

# 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***

S. S. Kothari & Co.  
Chartered Accountants

***Bankers***

CANARA BANK  
Canning Street Branch,  
Kolkata

***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 Members,*

The Board of Directors hereby submits the 38th Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2016.

**FINANCIAL HIGHLIGHTS:**

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

(₹. in 000')

Particulars	2015-16		2014-15	
<b>Profit before Depreciation and Taxation</b>		30192		11538
Less: Depreciation and Amortisation	7472		7287	
Transferred from Capital Reserve	(66)	7406	--	7287
<b>Profit before Taxation</b>		<b>22786</b>		4251
Provision/(Credit) for Corporate Taxation:				
Current Tax	(6334)		(693)	
Deferred Tax	(4861)		2568	
Adjustment relating to Taxes for earlier years	(483)	(11678)	(661)	1214
<b>Profit for the period after Tax</b>		<b>11108</b>		5465
Balance brought forward from Previous Year		184705		190410
Adjustment for Fixed Assets		--		(11170)
<b>Balance carried to Balance Sheet</b>		<b>195813</b>		184705

**EARNINGS PER SHARE:**

The basis EPS for the year was ₹ 2.70 per share as compared to ₹ 1.33 per share in FY 2014-15.

**DIVIDEND:**

During the year under review, the Company has earned adequate profit and your Directors have decided to plough back the profit into the business and hence no dividend could be recommended for the Financial Year ended March 31, 2016.

**RESERVES:**

The Company proposes not to transfer any funds out of its total profit of ₹ 22,303 (₹ In 000') for the financial year to the General Reserve.

**RESUME OF PERFORMANCE:**

During the year under report, 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, 2016.

The net revenue from operations of your Company showed an upward rise from ₹ 9,57,719 to ₹ 15,90,282. Whereas the profit after tax stood at ₹ 11,108 vis-a-vis ₹ 5,465 in the previous year.

**Business Review:**

During the financial year 2015-16, the production was 19734 MT as against 15643 MT of Jute Goods manufactured during the previous year. The production could have been much higher during the year under review but due to shortage of raw material the company had to curtail the normal production capacity. The availability of Raw Jute, being an agricultural product, mainly depends on the harvesting and normal rainfall during the monsoon season. Due to shortage of rain water during the required period the quantity outcome from crop as well quality was badly affected. Procurement by the Government agencies was better in comparison to previous year, which could have been much better in the current year if the Jute would have been sufficiently available. Per Ton manufacturing cost kept increasing during the year too. The

Salaries & Wages substantially increased due to rise in Dearness Allowances at the periodical revisions besides increase in the cost of Power & Fuel and Stores & Spare parts etc.

**Technological Advancement:**

Your Company believes in sustainable development and continues to maintain its thrust on Modernization and Diversification. The Company has installed Shuttle Less High Speed M4 Looms during the year. The Company continued replacement of old and outdated Electric Motors & Cables.

**Other Developments:**

As reported in earlier years, 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 ₹ 162868) 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.

**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.

There is huge shortage of skilled and non-skilled workmen in the industry, to cope up with the situation, the Company has undertaken various programmes to train the youths to learn the job and eligible candidates were given employment with the Company. But due to uncertain work environment of Jute Industry, the number of interested entrants was drastically reduced and it has now become very difficult to keep continuing the process of enrolment of new workmen.

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.

**Export:**

Due to intense competition and fluctuations in foreign currencies, the Company has chosen the domestic country as its priority area of marketing and has decided to cater to the needs of its domestic consumers.

**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 Companies proposals for building up a super specialty Hospital for the employees and needy local residents and a College for the children of employees and local boys and girls are still under the process of approvals by the concerned ministries of the Government of West Bengal.

**CAPITAL EXPENDITURE:**

During the year 2015-16, capital expenditure towards tangible & intangible assets amounted to ₹ 87.06 lacs, a major part of which was spent on plant & machinery.

**MATERIAL CHANGES AND COMMITMENTS:**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of loans and investments made by the Company are given in Note Nos. 12 & 17 of the financial statements.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

**DEPOSITS:**

Your Company has not invited any deposits from public / shareholders in accordance with Section 73 and 74 of the Companies Act, 2013 during the financial year ended on March 31, 2016.

**TRANSACTIONS WITH RELATED PARTIES:**

During the year under review, all related party transactions that were entered into by the Company were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Thus, disclosure in Form AOC-2 is not required.

The Board has adopted a policy to regulate the transactions of the Company with its related parties. As per the policy, all related party transactions require prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and SEBI Listing Regulations, 2015. The said policy is available on the Company's website under the following web-link <http://aucklandjute.com/data/documents/POLICY-ON-RPT.pdf>.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

During the financial year 2015-16, 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. 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.

**SUBSIDIARY / ASSOCIATES / JOINT VENTURE COMPANIES:**

The Company does not have any subsidiary / associate / joint venture Company for the year ended 31st March, 2016.

**SHARE CAPITAL:**

The paid-up Equity Share Capital of the Company as on March 31, 2016 was ₹ 4.11 crore. There was no change in the Authorised or Paid-up Capital/Subscribed Capital during the financial year 2015-16.

**i. Issue of equity shares with differential rights**

The Company did not issue equity shares with differential rights during the financial year 2015-16.

**ii. Issue of sweat equity shares**

The Company did not issue sweat equity shares during the financial year 2015-16.

**iii. Issue of employee stock options**

The Company did not issue stock options during the financial year 2015-16.

**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.

**FINANCE:**

As at 31st March, 2016, the Cash and cash equivalents of the Company stood at ₹ 373.93 lakhs. 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.

**DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:**

During the year under review, 7 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.

<u>Date of the meeting</u>	<u>No. of Directors attended the meeting</u>
30th May, 2015	6
14th August, 2015	6
14th November, 2015	4
14th January, 2016	6
15th February, 2016	6
26th February, 2016	6
18th March, 2016	6

**EXTRACT OF ANNUAL RETURN:**

The Extract of the Annual Return in terms of Section 92(3) of the Companies Act, 2013 ('the Act') read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is given in **Annexure 'A'** in the prescribed Form MGT-9, which forms part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As stipulated under the provisions contained in Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 the Directors hereby state that:

1. in the preparation of the Annual Accounts for the year ended 31st March, 2016, 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, 2016 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.

**DIRECTORS:**

In terms of the provisions of Section 149 of the Companies Act, 2013, one-third of the total number of directors on the Board of the Company is 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. They have declared that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent directors during the year.

The Board of Directors at its meeting held on 11th July, 2016 re-appointed Sri H S Bayed, whose term of appointment was due to expire on 31st July, 2016, as the Whole Time Director designated as Executive Director and Chief Executive Officer (CEO) of the Company for a period of three years commencing from 1st August, 2016 to 31st July, 2019 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.

Moreover Shri Mool Chand Singhi (holding DIN 00407278) and Shri Hrishikesh Tapadar (holding DIN 00409477), Independent Directors and Shri H S Bayed (holding DIN 00425481), Executive Director are not liable to retire by rotation. Accordingly, Smt Bimla Devi Baid (holding DIN 07165411), Non-Executive Director, retires by rotation and being eligible has offered herself for re-appointment.

None of the Directors of the Company have relinquished their Directorship during the financial year 2015-16.

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

**KEY MANAGERIAL PERSONNEL:**

Shri Hirendra Singh Bayed, Whole Time Director designated as Executive Director and Chief Executive Officer (CEO) and Ms. Sangeeta Ghose, Company Secretary cum Compliance Officer of the Company are recognised as 'Key Managerial Personnel' in terms of the requirements of the Companies Act, 2013. The Board has appointed Shri Subhas Chand Bhutoria, General Manager as the Chief Financial Officer who is also acknowledged as a 'Key Managerial Personnel' in terms of the provisions of Section 203 of the Companies Act, 2013 read with rules there under.

**BOARD EVALUATION:**

Regulation 25(3) of the SEBI Listing Regulations, 2015 requires every listed Company to hold a meeting of the Independent Directors to evaluate the performance of the Non-Independent Directors. Accordingly, a meeting of the Independent Directors was held on 15th February, 2016 wherein the performance of the non-independent directors was evaluated.

