

AUCKLAND INTERNATIONAL LIMITED

Directors

Sri H. Tapadar
Sri M. C. Singhi
Sri B.S. Rampuria
Sri B.S. Baid
Smt. B.D. Baid

Executive Director

Sri H S Bayed

General Manager & CFO

Sri S.C. Bhutoria

Company Secretary

Ms. S. Ghose

Auditors

R B S C & CO.
Chartered Accountants

Bankers

CANARA BANK
Canning Street Branch
Kolkata - 700 001

***Registered & Administrative
Office & Works***

P. O. Jagatdal
District : North 24 Parganas,
West Bengal - 743 125
E-mail - auckland@vsnl.net

Registrar & Transfer Agents

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor
71, BRB Basu Road, Kolkata - 700 001

**REPORT OF THE DIRECTORS
TO THE MEMBERS**

Dear Shareholders,

Your Directors are pleased to present the 39th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2017.

1) CORPORATE OVERVIEW:

Auckland International Limited ("Your Company" or "The Company") is a leading manufacturer of jute goods with interest in investment in shares and securities. Your Company has its registered office at North 24 Parganas, Jagatdal, West Bengal-743125.

2) FINANCIAL HIGHLIGHTS:

The summarized standalone result of your Company is given hereunder: -

(₹.in.000)

Particulars	2016-17		2015-16	
Profit before Depreciation and Taxation		51032		30192
Less: Depreciation and Amortisation		7560		7406
Profit before Taxation		43472		22786
Provision/(Credit) for Corporate Taxation:				
Current Tax	(13410)		(6334)	
Deferred Tax	(418)		(4861)	
Adjustment relating to Taxes for earlier years	(145)	(13973)	(483)	(11678)
Profit for the period after Tax		29499		11108
Balance brought forward from Previous Year		195813		184705
Balance carried to Balance Sheet		225312		195813

3) ADOPTION OF IND AS:

As mandated by the Ministry of Corporate Affairs, the Company has decided to adopt the IND AS from the Financial Year commencing from 1st April, 2017. The estimates and judgments relating to the Financial Statements shall be made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2018.

4) EARNINGS PER SHARE:

The basic EPS for the year was ₹ 7.18 per share vis-à-vis ₹ 2.70 per share in FY 2015-16.

5) DIVIDEND:

Your Company has earned adequate profit during the year under review, however, your Directors deem it proper to plough back the profit into the business and hence no dividend is recommended for the Financial Year ended March 31, 2017.

6) RESERVES:

The Company proposes to retain the entire amount of ₹ 29,499/- (₹ In 000') in the profit and loss account.

7) RESUME OF PERFORMANCE:

During the year under review, your Company's performance showed noteworthy improvement in terms of its turnover. There has been no change in the business of the Company during the financial year ended 31st March, 2017.

The net revenue from operations of your Company showed a downward movement from ₹ 15,90,282/- to ₹15,74,868 /-. Whereas the profit after tax stood at ₹ 29,499/- vis-à-vis ₹ 11,108/- in the previous year.

a) Business Review:

Raw Jute is an agricultural product whose availability depends on harvesting and normal rainfall during the monsoon season. During the financial year 2016-17, the production was 17077 MT as against 19734 MT of Jute Goods manufactured during the previous year. The production could have been much higher during the year under review but the excursion of skilled workmen in large scale created scarcity of machine operators which consequently caused loss of productivity during the year. Further, during the year under review, the change of quality in light weight Government B.Twill Bags of 580 grams and the poor quality of overall raw jute resulting in low strength of fibre had led to overall droppage of short and weak fibre in process. In addition to this the management of the Mills was also compelled to suspend the working at the Mills on and from 5th March 2017.

Though, the suspension was withdrawn partially from 24th March 2017 on the intervention of Sri Arjun Singh the Member of Legislative Assembly and Chairman of Bhatpara Municipality along with the Joint Labour Commissioner, Barrackpore, Government of West Bengal after various tripartite meetings, but the normalcy in production output restored after a long time. Procurement by the Government agencies was better in comparison to previous year. Due to rises in the price of raw material, stores & spares, power and periodical revisions of Dearness Allowances at higher side in the wages to employees, per tonne manufacturing cost kept increasing during the year too. The consumption cost of raw material was higher during the year due to poor quality & weak fibre of jute and the newly specified Sacking Bags of 50 Kg capacity of light weight construction for which the output from the jute was lower in comparison to normal quality of jute.

b) Technological Advancement:

The Company continues to maintain its thrust on Modernization and Diversification and has accordingly installed Renewal Energy Devices-Grid Connected Solar Roof top Power Plant of 250 Kwp and commissioned during the year. The Company continued replacement of old and outdated Electric Motors & Cables and other electric fittings.

c) Other Developments:

Your directors are pleased to acknowledge that the Company is under the process of installation of 4¼ Slip Draft Spinning Frames, Winding Machines, Automatic Shuttle-less Sacking Looms, Sewing Machines and Compressor under the incentive scheme of the National Jute Board. Further your directors continue their sincere efforts to improve the quality of the Company's produce to augment the Company's realisation pattern.

The matter relating to demand of ₹ 178962 (Previous year ₹ 178962) towards Central Excise duty on the Sacking Bags is now pending before the Hon'ble Supreme Court of India in New Delhi and CESTAT at Kolkata for their kind interference in the matter.

d) Prospects:

We have reported previously too about the repeated violation of Jute Packaging Materials (Compulsory Use & Packing Commodities) Act, 1987 (JPMA) by the consumers of the Bags made of Jute Fibres, so far no steps have been taken by the implementing authorities. Though, procurement of Bags by the Government agencies was higher than the previous year but still more steps were required to be taken for improvement of the overall situation of the industry.

A number of similar Jute goods manufacturers continue to enjoy various exemptions and benefits from the Central and State Governments on various pretexts and coverage under the BIFR Act, due to which, there was huge deficiency in the cost of manufacturing between the manufacturers who are not covered under the BIFR Act and exemptions thereof, were deprived from such benefits.

Due to high excursion of workmen to other job and no replacement of retired workmen with the skilled and enthusiastic youngsters, huge shortage of skilled and non-skilled workmen in the industry has been created, to cope up with the situation, the Company has undertaken various programmes to train the youth to learn the job. The management is giving employment with the Company to eligible candidates. But due to uncertain work environment of Jute Industry, the number of interested entrants was drastically low during the year. In addition to this, the workmen have grown habit of sudden absenteeism from work which

caused disruption in planning and schedules of production and dispatches to the buyers.

Your Company continues the process of up-keeping the installed machineries as well as looking for new and advanced machineries keeping in mind to reduce production cost by getting higher output and similarly saving energy and other cost elements as well as saving in employment of workmen.

e) Export:

Your Company caters to the requirements of domestic consumers only and has accordingly chosen the home country as its priority area of marketing owing to intense competition and frequent variations in foreign currencies.

f) Industrial Relations and Employee's Welfare:

Jute industry is essentially labour intensive in nature. Your Company considers human resource development as integral to its long term sustainability and success, to which end it continues its efforts for personnel development for employees at various levels. The Company has initiated programmes for skill development and production handling with the help and under the guidance of the trainers and project coordinators associated with the Department of Jute And Fibre Technology, Institute of Jute Technology, a unit of University of Calcutta.

The Company's proposal for building up a super specialty Hospital for the employees and needy local residents and for the purpose a piece of Land measuring about 30 Katta (21600 Sq. ft. approx.) has been earmarked and handed over to the Bhatpara Municipality.

8) CAPITAL EXPENDITURE:

During the year 2016-17, capital expenditure towards tangible & intangible assets amounted to ₹ 123.11 lakhs, a major part of which was spent on installation of Renewal Energy Devices- Grid Connected Solar Roof top Power Plant of 250 Kwp.

9) MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments after the close of the year till the date of this report, which may affect the financial position of the Company.

10) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans and investments have been disclosed in Note No. 12 & 17 of the financial statements.

11) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Relevant particulars regarding internal financial controls and their adequacy are disclosed in the Management Discussion & Analysis Report, which forms an integral part of this report.

12) DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

13) RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder were not attracted during the year under review. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company under the following web-link <http://aucklandjute.com/data/documents/POLICY-ON-RPT.pdf>.

14) CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of Section 135 of the Companies Act, 2013 read with rules thereunder regarding Corporate Social Responsibility (referred herein as "CSR") were not attracted by the Company during the year under review. However, over the years the Company has been voluntarily involved in various CSR activities and is

also pursuing, as part of its corporate philosophy, a CSR policy which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development. Therefore though the Company is continuously contributing to the said activities as part of its CSR initiative, it is not required to make any contribution towards CSR activities in terms of the relevant provisions of the said Act read with rules made thereunder.

15) SUBSIDIARY / ASSOCIATES / JOINT VENTURE COMPANIES:

The Company does not have any subsidiary / associate / joint venture Company for the year ended 31st March, 2017.

16) SHARE CAPITAL:

As on March 31, 2017 the paid-up Equity Share Capital of the Company stood at ₹ 4.11 crore. There was no change in the Authorised or Paid-up Capital/Subscribed Capital during the financial year 2016-17.

i. Issue of equity shares with differential rights

The Company did not issue equity shares with differential rights during the financial year 2016-17.

ii. Issue of sweat equity shares

The Company did not issue sweat equity shares during the financial year 2016-17.

iii. Issue of employee stock options

The Company did not issue stock options during the financial year 2016-17.

iv. Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company does not have a scheme for purchase of its own shares by employees or by trustees for the benefit of employees.

17) FINANCE:

As at balance sheet date of 31st March, 2017, the Cash and cash equivalents of the Company stood at ₹378.19 lakhs. As reported in earlier years, the Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

18) DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:

During the year under review, 10 Board meetings were held, details of which are given below. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Date of the meeting	No of Directors attended the meeting
12th April, 2016	6
30th May, 2016	6
11th July, 2016	4
12th August, 2016	6
29th August 2016	6
15th October, 2016	6
15th November, 2016	6
13th January, 2017	6
15th February, 2017	5
6th March, 2017	6

19) EXTRACT OF ANNUAL RETURN:

As provided under Section 92(3) of the Companies Act, 2013 read with rules thereunder, the extract of the annual return is given in Annexure 'A' in the prescribed Form MGT-9, which is a part of this report.

20) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the board of directors, to the best of their knowledge and ability, confirm that:

1. in the preparation of the Annual Accounts for the year ended 31st March, 2017, applicable accounting standards have been followed and there have been no material departures requiring further explanation;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period as also certified by the Statutory Auditors of the Company;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts of the Company for the year ended 31st March, 2017 have been prepared on a going concern basis;
5. they have laid down internal financial controls which are followed by the Company and such internal financial controls are adequate and are operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

21) DIRECTORS:

As required under Section 149 of the Companies Act, 2013 read with rules thereunder and SEBI Listing Regulations, 2015, one-third of the total number of directors on the Board of the Company comprises of Independent Directors. Shri Mool Chand Singhi (holding DIN 00407278) and Shri Hrishikesh Tapadar (holding DIN 00409477) were appointed as independent directors at the 36th annual general meeting of the Company held on September 29, 2014. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Sri B S Rampuria (holding DIN 00350906), Non-Executive Director, retires by rotation and being eligible has offered himself for re-appointment.

During the year under review, there had been neither any appointment of new Director(s) on the Board nor has any Director(s) relinquished his/her Directorship, thus, the constitution of the Board remains the same.

Necessary resolutions for the appointment / re-appointment of the aforesaid director(s) have been incorporated in the Notice convening the Annual General Meeting for your approval.

22) KEY MANAGERIAL PERSONNEL:

The following are the Key Managerial Personnel of the Company:

- a. Mr. Hirendra Singh Bayed : Whole-Time Director cum Chief Executive Officer (CEO)
- b. Mr. Subhas Chand Bhutoria : Manager cum Chief Financial Officer (CFO)
- c. Ms. Sangeeta Ghose: Company Secretary cum Compliance Officer.

The Board of Directors at its meeting held on 30th May, 2017 re-appointed Sri S C Bhutoria, whose term of appointment was due to expire on 30th June, 2017, as the Manager designated as General Manager and Chief Financial Officer (CFO) of the Company and also recognised as a KMP for a period of three years commencing from 1st July, 2017 to 30th June, 2020 subject to the approval of the members at the ensuing Annual General Meeting of the Company on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board.

23) BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as

prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Pursuant to Regulation 25(3) of the SEBI Listing Regulations, 2015, a meeting of the Independent Directors was held on 14th February, 2017 wherein the performance of the non-independent directors was evaluated, whereas, the performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

24) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members which is also available on the Company's website under the following web-link <http://aucklandjute.com/data/documents/Directors-Remuneration-Policy.pdf>. The Brief particulars of the policy are as follows:

❖ Terms of reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Board Member(s). The recommendations of the Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever required. The Company Secretary of the Company is the Secretary to the Committee.

The remuneration of the Executive Director is recommended by the Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record and is also decided by the Board of Directors, subject to the approval of the shareholders at the General Meeting of the Company. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to its Executive Director.

❖ Remuneration payable to Executive Director & Manager:

Shri Hirendra Singh Bayed, Executive Director of the Company, was re-appointed by the members at the 38th Annual General Meeting held on September 29, 2016 for a period of 3 years with effect from August 1, 2016. Whereas, Sri S C Bhutoria, Manager of the Company was re-appointed by the Board on 30th May, 2017 for a period of three years commencing from 1st July, 2017 subject to the approval of the members at the ensuing Annual General Meeting of the Company. The elements of the remuneration package of the Executive Director & Manager comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, leave travel allowance and other perquisites and allowances including Company's contribution to provident fund, gratuity and leave encashment facilities according to the governing rules of the Company.

No annual performance linked incentive apart from increments is offered at the time of re-appointment on the recommendation of the Nomination and Remuneration Committee.

❖ Remuneration payable to Non-Executive Directors:

The Non-Executive Directors of the Company have decided to forgo their sitting fees for attending the meetings of the Board at the Board meeting held on 15th May, 2013.

None of the Non-Executive Directors are entitled to any remuneration. The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in normal course of business.

25) BOARD POLICIES:

In terms of the statutory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant Board policies have been formulated which are available on our website under the weblink <http://www.aucklandjute.com/investors/board-policies/>. The policies are periodically reviewed and updated as per compliance requirement by the Board.

26) BOARD COMMITTEES:

Your Company has formed four Committees of the Board as required under Companies Act, 2013 and SEBI Listing Regulations, 2015 namely, Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee. A detailed note on the terms of reference and composition of the said committees is provided in the Corporate Governance Report section of this report.

27) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure 'B' and forms an integral part of this Report.

28) PARTICULARS OF EMPLOYEES:

The disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure 'C' and forms an integral part of this Report.

29) AUDITORS:**a) STATUTORY AUDITORS:**

M/s. R B S C & Co. (formerly M/s. S. S. Kothari & Co.) having Firm registration No. 302034E, have been Statutory Auditors of the Company for more than a decade. Considering the requirement of rotation of auditors as per the provisions of Section 139 of the Companies Act 2013 read with rules thereunder, the statutory auditors have expressed their inability to continue after this AGM and have accordingly informed their decision to step down. Accordingly, M/s Khandelwal Ray & Co. (Firm registration No. 302035E), Chartered Accountants, are proposed to be appointed as the Statutory Auditors of the Company for a period of five years from the period commencing from the conclusion of the 39th Annual General Meeting of the Company to be held in the financial year 2017-18 to the conclusion of the 44th Annual General Meeting of the Company to be held in the financial year 2021-22. Written consent of the proposed auditors together with a certificate that the appointment, if made, would be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

b) COST AUDITORS:

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to jute goods every year. The Cost Audit report for the financial year 2016-17 has been filed within due date. The Board has appointed M/s. D. Radhakrishnan & Co. (Firm Registration No. 000018), Cost Accountants to audit the cost accounting records maintained by the Company for the year 2016-17 subject to ratification of remuneration payable to them by the members at the ensuing Annual General Meeting.

c) SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Shri P K Jain (FCS No. 4031) of M/s. P K Jain & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is annexed herewith as "Annexure 'D'". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

d) AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

As required by SEBI Listing Regulations, 2015, the auditor's certificate on corporate governance is annexed to this report. The certificate does not contain any qualification, reservation or adverse remark.

30) EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITOR IN HIS REPORT:

M/s. R B S C & Co. (formerly M/s. S. S. Kothari & Co.), Chartered Accountants and Statutory Auditors of the Company, have submitted their Report under Section 143 of the Companies Act, 2013 read with rules there under and the qualified opinion by the Statutory Auditors in their Report have been adequately dealt with in the relative notes to the financial statements which are self explanatory.

31) SECRETARIAL AUDIT REPORT:

Shri P.K Jain (FCS No. 4031) of M/s. P K Jain & Co., Company Secretary in practice submitted the Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 read with rules there under and the comments made by him in the said report is self explanatory. The report does not contain any qualifications, reservations or adverse remarks. The said report of the secretarial auditor is given under Annexure 'D' which forms part of this report.

32) LISTING:

The Equity shares of the Company are listed on "The Calcutta Stock Exchange Ltd", 7, Lyons Range, Kolkata-700001. The Annual Listing Fees for the year 2016-17 & 2017-18 has been duly paid.

33) CORPORATE GOVERNANCE:

As per Regulation 34(2)(e) of the SEBI Listing Regulations, 2015, a Management Discussion and Analysis Report is attached in Annexure 'E' to the Director's Report. Further as per Regulation 34(3) a separate section on corporate governance practices followed by the Company, together with the declaration affirming compliance with the Code of Conduct of the Company, CEO/CFO Certification and Auditor's Certificate on Compliance with the conditions of Corporate Governance forms an integral part of this Report in Annexure 'F'.

34) INSIDER TRADING CODE:

Your Company has adopted the Insider Trading Code in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code covers the practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by employees and connected persons is available on the Company's website under the following weblink <http://aucklandjute.com/data/documents/Insider-Trading-Policy.pdf>. The Board of Directors has confirmed compliance with the code.

35) VIGIL MECHANISM / WHISTLE BLOWER POLICY / RISK MANAGEMENT POLICY:

The Company has in place a Vigil Mechanism/Whistle Blower Policy in terms of Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015 to report genuine concerns or grievances. The said policy is available on the Company's website under the following web-link <http://aucklandjute.com/data/documents/Vigil-Mechanism-WBP.pdf>.

The Board of Directors of the Company has formed a risk management committee to frame, implement, and monitor the risk management plan for the Company. The Committee has developed a risk management policy in terms of the requirement of the Companies Act, 2013, in which all the key elements of risk that may threaten the very existence of the Company has been incorporated. The said policy is available on the Company's website under the following web-link <http://aucklandjute.com/data/documents/Risk-Mgt-Policy.pdf>. The Committee reports to the Audit Committee and the Board.

36) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

37) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

38) PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Company for the year ended March 31, 2017 have been prepared in compliance with Schedule III of the Companies Act, 2013.

39) TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, the Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF). Pursuant to the provisions of Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the prescribed form and uploaded the details of unpaid and unclaimed amounts lying with the Company in Form IEPF 2, as on the date of last AGM (i.e. 29th September, 2016), with the Ministry of Corporate Affairs. The details of unclaimed/unpaid dividend are available on the website of the Company under the following link http://aucklandjute.com/data/documents/Unclaimed-Dividend_2015-16.pdf.

40) WEBSITE OF THE COMPANY:

The Company maintains a functional and updated website www.aucklandjute.com where detailed information of the Company and its products and compliances with law are given in details.

41) ISO CERTIFICATION:

Your Company has obtained a certificate from the Bureau of Indian Standards under IS/ISO 9001:2008 for implementation of Quality Management, Environment and safety System for all its products and processes.

42) CREDIT RATING:

The Company has been rated by India Ratings and Research Private Limited (India Rating) for its banking facilities.

Due to the unfavorable Jute industry scenario, India Rating rated your Company's as "IND BB+/Stable" for long term bank facilities and "IND A4+" for short term bank facilities.

43) DEMATERIALISATION OF SHARES:

As at March 31, 2017, 75% of equity shares of the Company have been dematerialised by shareholders through National Securities Depository Limited and Central Depository Services (India) Limited.

44) ACCOUNTING POLICIES AND PROCEDURES:

The Significant accounting policies as narrated in the Notes to the Financial Statements are in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to under Section 129 & 133 of the Companies Act, 2013, as applicable to the Company have been followed as usual in the course of preparing and presenting these Accounts.

45) ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank the government and its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For & on behalf of the Board of Directors

Registered Office:-

Auckland International Limited
P.O. Jagatdal, 24 Parganas (North)
West Bengal-743125

Dated: 3rd August, 2017

H. S. Bayed (DIN-00425481) Executive Director	M.C Singhi (DIN-00407278) Director
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ANNEXURES TO THE DIRECTORS' REPORT:**Annexure 'A' to the Director's Report****Form No.MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st March, 2017**

[Pursuant to Section 92(1) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S.NO.	PARTICULARS	REMARKS
i.	CIN	L36934WB1977PLC031184
ii.	Registration Date	30th September, 1977
iii.	Name of the Company	AUCKLAND INTERNATIONAL LTD
iv.	Category / Sub-Category of the Company	Category- Company limited by shares Sub-category- Indian Non-Government Company
v.	Address of the Registered office and contact details	P O Jagatdal, North 24 Parganas West Bengal -743125 Phone No.-033-25812757 E-mail Id - auckland@vsnl.net
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor, 71 B.R.B Basu Road, Kolkata-700001 Phone No.-2235-7271/7270 E-mail Id - nichetechpl@nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Jute and Jute products	131, 139	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	NONE	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage of Total Equity) :

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
(a) Individual/HUF	740710	220229	960939	23.40	741130	220229	961359	23.41	0.01
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	1937014	50532	1987546	48.40	1937014	51984	1988998	48.43	0.04
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	2677724	270761	2948485	71.79	2678144	272213	2950357	71.84	0.05
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total share holding of Promoter (A)=(A)(1)+(A)(2)	2677724	270761	2948485	71.79	2678144	272213	2950357	71.84	0.05
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	495	48411	48906	1.19	121995	45936	167931	4.09	2.90
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	129600	300	129900	3.16	0	300	300	0.01	-3.16
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	130095	48711	178806	4.35	121995	46236	168231	4.10	-0.26
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	13957	30939	44896	1.09	12472	33414	45886	1.12	0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	165657	598622	764279	18.61	166736	597843	764579	18.62	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	79467	79007	158474	3.86	86580	79007	165587	4.03	0.17
c) NRIs/OCBs	990	10890	11880	0.29	990	8415	9405	0.23	-0.06
d) Clearing Members	0	0	0	0.00	2775	0	2775	0.07	0.07
Sub-total (B)(2):-	260071	719458	979529	23.85	269553	718679	988232	24.06	0.21
Total Public Shareholding (B)=(B)(1)+(B)(2)	390166	768169	1158335	28.21	391548	764915	1156463	28.16	-0.05
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3067890	1038930	4106820	100.00	3069692	1037128	4106820	100.00	0.00

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2016			Shareholding at the end of the year i.e. 31.03.2017			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Adinath Investment & Trading Co. Ltd.	60000	1.46	-	60000	1.46	-	0.00
2.	Anuradha Mehta	75000	1.83	-	75000	1.83	-	0.00
3.	Aradhana Investments Ltd.	558205	13.59	-	558205	13.59	-	0.00
4.	Aradhana Multimax Ltd.	54190	1.32	-	54190	1.32	-	0.00
5.	Awanti fibre & Industries Ltd.	17540	0.43	-	17540	0.43	-	0.00
6.	Binod Jute & Fibre Ltd.	100000	2.43	-	100000	2.43	-	0.00
7.	Divya Dugar	253575	6.17	-	253575	6.17	-	0.00
8.	Glory Distributors P. Ltd.	1980	0.05	-	1980	0.05	-	0.00
9.	H.C Commercial Ltd.	61128	1.49	-	61128	1.49	-	0.00
10.	Jai Kumar Kankaria	317060	7.72	-	317180	7.72	-	0.00
11.	Jai Kumar Kankaria HUF	720	0.02	-	720	0.02	-	0.00
12.	Jai Kumar Kankaria Investment Pvt. Ltd.	133260	3.24	-	133260	3.24	-	0.00
13.	Kankaria Traders & Investors P. Ltd.	153420	3.74	-	153420	3.74	-	0.00
14.	Mahabir Vanijya P. Ltd.	3580	0.09	-	3580	0.09	-	0.00
15.	Meghna Sanghvi	60000	1.46	-	60000	1.46	-	0.00
16.	Morgan Walker & Co. Ltd.	54132	1.32	-	54132	1.32	-	0.00
17.	Morgan Walker Infrastructure Ltd.	81000	1.97	-	81000	1.97	-	0.00
18.	Padmavati Tradelink Ltd.	282628	6.88	-	282628	6.88	-	0.00
19.	Poonam Dugar	125380	3.05	-	125380	3.05	-	0.00
20.	Rajasthan Traders And Financiers Pvt Ltd	1290	0.03	-	2742	0.07	-	0.04
21.	Reliance Traders & Investors Pvt. Ltd.	1530	0.04	-	1530	0.04	-	0.00
22.	Russell Properties P. Ltd.	67176	1.64	-	67176	1.64	-	0.00
23.	Samridhi Fibres Ltd.	60000	1.46	-	60000	1.46	-	0.00
24.	Supreme Trade & Inv. P. Ltd.	15990	0.39	-	15990	0.39	-	0.00
25.	T.Kumari (Financiers) Ltd.	78100	1.90	-	78100	1.90	-	0.00
26.	United Investment & Trading Co Pvt Ltd	7961	0.19	-	7961	0.19	-	0.00
27.	Universal Traders & Investors P. Ltd.	194436	4.73	-	194436	4.73	-	0.00
28.	Vasanti Devi Kankaria	129204	3.15	-	129504	3.15	-	0.01
	TOTAL	2948485	71.79	-	2950357	71.84	-	0.05

