

TWENTEETH ANNUAL REPORT

2013-2014



A. K. SPINTEX LIMITED



A.K. SPINTEX LIMITED.

2013-2014

BOARD OF DIRECTORS

- **SHRI PRAKASH CHAND CHHABRA- MANAGING DIRECTOR**
- **SHRI TILOK CHAND CHHABRA**
- **SHRI SAURABH CHHABRA**

SENIOR EXECUTIVES

SHRI DINESH PORWAL - GENERAL MANAGER (FINANCE)
SHRI ARUN SINGH - GENERAL MANAGER (TECIL)

COMPANY SECRETARY
ASHISH KUMAR BAGRECHA

AUDITORS

O.P.DAD & CO.
CHARTERED ACCOUNTANTS
BALAJI COMPLEX, 1ST FLOOR,
OPP. BADAL TALKIES
PUR ROAD,
BHILWARA-311 001

BANKERS
AXIS BANK LTD.
HEERA PANNA MARKET, PUR ROAD
BHILWARA-311 001

REGISTERED OFFICE & WORKS
14 KM. STONE, CHITTORGARH ROAD,
BILIA KALAN,
BHILWARA-311 001
[RAJASTHAN]



A.K. SPINTEX LIMITED, BHILWARA

CONTENTS

- 1. NOTICE**
- 2. MANAGEMENT DISCUSSION & ANALYSIS REPORT**
- 3. DIRECTORS' REPORT**
- 4. CEO/CFO CERTIFICATE**
- 5. CORPORATE GOVERNANCE REPORT**
- 6. INDEPENDENT AUDITORS' REPORT**
- 7. BALANCE SHEET**
- 8. STATEMENT OF PROFIT & LOSS ACCOUNT**
- 9. CASH FLOW STATEMENT**
- 10. SCHEDULES**
- 11. NOTES ON ACCOUNTS**



NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TWENTEETH ANNUAL GENERAL MEETING** of **A.K. SPINTEX LIMITED** will be held at its registered office at **14 K.M. Stone, Chittorgarh Road, Bilia Kalan, BHILWARA-311001** on Tuesday, 30th September, 2014 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To review considers and adopts the audited statement of accounts of the Company for the year ended 31st March, 2014, together with reports of the Directors and Auditor's thereon.
2. To appoint a director in place of Shri Tilok Chand Chhabra who retires by rotation and being eligible offer himself for reappointment
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provision of section 139 and other applicable provision, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time Messrs O.P Dad & Company, Chartered Accountants, (Firm Registration No.002330C) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion this Annual General Meeting (AGM) till the conclusion of the twenty-third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM held after this AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as special Resolution:-

Appointment of Independent Director:

Resolved that pursuant to section 149, 152 and other applicable provisions of companies act 2013 and the rules made there under read with schedule IV of the companies act 2013 Mr. Sandeep Hinger, who was appointed as an Additional Director of the Company effective from May 30, 2014 by the Board of Directors and who holds office until the date of the Annual General Meeting, pursuant to 161 of Companies Act 2013, and in respect of whom the Company has received a notice under Section 160 of Companies Act 2013, proposing his candidature, be and is hereby appointed as a Independent Director of the Company, up to 29TH May, 2019.

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as special Resolution:-

Appointment of Independent Director:

Resolved that pursuant to section 149, 152 and other applicable provisions of companies act 2013 and the rules made there under read with schedule IV of the companies act 2013 Mr. Praveen Kumar Kothari, who was appointed as an Additional Director of the Company effective from May 30, 2014 by the Board of Directors and who holds office until the date of the Annual General Meeting, pursuant to 161 of Companies Act 2013, and in respect of whom the Company has received a notice under Section 160 of Companies Act 2013, proposing his candidature, be and is hereby appointed as a Independent Director of the Company, up to 29TH May, 2019.



6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as special Resolution:-

Appointment of Independent Director:

Resolved that pursuant to section 149, 152 and other applicable provisions of companies act 2013 and the rules made there under read with schedule IV of the companies act 2013 Smt. Divya Rameshchandra Kacchara, who was appointed as an Additional Director of the Company effective from May 30, 2014 by the Board of Directors and who holds office until the date of the Annual General Meeting, pursuant to 161 of Companies Act 2013, and in respect of whom the Company has received a notice under Section 160 of Companies Act 2013, proposing his candidature, be and is hereby appointed as a Independent Director (Woman) of the Company, up to 29th May, 2019.