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations, 2015, the Board has carried out an annual performance evaluation of its performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

The Board evaluated its own performance on the basis of inputs obtained from all the directors depending on criteria such as the Board composition, effectiveness of board processes, information and functioning, etc.

The Board evaluated the performance of the committees based on inputs obtained from the committee members depending on criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") evaluated the performance of the individual directors depending on criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed and other inputs in meetings, etc.

**COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The Remuneration policy of the Company is drafted in terms of the provisions of Section 178(3) of the Companies Act, 2013, 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-a-vis the industry, responsibilities shouldered, performance/track record, review on remuneration packages of heads of other organisations and is 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:**

The term of appointment of the Executive Director of the Company, Shri Hirendra Singh Bayed, was due to expire on 31st July, 2016, therefore the Board at its meeting held on 11th July, 2016 re-appointed him on a contractual basis subject to approval of the shareholders at the ensuing 38th Annual General Meeting to be held on September 29, 2016 for a period of 3 years with effect from August 1, 2016. The elements of the remuneration package of the Executive Director 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 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.

**BOARD POLICIES:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for every listed entity. All such policies are available on our website under the web link <http://www.aucklandjute.com/investors/board-policies/>. The policies are periodically reviewed and updated as per compliance requirement by the Board.

**COMMITTEES OF THE BOARD:**

During the fiscal 2015-16, the Board had four Committees: 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.

**DECLARATION BY INDEPENDENT DIRECTOR(S):**

During the year under review, the Company had two Independent Directors namely, Shri Mool Chand Singhi and Shri Hrishikesh Tapadar on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the rules made there under about their status as Independent Directors of the Company.

**DISCLOSURES:**

The information and particulars on conservation of energy, technology absorption, foreign exchange earnings and outgo, as stipulated in Section 134(3)(m) of the Companies Act, 2013 and the Rules framed thereunder are given in **Annexure 'B'** forming part of this Report.

**PARTICULARS OF EMPLOYEES:**

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) is given in **Annexure 'C'**, which forms part of this report.

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

M/s. S. S Kothari & Co. (Firm Registration No. 302034E), Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a Certificate to the effect that their appointment will be in accordance with the limits specified in Section 139 read with Section 141 of the Companies Act, 2013. You are requested to consider their appointment.

**b) COST AUDITORS:**

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, your Company carries out Cost Audit every year. The Cost Audit report for the financial year 2015-16 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 2015-16 subject to ratification of remuneration payable to them by the members at the ensuing Annual General Meeting.

**c) SECRETARIAL AUDIT:**

In Pursuance of the provisions of Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 2015-16. 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.

**e) TAX AUDIT:**

The Board of Directors on the recommendation of the Audit Committee appointed M/s. S. S Kothari & Co. (Firm Registration No. 302034E), Chartered Accountants to carry out the Tax Audit for the Assessment Year 2016-17.

**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. 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.

**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.

**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 2015-16 has been duly paid.

**CORPORATE GOVERNANCE:**

According to 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. 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’.

The management's discussion and analysis together with opportunities and threats/risks and concerns are given in details in the attached Corporate Governance Report forming a part of this report.



**INSIDER TRADING POLICY:**

Your Company has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The policy covering the code of 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.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY / RISK MANAGEMENT POLICY:**

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle Blower Policy. Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, the Company has established a Vigil Mechanism/Whistle Blower Policy for the directors and employees of the Company who should report genuine concerns as stipulated in the Policy in such manner as may be prescribed in the Policy. 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 Company has constituted a Risk Management Committee which has drafted 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.

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

The Company has zero tolerance for sexual harassment at workplace and has thus, formulated a policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to address and redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year under review, no complaint of sexual harassment was received by the Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:**

No significant material orders were passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**PRESENTATION OF FINANCIAL STATEMENTS:**

The financial statements of the Company for the year ended March 31, 2016 have been prepared according to Schedule III of the Companies Act, 2013.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your 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 the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has already filed the prescribed form and uploaded the details of unpaid and unclaimed amounts lying with the Company in Form 5 INV, as on the date of last AGM (i.e. 29th September, 2015), with the Ministry of Corporate Affairs.

**WEBSITE OF THE COMPANY:**

The Company maintains a functional and updated website [www.aucklandjute.com](http://www.aucklandjute.com) where detailed information of the Company and its products and compliances with law are given in details.

**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.

**CREDIT RATING:**

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

Due to the unfavorable Jute industry scenario, CRISIL downgraded your Company's ratings as "CRISIL BB+/Stable" for long term bank facilities and "CRISIL A4+" for short term bank facilities.

**DEMATERIALIZATION OF SHARES:**

As at March 31, 2016, 74.70% of equity shares of the Company have been dematerialised by shareholders through National Securities Depository Limited and Central Depository Services (India) Limited.

**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.

**ACKNOWLEDGEMENTS:**

We would like to thank our customers, vendors, investors, bankers and government agencies for their continued support during the year. We also place our appreciation for the contribution made by our employees at all levels. The Board would also like to record its specific appreciation for the confidence and understanding shown by the Members in the Company.

Registered Office:-

Auckland International Limited  
P.O. Jagatdal, 24 Parganas (North)  
West Bengal-743125  
Dated: 12th August, 2016

For & on behalf of the Board of Directors

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

M.C Singhi  
(DIN-00407278)  
Director

**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, 2016**  
[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:-

Sl. 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.

**Auckland International Limited**

(₹.in 000)

 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. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(1) Indian									
(a) Individual/HUF	740710	220229	960939	23.40	740710	220229	960939	23.40	0.00
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	1933688	46917	1980605	48.23	1937014	50532	1987546	48.40	0.17
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1):-</b>	<b>2674398</b>	<b>267146</b>	<b>2941544</b>	<b>71.63</b>	<b>2677724</b>	<b>270761</b>	<b>2948485</b>	<b>71.79</b>	<b>0.17</b>
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total share holding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>2674398</b>	<b>267146</b>	<b>2941544</b>	<b>71.63</b>	<b>2677724</b>	<b>270761</b>	<b>2948485</b>	<b>71.79</b>	<b>0.17</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	495	48411	48906	1.19	495	48411	48906	1.19	0.00
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	129600	300	129900	3.16	129600	300	129900	3.16	0.00
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1):-</b>	<b>130095</b>	<b>48711</b>	<b>178806</b>	<b>4.35</b>	<b>130095</b>	<b>48711</b>	<b>178806</b>	<b>4.35</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indians	13957	30939	44896	1.09	13957	30939	44896	1.09	0.00
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1lakh	167237	612881	780118	19.00	165657	598622	764279	18.61	-0.39
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1lakh	77982	71594	149576	3.64	79467	79007	158474	3.86	0.22
(c) NRIs/OCBs	-	11880	11880	0.29	990	10890	11880	0.29	0.00
<b>Sub Total (B)(2):-</b>	<b>259176</b>	<b>727294</b>	<b>986470</b>	<b>24.02</b>	<b>260071</b>	<b>719458</b>	<b>979529</b>	<b>23.85</b>	<b>-0.17</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>389271</b>	<b>776005</b>	<b>1165276</b>	<b>28.37</b>	<b>390166</b>	<b>768169</b>	<b>1158335</b>	<b>28.21</b>	<b>00.17</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3063669</b>	<b>1043151</b>	<b>4106820</b>	<b>100.00</b>	<b>3067890</b>	<b>1038930</b>	<b>4106820</b>	<b>100.00</b>	<b>0.00</b>

**Auckland International Limited**

(₹.in 000)