(iii) Change in Promoters' Shareholding:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year i.e. 01.04.2016	2948485	71.79	#	#
2.	Date wise Increase/Decrease in Promoters Share holding during the Year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	#	#	#	#
3.	At the end of the year i.e.]31.03.2017	2950357	71.84	#	#

#

Sl.No.	Name of Promoter	Date	Increase(+)/Decrease(-)	Reason
1.	Rajasthan Traders And Financiers Pvt Ltd	20/05/2016	1452	Transfer (In Physical)
2.	Jai Kumar Kankaria	-	120	Transfer (in DEMAT)
3.	Vasanti Devi Kankaria	-	300	Transfer (in DEMAT)

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year i.e. 01.04.2016	294038	7.16	-	-
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease(e.g. allotment / transfer / bonus / sweat equity etc):	There is no material change in Top Ten Shareholder's shareholding between 01.04.2016 to 31.03.2017 however the change is due to the re-adjustment made by RTA after handover of physical shares of the Company.			
3.	At the End of the year i.e. 31.03.2017	305408	7.44	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year i.e. 01.04.2016	1230	0.03	-	-
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease(e.g. allotment / transfer / bonus / sweat equity etc):	There is no change in Directors' shareholding between 01.04.2016 to 31.03.2017.			
3.	At the end of the year i.e. 31.03.2017	1230	0.03	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in 000)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	109977	19000	-	128977
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	109977	19000	-	128977
Change in Indebtedness during the financial year				
▲ Addition				(17500)
▲ Reduction	(22511)	(17500)	-	(22511)
Net Change	(22511)	(17500)	-	(40011)
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	87466	1500	-	88966
Total (i+ii+iii)	87466	1500	-	88966

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in ₹.000)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total Amount
		Shri H S Bayed, Whole Time Director (₹)	Shri S C Bhutoria, General Manager (₹)	₹
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	971	1005	1976
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	457	440	897
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit			
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	1428	1445	2873
	Ceiling as per the Act	The remuneration is within the limits prescribed under the Companies Act, 2013		

The above remuneration is as per Income tax Act and excludes contribution by the Company to Provident Fund.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors ▲ Fee for attending board/committee meetings ▲ Commission ▲ Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors ▲ Fee for attending board/committee meetings ▲ Commission ▲ Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other than MD / Manager/WTD: (₹ in 000)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Smt. S. Ghose, Company Secretary (₹)	Shri S C Bhutoria, CFO (₹)*	Total (₹)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	229	1005	1234
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	105	440	545
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others specify...	-	-	-
5	Others, please specify	-	-	-
	Total	334	1445	1779

*Also General Manager of the Company

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment		There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.			
Compounding					
B. DIRECTORS					
Penalty					
Punishment		There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.			
Compounding					

Annexure 'B' to the Director's Report

Information as per Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014:

(A) CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy	<p>STEPS TAKEN :</p> <p>The Company continues its effort to improve methods of energy conservation and utilization. Energy Conservation devices and reflectors have been installed and a number of old Motors have been replaced during the year. The Company has continued the replacement of conventional choke with electronic choke, optimization of machine speed wherever possible and replacement of belts for maintaining speed and slippage etc. The location of HT Motors has been changed wherever possible to save them from heat and moisture. The Company has eliminated the consumption of Coal by using by-products and mill wastes as fuel in Boiler for Steam generation. Installation of separate power connection in the Labour Quarters has been completed. Capacitors have been installed to control Power Factor. Rooftop Solar Power generation system of the capacity of 500KW has been installed on the roof provided by the Company. The power generated from the system is being bought by the Company for consumption to manufacturing and domestic purposes. Surplus generation is being taken back by the CESC Ltd. The Company has installed Rooftop Solar Power generation system of the capacity of 250KW during the year.</p> <p>IMPACT OF STEPS TAKEN:</p> <p>Reduction in power consumption and increase power factor</p>
(ii)	the steps taken by the Company for utilizing alternate sources of energy	<p>Your directors are pleased to acknowledge that the Company is under the process of installation and successful commissioning of Solar Power Project 250 Kwp grid connected SPV power plant on turnkey basis at the factory premises. The Company has been exploring possibilities of generating power from other sources and has successfully set up rooftop Solar Power Plant of 250KW capacity on the rooftop of Auckland Jute Mills. The power so generated is consumed by the jute mill for its manufacturing & domestic purposes. Further the Company has entered into an agreement with M/s. H C Commercial Limited and is accordingly providing solar power generated from Solar Units installed at our rooftop at ₹ 6/- per unit. The CESC Ltd., vide an agreement, is buying back the surplus units of power generated from the solar panels.</p>
(iii)	the capital investment on energy conservation equipments	The expenses incurred are accounted under the respective heads hence no separate records are maintained.

(B) TECHNOLOGY ABSORPTION:

(i)	the efforts made towards technology absorption	The Company continues to adopt and use the latest technologies to improve the productivity and quality of its products. The Company's operations do not require significant import of technology.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Like the previous years, there was marginal improvement in quality and production but practically no reduction in production cost.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	No technology has been imported during the last three years.
	(b) the year of import;	
	(c) whether the technology has been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	During the year under review, the Company has incurred expenses to the extent of ₹ 111,098/- under the scheme for research & development for the Textile including Jute (Component-II) as per Jute Commissioner's request.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year under report, the Company has manufactured Jute goods worth (₹ In 000') ₹ 1313/- which were exported through shippers, as against goods worth (₹ In 000') ₹ 3582/- which were exported in the previous year 2015-16.

For & on behalf of the Board of Directors

Registered Office:-

Auckland International Limited
P.O. Jagatdal, 24 Parganas (North)

West Bengal-743125

Dated: 3rd August, 2017

H. S. Bayed
(DIN-00425481)
Executive Director

M.C Singhi
(DIN-00407278)
Director

Annexure 'C' to the Director's Report

Information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17:**

Name of Director	Designation	Ratio to median remuneration
Shri Bimal Singh Rampuria	Non-Executive Director	-
Shri Bijay Singh Baid	Non-Executive Director	-
Smt. Bimla Devi Baid	Non-Executive Director	-
Shri Hirendra Singh Bayed	Executive Director	7.57:1
Shri Hrishikesh Tapadar	Non-Executive Independent Director	-
Shri Mool Chand Singhi	Non-Executive Independent Director	-

b) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year 2016-17:**

Name of Director	Designation	% increase in remuneration in the financial year
Shri Bimal Singh Rampuria	Non-Executive Director	-
Shri Bijay Singh Baid	Non-Executive Director	-
Smt. Bimla Devi Baid	Non-Executive Director	-
Shri Hirendra Singh Bayed	Executive Director	9.96
Shri Hrishikesh Tapadar	Non-Executive Independent Director	-
Shri Mool Chand Singhi	Non-Executive Independent Director	-
Smt. Sangeeta Ghose	Company Secretary	23.18
Shri Subhas Chand Bhutoria	CFO & General Manager	9.50

c) **The percentage increase in the median remuneration of employees in the financial year 2016-17:** 5.20 %

d) **The number of permanent employees on the rolls of Company:** 335

e) **The explanation on the relationship between average increase in remuneration and Company performance:**

During the year under review the remuneration of the employees was increased by 6.22. The Company has increased the remuneration as per the statutory norms prevalent in the Jute Industry and that such increase is not linked to the performance of the individual employees, except remuneration of managerial persons which were evaluated on the basis of individual performance.

f) **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY16 (₹ In lakhs)	32.07
Total Revenue (₹ In Lakhs)	15843.33
Remuneration of KMP (as % of revenue)	0.20
Profit before Tax (PBT) (₹ In lakhs)	433.66
Remuneration of KMP (as % of PBT)	7.40

g) (i) **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year (31.03.2017) and previous financial year (31.03.2016):**

Particulars	2016-17	2015-16	% change
Market Capitalisation (₹ In lakhs)	During the year under review, the shares of the Company are very thinly traded hence the Market capitalization & Price Earnings Ratio could not be ascertained.		
Price Earnings Ratio			

(ii) **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** N/A

h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase in the salaries of employees apart from managerial personnel in 2016-17 was around 5.20%. The increase in the managerial remuneration for the year under review was 10.99%.

i) **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

Particulars	Mr. H S Bayed Executive Director	Mr. S C Bhutoria Chief Financial Officer	Ms. Sangeeta Ghose Company Secretary
Remuneration (₹ In lakhs)	14.28	14.45	3.34
Revenue (₹ In lakhs)	15843.33	15843.33	15843.33
Remuneration as % of revenue	0.09	0.09	0.02
Profit before Tax (PBT) (₹ In lakhs)	433.66	433.66	433.66
Remuneration as % of PBT	3.29	3.33	0.77

j) **The key parameters for any variable component of remuneration availed by the directors:** Nonek) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year 2016-17:** 0.99:1l) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Board of Directors of the Company affirms that remuneration is as per the remuneration policy of the Company.

m) **Requirements under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014:**

The provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 was not applicable to the Company for the Financial Year 2016-17.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Auckland International Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Auckland International Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Auckland International Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(Not Applicable to the Company during the Period under Audit);

- (v) The following Regulations and Guidelines (as amended from time to time) prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Period under Audit);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(Not Applicable to the Company during the Period under Audit);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

(Not Applicable to the Company during the Period under Audit);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
(Not Applicable to the Company during the Period under Audit); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
(Not Applicable to the Company during the Period under Audit);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/guidelines/circulars issued by SEBI from time to time, to the extent applicable; and
- (vi) The Company operates in the Jute Industry and compliances are made with the applicable regulatory authorities and the guidelines laid down by them.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There has been no change in the composition of Board of directors during the period under review and the composition of Board of directors of the Company is in conformity with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and therefore there were no dissenting views that were required to be recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not passed any Special Resolution in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

Place: KOLKATA
Date: 14th July, 2017

PRAVIN KUMAR JAIN
Proprietor - P K Jain & Co,
Company Secretaries
FCS No.: 4031
C P No.: 4101

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of regulation 34(2)(e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure under specific heads are given in the following paragraphs which continue to be followed in the regular course of business of the Company over the years in discussion amongst the Directors and other Senior Management Personnel.

a) Introduction:

Your Company was incorporated in the year 1977. Since its amalgamation with the erstwhile 'The Auckland Jute Co. limited' on and from 1st July, 1980, the Company is engaged in the manufacture of Jute goods, better known as GUNNY. Besides being engaged in the manufacture of Jute goods, the Company also involves itself in activities like financing, investing and dealing in shares & securities. The manufacturing unit of the Company is situated at the industrial belt of Jagatdal near Barrackpore area in the district North 24 Parganas, West Bengal, which is around 35 Kms from the city of Kolkata. The aggregate work force of the Company is around 2616 workers alone at its factory premises.

b) Industry Structure and Developments:

The Indian Jute Industry is 125 years old and is primarily concentrated in the State of West Bengal. It plays a vital role in the economy of the state. Your Company's manufacturing unit is also more than 100 years old. Due to the fact of being one of the oldest industries in the world, jute once popularly known as the 'golden fibre' has always been in demand not only in India but also in other countries owing to its eco friendly nature.