7. To ratify the appointment of Cost Auditors for the year 2014-15 by passing the following the following Ordinary resolution

"Resolved that, subject to such guidelines and approval as may be required from the Central Government the re-appointment of M/s. V.K. Goyal & Co., Cost Accountants, Bhilwara-311001 as Cost Auditors to audit the cost records maintained by the Company in respect of its Man made Fabric Processing Unit for the Financial Year 2014-15 on a remuneration of Rs.22, 000/- (Rupees Twenty Two thousand only) plus Service Tax as applicable, be and is hereby ratified."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as special Resolution:-

"**Resolved that** in supersession of the ordinary Resolution adopted at Extra ordinary General Meeting held on 21st January, 2013 and pursuant to section 180 (1) (C) and any other applicable provision of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the company's Bankers in the ordinary course of business, shall not to be in excess of Rs. 30 Crores (Rupees Thirty Crores) over and above the aggregate of the paid up share capital and free reserves of the company.

Registered Office:

14th Km. Stone, Chittorgarh Road,
Bilia Kalan, Bhilwara - 311 001.

PLACE: BHILWARA

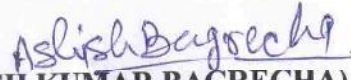
DATE: 10.06.2014

BY ORDER OF THE BOARD OF DIRECTORS


(P. C. CHHABRA)

Din No-001556331

MANAGING DIRECTOR


(ASHISH KUMAR BAGRECHA)
COMPANY SECRETARY



Notes

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote (on poll) instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. An Explanatory Statement on the business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 20.09.2014 to 30.09.2014 (both days inclusive).
4. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting and also the Attendance Slips duly filled in for attending the meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready
6. The Members are requested to:
 - a) Intimate changes, if any, in their registered addresses immediately.
 - b) Quote their ledger folio number in all their correspondence.
 - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - e) Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.
1. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
2. Members seeking any information are requested to write to the Company by email at akspintex@gmail.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
3. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd floor, 99 Madangir, Behind Local Shopping center, Near Dada Harsukhads Mandir, New delhi-110062
4. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report s being sent in the permitted mode.
5. Members may also note that the Annual Report for FY 2013-14 will also available for downloading on Company's website www.akspintex.com.



6. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the meeting.
8. **Voting through electronic means**
 - i. The e-voting period begins on Friday, September 30, 2014 from 10.00 A.M. to 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 08/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - iii. Click on "Shareholders" tab.
 - iv. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - v. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - vi. Next enter the Image Verification as displayed and Click on Login.
 - vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - viii. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v). |



- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <company name> on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Note for Institutional Shareholders:

- Institutional shareholders (i.e. other than Individuals. HUF. NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com



EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT-2013

Item No. 4 of Notice of Annual General Meeting

Appointment of Independent Director

Mr. Sandeep Hinger was appointed as Additional Director by the Board with effect from 30.05.2014, pursuant to Section 161 of the Companies Act-2013, read with Article 78 of the Article of Association of the company.

Pursuant to the provision of Section 161 of the Companies Act-2013, Mr. Sandeep Hinger will hold office up to the date of the ensuing AGM. The company has received notice in writing under the provision of 160 of the companies act-2013, from a member along with a deposit of Rs. 1, 00,000/- proposing the candidature of Mr. Sandeep Hinger for the office of Independent director, to be appointed as such under the provision of section 149 of the companies Act-2013.

The company has received from Mr. Sandeep Hinger (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR- 8 in terms of (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub section (2) of section 164 of the Companies Act-2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of section 149 of the Companies Act-2013.

The resolution seeks the approval of members for appointment of Mr. Sandeep hinger as an Independent director of the company up to 29th May, 2019 pursuant to section 149 and other applicable provisions of the Companies Act-2013, and the Rule made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Sandeep hinger the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and he is independent of the management. A copy of draft letter of appointment of Mr. Sandeep Hinger as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the AGM.

No director, Key managerial personnel or their relatives, except Mr. Sandeep Hinger , to whom the resolutions relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.



Item No. 5 of Notice of Annual General Meeting

Appointment of Independent Director

Mr. Praveen Kumar Kothari was appointed as Additional Director by the Board with effect from 30.05.2014, pursuant to Section 161 of the Companies Act-2013, read with Article 78 of the Article of Association of the company.