*ii) Shareholding of Promoters:*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2015			Share holding at the end of the year i.e. 31.03.2016			
		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	% change in share holding during the year
1.	Adinath Investment And 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 And Industries Ltd	17540	0.43	–	17540	0.43	–	0.00
6.	Binod jute And Fibre Ltd	100000	2.43	–	100000	2.43	–	0.00
7.	Divya Dugar	253575	6.17	–	253575	6.17	–	0.00
8.	Glory Distributors Pvt Ltd	1980	0.05	–	1980	0.05	–	0.00
9.	H C Commercial Ltd	61128	1.49	–	61128	1.49	–	0.00
10.	Harakh Chand Kankaria	150000	3.65	–	0	0.00	–	-3.65
11.	Jai Kumar Kankaria	167060	4.09	–	317060	7.72	–	3.65
12.	Jai Kumar Kankaria HUF	720	0.02	–	720	0.02	–	0.00
13.	Jai Kumar Kankaria Investment Pvt. Ltd.	133260	3.24	–	133260	3.24	–	0.00
14.	Kankaria Traders And Investment Pvt.Ltd	153420	3.71	--	153420	3.74		0.00
15.	Mahabir Vanijya Pvt. Ltd.	3580	0.09	–	3580	0.09	–	0.00
16.	Meghna Sanghvi	60000	1.46	–	60000	1.46	–	0.00
17.	Morgan Walker Infrastructure Limited	81000	1.97	–	81000	1.97	–	0.00
18.	Morgan Walkers And Co. Ltd.	54132	1.32	–	54132	1.32	–	0.00
19.	Padmavati Tradelink Limited	282628	6.88	–	282628	6.88	–	0.00
20.	Poonam Dugar	125380	3.05	–	125380	3.05	–	0.00
21.	Rajasthan Traders And Financiers Pvt. Ltd.	1290	0.03	–	1290	0.03	–	0.00
22.	Reliance Traders & Investors Pvt. Ltd.	1530	0.04	–	1530	0.04	–	0.00
23.	Russell Properties Pvt. Ltd.	67176	1.64	–	67176	1.64	–	0.00
24.	Samridhi Fibre Ltd.	60000	1.46	–	60000	1.46	–	0.00
25.	Supreme Trade & Investment Pvt. Ltd.	15810	0.38	–	15990	0.39	–	0.01
26.	T. Kumari (Financiers) Ltd.	78100	1.90	–	78100	1.90	–	0.00
27.	United Investment & Trading Co. Pvt. Ltd.	1200	0.03	–	7961	0.19		0.16
28.	Universal Traders And Investors Pvt. Ltd.	194436	4.73		194436	4.73	–	0.00
29.	Vasanti Devi Kankaria	129204	3.15	–	129204	3.15	–	0.00
	<b>TOTAL</b>	<b>2941544</b>	<b>71.63</b>	–	<b>2948485</b>	<b>71.79</b>	–	<b>0.17</b>

## Auckland International Limited

(₹in 000)

### (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. 01.04.2015	2941544	71.63	#	#
2.	Date wise Increase/Decrease in Promoter 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. 31.03.2016	2948485	71.79	#	#

#

Sl.No.	Name of Promoter	Date	Increase(+)/Decrease(-)	Reason
1	Supreme Trade & Investment P. Ltd.	20/06/2015	+180	Transfer
2	United Investment & Trading Co. Pvt. Ltd.	30/10/2015	+120	Transfer
3	United Investment & Trading Co. Pvt. Ltd.	25/02/2016	+2325	Transfer
4	United Investment & Trading Co. Pvt. Ltd.	05/03/2016	+1980	Transfer
5	United Investment & Trading Co. Pvt. Ltd.	--	+2356	DematTransfer

### (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. 01.04.2015	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 change in Top 10 Shareholder's shareholding between 01.04.2015 to 31.03.2016			
3.	At the end of the year i.e. 31.03.2016	294038	7.16	--	--

### (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	1230	0.03	--	--
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 change in Directors' shareholding between 01.04.2015 to 31.03.2016			
3.	At the end of the year	1230	0.03	--	--

## Auckland International Limited

(₹.in 000)

### (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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	96924	55150	--	152074
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	96924	55150	--	152074
<b>Change in Indebtedness during the financial year</b>				
• Addition	13053	--	--	13053
• Reduction	--	(36150)	--	(36150)
Net Change	13053	(36150)	--	(23097)
<b>Indebtedness at the end of the financial year</b>				
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

### (VI) REMUNERATION OF DIRECTORS AND KEY MANAGEMENT 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	883	913	1796
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	415	389	804
	(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	--	18	18
	Total (A)	1298	1320	2618
	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.

**Auckland International Limited**

(₹.in 000)

**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 was 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. Ghosh 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	185	913	1098
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	86	389	475
	(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	--	18	18
	Total	271	1320	1591

\* 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 if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



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><b>STEPS TAKEN:</b></p> <p>As per the practice in recent years, M/s. Schneider Electric India Pvt. Ltd., conducted an Energy Audit in the Mills and submitted its report with the Company. The suggestions made by them were taken into account and implemented in most cases and suitable steps have been taken for doing the needful wherever required. Moreover, 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 250KW 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.</p>
		<p><b>IMPACT OF STEPS TAKEN:</b></p> <p>The consumption of energy resources without affecting operations as well as performance of machinery and other equipment has significantly improved in comparison to the previous year owing to the constant effort of our technical and specialized personnel to implement modernized methods at the factory premises.</p>
(ii)	the steps taken by the company for utilizing alternate sources of energy	<p>The Company has been exploring possibilities for 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 &amp; domestic purposes. Further the Company has entered into an agreement with M/s. H C Commercial Limited and accordingly it has agreed to provide its roof top for smooth commissioning of solar power panel to the said Company and also purchase solar power from it 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	<p>The expenses incurred are accounted under the respective heads, hence no separate records are maintained.</p>

**(B) TECHNOLOGY ABSORPTION:**

(i)	the efforts made towards technology absorption	<p>The Company continues to use the latest technologies for improving the productivity and quality of its products. New high efficiency machineries have been installed as well as modification has been made wherever required.</p>
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<p>Like the previous years, there was marginal improvement in quality and production but practically no reduction in production cost.</p>
(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		<p>No Technology has been imported during last three years</p>
(b) the year of import		
(c) whether the technology 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	<p>The Company does not have in-house research and development facility and therefore no expenditure has been incurred in this regard.</p>

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, the Company has manufactured jute goods worth (₹ In 000') ₹ 3582 which were exported through shippers, as against goods worth (₹ In 000') ₹1824 which were exported in the previous year 2014-15.

For & on behalf of the Board of Directors

Registered Office:-  
Auckland International Limited  
P.O. Jagatdal, 24 Parganas (North)  
West Bengal-743125  
Dated: 12th August, 2016

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 2015-16:*

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	7.53:1
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 2015-16:*

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	10.08
Shri Hrishikesh Tapadar	Non-Executive Independent Director	-
Shri Mool Chand Singhi	Non-Executive Independent Director	-
Smt. Sangeeta Ghose	Company Secretary	18.75
Shri Subhas Chand Bhutoria	CFO & General Manager	9.58

- c) *The percentage increase in the median remuneration of employees in the financial year 2015-16: 5.07%*
- d) *The number of permanent employees on the rolls of Company: 664*
- 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 10.99.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 FY15-16 (₹. In lakhs)	28.89
Total Revenue ( ₹ In Lakhs)	15992.37
Remuneration of KMP (as % of revenue)	0.18
Profit before Tax (PBT) (₹. In lakhs)	223.03
Remuneration of KMP (as % of PBT)	12.95

g) *(i) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year (31.03.2016) and previous financial year (31.03.2015):*

Particulars	2015-16	2014-15	% change
Market Capitalisation (₹. In lakhs)	During the year under report, the shares of the Company are very thinly traded hence the market capitalization & Price Earning 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 2015-16 was around 5.07%. The increase in the managerial remuneration for the year under review was 12.45 %.

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)	12.98	13.20	2.71
Revenue ( ₹ In Lakhs)	15992.37	15992.37	15992.37
Remuneration as % of revenue	0.08	0.08	0.01
Profit before Tax (PBT) (₹.In lakhs)	223.03	223.03	223.03
Remuneration as % of PBT	5.81	5.91	1.21

j) *The key parameters for any variable component of remuneration availed by the directors: None*

k) *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 2015-16: 0.98:25*

l) *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 2015-16.

