cost	Rs. 1,172,358/-	Rs. 176,065/-
Interest Cost	Rs. 149,317/-	Rs. 138,284/-
Expected Return on Plan Assets	(Rs. 202,657/-)	(Rs. 171,883/-)
Net Actuarial (Gain) / Loss recognised in the year	(Rs. 955,775/-)	(Rs. 176,437/-)
Expenses Recognised in the statement of Profit & Loss	(Rs. 163,243/-)	(Rs. 33,971/-)
Expenses relating to previous year	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

- The company has recognize the Income, for the shortfall in minimum generation of power for earlier year on actual realization basis.
- Previous year figures have been regrouped / rearranged wherever necessary to conform to current year figures.
- Figures have been rounded off to the nearest of rupee.



		Current Year (Rupees)	Previous Year (Rupees)
17. Additional Information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956 (as certified by the management)			
a) Expenditure in Foreign Currency (Amount remitted in foreign currency by way of letter of Credit arrangement/others)			
I) For Purchase of Capital goods on CIF Basis		8,539,391	8,827,146
II) For Purchase of Raw Materials, Stores, Spares, Packing Materials & Finished goods		49,585,330	55,086,697
III) For Travelling Expenses		2,516,607	2,467,104
IV) On other accounts		5,601,693	20,370,453
		<u>66,243,021</u>	<u>86,751,400</u>
b) Earnings in foreign currency on (FOB Basis)			
Export of Goods		341,027,636	533,872,740
Other Income		247,779	237,396
		<u>341,275,415</u>	<u>534,110,136</u>
c) Materials Consumed			
	Qty		Qty
Yarn (Kgs.)	371,814	40,847,479	477,274
Rubber Thread (Kgs.)	12,772	2,079,151	7,579
Fabric (Mt.)	522,213	33,508,233	539,934
Fabric (Kgs.)	68,942	9,107,130	17,288
Leather in Sq feet	11,168,129	146,556,520	14,215,021
Plastisol (Kgs.)	11,911	2,427,402	21,691
Chemicals (Kgs.)	209,006	13,258,518	155,631
Gloves Cuttings (Doz. Pair)	64,350	34,925,599	23,960
Others	LS	19,255,654	LS
		<u>301,965,686</u>	<u>364,452,890</u>
d) Information for Purc. Capacity Production, Turnover, Stocks (diff. Type & sizes)			
I) Licenced Capacity			
II) Installed Capacity, certified			
Hand Gloves (Doz. Pair)	2,180,250		2,027,250
Garments (Pcs.)	800,000		600,000
Wind Power (KWH) / Hr.	1,250		1,250
III) Production			
Hand Gloves (Doz. Pair)	1,114,348		1,287,930
Garments (Pcs.)	580,892		145,084
Others (Pcs.)	59,908		38,996
Wind Power (KWH) - Net	2,017,909		1,850,362
IV) Purchase of Finished goods			
Hand Gloves (Doz. Pair)	12,429	1,657,310	187,379
Garments (Pcs.)	10,500	1,118,250	30,477
Others (Pcs.)	-	-	4,030
		<u>27,75,560</u>	<u>76,851,683</u>