The Government plays a pivotal role in protecting and upgrading the otherwise doomed sector by taking significant steps like extension of the mandatory packaging norms, promotion of jute diversified products like launching the Jute CFC scheme, promotion of jute geo textiles, MSP operations through JCI etc. The Standing Advisory Committee, constituted under Jute Packaging Materials (Compulsory use in Packing Commodities) Act 1987, in its latest meeting have decided to reduce compulsory use of jute bags for packaging of food grains each year by 5% so as to reach 50% norms by 2024-25. This recommendation if accepted by Cabinet will result in substantial loss of demand of jute products unless alternate usage of jute product emerges. Jute industries is very labour intensive unit and require deployment of huge numbers of skilled and unskilled workmen for manufacturing Jute Goods, the occasional excursion of workmen by leaving work at their will causes loss of production at the high time.

c) Opportunities and threats, Risks & concerns:**Opportunities:**

- a) With increasing awareness about the usage of eco-friendly, bio-degradable jute goods across the world, such goods will always be in demand.
- b) Our Government has taken substantial steps like announcing financial help and incentives for modernization & technological up-gradation schemes for the Jute Industry which will help to curtail manufacturing costs by installing high efficiency power saving machineries.

Threats, Risks & Concerns:

The Company has a risk management committee, whose composition and role is stated in corporate governance report annexed to this report. However following are the major threats, risks & concerns faced by the Jute Industry:

- a) Dilution of Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987 (JPMA) leads to use of alternate synthetic products for packaging of food grains and sugar;
- b) An undisciplined work culture has developed amongst the workers. The habit of sudden wilful absenteeism from work is very random amongst the workers, which is a matter of serious concern considering the fact that this unprofessional behaviour on the part of the workers hamper work and also increases the cost of manufacture;

- c) Multiple and aggressive trade unions are one of the major problems faced by the industry at present time;
- d) Taking into account the threat of the Central Government to withdraw JPMA has led to difficulty in competing with substitute cheaper packaging industries like plastic & synthetic materials;
- e) Competition from comparable jute producing country like Bangladesh becomes very tough in the export market, owing to the huge differences in manufacturing cost of wages, power & other consumables required for production, between both countries, as well as offering of many subsidies by the Bangladesh Government to their units;

d) Segment-wise or Product-wise Performance:

The Company is engaged in a single primary business segment i.e. manufacturing and sale of Jute goods. Hence, disclosure requirements as required by Accounting Standard - 17 are not applicable in respect of business segment.

e) Outlook:

The increase in cost of jute bags has further widened the gap between prices of synthetic bags and jute bags. If this trend continues there is a strong concern that packing of many more commodities will shift to synthetic packaging material. However, the initial forecast of raw jute crop in the forthcoming jute season is impressive and better yield from harvesting is predicted. The Company had installed new and advanced machinery and had also made significant effort to reduce power cost per unit of manufacture and other manufacturing and indirect costs as much as feasible to reduce cost of production. Notwithstanding the adverse condition of the jute market, your Directors continue their emphasis on the 'Quality' of jute products.

In consideration of the above factors it is hoped that performance of Jute Industry including your Company may be better this year, barring unforeseen circumstances.

f) Internal Control Systems & their Adequacy:

The Company has in place adequate internal control system commensurate with the Company's size and nature of its operations which provides reasonable assurance with regard to safeguarding the assets from unauthorized use, preventing revenue leakage, recording & providing reliable financial and operational information and compliance with various statutory provisions and promoting operational efficiency by cost control.

In compliance with Section 138 of the Companies Act, 2013, the Company has also engaged the services of Shri S. Roy Chowdhury, Chartered Accountant, as the Internal Auditor of the Company to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The Company has also installed an extensive CCTV Surveillance system to cover the important parts of entire factory premises. All these measures are continuously reviewed by the management and requisite improvements are given effect to on a regular basis.

g) Financial performance vis-à-vis Operational Performances:

The Company looks forward to positive advancement in the financials of the Industry in the near future thereby strengthening its sound financial base. During the year under review, the financial performance with reference to the operational performance of the Company is as under:-

PARTICULARS	2016-17 (₹ In 000')	2015-16 (₹ In 000')
Revenue from operations	1574868	1590282
Cost of Materials consumed	854461	953026
Change in Inventories (Increase)/Decrease	96364	(6692)
Finance Costs	7480	9336
Profit After Tax	29499	11108

h) Development in Human Resource & Industrial Relations:

The Jute Industry is primarily labour intensive in nature. Your Company tends to provide environment for continuous innovation and improvement by rewarding its staff and workmen for their efforts in achieving Company's goal. Industrial relations have remained cordial during the year under review. Shortage of new skilled entrants in the Jute Industry coupled with high rate of worker absenteeism has been areas of concern. The Company is working on all possible measures to overcome the issue of availability of skilled workers.

As on March 31, 2017, the Company had employee strength of around 2616.

The Company has constituted an Internal control Committee for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work place in compliance of the requirement under Sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013.

i) Cautionary Statement:

Statements made in this section of the report are based on the prevailing position in the jute industry and market conditions. Thus, certain statements in this report may be construed as forward looking statements which have been made as required by laws and regulations, as applicable. There are several factors, which would be beyond the control of management and as such, may affect the actual results, which could be different from that envisaged.

Thus this report should be read in conjunction with the financial statements included herein and the notes thereto. The Company should and need not be held responsible, if, which is not unlikely, the future turns out to be something quite different. Subject to this management disclaimer, this discussion and analysis should be perused

REPORT ON CORPORATE GOVERNANCE:

Annexure 'F' to the Director's Report

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:-

Proficient corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Your Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its directors and senior management which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). These codes are available on the Company's website.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:-**a. Composition of the Board:**

As on 31st March, 2017, the Board comprised of 6 Directors which includes 2 Non Executive Independent Directors, 3 Non-Executive Directors including one woman director and 1 Executive Director. Almost 80% of the Board comprised of Non-Executive Directors as against minimum requirement of 50% as per the listing regulations. The profiles of Directors can be found on <http://www.aucklandjute.com/about-us/management/>. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

b. Number of other Boards or Board Committees in which he/she is a member or Chairperson:

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the

public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors.

c. Number of Board Meetings held and attended by the Directors:

The names and categories of the Directors on Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2017, are given herein below:-

Sl. No.	Name of Director	Category	Attendance		Directorships in other companies	No. of Membership/ Chairmanship of Board/ Committee of other Limited Companies
			No. of Board Meetings attended	At last AGM		
1.	Shri M.C Singhi	Non- Executive Independent	10	Yes	1	Nil
2.	Shri B.S Rampuria	Non- Executive	9	No	9	Nil
3.	Shri H.S Bayed	Executive	9	Yes	1	Nil
4.	Shri H. Tapadar	Non- Executive Independent	10	No	1	Nil
5.	Shri B.S Baid	Non-Executive	10	Yes	2	Nil
6.	Smt Bimla Devi Baid	Non-Executive	9	Yes	-	Nil

Notes:

- During the year under review, there has been no resignation/appointment of Director on the Board of the Company.
- Committee Positions in other companies relate to Chairmanship/Membership of Audit and Stakeholder's Relationship Committees only.

d. Dates on which Board Meetings & Annual General Meeting held:

During the year under review, the Board met 10 times on 12th April, 2016, 30th May, 2016, 11th July, 2016, 12th August, 2016, 29th August, 2016, 15th October, 2016, 15th November, 2016, 13th January, 2017, 15th February, 2017 and 6th March, 2017. The Annual General Meeting for the year ended 31st March, 2016 was held on 29th September, 2016. The necessary quorum was present for all the meetings.

e. Independent Directors' Meeting:

In terms of Regulation 25(3) of SEBI Listing Regulations, 2015 and Schedule IV of the Companies Act, 2013 read with rules thereunder the Independent Directors met once on 14th February, 2017, inter alia, to:

- ◆ review the performance of non-independent directors and the entire board of directors of the Company as a whole;
- ◆ to assess the quality, quantity and timeliness of flow of information;
- ◆ to conduct the familiarization program for independent directors of the Company.

Both the independent Directors were present at the meeting.

f. Details of Familiarisation programme to Independent Directors:

Regulation 25(7) of SEBI Listing Regulations, 2015 and Schedule IV of the Companies Act, 2013 mandates the Company to familiarize the Independent Directors with the Company by conducting training programmes. During the year, the Board members were regularly apprised with the overview of the Company and its operations by the Senior Management team. The Board was also regularly apprised of all regulatory and policy changes.

g. Disclosure of Relationships Between Directors Inter-Se:

No director is, inter se, related to any other director on the Board, except Mrs. Bimla Devi Baid, non executive director who is related to Mr. Bijay Singh Baid, Non Executive Director of the Company.

h. Number of shares and convertible instruments held by non-executive directors:

None of the Non Executive directors hold any share in the Company.

3. COMMITTEES OF THE BOARD:-

There are four Board Committees as on March 31, 2017, which are as follows:

i. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations, 2015. The terms of reference of the Committee is also in conformity with the Corporate Governance code as prescribed under the said regulation read with Section 177 of the Companies Act, 2013 which broadly includes matters pertaining to the following:-

a) The terms of reference of the Audit Committee consists of:

- i. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. compliance with Listing and legal requirements concerning financial statements;
- iii. review of quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- iv. recommend to the Board any matter relating to financial management, including audit report and the appointment/re-appointment of Statutory Auditors, fixation of their Audit Fees, and approving payments made for any other services rendered by them.;
- v. review performance of statutory and internal auditors;
- vi. reviewing of the Statement of Related Party transactions as submitted by the Management;
- vii. monitoring the end use of funds raised through public offers and related matters;
- viii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ix. reviewing, with the management, the statement of uses / application of funds;
- x. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- xi. scrutiny of inter-corporate loans and investments;
- xii. valuation of undertakings or assets of the Company, wherever it is necessary;
- xiii. evaluation of internal financial controls and risk management systems.

b) Composition, Names of Members and Chairman:

During the financial year ended 31st March, 2017 the Audit Committee comprised of the following members:-

- a. Shri Mool Chand Singhi, Non-Executive Independent Director (Chairman)
- b. Shri Bimal Singh Rampuria, Non-Executive Director (Member)
- c. Shri H S Bayed, Executive Director (Member)
- d. Shri H Tapadar, Non-Executive Independent Director (Member)

All the said Directors are financially literate and are persons of standing in the industry and have the requisite experience and expertise to carry out their obligations at meetings of the Committee at which the Directors provide the necessary inputs.

▲ Chairman:

Shri M.C Singhi, Non-executive Independent Director is the Chairman of the Audit Committee.

▲ Secretary:

Ms. Sangeeta Ghose, Secretary of the Company, is the Secretary to the Audit Committee.