**Annexure 'D' to the Director's Report**

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2016**

[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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.  
**(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 on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, effective from 1<sup>st</sup> July, 2015.
- ii. The Listing Agreements entered into by the Company with "The Calcutta Stock Exchange Limited" till 30<sup>th</sup> November 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 from the date of its enforcement i.e. 01.12.2015.

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, Independent Directors and a Woman Director. 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.

Decisions at the Board meetings were carried out unanimously.

**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** for the purpose of examining the adequacy of compliances, reliance has been placed on the confirmation made at the Board meeting based on the reports received by the Company from its various units of the Mill.

Place: KOLKATA  
Date: 4th August, 2016

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Regulation 34(2)(e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires disclosure under specific heads which are given in the following paragraphs and 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:**

Auckland International Limited 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 2500 workers alone at its factory premises.

**b) Industry Structure and Developments:**

The Indian Jute Industry is nearly 125 years old and is mostly concentrated in the eastern part of India particularly in West Bengal. 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.

However due to high cost of manufacturing and easy availability of other cheaper substitute products like plastic, the once flourishing jute industry became uneconomical and led to the closure of many profitable Jute Mills in India as well as abroad. At present, the jute industry is principally dependent on Government orders, which accounts for nearly 70% of its installed capacity. With an aim to improve the condition of the ailing jute mills, the Central Government stepped in and brought in force the Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA), under which packaging of food grains is mandated to be packed in jute bags. However it is quite likely that the government will dilute compulsory packaging requirements unless alternative usage of jute is enhanced tactfully. Though, efforts are being made by the Industry body to persuade the Government not to dilute the mandatory packaging order in the larger interest of farmers, workers, environment and until the Industry is ready to face this challenge by way of concerted efforts by the Industry to modernize & develop diversified products and create new demands.

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

- a) Jute being a versatile fibre has the prospects of usage as geo-textiles, apparels, composites, decorative, carpet yarns etc.
- b) The Central Government has also taken various innovative 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 constituted a risk management committee. The composition of the committee and its 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 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 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:**

As required under relevant provisions of law, the Company has 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-a-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	2015-16 (₹.in 000')	2014-15 (₹.in 000')
Revenue from operations	1590282	957719
Cost of Materials consumed	953026	503911
Change in Inventories(Increase)/Decrease	(6692)	(16929)
Finance Costs	9336	10572
Profit After Tax	<b>11108</b>	<b>5465</b>

**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, 2016, the Company had employee strength of around 3009.

The Company has also 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 the "Management Discussion and Analysis Report" section are based on assumptions and expectation of future events and it also describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The actual results may differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors such as finished goods prices, raw materials cost & availability, withdrawal of JPMA or further relaxation granted by the Central Government, regulations, tax laws, economic developments within India and other factors such as litigation and industrial relations.

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 detailed report on Corporate Governance for the financial year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange for the period April 01, 2015 to November 30, 2015 and as per relevant provisions of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Part C of Schedule V of Listing Regulations for the period December 01 to March 31, 2016 is set out below:

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:-**

Your Company's Corporate Governance philosophy envisages accountability, transparency and responsibility in the conduct of Company's business and affairs. The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders, government authorities and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosing all relevant information in an easily understandable manner and by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

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

We believe that our Board has an appropriate mix of executive, non executive and independent directors to maintain its governance functions and management. As on 31st March, 2016, 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. Thus, the composition of the Board is in conformity with Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015.



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

None of Directors on the Board 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, 2016, 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, 2016, 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	7	Yes	1	Nil
2	Shri B.S Rampuria	Non- Executive	6	No	8	Nil
3	Shri H.S Bayed	Executive	7	Yes	1	Nil
4	Shri H. Tapadar	Non- Executive Independent	7	No	1	Nil
5	Shri B.S Baid	Non-Executive	7	Yes	2	Nil
6	Smt Bimla Devi Baid	Non-Executive	6	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 7 times on 30th May, 2015, 14th August, 2015, 14th November, 2015, 14th January, 2016, 15th February, 2016, 26th February, 2016 and 18th March, 2016. The Annual General Meeting for the year ended 31st March, 2015 was held on 29th September, 2015. The necessary quorum was present for all the meetings

**e. 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.

**f. Disclosure of Familiarisation programme to Independent 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 Sign Baid, Non Executive Director of the Company.

**g. 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****I. AUDIT COMMITTEE:**

The Company has an efficient and independent working Audit Committee. The Committee review reports of the internal auditor, meets statutory auditors as and when required and discuss their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concern to the Company. The Committee also liaises with the internal as well as statutory auditors of the Company and provides guidance to them.

The Audit Committee of the Company is constituted in pursuance of the provisions of Regulation 18 of the SEBI 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, 2016 the Audit Committee comprised of the following members:-

- a. Shri Mool Chand Singhi, Non-executive Director (Chairman)
- b. Shri Bimal Singh Rampuria, Non-Executive Independent 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, 2015.

**c) Meetings and attendance during the year:**

During the Financial Year ended 31st March, 2016, four Meetings were held on (i) 20th May, 2015 (ii) 4th August, 2015 (iii) 4th November, 2015 (iv) 4th February, 2016. The necessary quorum was present for all the 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	3
Shri H.S Bayed	Member	4	4
Shri H. Tapadar	Member	4	4

## II. NOMINATION AND REMUNERATION COMMITTEE:

The Board has duly constituted 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, 2016, 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 Remuneration Committee.

c) **Attendance during the year:**

No meeting of the committee was held during the year under review.

d) **Remuneration Policy:**

While determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Director) the Nomination and Remuneration Committee ensures that the relationship of remuneration and performance benchmark is clear. Accordingly the Company drafted the remuneration policy for its Board Members in terms of SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013.

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	--	1298	88	1386
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-a-vis the Company exist with the Non-Executive Directors.

**III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Board has duly constituted a Stakeholder's Relationship Committee to fulfill the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, 2015 to approve or confirm 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, 2016, 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 had met 9 times during the year under review on (i) 20th June, 2015 (ii) 1st October, 2015 (iii) 28th October, 2015 (iv) 30th October, 2015 (v) 18th December, 2015 (vi) 6th January, 2016 (vii) 25th February, 2016 (viii) 26th February, 2016 (ix) 5th March, 2016. 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.

**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](mailto:cs@aucklandjute.com)

**d) Status Of Investor's Complaints As On 31st March, 2016:-**

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, 2016: 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 30th March, 2016 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. REMUNERATION OF DIRECTORS:**

The Board of Directors of the Company fixes the remuneration of the Executive Director subject to the approval of the members at the Annual General Meeting.

The particulars of remuneration paid to Executive Director for the year ended March 31, 2016 is as under:

**Auckland International Limited**

(₹.in 000)

Name of the Director	Remuneration (₹.)	Commission (₹.)	Perquisites (₹.)	Service Contract
Shri H S Bayed Executive Director	8,83,298	-	4,14,606	3 years from 1st. August 2016 to 31st July, 2019 (The Board at its meeting held on 11th July, 2016 re-appointed Shri H. S. Bayed as Executive Director of the Company w.e.f. 1st August, 2016 upto 31st July, 2019 which is subject to approval of members of the Company at the ensuing Annual General Meeting of the Company.

The appointment of the executive director is governed by the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder. The principal terms and conditions including remuneration governing the appointment/re-appointment of the executive director is recommended by the nomination and remuneration committee and approved by the Board of directors and the members of the Company.

No sitting fees were paid to the Executive Director, Non-Executive and Independent Directors of the Company during the year ended March 31, 2016.

Further, there has been no other material pecuniary relationship or business transactions by the Company with any Non-executive and Independent Directors of the Company.

**5. INDEPENDENT DIRECTOR'S MEETING**

Regulation 25(3) of SEBI Listing Regulations, 2015 and Schedule IV of the Companies Act, 2013 read with rules thereunder mandates that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non independent directors. Accordingly, during the year under review, the Independent Directors met once on February 15, 2016, 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.

All the independent Directors were present at the meeting.