Pursuant to the provision of Section 161 of the Companies Act-2013, Mr. Praveen Kumar Kothari will hold office up to the date of the ensuing AGM. The company has received notice in writing under the provision of 160 of the Companies Act-2013, from a member along with a deposit of Rs. 1, 00,000/- proposing the candidature of Mr. Praveen Kumar Kothari for the office of Independent director, to be appointed as such under the provision of section 149 of the companies Act-2013.

The company has received from Mr. Praveen Kumar Kothari (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR- 8 in terms of (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub section (2) of section 164 of the Companies Act-2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of section 149 of the Companies Act-2013.

The resolution seeks the approval of members for appointment of Mr. Praveen Kumar Kothari as an Independent director of the company up to 29th May, 2019 pursuant to section 149 and other applicable provisions of the Companies Act-2013, and the Rule made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Praveen Kumar Kothari the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and he is independent of the management. A copy of draft letter of appointment of Mr. Praveen Kumar Kothari as an Independent Director setting out the terms and conditions in available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the AGM.

No director, Key managerial personnel or their relatives, except Mr. Praveen Kumar Kothari, to whom the resolutions relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.5 for the approval of the members.



Item No. 6 of Notice of Annual General Meeting

Appointment of Independent Director

Smt. Divya Rameshchandra Kachhara was appointed as Additional Director by the Board with effect from 30.05.2014, pursuant to Section 161 of the Companies Act-2013, read with Article 78 of the Article of Association of the company.

Pursuant to the provision of Section 161 of the Companies Act-2013, Smt. Divya Rameshchandra Kachhara will hold office up to the date of the ensuing AGM. The company has received notice in writing under the provision of 160 of the Companies Act-2013, from a member along with a deposit of Rs. 1, 00,000/- proposing the candidature of Smt. Divya Rameshchandra Kachhara for the office of Independent director, to be appointed as such under the provision of section 149 of the companies Act-2013.

The company has received from Smt. Divya Rameshchandra Kachhara (i) consent in writing to act as a director in From DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in From DIR- 8 in terms of (Appointment & Qualification of Directors) Rules 2014, to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act-2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub section (6) of section 149 of the Companies Act-2013.

The resolution seeks the approval of members for appointment of Smt. Divya Rameshchandra Kachhara as an Independent director of the company up to 29th May, 2019 pursuant to section 149 and other applicable provisions of the Companies Act-2013, and the Rule made there under. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Smt. Divya Rameshchandra Kachhara the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and she is independent of the management. A copy of draft letter of appointment of Smt. Divya Rameshchandra Kachhara as an Independent Director setting out the terms and conditions in available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the AGM.

No director, Key managerial personnel or their relatives, except Smt. Divya Rameshchandra Kachhara, to whom the resolutions relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.6 for the approval of the members.

Item No. 7 of Notice of Annual General Meeting

Ratification of Appointment of Cost Auditor:

A proposal for appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It was proposed to re-appoint M/s. V.K. Goyal & Co., Cost Accountants, Bhilwara-311001 as Cost Auditors.

Certificate dated 30.04.2014 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M and shall also available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution. The Board of Directors recommends the resolution for your approval.



Item No. 8 of Notice of Annual General Meeting

Borrowing capital:

The members of the Company at Extra Ordinary General Meeting held on 21st January, 2013 approved by way of an ordinary resolution under section 293 (1) (d) of the companies Act, 2013 borrowings over and above the aggregate of paid up share capital and free reserves of the company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 20.00 Corers (Rs. Twenty Corers) Out of the above limits, the company had Availled Working capital Loan from UCO Bank aggregating to 7.50 Corers as on 20th Dec, 2012.

Section 180 (1) (C) of the companies Act, 2013 effective from 21th September, 2013 requires that the Board of Directors not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accord by way of a special resolution.

It is, therefore, necessary for the member to pass a Special resolution under section 180 (1) (C) and other applicable provision of the companies Act, 2013 as set out at Item No. 8 of the Notice, enable to the Board of directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money unto 30 corers (Rupees Thirty corers) in excess of the aggregate of the paid up share capital and free reserves of the company.

None of the Directors and key managerial personnel of the company and their relatives is concerned of interested, Financial or otherwise, in the resolution set out at item No. 8.