- ▲ The Chairman of the Audit Committee attended the last Annual General Meeting ("AGM") held on 29th September, 2016.

c) Meetings and attendance during the year:

The Audit Committee met four times during the Financial Year 2016-17. The maximum gap between two Meetings was not more than 120 days. The Committee met on (i) 20th May, 2016 (ii) 5th August, 2016 (iii) 4th November, 2016 (iv) 4th February, 2017. The requisite quorum was present at all meetings. The attendance of each Member at these Meetings was as follows:

NAME OF THE DIRECTORS CONSTITUTING AUDIT COMMITTEE	POSITION HELD	COMMITTEE MEETINGS	
		HELD	ATTENDED
Shri M.C Singhi	Chairman	4	4
Shri B.S Rampuria	Member	4	4
Shri H.S Bayed	Member	4	4
Shri H. Tapadar	Member	4	4

II. NOMINATION AND REMUNERATION COMMITTEE:

The Board has a Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and also in compliance of Regulation 19 of the SEBI Listing Regulations, 2015.

a) Brief description of terms of reference:

The terms of reference of the Committee is in conformity with Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI Listing Regulations, 2015.

b) Composition, name of members and Chairperson:

As on 31st March, 2017, the Committee comprised of three Non-Executive Independent Directors- Shri M.C Singhi, Shri B.S Baid and Shri H. Tapadar. Shri M.C Singhi, Non Executive Director is the Chairman of the Committee.

c) Attendance during the year:

During the year under review one meeting of the Committee was held on 4th July, 2016 which was attended by all the members of the Committee.

d) Remuneration Policy:

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Remuneration and Nomination Policy is displayed on the Company's website viz. <http://aucklandjute.com/data/documents/Directors-Remuneration-Policy.pdf>.

i. Remuneration to Executive Director:-

The appointment and remuneration of Executive Director is governed by the recommendation of the Nomination & Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. Whereas the payment of remuneration to such director is governed by the agreement executed between him and the Company. The remuneration package of the Whole-time Director cum Executive Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. The particulars of remuneration paid to Executive Director for the year ended March 31, 2017 is as under:

Name of the Director	Remuneration (₹)	Commission (₹)	Perquisites (₹)	Service Contract
Shri H S Bayed Executive Director	971625	-	456072	3 years from 1st August, 2016 to 31st July, 2019 (The members at the 38th Annual General Meeting of the Company re-appointed Sri H S Bayed as the Executive Director for a term of three years i.e. 01.08.2016-31.07.2019.)

ii. **Remuneration to Non-Executive Director:-**

No sitting fees were paid to the Non-Executive and Independent Directors of the Company during the year ended March 31, 2017. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

e) **Details of remuneration paid to the Directors during the year under review are given below: (₹In 000')**

Name of the Director	Category	Sitting Fee paid	Salary & allowances	Contribution to PF	Total
Shri M.C Singhi	Non- Executive Independent	–	–	–	–
Shri B.S Rampuria	Non- Executive	–	–	–	–
Shri H.S Bayed	Executive	–	1428	97	1524
Shri H. Tapadar	Non- Executive Independent	–	–	–	–
Shri B S Baid	Non- Executive	–	–	–	–
Smt Bimla Devi Baid	Non- Executive	–	–	–	–

NOTES:

- ▲ The Executive Director is not entitled to any Stock Option or Performance Linked Incentive.
- ▲ The Company has not issued any convertible instrument.
- ▲ No Commission is payable to any Director.
- ▲ No Sitting fees are paid / payable to the Non-Executive Independent Directors.
- ▲ Apart from the above, no other pecuniary relationship or transactions vis-à-vis the Company exist with the Non-Executive Directors.

III. **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Board has a Stakeholder's Relationship Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, 2015 which approves or confirms the transfer/transmission of shares, issue of duplicate Share Certificates, sort out Shareholder's Grievances received by the Company within 15 days of receipt thereof and several other functions.

a) **Composition:-**

During the financial year ended on 31st March, 2017, the Committee consisted of three Directors, Shri H. Tapadar, Non-Executive Independent Director (Chairman), Shri B S Baid, Non-Executive Director (Member) and Shri M.C Singhi, Non-Executive Independent Director (Member). Shri H Tapadar, Non-Executive Director heads the Committee as its Chairman.

b) **No. Of Committee Meetings:-**

The Committee met 5 times during the year under review on (i) 20th May, 2016 (ii) 20th July, 2016 (iii) 17th February, 2017 (iv) 23rd March, 2017 (v) 30th March, 2017. Share Transfer formalities are complied within a fortnight, the power to approve the same being delegated to Shri M.C Singhi and/or Shri H. Tapadar, Directors of the Company and Ms. S. Ghose, Company secretary of the Company.

c) **Name And Designation of Compliance Officer:-**

In terms of the requirements under SEBI Listing Regulations, 2015, Ms. Sangeeta Ghose, Company Secretary of the Company is designated as the Compliance Officer of the Company. E-mail Id of Compliance Officer: cs@aucklandjute.com.

d) **Status Of Investor's Complaints As On 31st March, 2017:-**

No. of complaints received during the year and dealt with: None
 No. not solved to the satisfaction of shareholders: None
 No. of complaints pending: None
 No. of pending share transfers as on 31st March, 2017: None

IV. RISK MANAGEMENT COMMITTEE:

The Board has constituted a Risk Management Committee pursuant to Regulation 21 of SEBI Listing Regulations, 2015 in order to monitor and review risk management plan and practices of the Company.

During the year under review, the Committee met once on 27th March, 2017 and comprised of three Directors- Mr. B S Baid, Non-executive Independent Director (Chairman), Mr. H Tapadar, Independent Director (Member) and Mr. M C Singhi, Independent Director (Member).

The Board has also framed a risk management policy which is available on the Company's website under the weblink <http://aucklandjute.com/data/documents/Risk-Mgt-Policy.pdf>.

4. GENERAL BODY MEETINGS:-

i. Location and time where last three Annual General Meetings were held:-

Financial year	Date of AGM	Venue	Time
2015-16	29th September, 2016	P.O. Jagatdal, 24 Parganas (North) West Bengal-743125	10.00 A.M
2014-15	29th September, 2015		10.00 A.M
2013-14	29th September, 2014		10.00 A.M

ii. Details of Special Resolution :-

Financial year	Date of AGM	Subject matter of the resolution	Triggering Section of the Companies Act, 2013
2015-16	29th September, 2016	Re-appointment of Whole Time Director	Section 196, 197 and 203
2014-15	29th September, 2015	None	N/A
2013-14	29th September, 2014	a) Authorization to borrow money under section 180(1)(c) of the Companies Act, 2013	Section 180 (1) (c)
		b) Alteration of the memorandum of association of the Company	Section 13
		c) Alteration of articles of association	Section 14

iii. No Special Resolution was passed through Postal Ballot in the previous AGM, hence no details of voting pattern is available.

iv. No Postal Ballot was conducted during the year 2016-17.

v. No Special resolution was proposed to be conducted through postal ballot during the period under review.

vi. No Extraordinary General Meeting of the Members was held during the year 2016-17.

5. OTHER DISCLOSURES:-

Financial year	Regulations	Details	Website link for details / policy
a) Materially Significant Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	All transactions entered into with related parties during the financial year were in the ordinary course of business and approved by the Audit Committee. The board approved policy for related party transactions is uploaded on the website of the Company. Further, in terms of Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of such transactions during the Financial Year 2016-17 with such related parties have been disclosed in Note No. 35 to the Accounts forming part of this Annual Report.	http://aucklandjute.com/data/documents/POLICY-ON-RPT.pdf

b) Compliances by the Company	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three years 2014-15, 2015-16 and 2016-17.	N/A
c) Vigil Mechanism/ Whistle Blower Policy	Regulation 22 of SEBI Listing Regulations	The Company has a well laid out Vigil Mechanism / Whistle Blower policy in terms of Section 177 of the Companies Act, 2013 read with Regulation 22 of SEBI Listing Regulations, 2015. Details regarding the same have been discussed in the Director's Report. The Board of Directors as well as the employees of the Company adheres to this principle and compliance with the same is affirmed by each of them. Further it is also affirmed that no personnel has been denied access to the Audit Committee.	http://aucklandjute.com/data/documents/Vigil-Mechanism-WBP.pdf
d) Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	http://aucklandjute.com/data/documents/POLICY-FOR-DETERMINATION-OF-MATERIALITY.pdf
e) Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	http://aucklandjute.com/data/documents/Insider-Trading-Policy.pdf
f) Status of compliance of Non-Mandatory requirements of SEBI Listing Regulations, 2015	Schedule V (C) 10(d) to the SEBI Listing Regulations	The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015 and has also adopted the other non-mandatory requirements of the regulations to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance	N/A
g) CEO / CFO certification	Regulation 34(3) of SEBI Listing Regulations	The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015 and such certificate forms part of the Annual Report.	N/A
h) Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the board and senior management personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2017.	http://aucklandjute.com/investors/code-conduct/
i) Disclosure of commodity price risks and commodity hedging activities	Schedule V (C) 10(g) to the SEBI Listing Regulations	No such activities were undertaken by the Company during the financial year 2016-17.	N/A
j) Accounting Treatment	Schedule V (B)(2) to the SEBI Listing Regulations	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The financial statements have been prepared on accrual basis under the historical cost convention.	N/A

6. MEANS OF COMMUNICATION:**a) Quarterly Results:**

In compliance with Regulation 33 of the SEBI Listing Regulations, 2015, the Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the Company are prepared and sent to the stock exchange immediately after it is approved by the Board of Directors subject to recommendation by the Audit Committee. The printed Annual Reports are dispatched to every shareholder of the Company in the permitted mode.

b) Publication of Results:

The financial results are also published in one vernacular newspaper viz. "Kalantar" and one English newspaper viz. "Financial Express". Also it is uploaded on the Company's website www.aucklandjute.com. The results are published in accordance with the guidelines of the Stock Exchange.

c) Management Discussion & Analysis Report:

The section on Management Discussion and Analysis Report forms a part of the Annual Report as Annexure E.

d) Website:

The Company maintains a functional website: www.aucklandjute.com in terms of Regulation 46 of the SEBI Listing Regulations, 2015 and also disseminates the required information on its website in compliance with the said regulation.

7. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redresses the shareholders complaints, if any, well within the stipulated time. However, during the period under review, no such complaint was placed by any member of the Company on the SCORES platform.

8. GENERAL SHAREHOLDER INFORMATION:**a) Company Registration Details:**

The Company is registered in the State of West Bengal. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L36934WB1977PLC031184.

b) AGM date, time and venue:

Time	10.00A.M
Day	Monday
Date	25th September, 2017
Venue	P.O. Jagatdal, 24 Parganas (North), West Bengal-743125

c) Financial year:

The Financial Year of the Company is from 1st April to 31st March.

d) Date of Book closure:

19th September, 2017 to 25th September, 2017 (both days inclusive)

e) Dividend payment date:

No dividend has been recommended for the year ended 31st March, 2017.

f) Listing on Stock Exchange(s) & Stock Code:

The Equity shares of the Company are listed on the following Stock Exchange:

<u>Stock Exchange</u>	<u>Stock Code</u>
The Calcutta Stock Exchange Ltd. ("CSE Ltd."), 7, Lyons Range, Kolkata-700001	10011027
<u>ISIN No.</u> allotted by NSDL & CDSL: INE907C01022.	

The prescribed Listing Fees have been paid to the said Stock Exchange for the Financial Year 2016-17.

g) Market Price Data:

The Equity Shares of the Company are very thinly traded and the trading has been sporadic, hence, the monthly Market Price Data is not available.

h) Stock Performance:

The Stock performance vis-à-vis the broad based indices cannot be determined considering the fact that the Equity shares of the Company are very thinly traded in the Stock Market.

i) Registrar and Transfer Agents:

M/s. Niche Technologies Private Limited is acting as the Registrar and Share Transfer Agent of the Company. Their address for communication is as under:-

Niche Technologies Private Limited
D-511, Bagree Market, 5th Floor,
71 B.R.B Basu Road,
Kolkata-700001
Email: nichetechpl@nichetechpl.com

j) Share Transfer System:

75% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the RTA at the above mentioned address.

Transfer of shares in physical form is normally processed within ten to twelve working days from the date of receipt, if the documents are complete in all respects. The Stakeholder's Relationship Committee approves the transfer of shares in the physical form as per the time limits and procedure specified in Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors and the Company Secretary, under the authority of the board, severally approve transfers, which are noted at subsequent board meetings.

k) Distribution of shareholding:

(A) The distribution of shareholdings, including the shares in dematerialized form, as on 31st March, 2017 is given here under:

Break-up of Equity shares held	No. of Shareholders /Folios	% of Shareholders	No. of Shares	% of Shares
1 to 500	1535	78.76	2,02,947	4.94
501-1000	214	10.98	1,73,006	4.21
1001-5000	148	7.59	3,29,744	8.03
5001-10000	16	0.82	1,28,336	3.12
10001-50000	14	0.72	2,72,278	6.63
50001-100000	11	0.56	7,50,726	18.28
100001-And Above	11	0.56	22,49,783	54.78
Total	1949	100.00	41,06,820	100.00

(B) Shareholding Pattern as on 31st March, 2017:

Category	No. of Shares held	Percentage of Shareholding
A) Promoter's Holding		
1. Promoters		
- Indian Promoters	2950357	71.84
- Foreign Promoters	-	-
2. Persons acting in concert	-	-
Total (A)	2950357	71.84
B) Non-Promoter's Holding		
1. Institutional Investors		
a) Mutual Funds and UTI		
b) Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	168231	4.10
c) FIIs	-	-
Sub-Total	168231	4.10
2. Others		
a) Private Corporate Bodies	48661	1.18
b) Indian Public	930166	22.65
c) NRIs/OCBs	9405	0.23
d) GDRs	-	-
Sub-Total	988232	24.06
Total (B)	1156463	28.16
Grand Total (A+B)	4106820	100.00

l) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

m) Dematerialization of shares and liquidity:

As on 31st March, 2017, 30,69,692 Equity Shares of ₹ 10/- each (74.75% of the total paid-up share capital) were held in dematerialized form and the balance 10,37,128 Equity shares of ₹ 10/- each were held in physical form.

n) Outstanding GDRs:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

o) Commodity Price Risk Or Foreign Exchange Risk And Hedging Activities:

The Company has not undertaken any such activities during the period under consideration.

p) Plant Locations:

The Registered Office and unit of the Company viz. Auckland Jute Mills is located at P O Jagatdal, 24 Parganas (North), West Bengal-743125.

q) Address for correspondence:

Share Department
Auckland International Limited
P O Jagatdal, 24 Parganas (North),
West Bengal-743125

OR

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor
71, B.R.B Basu Road,
Kolkata-700001

The above report has been placed before the Board at its Meeting held on 3rd August, 2017 and the same was approved.