**6. GENERAL BODY MEETINGS:-I**

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

Financial Year	Date of AGM	Venue	Time
2014-15	29th September, 2015	P.O. Jagatdal, 24 Parganas (North), West Bengal -743125	10.00 A.M.
2013-14	29th September, 2014		10.00 A.M.
2012-13	27th September, 2013		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
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
2012-13	27th September, 2013	None	N/A

- 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 2015-16.
- 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 2015-16.

#### 7. **CODE OF CONDUCT:**

In terms of Regulation 17 of SEBI Listing Regulations, 2015, the Company has laid down a Code of Conduct for its Board of Directors including its Senior Management personnel and has duly affirmed compliance with the said code.

#### 8. **OTHER DISCLOSURES:-**

##### a) **Materially Significant Related Party Transactions-**

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 2015-16 with such related parties have been disclosed in Note No. 35 to the Accounts forming part of this Annual Report.

All transactions with related party were entered in the ordinary course of business and at arm's length basis with prior omnibus approval of the audit committee in line with the policy on related party transactions of the Company and does not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s).

##### b) **Compliances by the Company-**

During the previous three financial years, the Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

##### c) **Vigil Mechanism/Whistle Blower Policy-**

Your 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

##### d) **Status of compliance of Non-Mandatory requirements of SEBI Listing Regulations, 2015-**

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.

##### e) **Disclosure of commodity price risks and commodity hedging activities:-**

No such activities were undertaken by the Company during the financial year 2015-16.

##### f) **CEO / CFO certification-**

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.

##### g) **Accounting Treatment-**

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.

**9. 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](http://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](http://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.

**10. 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.

**11. 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	10.00 A.M.
Day	Thursday
Date	29th September, 2016
Venue	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:**

23rd September, 2016 to 29th September, 2016 (both days inclusive)

**e) Dividend payment date:**

No dividend has been recommended for the year ended 31st March, 2016.

**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 ISIN No. allotted by NSDL & CDSL: INE907C01022.	10011027

The prescribed Listing Fees have been paid to the said Stock Exchange for the Financial Year 2015-16.

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-a-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](mailto:nichetechpl@nichetechpl.com)

j) Share Transfer System:

The Physical and Demat Share Registry work is handled by the Company's Registrar & Share Transfer Agent within the prescribed period under the Companies Act, 2013 and SEBI Listing Regulations, 2015. Requests for dematerialisation/rematerialization of shares are processed and confirmation given within 15 days of lodgment, subject to the documents being in order, to the respective Shareholders or to the depositories i.e. NSDL and CDSL, as the case may be. The Stakeholder's Relationship Committee approves the transfer of shares in the physical form as per the time limits and procedure specified in the regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

k) Distribution of shareholding:

(A) The distribution of shareholdings, including the shares in dematerialized form, as on 31st March, 2016 is given here under:

Break-up of Equity Shares held	No. of shareholders	% of shareholders	No. of shares	% of shares
Up to 5000	1956	97.22	740775	18.04
5001-10000	17	0.84	139740	3.40
10001-20000	10	0.50	160746	3.91
20001-30000	2	0.10	54197	1.32
30001-40000	3	0.15	102447	2.49
40001-50000	1	0.05	41810	1.02
50001-100000	12	0.60	813988	19.82
Above 100001	11	0.55	2053117	49.99
<b>Total</b>	<b>2012</b>	<b>100.00</b>	<b>4106820</b>	<b>100.00</b>



## (B) Shareholding Pattern as on 31st March 2016 :

Category	No. of Shares held	Percentage of Shareholding
A) Promoter's Holding		
1 Promoters		
- Indian Promoters	2948485	71.79
- Foreign Promoters	--	--
2 Persons acting in concert	--	--
Total (A)	2948485	71.79
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)	178806	4.35
c) FII's	--	--
Sub -Total	178806	4.35
2. Others		
a) Private Corporate Bodies	44896	1.09
b) Indian Public	922753	22.47
c) NRIs/ OCBs	11880	0.29
d) GDRs	--	--
Sub -Total	979529	23.85
Total (B)	1158335	28.21
Grand Total (A+B)	4106820	100

l) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practising Company Secretary carries out an Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares of the Company are listed and also to the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

m) Dematerialization of shares and liquidity:

As on 31st March, 2016, 30,67,890 Equity Shares of ₹10/- each (74.70% of the total paid-up share capital) were held in dematerialized form and the balance 10,38,930 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.

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 & 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	OR	Niche Technologies Pvt. Ltd.
Auckland International Limited		D-511, Bagree Market, 5th Floor,
Jagatdal, 24 Parganas (North),		71, B.R.B Basu Road,
West Bengal-743125.		Kolkata-700001

**Auckland International Limited**

(₹.in 000)

The above report has been placed before the Board at its Meeting held on 12th August, 2016 and the same was approved.

For & on behalf of the Board of Directors

PLACE : KOLKATA  
Dated: 12th August, 2016

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

M.C Singhi  
(DIN-00407278)  
Director

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

The Board of Directors  
Auckland International Limited  
PO 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, 2016 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  
Dated: 12 th August, 2016

H S BAYED  
Executive Director & CEO

S C BHUTORIA  
CFO

**DECLARATION**

To the Members of  
Auckland International Limited,

Pursuant to Regulations 34(3) read with Schedule V of the SEBI Listing Regulations, 2015, I hereby declare that to the best of my knowledge and belief, all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2016

For Auckland International Limited

Place: KOLKATA  
Dated: 12th August, 2016

HS BAYED  
(DIN-00425481)  
Executive Director

**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, 2016, as stipulated in Clause 49 of the Listing agreement entered into with the Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per relevant regulations read with Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 for the period 1st December, 2015 to 31st March, 2016.

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 Agreement/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: 12th August, 2016

For S.S KOTHARI & 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, 2016, 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 2016 as determined by actuarial valuation amounts to ₹.60.39 lakhs.*

*The effects of the forgoing to the extent determinable is that the Profit and Reserve & Surplus are overstated by ₹.60.39 lacs 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, 2016, 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 except accounting of staff benefits.

- (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.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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.

**For S. S. KOTHARI & COMPANY**

Chartered Accountants

R. K. Roy Choudhury

Membership No. 8816

Partner

Firm Registration No. 302034E

Kolkata, 12th August, 2016

#### **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 all immovable properties are in the name of the Company as certified by Bhatpara Municipality. The title deeds of the immovable properties have been mortgaged with the Bank.
- (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.
- (c) The Company has maintained proper records of its inventories and no material discrepancies between book record and physical stock were noticed on physical verification.
- (iii) The Company has not granted loans secured or unsecured to companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. The Company has not granted any loan to firm or other parties covered under the said register.
- (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, with respect to the loans and investments made.
- (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 or any other relevant provisions of the Act 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 and Cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March, 2016, for a period of more than six months from the date they became payable.
- (b) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2016 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, 07-08, 08-09, 09-10, 10-11, 11-12 & 12-13.	40.57
West Bengal Sales Tax Act, 1956	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/ Addl. Commissioner	05-06, 06-07, 07-08, 09-10, 10-11, 11-12 & 12-13	36.95
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. According to the information and explanations received, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- (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 198, 269,309 read with Schedule XIII to the Companies Act, 1956.
- (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 S. S. KOTHARI & COMPANY**  
Chartered Accountants

R. K. Roy Choudhury  
Membership No. 8816  
Partner

Firm Registration No. 302034E

Kolkata, 12th August, 2016

#### **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, 2016 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 2016, 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 S. S. KOTHARI & COMPANY**  
Chartered Accountants

R. K. Roy Choudhury  
Membership No. 8816  
Partner

Kolkata, 12th August, 2016

Firm Registration No. 302034E



**Auckland International Limited**

(₹.in 000)