BY ORDER OF THE BOARD OF DIRECTOR

PLACE: BHILWARA

DATE: 10.06.2014


(P. C. CHHABRA)
Din No-001556331
MANAGING DIRECTOR

(ASHISH KUMAR BAGRECHA)
COMPANY SECRETARY



Management Discussion and Analysis Report

Industry Structure and development

Fabric Processing (Textile Industry) development continues to be the thrust area and the government is committed to focus and spend on Textile industry development in the country. Large and long term investments and new global players are expected to enter the Fabric processing industry as there is huge potential for the Textile industry development in the country. There are various factors which act as strong drivers for long term sustainable real estate demand in India such as:

- Continued economic growth;
- Trend change in clothing;
- Young working population
- Rising disposable income;
- Increase Modernization;

Opportunities, Threat and Outlook

The Textile Sector in India has undergone rapid changes in the past few years. Bhilwara is known as textile city due to infrastructure and environment fabric processing industry have good opportunity changes in preference and choice of young generation also provide opportunity. New competitors have entered the core area of our operations in recent times. The fight for the market share has intensified with growing competition. This, combined with substantial increase in costs of inputs has neutralized the impact of Government's positive policies for Textile sectors. Most of the new players, who have come in with the support of large business groups, have the financial strength to sustain large scale investments. These players continue to propel the competition with improved quality of products and services.

Product Wise Performance

AKSL is one of the leading Process House for Processing of Polyester Fabric and Cotton Fabric in India. The Company provides quality processing with complete satisfaction.

To improve the operational and financial performance the company has.

- Implemented various energy-savings initiatives.
- Introduced new, high value techniques for fabric processing.

Risks and concerns

The company is continuously evaluating the risks of getting into areas where it has no exposure earlier, as compared to the risk of continuing to operate in an overcrowded, matured market uniformity in the regulatory environment concerning the fabric processing (Textile industry) also the availability of quality manpower, market research models and reliable database on industry are concerns that need to be addressed for attracting FDI inflows in the industry.

Compliance

The level of compliance is increasing day by day and any default can attract penal provisions. Your company is regularly monitoring and reviews the changes in regulatory framework and also monitoring its compliance mechanism so as to ensure that instances of non-compliance do not occur.



INTERNAL CONTROL SYSTEM

The Company has adequate internal control procedure and systems. Internal control system plays a great role in achieving the targets of any organization. Your Company gives top priority to establish a capable internal control system. The present internal control system of the Company is capable of facing the challenges and threats arising from the outside environment.

The Company's internal control system aims to ensure that :

- Laws and regulations are complied with;
- The instructions and directions issued by the Board and Management are complied and implemented.
- The Company's internal processes are functioning correctly, particularly those implicating the security of its assets;
- Financial information is reliable and generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources.
- To prevent fraud, irregularity, misappropriation of Company's resources and early detection thereof.
- The internal controls are periodically reviewed by the Audit Committee to ensure their effectiveness and adequacy.

HUMAN RESOURCES

The Company believes that the human capital is the key engine for its growth and competitiveness. It continues to focus on HR practices, systems and people development initiatives that encourage continuous learning on the job and meritocracy and which enhance the organization's capability. The Company's objective going forward would be to nurture and harness core management teams and explore outsourcing which will enable us to enhance management bandwidth and focus. In this direction we have already successfully outsourced our construction activities to "best-in-class" contractors for all our current and upcoming projects. The changing business scenario necessitates continuous development of employees in terms of skills and competencies in line with the Company's requirements.

RISK MANAGEMENT

Risk management is the identification, assessment and taking pro-active measures to face the impact of various risks. Risks may arise from uncertainty in financial markets, project failures, legal liabilities, credit risk, accidents, natural causes and disasters etc. The Company has adopted appropriate procedure and policies to safeguard the company against business and other risk to mitigate its impact to the extent possible. The Risk management plans & policies are periodically monitored, reviewed and evaluated and updated from time to time.

CAUTIONARY STATEMENT

The Management Discussion and Analysis contains certain forward looking statements. These statements pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from the forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, Fiscal deficits, regulation etc. and other factors which cannot be anticipated.