Shri M.C Singhi

Shri H.S Bayed

PLACE: KOLKATA

(DIN-00407278)

(DIN-00425481)

DATED: 3rd August, 2017

Director

Executive Director

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATION, 2015

The Board of Directors
Auckland International Limited
P O Jagatdal, North 24 Parganas,
West Bengal-743125

We do hereby certify to the Board that pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, 2015, we have reviewed the financial statements and Cash Flow Statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we further certify that:

- a) these statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c) there are, to the best of our knowledge & belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- d) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that there have been no deficiencies in the design or operation of such internal controls which shall be disclosed to the auditors and the audit committee;
- e) there are no significant changes in internal control over financial reporting during the year;
- f) there are no significant changes in accounting policies during the year;
- g) there are no instances of fraud during the year.

For Auckland International Limited

Place: KOLKATA

H S BAYED

S C BHUTORIA

Dated: 3rd August, 2017

Executive Director & CEO

CFO

DECLARATION

To the Members of
Auckland International Limited,

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Auckland International Limited Code of Business Conduct and Ethics for the year ended March 31, 2017.

For Auckland International Limited

H.S Bayed

(DIN-00425481)

Executive Director & CEO

Dated: 3rd August, 2017

Place: KOLKATA

AUDITOR'S CERTIFICATE

Auditor's Certificate regarding compliance of conditions of Corporate Governance under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015

To
The Members of Auckland International Limited

We have examined the compliance of conditions of Corporate Governance by Auckland International Limited, for the year ended 31st March, 2017, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

"India Steamship House"
21, Old Court House Street,
Kolkata-700001

Dated: 3rd August, 2017

For R B S C & CO.
Chartered Accountants
Firm Registration No. 302034E
(R.K ROY CHOUDHURY)
Partner
Membership No. 8816

INDEPENDENT AUDITORS' REPORT

1. We have audited the accompanying standalone financial statements of **AUCKLAND INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and or preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.
4. **Basis of Qualification:**

The accrued liability on account of encashment of leave by the employees has not been provided and has been accounted for on Cash Basis. (Refer Note 1.11) Unprovided Liability on this account as on 31st March 2017 as determined by actuarial valuation amounts to ₹ 47.42 lakhs. The effect of the forgoing to the extent determinable is that the Profit and Reserve & Surplus are overstated by ₹ 47.42 lakhs during the year and liability under long term provision is under stated to the same amount.
5. **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except Para 4 above on the basis of qualification the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit and its cash flows for the year ended on that date.
6. **Report on Other Legal and Regulatory Requirements**
 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those Books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except staff benefits as stated under AS15.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the Financial Statements:
 - ii. The Company did not have any long-term contracts including derivative contracts:
 - iii. There was no amount which is required to be transferred to investor's education & protection fund by the Company.
 - iv. The Company has provided requisite disclosure in the financial statements as regards its holding and dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representation provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and produced to us by the management. (Refer Note No. 36(i)).

For **R. B. S. C. & Co.**
Chartered Accountants
R. K. Roy Choudhury
Membership No. 8816
Partner

Kolkata, 3rd August, 2017

Firm Registration No. 302034E

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The title deeds of the immovable properties have been mortgaged with the Bank for which confirmation is pending. However, the title deeds of all immovable properties are in the name of the Company as per certificate of Bhatpara Municipality as provided to us.
- (ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks followed by the Management were reasonable and

adequate in relation to the size of the Company and the nature of its business and no material discrepancies were noticed on physical verification.

- (iii) (a) The Company has granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. The Company has not granted any loan to firm, limited liability partnership or other parties covered under the said register.
- (b) In our opinion and according to the information and explanation given to us, the terms & conditions of loans given by the Company are prima facie not prejudicial to the interest of the Company.
- (c) There is no stipulation with regard to the repayment of principal and payment of interest. However, repayment of principal & payment of interest have been made as and when demanded by the Company.
- (d) There are no outstanding amounts as at the year end in respect of both principal & interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, 2013 with respect to granting loans and making investments.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has specified for the maintenance of cost records under sub section 1 of section 148 of the Act. We have broadly reviewed the records and accounts maintained by the Company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of such records to determine whether records are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Excise Duty, Cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March, 2017, for a period of more than six months from the date they became payable.
- (b) Details of dues of Sales Tax, Excise Duty & Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ In lakhs)
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner/ Deputy Commissioner (Appeals)	75-76, 80-81, 94-95, 01-02, 04-05, 08-09, 10-11, 11-12, 12-13 & 13-14.	8.41
West Bengal Sales Tax Act, 1954	Sales Tax	Appellate Tribunal/ Asst. Commissioner/ Deputy Commissioner (Appeals)	74-75, 80-81, 81-82, 01-02 & 04-05.	9.54
West Bengal VAT Act, 2003	VAT	Revision Board/ Adl. Commissioner	05-06, 06-07, 10-11, 11-12 & 13-14	13.14
Central Excise Tariff Act, 1985	Excise Duty	Supreme Court of India	March 2012 to December 2012	780.84
Central Excise Tariff Act, 1985	Excise Duty	CESTAT, Kolkata	March 2011 to February 2012 & January 2013 to February 2013	1008.78

- (viii) According to the information and explanations given and on the basis of records examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not taken loan from any financial institution, government or raised any money through issue of debentures.

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **R. B. S. C. & Co.**
Chartered Accountants

R. K. Roy Choudhury
Membership No. 8816
Partner
Firm Registration No. 302034E

Kolkata, 3rd August, 2017

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Auckland International Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R. B. S. C. & Co.**
Chartered Accountants

R. K. Roy Choudhury
Membership No. 8816
Partner
Firm Registration No. 302034E

Kolkata, 3rd August, 2017

Auckland International Limited

(₹.in.000)

Balance Sheet as at 31st March, 2017

	Notes	31st March, 2017	31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	41068	41068
Reserves & Surplus	3	<u>291512</u>	<u>262013</u>
		<u>332580</u>	<u>303081</u>
Non-current Liabilities			
Deferred tax liabilities	4	12237	11819
Deferred Government Grant	5	<u>6605</u>	<u>7557</u>
		<u>18842</u>	<u>19376</u>
Current Liabilities			
Short-term borrowings	6	88966	128977
Trade payables	7	16187	16743
Other current liabilities	8	98851	99473
Short-term provisions	9	<u>14103</u>	<u>7027</u>
		<u>218107</u>	<u>252220</u>
TOTAL		<u><u>569529</u></u>	<u><u>574677</u></u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	10	129238	124609
Intangible Assets	11	112	120
Non-current Investments	12	76798	30990
Other non-current assets	13	<u>1000</u>	<u>1111</u>
		<u>207148</u>	<u>156830</u>
Current Assets			
Inventories	14	176974	274307
Trade receivables	15	50095	60639
Cash and Cash equivalents	16	37819	37393
Short-term loans and advances	17	40452	986
Other Current assets	18	<u>57041</u>	<u>44522</u>
		<u>362381</u>	<u>417847</u>
TOTAL		<u><u>569529</u></u>	<u><u>574677</u></u>
Significant Accounting policies	1		

The accompanying Notes 1 to 36 form an integral part of these financial statements
In terms of the report of even date annexed

For R B S C & Co.

Chartered Accountants
R. K. Roy Choudhury
Partner

Membership No. 8816
Firm Registration No. 302034E
Place: Kolkata
Dated : 3rd August, 2017

H. S. Bayed
Executive Director

S C Bhutoria
Chief Finance Officer

S. Ghose
Company Secretary

H. Tapadar
M. C. Singhi
B. S. Rampuria
B. S. Baid
B. D. Baid
Directors

Statement of Profit and Loss for the year ended on 31st March, 2017

	Notes	31st March, 2017	31st March, 2016
REVENUE			
Revenue from operations	19	1590405	1606451
Less: Cess Duty		<u>15537</u>	<u>16169</u>
		1574868	1590282
Other Income	20	<u>9465</u>	<u>8955</u>
Total Revenue		<u>1584333</u>	<u>1599237</u>
EXPENSES			
Cost of Material Consumed	21	854461	953026
Change in Inventories (Increase)/Decrease	22	96364	(6692)
Employee benefits expenses	23	374038	397228
Finance Costs	24	7480	9336
Depreciation and amortisation expenses		7560	7406
Other expenses	25	<u>200958</u>	<u>216147</u>
Total Expenses		<u>1540861</u>	<u>1576451</u>
Profit before exceptional and extraordinary items & tax		43472	22786
Exceptional / Extraordinary items			
Adjustment relating to Taxes for earlier years		<u>145</u>	<u>483</u>
Profit before tax		<u>43327</u>	<u>22303</u>
Tax expense:			
Current tax		13410	6334
Deferred tax		<u>418</u>	<u>4861</u>
Profit for the Period		<u>29499</u>	<u>11108</u>
Basic/ Diluted Earnings per equity Share		7.18	2.70
Significant Accounting policies	1		

The accompanying Notes 1 to 36 form an integral part of these financial statements
In terms of the report of even date annexed

For R B S C & Co.

Chartered Accountants
R. K. Roy Choudhury
Partner

Membership No. 8816
Firm Registration No. 302034E
Place: Kolkata
Dated : 3rd August, 2017

H. S. Bayed
Executive Director

S C Bhutoria
Chief Finance Officer

S. Ghose
Company Secretary

H. Tapadar
M. C. Singhi
B. S. Rampuria
B. S. Baid
B. D. Baid
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017

	31st March, 2017	31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	43472	22786
Adjustments for:		
Depreciation and Amortisation Expenses	7560	7406
Interest Received	(3896)	(3851)
Dividend Received	(344)	(331)
Interest Expenses	7112	8938
(Profit)/ Loss on Sale of Investment	956	-
(Profit)/ Loss on Sale of Fixed Assets	(3235)	(2867)
	<u>8153</u>	<u>9295</u>
Operating Profit before Working Capital Changes	51625	32081
Adjustments for:		
Decrease/ (Increase) in Inventories	97333	9363
Decrease/ (Increase) in Trade Receivables	10544	(5348)
Decrease/ (Increase) in Other Receivables	(39355)	-
Decrease/ (Increase) in Other Current Assets	(25853)	(11089)
(Decrease)/ Increase in Trade and Other Payables	5898	13418
Provisions	(13410)	(6334)
	<u>35157</u>	<u>10</u>
Cash Generated from operations	86782	32091
Interest Paid	(7112)	(8938)
Direct Taxes Paid	13334	7798
	<u>6222</u>	<u>(1140)</u>
	93004	30951
Cash Flow before extra ordinary items		
Extra ordinary items	(145)	(483)
	<u>92859</u>	<u>30468</u>
Net Cash from Operating Activities		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12311)	(8706)
Sale of Fixed Assets	3365	3108
Acquisition of Companies	--	--
Purchase of Investments	(104736)	(3153)
Sale of Investments	57972	53
Interest Received	3896	3851
Dividend Received	344	331
	<u>(51470)</u>	<u>(4516)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	--	--
Proceeds from Cash Credit	(22511)	13053
Differed Government Grants	(952)	1861
Repayment of long term borrowings	--	--
Proceeds from Unsecured Loans	(17500)	(36150)
Dividends Paid	--	--
	<u>40963</u>	<u>21236</u>
Net Cash used in Financing Activities	426	4716
Net increase in Cash & Cash Equivalent(A+B+C)	37393	32677
Opening Balance of Cash & Cash Equivalents	37819	37393
Closing Balance of Cash & Cash Equivalents		

Note :

- The above statement have been prepared in indirect method except in case of interest, dividend and purchase of investment and fixed assets, which have been considered on the basis of actual movement.
- Cash and Cash equivalent represent cash and bank balances.