V) Opening Stock of Finished & Semi Finished Goods	Current Year		Previous Year	
	Qty	(Rupees)	Qty	(Rupees)
Hand Gloves (Doz Pair) (Finished)	236,387	37,596,736	129,826	21,521,031
Hand Gloves (Doz Pair) (Semi-Finished)	21,208	6,447,929	43,908	11,860,780
Garments (Pcs) (Finished)	17,452	2,928,272	46,121	3,191,886
Garments (Pcs) (Semi Finished)	3,923	217,863	1,600	1,547,374
Others (Pcs) (Finished) †	6,067	194,698	2,431	70,055
Other (Pcs) (Semi Finished)	-	-	360	28,800
		<u>47,385,498</u>		<u>38,219,926</u>
VI) Closing Stock of Finished & Semi Finished Goods				
Hand Gloves (Doz Pair) (Finished)	164,966	41,518,583	236,387	37,596,736
Hand Gloves (Doz Pair) (Semi-Finished)	119,033	21,338,301	21,208	6,447,929
Garments (Pcs) (Finished)	113,687	12,522,058	17,452	2,928,272
Garments (Pcs) (Semi Finished)	54,726	6,655,678	3,923	217,863
Others (Pcs) (Finished)	2,171	82,227	6,067	194,698
Others (Pcs) (Semi Finished)	2,600	234,000	-	-
		<u>82,350,847</u>		<u>47,385,498</u>
VII) Sales During the year				
Hand Gloves (Doz. Pair)	1,100,373	320,247,180	1,391,448	533,039,846
Garments (Pcs.)	444,354	73,577,607	201,907	28,760,752
Raw Materials				
- Yarn (Kgs)	22,477	2,657,269	35,294	2,825,213
- Fabric (Mtrs.)	6,548	673,357	5,634	520,152
- Fabrics (Kgs)	-	-	2,837	354,572
Others (Pcs)	61,204	3,924,332	39,750	2,421,191
Wind Power (KWH)	2,017,909	7,897,071	1,850,362	6,941,796
		<u>408,976,816</u>		<u>574,863,522</u>
VIII) Raw Materials, Stores, Spares & Packing Materials				
Raw Materials				
Indegenous	86.10%	259,988,714	86.69%	315,948,877
Imported	13.90%	41,976,972	13.31%	48,504,013
	<u>100.00%</u>	<u>301,965,686</u>	<u>100.00%</u>	<u>364,452,890</u>
Stores, Spares & Packing Materials				
Indigenous	80.18%	9,670,565	79.97%	9,990,889
Imported	19.82%	2,389,853	20.03%	2,502,923
	<u>100.00%</u>	<u>12,060,418</u>	<u>100.00%</u>	<u>12,493,812</u>

In terms of our report of even date

For **R. K. Bajaj & Co.**
Chartered Accountants
(Firm Regn. No. 314140E)

R. K. BAJAJ
Proprietor
Membership No. 051715
40/5, Strand Road, Kolkata - 700 001
Dated : The 20th day of August 2010

A. DHAND
Chief Financial Officer

For & on behalf of the Board
S. K. SARAF
Chairman cum Managing Director
D. K. SARAF
Executive Director
S. K. GHOSH
Director

**Annexure "A"****Balance Sheet Abstract and Company's General Business Profile
as per part (IV) of Schedule VI of the Companies Act, 1956**

[Rs. '000]

(I) Registration Details :Registration No State Code : Balance Sheet Date **II. Capital Raised during the year:**Public Issue Right Issue Bonus Issue Private placement **III. Position of Mobilisation and Deployment of Funds**Total Liabilities Total Assets **Sources of Funds**Paid up Capital Reserves & Surplus Secured Loans Unsecured Loans Deferred Tax **Application of Funds**Net Fixed Assets Investments Net Current Assets Misc. Expenditures Accumulated Losses **IV. Performance of Company :**Turnover Total Expenditure Profit / (Loss) Before Tax Profit/(Loss) After Tax Earning per Share Dividend Rate %**V. Generic Names of three Principal Products/ Services of Company (As per Monetary Terms)**

Item Code No. (ITC Code)

Product Description

Gloves mittens and mitts,
knitted or crocheted of Cotton Gloves mittens and mitts,
knitted or crocheted of Synthetic fibres

Articles of Leather Gloves other than Sports

In terms of our report of even date

For **R. K. Bajaj & Co.**
Chartered Accountants
(Firm Regn. No. 314140E)**R. K. BAJAJ**
ProprietorMembership No. 051715
40/5, Strand Road, Kolkata - 700 001
Dated : The 20th day of August 2010**A. DHAND**
Chief Financial OfficerFor & on behalf of the Board
S. K. SARAF
Chairman cum Managing Director**D. K. SARAF**
Executive Director**S. K. GHOSH**
Director