DIRECTORS' REPORT

To,
The Members,

The Directors of the Company have pleasure in presenting their 20th ANNUAL REPORT along with audited statement of accounts for the year ended 31st March, 2014.

| | [Rs. in Lacs] | |
|--|----------------|----------------|
| | 2013-2014 | 2012-2013 |
| Financial Results | | |
| Turnover | 3955.93 | 3352.07 |
| Operating Profit before interest, depreciation & tax | 381.73 | 287.23 |
| Less: Interest | 164.94 | 105.40 |
| Profit Before Depreciation & Tax | 216.79 | 181.83 |
| Less : Depreciation | 165.83 | 155.50 |
| Profit Before tax | 50.96 | 26.33 |
| Less: Income Tax (Current) | 10.40 | 05.02 |
| Profit after tax | 40.56 | 21.31 |
| LESS: MAT Credit Entitlement | 16.70 | 46.98 |
| ADD: Deferred Tax (Current) | 18.80 | 31.29 |
| Profit after provision for deferred tax | 42.66 | 05.62 |
| Add: Balance brought forward | 473.29 | 467.67 |
| Balance carried to Balance Sheet | 515.95 | 473.29 |

OPERATIONS

In view of the result for the financial year company turn has been remarkable increase by 18% and profit by 659%. So company has been performed very well in this year and Board of directors are hopeful that they will increase the turn over as well as profit even in this recession and stiff competition in the processing sector. The directors are fully hopeful to achieve better results in future years.

Company has taken the expansion in this year by adding a Imported machine Nipco type calander machine for better finishing. Board of Director has taken a very big step by adding 100% cotton fabric processing in company for this they added chainless Merceriser machine and four Fully Automatic Hydraulic Jigger Machine in this regard.

DIVIDEND

In view of marginal profits and expansion, the Board of Directors does not recommend payment of dividend for the year under review.

POLLUTION CONTROL

Your directors have pleasure to report that they going to install three stages R.O. System of 1500 KLD which is very important for pollution control measures. And at present in water crisis problem it is very helpful and necessary for us. Our new ETP and to be installed R.O. System is a complete solution of water pollution.

DISCLOSURE OF PARTICULARS

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies(Particulars of Employees) Rules, 1975 and Information as per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure forming part of this report.



LISTING OF SHARES

The Shares of the Company are listed in the following Stock Exchanges:-

Jaipur Stock Exchange Ltd., Jaipur.

Delhi Stock Exchange Association Ltd, New Delhi.

Listing fee has already been paid to both the Stock Exchange for the year 2014-2015 in time.

DIRECTORS

Shri Manoj Kothari director of the company has resigned from their directorship from 30.03.2014.

In accordance with the Companies Act, 2013 Shri Tilok Chand Chhabra, director of the company will retire at the forthcoming Annual General Meeting but being eligible offers themselves for reappointment.

In accordance with the Sec 149 of the Companies Act. 2013 Shri Sandeep Hinger, Shri Praveen Kumar Kothari and Smt. Divya Rameshchandra Kachara being appointed as Independent Director of the company from 31.05.2014

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public within the meaning of Section 76 of the Companies Act, 2013.

APPOINTMENT OF SHARE TRANSFER AGENT

Company has been appointed SEBI Registered Beetal Financial & Computer Services (P) Ltd. New Delhi, as Transfer agent for transfer of shares.

DEMAT OF SHARES

Company has been made an arrangement with NSDL to convert physical shares into Demat form. So member can convert his/her Shares in to demat form.

APPOINTMENT OF COST AUDITOR

As per the direction given by the Central Government, the Company has based on an application made, received the Government's approval for re-appointment of M/s V.K. Goyal & Co. a firm of Cost Accountants as the Cost Auditor of the Company for the year ending 31st March, 2015.

SUBSIDIARY COMPANY

The Company has no Subsidiary Company.

DIRECTOR RESPONSIBILITY STATEMENT

Director's responsibility statement pursuant to section 134 (3) and chapter (IX) of the Companies Act, 2013

Accounting Standards:-

While preparing the annual accounts of the company for the year ended 31st March 2014 the applicable accounting standards had been followed along with proper explanations relating to material departures, if any.

Accounting Policies:-

The directors have selected such accounting policies and applied them consistently and reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

Directors' Responsibility:-

The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

Preparation of accounts on a going concern basis:-

The Annual accounts have been prepared on a going concern basis.