For R B S C & Co.

Chartered Accountants

R. K. Roy Choudhury

Partner

Membership No. 8816

Firm Registration No. 302034E

Place: Kolkata

Dated : 3rd August, 2017

This is in term of our report of even date.

H. S. Bayed
Executive DirectorS C Bhutoria
Chief Finance OfficerS. Ghose
Company Secretary

H. Tapadar

M. C. Singhi

B. S. Rampuria

B.S. Baid

B. D. Baid

Directors

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**SIGNIFICANT ACCOUNTING POLICIES:****1 Basis of preparation of Financial Statements**

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles.

2 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialise or are known.

3 Revenue Recognition

(a) Revenue has been accounted for on accrual basis excepting Internal Marketing Assistance and Insurance Claim which are accounted for as and when received. All claims including Gunny claim are considered as and when settled.

(b) Government Grants are recognized only when they are actually received. The grant related to depreciable fixed asset is treated as deferred income which is allocated to income over the periods and in the proportion in which depreciation on that asset is charged.

4 Sales and Other Income

Sales of Goods are recognized on transfer of significant risks and reward of ownership, which is generally on dispatch of goods, and are recorded net of return, claims, cash discount etc.

5 Tangible fixed assets

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortisation and impairment loss, if any.

6 Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

7 Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer Software which are capitalised, are amortised over a period of 3 years on straight-line basis.

8 Impairment of tangible and intangible assets

Impairment loss is provided to the extent that the carrying amount(s) of assets exceed their recoverable amount(s).

Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

9 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investment. All other investments are classified as long term investments.

Long term investments are valued at cost. Current investments are valued at lower of costs and fair value as on the date of Balance Sheet. The Company provides for diminution in value of investment, if any, other than temporary in nature.

10 Inventories

Inventory of raw material and finished goods are valued at lower of cost and market prices, stores & spares at monthly average cost and work in process at cost. Cost of work in process and finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location. Cost is determined using standard cost method that approximate actual cost.

11 Retirement and other employee benefits

Short term employees' benefits are recognized at the undiscounted amount as expenses for the year in which the related service is rendered.

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund, Pension & Gratuity. The Company makes regular contribution to Provident Fund including payment under pension scheme which are fully funded and administered by the Government, and is recognized in Statement of Profit & Loss on accrual basis.

The Company has defined benefit plan for Gratuity and Leave Encashment Scheme. The Company contributes to the Gratuity Fund and has taken a Master Policy with Life Insurance Corporation of India for future payment of liability to its employees.

The liabilities for gratuity for the employees left/dead and leave encashment to the employees in employment are accounted for as per Gratuity Act & Standing Orders and on the basis of payment & contribution made during the year. However, the amounts of said liabilities are ascertained on the basis of actuarial valuation disclosed in the accounts.

12 Foreign currency transactions

Transactions in foreign currency are recognised at the prevailing exchange rates on the date of transaction. Gains/losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit & Loss in the period in which they arise.

13 Income Tax

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and laws that have been enacted or substantively enacted.

14 Dividend received is accounted for as and when it is received.

15 Unless specifically stated to be otherwise, these policies are consistently followed.

31st March, 2017

31st March, 2016

NOTE 2**SHARE CAPITAL****Authorised**

7500000	Equity Shares of Rs.10/- each	75000	75000
50000	Preference Shares of Rs.100/- each	5000	5000
Total		80000	80000

Issued, Subscribed & Paid up

4106820	Equity Shares of Rs.10/- each fully paid up	41068	41068
Total		41068	41068

- a) The Company has not issued any Shares during the year.
- b) The Company has issued one class of equity shares. The holders of the equity shares are entitled (a) to receive dividends subject to approval in the Annual General meeting (b) voting rights proportionate to their share holdings at the meetings of the shareholders (c) receive surplus on the winding up of the Company in proportion to share holding.
- c) Following Shareholders hold equity shares more than 5% of the total shares of the Company at the end of the period

Name of Shareholder	No. of Shares	% of Shareholdings
Aradhana Investments Limited	558205	13.59
Jai Kumar Kankaria	317180	7.72
Padmavati Tradelink Limited	282628	6.88
Divya Dugar (Kankaria)	253575	6.17

- d) The Company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

	31st March, 2017	31st March, 2016
NOTE 3		
RESERVES AND SURPLUS		
Capital Reserve (Revaluation)		
As per last Balance Sheet	<u>50229</u>	<u>50229</u>
General Reserve		
As per last Balance Sheet	<u>11909</u>	<u>11909</u>
Capital Redemption Reserve		
As per last Balance Sheet	<u>4062</u>	<u>4062</u>
Surplus in the Statement of Profit & Loss Account		
As per last Balance Sheet	195813	184705
Add: Net Profit after tax transferred from Statement of Profit & Loss Account	<u>29499</u>	<u>11108</u>
Balance at the end of year	<u>225312</u>	<u>195813</u>
Total	<u>291512</u>	<u>262013</u>
NOTE 4		
Deferred tax liabilities		
As per last Balance Sheet	11819	6958
Deferred Income tax Assets	<u>418</u>	<u>4861</u>
Total	<u>12237</u>	<u>11819</u>
NOTE 5		
Deferred Government Grant		
Deferred Government Grants (Note 36 (g))	<u>6605</u>	<u>7557</u>
Total	<u>6605</u>	<u>7557</u>
NOTE 6		
Short-term borrowings		
Loans payable on demand		
Working Capital Facilities		
-From Banks (Secured)	87466	109977
-From Others (Unsecured)	<u>1500</u>	<u>19000</u>
Total	<u>88966</u>	<u>128977</u>
Borrowings from Bank -Secured by first charge on Plant & Machinery and Current Assets of the Company and deposit of Title Deeds of Land & Building, additionally secured by Personal guarantee of Sri H.C.Kankaria & Sri J.K.Kankaria Promoters of the Company.		
NOTE 7		
Trade payables		
- Micro, Small & Medium Enterprises	--	--
- Others	<u>16187</u>	<u>16743</u>
Total	<u>16187</u>	<u>16743</u>

31st March, 2017

31st March, 2016

NOTE 8**Other current liabilities**

Unpaid Dividends	273	273
Employees Benefits Payable	19922	36922
Advances from Customers & other payables	53735	30963
Provision for expenses	21722	24037
Deposit received	581	469
Statutory dues payable	2618	6809
Total	98851	99473

NOTE 9

Short-term provisions		
Provision for Income Taxes	14103	7027
Total	14103	7027

NOTE 10**FIXED ASSETS****Tangible Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.16	Additions	Sales	As at 31.03.17	As at 01.04.16	For the year	Sales/ Adj	Upto 31.03.17	As at 31.03.17	As at 31.03.16
Land & Building	72045		241	71804	17229	269	(229)	17269	54535	54816
Plant & machinery	232293	491	1092	231692	166115	6278	(1049)	171344	60348	66178
Furniture & Fixtures	2077	31	771	1337	1473	163	(739)	897	440	604
Vehicles & Trolleys	5942	-	-	5942	3210	738	-	3948	1994	2732
Laboratory Equipments	154	-	33	121	112	9	(31)	90	31	42
EDP Machines	1647	164	883	928	1410	95	(842)	663	265	237
Renewal Energy Devices	-	11625	-	11625	-	-	-	-	11625	-
Current Year	314158	12311	3020	323449	189549	7552	(2890)	194211	129238	124609
Previous Year	310495	8706	5043	314158	186891	7460	(4802)	189549	124609	123604

NOTE 11**Intangible Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.16	Additions	Sales	As at 31.03.17	As at 01.04.16	For the year	Sales/ Adj	Upto 31.03.17	As at 31.03.17	As at 31.03.16
Software	2249	-	-	2249	2129	8	-	2137	112	120
Current Year	2249	-	-	2249	2129	8	-	2137	112	120
Previous Year	2249	-	-	2249	2117	12	-	2129	120	132

NOTE 12

Non-current Investment

Particulars	Face value	Nature of Investment	As at 31.03.17		As at 31.03.16	
			Nos.	₹. (in 000)	Nos.	₹. (in 000)
Other Investment - Quoted						
*Aditya Birla Nuvo Limited.	10	Equity	600	421	600	421
*Aditya Birla Fashion & Retail Limited.	10	Equity	3120	394	3120	394
Ashok Leyland Limited.	1	Equity	15000	501	15000	501
Bajaj Finserv Limited.	10	Equity	1000	898	1000	898
BEML Limited	10	Equity	-	-	3600	3428
Cipla Limited.	2	Equity	1500	639	1500	639
Coal India Limited	10	Equity	1167	433	1350	501
Electrosteel Steels Limited	10	Equity	180000	1980	180000	1980
Housing Development Finance	2	Equity	1700	1819	1700	1819
IFCI Ltd.	10	Equity	-	-	33800	2085
Infosys Limited.	5	Equity	800	591	800	591
Kesoram Industries Ltd	10	Equity	-	-	4525	1438
NHPC Limited	10	Equity	35799	1305	35799	1305
Power Grid Corporation of India Ltd.	10	Equity	23268	2094	23268	2094
Punjilloyd Limited	2	Equity	-	-	6600	874
State Bank of Bikaner & Jaipur	10	Equity	4321	1814	4321	1814
State Bank of Travancore	10	Equity	1150	519	1150	519
Sun pharmaceutical Industries Ltd.	1	Equity	1484	874	1500	884
Tech Mahindra Limited.	5	Equity	2000	904	2000	904
Investment in Mutual Fund - Quoted						
Goldman Sachs Mutual Fund	1000	Units	0.920	1	0.884	1
Investment in Bond & Debentures -Quoted						
ING Vysya Bank Limited	10Lac	Bonds	-	-	1	1000
Punjab State Inds Devpt Corp	1Lac	Bonds	1	100	1	100
Punjab State Inds Devpt Corp	1Lac	Bonds	8	800	8	800
Reliance Dynamic Bond Fund	10	Units	301767	5000	301767	5000
West Bengal Infrastructure Devt Fin Corp	10Lac	Bonds	1	1000	1	1000
National Highways Authority of India	1000	Bonds	50000	54711		
Aggregate amount of quoted investment			624687	76798	623412	30990
Aggregate Value of Quoted Investment				<u>76798</u>		<u>30990</u>
Market Value				<u>86373</u>		<u>31949</u>

* 3120 Equity Shares received according to Scheme of arrangement due to demerger

31st March, 2017

31st March, 2016

NOTE 13

Other non-current assets

(Claim for old Input VAT, CST receivables etc.)