**Balance Sheet as at 31st March, 2016**

	Notes	31st March, 2016	31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	<b>41068</b>	41068
Reserves and Surplus	3	<b>262013</b>	250971
		<b>303081</b>	292039
<b>Non-current Liabilities</b>			
Deferred Tax liabilities	4	<b>11819</b>	6958
Deferred Government Grant	5	<b>7557</b>	5696
		<b>19376</b>	12654
<b>Current Liabilities</b>			
Short-term borrowings	6	<b>128977</b>	152074
Trade payables	7	<b>16743</b>	18538
Other current liabilities	8	<b>99473</b>	83279
Short-term provisions	9	<b>7027</b>	8008
		<b>252220</b>	261899
<b>TOTAL</b>		<b>574677</b>	566592
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	10	<b>124609</b>	123604
Intangible Assets	11	<b>120</b>	132
Non-current Investments	12	<b>30990</b>	27890
Other non-current assets	13	<b>1111</b>	1111
		<b>156830</b>	152737
<b>Current Assets</b>			
Inventories	14	<b>274307</b>	283670
Trade receivables	15	<b>60639</b>	55291
Cash and Cash equivalents	16	<b>37393</b>	32677
Short-term loans and advances	17	<b>986</b>	986
Other Current assets	18	<b>44522</b>	41231
		<b>417847</b>	413855
<b>TOTAL</b>		<b>574677</b>	566592
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 S.S.Kothari & Co.**

Chartered Accountants

(R.K.Roy Choudhury)

Partner

Membership No. 8816

Firm Registration No. 302034E

Place : Kolkata

Dated : 12th August 2016

H.S. Bayed  
Executive DirectorS. Ghose  
Company SecretaryS. C. Bhutoria  
Chief Finance OfficerH. 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, 2016

	Notes	31st March, 2016	31st March, 2015
<b>REVENUE</b>			
Revenue from Operations	19	<b>1606451</b>	969520
Less : Cess Duty		<b>16169</b>	11801
		<b>1590282</b>	957719
Other Income	20	<b>8955</b>	12162
<b>Total Revenue</b>		<b>1599237</b>	969881
<b>EXPENSES</b>			
Cost of Materials Consumed	21	<b>953026</b>	503911
Change in Inventories (Increase)/Decrease	22	<b>(6692)</b>	(16929)
Employee benefits expenses	23	<b>397228</b>	290059
Finance Costs	24	<b>9336</b>	10572
Depreciation & amortisation expenses		<b>7406</b>	7287
Other expenses	25	<b>216147</b>	170730
<b>Total Expenses</b>		<b>1576451</b>	965630
Profit before exceptional and extraordinary items & tax		<b>22786</b>	4251
Exceptional / Extraordinary items			
Adjustment relating to Taxes for earlier years		<b>483</b>	661
Profit before tax		<b>22303</b>	3590
<b>Tax expense :</b>			
Current tax		<b>6334</b>	693
Deferred tax		<b>4861</b>	(2568)
<b>Profit for the Period</b>		<b>11108</b>	5465
Basic / Diluted Earnings per equity Share		<b>2.70</b>	1.33

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 S.S.Kothari & Co.**  
Chartered Accountants  
(R.K.Roy Choudhury)  
Partner  
Membership No. 8816  
Firm Registration No. 302034E  
Place : Kolkata  
Dated : 12th August 2016

H.S. Bayed  
Executive Director

S. Ghose  
Company Secretary

S. C. Bhutoria  
Chief Finance Officer

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

**Auckland International Limited**

(₹.in 000)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016		31st March, 2016	31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit before Tax &amp; Extraordinary Items</b>		<b>22786</b>	4251
Adjustments for :			
Depreciation and Amortisation Expenses	<b>7406</b>		7287
Interest Received	<b>(3851)</b>		(3967)
Dividend Received	<b>(331)</b>		(616)
Interest Expenses	<b>8938</b>		10368
(Profit)/ Loss on Sale of Investment	--		(5037)
(Profit)/ Loss on Sale of Fixed Assets	<b>(2867)</b>	<b>9295</b>	(666)
<b>Operating Profit before Working Capital Changes</b>		<b>32081</b>	7369
Adjustments for:			11620
Decrease/(Increase) in Inventories	<b>9363</b>		(104681)
Decrease/(Increase) in Trade Receivables	<b>(5348)</b>		(24221)
Decrease/(Increase) in Other Receivables	--		(26)
Decrease/(Increase) in Other Current Assets	<b>(11089)</b>		7354
Decrease/(Increase) in Trade and Other Payables	<b>13418</b>		21037
Provisions	<b>(6334)</b>	<b>10</b>	(693)
<b>Cash Generated from operations</b>		<b>32091</b>	(101230)
Interest Paid	<b>(8938)</b>		(10368)
Direct Taxes Paid	<b>7798</b>	<b>(1140)</b>	(3345)
<b>Cash Flow before extra ordinary items</b>		<b>30951</b>	(13713)
Extra ordinary items		<b>(483)</b>	(661)
<b>Net Cash from Operating Activities</b>		<b>30468</b>	(103984)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	<b>(8706)</b>		(11889)
Sale of Fixed Assets	<b>3108</b>		2340
Acquisition of Companies	--		--
Purchase of Investments	<b>(3153)</b>		(53354)
Sale of Investments	<b>53</b>		67271
Interest Received	<b>3851</b>		3967
Dividend Received	<b>331</b>	<b>(4516)</b>	616
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			8952
Proceeds from Issue of Share Capital	--		--
Proceeds from Cash Credit	<b>13053</b>		36395
Deferred Government Grants	<b>1861</b>		1897
Repayment of long term borrowings	--		--
Proceeds from Unsecured Loans	<b>(36150)</b>		55150
Dividends Paid	--		--
<b>Net Cash used in Financing Activities</b>		<b>(21236)</b>	93442
Net increase in Cash & Cash Equivalents (A+B+C)		<b>4716</b>	(1590)
Opening Balance of Cash & Cash Equivalents		<b>32677</b>	34267
Closing Balance of Cash & Cash Equivalents		<b>37393</b>	32677

**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 S.S.Kothari & Co.**  
 Chartered Accountants  
 (R.K.Roy Choudhury)  
 Partner  
 Membership No. 8816  
 Firm Registration No. 302034E  
 Place : Kolkata  
 Dated : 12th August 2016

This is in term of our report of even date.

H.S. Bayed  
Executive Director

S. Ghose  
Company Secretary

S. C.Bhutoria  
Chief Finance Officer

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 2016****NOTE 1****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.

#### NOTE 2

##### Share Capital

##### Authorised :

7500000 Equity Shares of ₹. 10/- each

75000

75000

50000 Preference Shares of ₹.100/- each

5000

5000

##### Total

80000

80000

##### Issued, Subscribed & Paid up

4106820 Equity Shares of ₹. 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	317060	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.

**Auckland International Limited**

(₹.in 000)

	31st March 2016	31st March 2015
<b>NOTE 3</b>		
<b>Reserves and Surplus</b>		
<b>Capital Reserve (Revaluation)</b>		
As per last Balance Sheet	50295	66654
Less: Transferred to Profit & Loss Account	(66)	--
Less: Adjustment on Fixed Assets	--	(16359)
Balance at the end of year	<u>50229</u>	<u>50295</u>
<b>General Reserve</b>		
As per last Balance Sheet	<u>11909</u>	<u>11909</u>
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	<u>4062</u>	<u>4062</u>
<b>Surplus in the Statement of Profit and Loss Account</b>		
As per last Balance Sheet	184705	190410
Less: Adjustment for Fixed Assets (net of Tax)	--	(11170)
Add : Net Profit after tax transferred from Statement of Profit & Loss Account	<u>11108</u>	<u>5465</u>
Balance at the end of year	<u>195813</u>	<u>184705</u>
<b>Total</b>	<u>262013</u>	<u>250971</u>
<b>NOTE 4</b>		
<b>Deferred tax liabilities</b>		
As per last Balance Sheet	6958	12155
Deferred Income Tax (Assets)/Liabilities	<u>4861</u>	<u>(5197)</u>
<b>Total</b>	<u>11819</u>	<u>6958</u>
<b>NOTE 5</b>		
<b>Deferred Government Grant</b>		
Deferred Government Grants (Note 36 (h))	<u>7557</u>	<u>5696</u>
<b>Total</b>	<u>7557</u>	<u>5696</u>
<b>NOTE 6</b>		
<b>Short-term borrowings</b>		
Loans payable on demand		
Working Capital Facilities		
-From Banks (Secured)	109977	96924
-From Others (Unsecured)	19000	55150
<b>Total</b>	<u>128977</u>	<u>152074</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.		
<b>NOTE 7</b>		
<b>Trade payables</b>		
- Micro, Small & Medium Enterprises	-	-
- Others	16743	18538
<b>Total</b>	<u>16743</u>	<u>18538</u>