Total

1000

1111

10001111

	31st March, 2017	31st March, 2016
NOTE 14		
Inventories		
As certified by the Management		
Stores and Spare Parts	13244	14861
Raw Jute	95683	95035
Jute-in-process	21967	23393
Finished Goods	<u>46080</u>	<u>141018</u>
Total	<u>176974</u>	<u>274307</u>
NOTE 15		
Trade receivable		
(Unsecured -considered good unless otherwise stated)		
a) Debts outstanding for a period exceeding six months		
Considered good	811	1245
Considered doubtful	--	--
Less: Provision for doubtful debts	--	--
	<u>811</u>	<u>1245</u>
b) Other debts		
Considered good	49284	59394
Considered doubtful	--	--
	<u>49284</u>	<u>59394</u>
Total	<u>50095</u>	<u>60639</u>
NOTE 16		
Cash and Cash equivalents		
Balance with Banks		
In current and deposit accounts	4391	4214
Cash in hand	140	2740
	<u>4531</u>	<u>6954</u>
Fixed deposits with Bank more than twelve months maturity	3165	2500
Fixed deposit with Bank (more than 12 months maturity) held as margin money against guarantee	29850	27666
Balance with Bank in unpaid dividend account	273	273
	<u>33288</u>	<u>30439</u>
Total	<u>37819</u>	<u>37393</u>
NOTE 17		
Short-term loans and advances		
(Unsecured considered good unless otherwise stated)		
- Intercorporate Loans	40000	--
- Deposits	452	986
Total	<u>40452</u>	<u>986</u>

31st March, 2017

31st March, 2016

NOTE 18**Other current assets**

(Unsecured considered good unless otherwise stated)

Advances recoverable in cash or in kind or for

value to be recovered		
- Employees	5228	5378
- Suppliers	8273	1379
- Interest Receivable	2757	3126
- Others	18842	19041
Balance with Excise Authorities	23	1
Prepaid expenses	415	643
Income tax advances	21503	14954
Total	<u>57041</u>	<u>44522</u>

NOTE 19**Revenue from operations**

Gunny	1561175	1576813
Yarn	13693	13469
Total	<u>1574868</u>	<u>1590282</u>

NOTE 20**Other Income**

Profit on sale of fixed assets	3235	2867
Interest	3896	3851
Miscellaneous Income	1816	1738
Dividend	344	331
Rent	174	168
Total	<u>9465</u>	<u>8955</u>

NOTE 21**Cost of Material Consumed****Opening Stock**

Raw Jute	95035	109467
Purchase		
Raw Jute	851967	938594
Yarn	3142	-
	<u>855109</u>	<u>938594</u>
Closing Stock		
Raw Jute	95683	95035
Total	<u>854461</u>	<u>953026</u>

Auckland International Limited

(₹.in.000)

	31st March, 2017	31st March, 2016
NOTE 22		
Change in Inventories		
Opening Stock		
Jute in process	23393	16049
Finished Goods	<u>141018</u>	<u>141670</u>
	<u>164411</u>	<u>157719</u>
Closing Stock		
Jute in process	21967	23393
Finished Goods	<u>46080</u>	<u>141018</u>
	<u>68047</u>	<u>164411</u>
Total (Increase)/ Decrease	<u>96364</u>	<u>(6692)</u>
NOTE 23		
Employee benefits expenses		
Salaries and wages	336489	355639
Contribution to provident and other funds	34630	37563
Staff welfare expenses	<u>2919</u>	<u>4026</u>
Total	<u>374038</u>	<u>397228</u>
NOTE 24		
Finance Costs		
Interest on loans	7112	8938
Other borrowing costs		
Processing fees	<u>368</u>	<u>398</u>
Total	<u>7480</u>	<u>9336</u>
NOTE 25		
Other expenses		
-Stores and spares consumed	44290	48775
-Power & fuel	80477	89936
-Sewing & processing charges	<u>1717</u>	<u>3494</u>
	<u>126484</u>	<u>142205</u>
Repairs and maintenance		
-Building	2750	2696
-Machinery	23343	22656
-Other Assets	<u>1366</u>	<u>4236</u>
	<u>27459</u>	<u>29588</u>
-Insurance charges	2427	2558
-Rent	1200	1200
-Rates & taxes	4758	4146
-Brokerage & commission	9579	8914
-Shipping & delivery	5189	2756
-Cess duty	124	15
-Miscellaneous expenses	23565	24545
-Sundry balances written off	<u>0</u>	<u>4</u>
	<u>46842</u>	<u>44138</u>
Auditor's remuneration		
-As audit fees	55	55
-For Tax audit, Certification etc.	55	42
-Reimbursement of expenses	19	25
-As audit fees	<u>44</u>	<u>94</u>
	<u>173</u>	<u>216</u>
Total	<u>200958</u>	<u>216147</u>

	31st March, 2017	31st March, 2016
NOTE 26		
CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS		
a) Sales Tax (pending appeal) (to the extent declaration forms not received)	954	954
VAT (pending appeal) (to the extent declaration forms not received)	1314	3695
CST (pending appeal) (to the extent declaration forms not received)	841	4057
b) Employees' State Insurance –Not acknowledged as debt	1060	1060
c) Outstanding Bank Guarantee	22000	22000
d) Demand of Excise Authority on pending appeal	178962	178962

NOTE 27**Particulars of Sales & Stock**

a) Sale		
Gunny	1561175	1576813
Yarn	13693	13469
b) Closing Stock		
Gunny	46080	141018

NOTE 28**Value of Imports on CIF basis**

Raw Material	42184	--
--------------	-------	----

NOTE 29**Expenditure in Foreign Currency**

Travelling	--	--
------------	----	----

NOTE 30

Value of Imported and Indigenous raw material, Stores, spare parts and components consumed and the percentage of each to total consumption

	31st March, 2017		31st March, 2016	
	₹. (in 000)	%	₹. (in 000)	%
Raw Material				
Imported	40180	4.70	33	--
Indigenous	814281	95.30	952993	100
Stores, spare parts and components				
Imported	--	--	--	--
Indigenous	69428	100	71133	100

NOTE 31**Employees Benefits**

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 are given below:

Post Retirement Benefit -Defined Contribution Plan

Contributions to Defined Contribution Plans recognized and charged off for the year are as under:

Employer's Contribution to Provident Fund	3847
Employer's Contribution to Employees Pension Scheme	17057

Post Retirement and Long Term Benefits -Defined Benefit Plan

The Company makes the payment of Gratuity and Leave Encashment out of its own resources. The Gratuity is paid as per the provisions of the Payment of Gratuity Act, 1972 and the amount paid on retirement, death while in employment or on termination of employment. The Leave Encashment is paid according to the approved Standing Order for Jute Industry. The disclosures as per Actuarial Valuation as on March 31, 2017 are as follows:-

Auckland International Limited

(₹.in.000)

	<u>Gratuity funded</u>	<u>Leave encashment unfunded</u>
1 Change in present value of Defined Benefit Obligation as on 31/03/17		
Present value of DBO at the beginning of the year	184496	6040
Interest Cost	14760	404
Current Service Cost	9771	7503
Benefit Paid	-	(6805)
Actuarial (gain)/loss on obligation	(6450)	(2400)
Present value of DBO as at end of the year	202577	4742
2 Change in the fair value of Plan Assets as on 31/03/17		
Fair value of plan assets at the beginning of the year	186499	
Expected return on plan assets	15386	
Contributions	-	
Benefits paid	-	
Actuarial Gain/(loss) on plan assets		
Fair value of plan assets at the end of the year	201885	
3 Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	186499	
Actual return on plan assets	15386	
Contributions	-	
Benefits paid	-	
Fair value of plan assets at the end of the year	201885	
Funded status	(692)	
Excess of Actual over estimated return on plan assets	-	
4 Actuarial Gain/ Loss recognised		
Actuarial (gain) / loss on obligation	6450	
Actuarial (gain) / loss for the year on plan assets	-	
Actuarial (gain) / loss on obligation	(6450)	(2400)
Actuarial (gain) / loss	(6450)	(2400)
5 The amounts to be recognised in the Balance Sheet and statement of Profit & Loss		
Present value of obligation as at the end of the year	202577	4742
Fair value of the plan assets as at end of the year	201885	
Funded status	(692)	(4742)
Net assets/ (liability) recognised in Balance Sheet	(692)	(4742)
6 Expenses recognised in statement of Profit & Loss		
Current service cost	9771	7503
Interest Cost	14760	404
Expected return on plan assets	(15386)	-
Net actuarial (gain)/loss recognised in the year	(6450)	(2400)
Expenses recognised in statement of account of Profit & Loss	2695	5507

The Benefits accounted under the head 'Employees' benefits Expenses', ₹.32384 paid to retired/ dead employees etc. No benefits are derivable during the year from contribution to LIC. No Liability has been provided in the books of account in respect of Leave Encashment of ₹.4742 on the basis of actuarial valuation as mentioned above in consonance with the Company's policy of accounting.

Actuarial Assumptions

Discount Rate (%) **8.00** 7.50

Active members of the scheme will experience in service mortality assumed in accordance with the table LIC (1994-96) ultimate.

The methodology used in calculation is Projected Unit Credit to assess the plan's liabilities, including those to death-service and incapacity benefits.

Principal Plan Provisions: Payment of Gratuity Act as amended upto date.

NOTE 32

Tax Expenses is the aggregate of current year income tax and deferred tax charged to the Profit & Loss Account for the year

a) Current Year Charge		
Income Tax provision of ₹. 13410 has been made on regular income		
b) Deferred Tax		
The major component of the Deferred Tax Liability to the extent recognized and outstanding at 31.3.2017 :		
Deferred Tax Liability as on 01st April, 2016		11819
Deferred Tax Liability :		
On differences between Book & Income Tax depreciation		418
Net Deferred Tax Liability as on 31st March 2017		12237

NOTE 33

Earnings per Share:

	31st March, 2017	31st March, 2016
Net profit/(Loss) available for Equity shareholders	29499	11108
Weighted average number of Equity shares outstanding	4106820	4106820
Basic and diluted earnings per share -		
In rupees of face value of Rs.10 each	7.18	2.70

NOTE 34

Remuneration paid to Executive Director for the year is debited to respective heads of account:

i) Salary	972	883
ii) Contribution to Provident Fund	97	88
iii) Perquisites	456	415

NOTE 35

Information given in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures as notified in the Companies (Accounting Standards) Rules 2006:

A. List of Related Parties

- | | | |
|------|--|---------------------------------|
| a) | Names of the Key Management Personnel of the Company | |
| i) | Mr. Hirendra Singh Bayed | - Executive Director, WTD & CEO |
| ii) | Mr. Subhas Chand Bhutoria | - General Manager, CFO |
| iii) | Ms. Sangeeta Ghose | - Company Secretary |
| b) | Enterprises in which Key Management Personnel have significant influence | |
| i) | Glory Distributors Pvt. Ltd. | |
| ii) | Morgan Walker Infrastructure Ltd. | |
| iii) | JKK Finance Limited | |
| iv) | Aradhana Multimax Ltd. | |
| v) | Hotline Sales Pvt. Ltd. | |
| vi) | Jai Kumar Kankaria Investment Pvt. Ltd. | |

B. Transactions with Related Parties during the Financial Year and Outstanding Balances as on 31st March 2017 (amount in ₹.000)

Nature of Transactions	Enterprises in which Key Management Personnel have significant influence	Item	Key Management Personnel
Interest Paid	1431	b	
Remuneration to Key Management Personnels		a	3207
Unsecured Loans			
Received during the year	126100	b	
Paid during the year	126100	b	
Balance Receivable	NIL	b	

NOTE 36

- a) The provision for impairment loss as required under AS28 as notified in the Companies (Accounting Standards) Rules 2006 in respect of Fixed Assets has not been made as in the opinion of Board of Directors the Book Value of the Fixed Assets is less than the realizable value of the said assets.
- b) Gunny Sales is net of quality Claim ₹.1351 and Cash Discount ₹. 2566.
- c) Dividend received from long term investment in Shares ₹. 344.
- d) Stock of Finished Goods includes Stock in transit ₹.23780 (Previous Year ₹.27)
- e) Salary & Wages under the head Employees Benefits Expenses include the expenditure incurred on account of Repairs & Maintenance of Building ₹.949 Machinery ₹.25760 and Power & Fuel ₹.1085.
- f) In accordance with the consistent practice, Cess duty in respect of goods manufactured by the Company is accounted for at the time of despatch of the goods from the factory. The Cess duty payable on goods awaiting despatches as on 31.03.2017 from the factory is not accounted for and estimated at ₹.228 (Previous year ₹.1179). However, the said liability if accounted for would not have any impact on the profits for the year.
- g) The Company has received a grant in the earlier year from National Jute Board against installation of new machinery which has been treated as deferred income and the amount of ₹.952 has been allocated as income during the year in the same proportion to the Income Tax rate of depreciation of the related asset.
- h) Company has one reportable segment as indicated in AS 17 as notified in the Companies (Accounting Standards) Rules 2006.
- i) In exercise of powers conferred by sub-section (1) of Section 467 of Companies Act, 2013 (18 of 2013), the Central Government has amended Schedule III to the Companies Act, requiring to be disclosed the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016. The details are furnished below:

	SBN	Other Denomination Notes	Total
Closing Cash in hand as on 8th November 2016	1972	429	2401
Add: Permitted receipts	-	331	331
Less: Permitted payments	-	593	593
Less: Amount deposited in Banks	1972	-	167
Closing Cash in hand as on 30th December 2016	-	167	167

- j) Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

For R B S C & Co.

Chartered Accountants
R. K. Roy Choudhury
Partner

Membership No. 8816
Firm Registration No. 302034E
Place: Kolkata
Dated : 3rd August 2017

In terms of the report of even date annexed

H. S. Bayed
Executive Director

S C Bhutoria
Chief Finance Officer

S. Ghose
Company Secretary

H. Tapadar
M. C. Singhi
B. S. Rampuria
B. S. Baid
B. D. Baid
Directors