**Auckland International Limited**

(₹.in 000)

31st March, 2016

31st March, 2015

**NOTE 8**
**Other current liabilities**

Unpaid Dividends	273	273
Employees Benefits Payable	36922	22563
Advances from Customers & other payables	30963	25794
Provision for expenses	24037	27313
Deposit received	469	463
Statutory dues payable	6809	6873
<b>Total</b>	<b>99473</b>	<b>83279</b>

**NOTE 9**
**Short-term provisions**

Provision for Income Taxes	7027	8008
<b>Total</b>	<b>7027</b>	<b>8008</b>

**NOTE 10**
**Fixed Assets**
**Tangible Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.15	Additions	Sales	As at 31.03.16	As at 01.04.15	For the year	Sales/Adj	Up to 31.03.16	As at 31.03.16	As at 31.03.15
Land & Building	71849	196	--	<b>72045</b>	16964	265	--	<b>17229</b>	<b>54816</b>	54885
Plant & Machinery	229254	8082	5043	<b>232293</b>	164737	6180	(4802)	<b>166115</b>	<b>66178</b>	64517
Furniture & Fixtures	1961	116	--	<b>2077</b>	1391	82	--	<b>1473</b>	<b>604</b>	570
Vehicles & Trolleys	5811	131	--	<b>5942</b>	2433	777	--	<b>3210</b>	<b>2732</b>	3378
Laboratory Equipments	139	15	--	<b>154</b>	100	12	--	<b>112</b>	<b>42</b>	39
E.D.P. Machines	1481	166	--	<b>1647</b>	1266	144	--	<b>1410</b>	<b>237</b>	215
Current Year	<b>310495</b>	<b>8706</b>	<b>5043</b>	<b>314158</b>	<b>186891</b>	<b>7460</b>	<b>(4802)</b>	<b>189549</b>	<b>124609</b>	<b>123604</b>
Previous Year	300729	11889	2123	310495	149906	7275	29710	186891	123604	150823

**NOTE 11**
**Fixed Assets**
**Intangible Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.15	Additions	Sales	As at 31.03.16	As at 01.04.15	For the year	Sales	Up to 31.03.16	As at 31.03.16	As at 31.03.15
Software	2249	--	--	<b>2249</b>	2117	12	--	<b>2129</b>	<b>120</b>	132
Current Year	<b>2249</b>	--	--	<b>2249</b>	<b>2117</b>	<b>12</b>	--	<b>2129</b>	<b>120</b>	<b>132</b>
Previous Year	2249	--	--	2249	2105	12	--	2117	132	144

**NOTE 12****Non-current Investment**

Particulars	Face value (₹)	Nature of Investment (Fully Paid)	As at 31.03.16		As at 31.03.15	
			Nos.	₹. (in 000)	Nos.	₹. (in 000)
<b>Other Investment - Quoted</b>						
*Aditya Birla Nuvo Limited.	10	Equity	600	421	600	815
*Aditya Birla Fashion & Retail Limited.	10	Equity	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	3600	3428
Cipla Limited.	2	Equity	1500	639	1500	639
Coal India Limited	10	Equity	1350	501	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	33800	2085
Infosys Limited.	5	Equity	800	591	400	591
Kesoram Industries Ltd.	10	Equity	4525	1438	4525	1438
NHPC Limited	10	Equity	35799	1305	35799	1305
Power Grid Corporation of India Ltd.	10	Equity	23268	2094	23268	2094
Punj Lloyd Limited	2	Equity	6600	874	6600	874
State Bank of Bikaner & Jaipur	10	Equity	4321	1814	4321	1814
State Bank of Travancore	10	Equity	1150	519	650	319
Sun Pharmaceutical Industries Ltd.	1	Equity	1500	884	1500	884
Tech Mahindra Limited.	5	Equity	2000	904	2000	904
<b>Investment in Mutual Fund - Quoted</b>						
Goldman Sachs Mutual Fund	1000	Units	0.884	1	0.839	1
<b>Investment in Bond &amp; Debentures -Quoted</b>						
ING Vysya Bank Limited	10 Lac	Bonds	1	1000	--	--
Punjab State Inds Devpt Corp	1 Lac	Bonds	1	100	--	--
Punjab State Inds Devpt Corp	1 Lac	Bonds	8	800	--	--
Reliance Dynamic Bond Fund	10	Units	301767	5000	301767	5000
West Bengal Infrastructure Devt Fin Corp	10 Lac	Bonds	1	1000	--	--
<b>Aggregate amount of Quoted investment</b>			<b>623411</b>	<b>30990</b>	619381	27890
Aggregate Value of Quoted Investment				<u>30990</u>		<u>27890</u>
Market Value				<u>31949</u>		<u>30123</u>

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

**NOTE 13**

31st March, 2016

31st March, 2015

**Other non-current assets**

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

**Total**

1111

1111

11111111



**Auckland International Limited**

(₹.in 000)

	31st March, 2016	31st March, 2015
<b>NOTE 14</b>		
<b>Inventories</b>		
As certified by the Management		
Stores and Spare Parts	14861	16484
Raw Jute	95035	109467
Jute-in-process	23393	16049
Finished Goods	141018	141670
<b>Total</b>	<u>274307</u>	<u>283670</u>
<b>NOTE 15</b>		
<b>Trade receivable</b>		
(Unsecured -considered good unless otherwise stated)		
a) Debts outstanding for a period exceeding six months		
Considered good	1245	11350
Considered doubtful	--	--
Less: Provision for doubtful debts	--	--
	<u>1245</u>	<u>11350</u>
b) Other debts		
Considered good	59394	43941
Considered doubtful	--	--
	<u>59394</u>	<u>43941</u>
<b>Total</b>	<u>60639</u>	<u>55291</u>
<b>NOTE 16</b>		
<b>Cash and Cash equivalents</b>		
Balance with Banks		
In current and deposit accounts	4214	3531
Cash in hand	2740	867
	<u>6954</u>	<u>4398</u>
Fixed deposits with Bank more than twelve months maturity	2500	2500
Fixed deposit with Bank (more than twelve months maturity) held as margin money against guarantee	27666	25506
Balance with Bank in unpaid dividend account	273	273
	<u>30439</u>	<u>28279</u>
<b>Total</b>	<u>37393</u>	<u>32677</u>
<b>NOTE 17</b>		
<b>Short-term loans and advances</b>		
(Unsecured considered good unless otherwise stated)		
- Intercompany Loans	-	-
- Deposits	986	986
<b>Total</b>	<u>986</u>	<u>986</u>

31st March, 2016

31st March, 2015

**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	5378	6190
- Suppliers	1379	1306
- Interest Receivable	3126	3212
- Others	19041	14387
Balance with Excise Authorities	1	1
Prepaid expenses	643	517
Income tax advances	14954	15618
<b>Total</b>	<b>44522</b>	<b>41231</b>

**NOTE 19****Revenue from operations**

Gunny	1576813	946454
Yarn	13469	11265
<b>Total</b>	<b>1590282</b>	<b>957719</b>

**NOTE 20****Other Income**

Profit on sale of investment	--	5037
Profit on sale of fixed assets	2867	666
Interest	3851	3967
Miscellaneous Income	1738	1708
Dividend	331	616
Rent	168	168
<b>Total</b>	<b>8955</b>	<b>12162</b>

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

Raw Jute	109467	21553
----------	--------	-------

**Purchase**

Raw Jute	938594	569974
Gunny & Yarn	--	21851

**Closing Stock**

Raw Jute	95035	109467
----------	-------	--------

<b>Total</b>	<b>953026</b>	<b>503911</b>
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**NOTE 22****Change in Inventories**

	31st March, 2016	31st March, 2015
Opening Stock		
Jute in process	16049	17757
Finished Goods	<u>141670</u>	<u>123033</u>
	157719	140790
Closing Stock		
Jute in process	23393	16049
Finished Goods	<u>141018</u>	<u>141670</u>
	164411	157719
<b>Total (Increase)/Decrease</b>	<u>(6692)</u>	<u>(16929)</u>

**NOTE 23****Employee benefits expenses**

Salaries and wages	355639	256263
Contribution to provident and other funds	37563	30237
Staff welfare expenses	<u>4026</u>	<u>3559</u>
<b>Total</b>	<u>397228</u>	<u>290059</u>

**NOTE 24****Finance Costs**

Interest on loans	8938	10368
Other borrowing costs		
Processing fees	<u>398</u>	<u>204</u>
<b>Total</b>	<u>9336</u>	<u>10572</u>

**NOTE 25****Other expenses**

-Stores and spares consumed	48775	36285
-Power & fuel	89936	73663
-Sewing & processing charges	<u>3494</u>	<u>2675</u>
	142205	112623
Repairs and maintenance		
-Building	2696	2706
-Machinery	22656	21309
-Other Assets	<u>4236</u>	<u>2490</u>
	29588	26505
-Insurance charges	2558	2345
-Rent	1200	1260
-Rates & taxes	4146	2944
-Brokerage & commission	8914	6714
-Shipping & delivery	2756	1014
-Cess duty	15	11
-Miscellaneous expenses	24545	17086
-Sundry balances written off	<u>4</u>	<u>47</u>
	44138	31421
Auditor's remuneration		
-As audit fees	63	62
-For Tax audit, Certification etc.	129	94
-Reimbursement of expenses	<u>24</u>	<u>25</u>
	216	181
<b>Total</b>	<u>216147</u>	<u>170730</u>

**Auckland International Limited**

(₹.in 000)

**NOTE 26****CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS****31st March, 2016**    **31st March, 2015**

a) Sales Tax (pending appeal) (to the extent declaration forms not received)	<b>954</b>	1023
VAT (pending appeal) (to the extent declaration forms not received)	<b>3695</b>	2270
CST (pending appeal) (to the extent declaration forms not received)	<b>4057</b>	4380
b) Employees' State Insurance –Not acknowledged as debt	<b>1060</b>	1060
c) Outstanding Bank Guarantee	<b>22000</b>	16500
d) Demand of Excise Authority on pending appeal	<b>178962</b>	162868

**NOTE 27****Particulars of Sales & Stock**

a) Sale		
Gunny	<b>1576813</b>	946454
Yarn	<b>13469</b>	11265
b) Closing Stock		
Gunny	<b>141018</b>	141670

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

Raw Material	--	--
--------------	----	----

**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

	<b>31st March 2016</b>		<b>31st March 2015</b>	
	₹. (in 000)	%	₹. (in 000)	%
<b>Raw Material</b>				
Imported	<b>33</b>	--	5100	1.01
Indigenous	<b>952993</b>	<b>100.00</b>	498811	98.99
Stores, Spare Parts and Components				
Imported	--	--	--	--
Indigenous	<b>71133</b>	<b>100</b>	55690	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	<b>4253</b>
Employer's Contribution to Employees Pension Scheme	<b>19348</b>

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, 2016 are as follows:-

## Auckland International Limited

(₹.in 000)

	<b>Gratuity Funded</b>	<b>Leave encashment unfunded</b>
1. Change in present value of Defined Benefit Obligation as on 31/03/15		
Present value of DBO at the beginning of the year	184491	4588
Interest Cost	14759	426
Current Service Cost	9675	5947
Benefit Paid	(22772)	(7218)
Actuarial (gain)/loss on obligation	(1657)	2297
Present value of DBO as at end of the year	184496	6040
2. Change in the fair value of Plan Assets as on 31/03/15		
Fair value of plan assets at the beginning of the year	194165	
Expected return on plan assets	15106	
Contributions	--	
Benefits paid	(22772)	
Actuarial Gain/(loss)on plan assets	--	
Fair value of plan assets at the end of the year	186499	
3. Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	194165	
Actual return on plan assets	15106	
Contributions	--	
Benefits paid	(22772)	
Fair value of plan assets at the end of the year	186499	
Funded status	2003	
Excess of Actual over estimated return on plan assets	--	
4. Actuarial Gain/ Loss recognised		
Actuarial (gain) / loss on obligation	1657	
Actuarial (gain) / loss for the year on plan assets	--	
Actuarial (gain) / loss on obligation	(1657)	2297
Actuarial (gain) / loss	(1657)	2297
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	184496	6039
Fair value of the plan assets as at end of the year	186499	
Funded status	2003	(6039)
Net assets/ (liability) recognised in Balance Sheet	2003	(6039)
6. Expenses recognised in statement of Profit & Loss		
Current service cost	9675	5947
Interest Cost	14759	426
Expected return on plan assets	(15106)	--
Net actuarial (gain)/loss recognised in the year	(1657)	2297
Expenses recognised in Statement of Profit & Loss	7671	8670

The Benefits accounted under the head 'Employee Benefits Expenses', ₹.27348 paid to retired/ dead employees etc. No Liability has been provided in the books of account in respect of Leave Encashment of ₹. 6039 on the basis of actuarial valuation as mentioned above in consonance with the Company's policy of accounting.

Actuarial Assumptions	31st March, 2016	31st March, 2015
Discount Rate (%)	8.00	8.00
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 Expense 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 ₹. 6334 has been made on regular income	
b) Deferred Tax	
The major component of the Deferred Tax Liability to the extent recognized and outstanding at 31.03.2016:	
Deferred Tax Liability as on 01st April, 2015	<b>6958</b>
Deferred Tax Liability :	
On differences between Book & Income Tax depreciation	<b>4861</b>
Net Deferred Tax Liability as on 31st March 2016	<b>11819</b>

**NOTE 33**

	31st March, 2016	31st March, 2015
Earnings per Share:		
Net Profit/(Loss) available for Equity shareholders	<b>11108</b>	5465
Weighted average number of Equity shares outstanding	<b>4106820</b>	4106820
Basic and diluted earnings per share -		
In rupees of face value of ₹.10 each	<b>2.70</b>	1.33

**NOTE 34**

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

i) Salary	<b>883</b>	803
ii) Contribution to Provident Fund	<b>88</b>	80
iii) Perquisites	<b>415</b>	377

**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 Limited   |                                 |

**B Transactions with Related Parties during the Financial Year and Outstanding Balances as on 31st March 2016 (amount in ₹.000)**

Nature of Transactions	Enterprises in which Key Management Personnel have significant influence	Related party under	Key Management Personnel
Interest Paid	1325	b	
Remuneration to Key Management Personnels		a	2889
Unsecured Loans			
Received during the year	141200	b	
Paid during the year	141200	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 ₹. 194 and Cash Discount ₹.2529.
- c) Dividend received from long term investment in Shares ₹. 331.
- d) Purchase of Raw material is net of Sale Value ₹. 180.
- e) Stock of Finished Goods includes Stock in transit ₹. 24 .
- f) Salary & Wages under the head Employee Benefits Expenses include the expenditure incurred on account of Repairs & Maintenance of Building ₹. 867, Machinery ₹.24518 and Power & Fuel ₹. 990.
- g) 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 31.03.2016 from the factory is not accounted for and estimated at ₹.1179 (Previous year ₹.1319). However, the said liability if accounted for would not have any impact on the profits for the year.
- h) The Company has received a grant of ₹. 2727 from National Jute Board against installed new machinery which has been treated as deferred income. The amount of ₹. 867 has been allocated as income during the year in the same proportion to the Income Tax rate of depreciation of related to the asset.
- i) Company has one reportable segment as indicated in AS 17 as notified in the Companies (Accounting Standards) Rules, 2006.
- j) Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

**For S.S.Kothari & Co.**  
Chartered Accountants  
(R.K.Roy Choudhury)  
Partner  
Membership No. 8816  
Firm Registration No. 302034E  
Place : Kolkata  
Dated : 12th August 2016

In terms of the report of even date annexed

H.S. Bayed  
Executive Director

S. Ghose  
Company Secretary

S. C.Bhutoria  
Chief Finance Officer

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