AUDITORS

M/s. O. P. DAD & CO., CHARTERED ACCOUNTANTS Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to reappoint them from the conclusion of this Annual General Meeting till the conclusion of the Twenty third Annual General Meeting, subject to the approval of shareholders

COMMENT U/S 141 REGARDING AUDITORS QUALIFICATION

The company is consistently following its accounting policy with regard to gratuity; leave encashment and other retirement benefits of employees. However, the company is taking steps to ascertain the above liabilities and the same would be provided in the subsequent year. Other observations in the Auditor's report are dealt within the notes to the accounts at appropriate place and are self-explanatory.

INDUSTRIAL RELATION

Industrial relation remained cordial and peaceful during the year. Your Directors wish to place on record the appreciation for the devoted services rendered by the workers, staff and executives of the Company at all levels which have very much contributed to the efficient management of the Company's affairs and assistance.

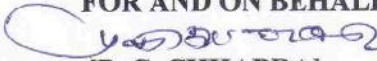
CORPORATE GOVERNANCE

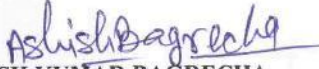
Pursuant to clause 49 of the listing agreements with the stock exchanges, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of the annual Report.

ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the assistance and co-operation received from customers, vendors, stakeholders, Central and State government Authorities and other business associates and bankers of the Company. Your Directors take this opportunity to thank all the employees for rendering high quality service to every constituent of the Company's customers. The employees have worked on principles of honesty, integrity, fair play and this has helped to ensure a sustained excellence in performance. Finally Directors would like to convey their gratitude to the members and look forward to their continued support.

PLACE: BHILWARA
DATED: 30.05.2014

FOR AND ON BEHALF OF THE BOARD

[P. C. CHHABRA] [T.C.Chhabra]
Din No-001556331 Din No-00167401
MANAGING DIRECTOR DIRECTOR


ASHISH KUMAR BACRECHA
COMPANY SECRETARY



AUDITOR'S REPORT ON CORPORATE GOVERNANCE

**The Board of Directors
A.K. Spintex Limited
Bhilwara**

We have reviewed the implementation of Corporate Governance procedures by the company during the year ended 31st March 2014 with the records and documents maintained by the company furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Company's conditions of Corporate Governance are the responsibility of the Management. Our examination is neither an audit nor an expression of opinion on the financial statement of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchange.

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

**FOR: O.P. DAD & COMPANY
CHARTERED ACCOUNTANTS**


**[O.P. DAD]
PARTNER**



**PLACE: BHILWARA
DATED: 30th MAY, 2014**



CEO/CFO CERTIFICATION TO THE BOARD
(Under Clause 49(V) of Listing Agreement)

To the Board of Directors
A.K. SPINTEX LTD.

- a. I have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2013-14 which are fraudulent, illegal or violate of the Bank's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
- Significant changes in internal control over the financial reporting during the year 2013-14;
 - Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over the financial reporting.

Sd/-

(Prakash Chand Chhabra)
MANAGING DIRECTOR AND
CHIEF FINANCIAL OFFICER

Sd/-

(Ashish Kumar Bagrecha)
COMPANY SECRETARY

Place: Bhilwara
Date: 30.05.2014



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14
(As required under Clause 49 of the Listing Agreement entered into with Stock Exchange)

1. Company's Philosophy on Code of Governance

The Company's philosophy has always been to attain the highest levels of transparency, fairness, commitment to values, accountability and equity, in all facts of its operations, and in all its inter-action with its stakeholders, including shareholders, employees, government agencies and lenders. It always believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time. In addition to complying with the statutory requirement, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work-place have been institutionalized. Hence, adapting to the SEBI recommended Corporate Governance practices were mostly an exercise on re-confirming existing practices of the Company except for some specific changes to meet the SEBI recommendations.

2 Board Composition and Particulars of Director

(i) The Board of Directors of the company as on March 31, 2014 consisted of

- Executive Shri Prakash Chand Chhabra
 Shri Tilok Chand Chhabra
 Shri Sourabh Chhabra

(ii) Attendance at Board Meetings during the year and last Annual General Meeting

8 Board Meeting of the Board were held during the year.

The dates on which the meeting held were as follows: 4th April 2013, 30th May, 2013, 3rd August, 2013 20th September 2013, 14th November 2013, 10th February 2014, 1st March, 2014, and 31st March, 2014.

The last Annual General Meeting was held on 30th September 2013

| Name of Director | No. of attended | Board Meeting | Whether attended AGM | Last |
|----------------------|--------------------|---------------|-------------------------|------|
| Shri P. C. Chhabra | | 7 | Yes | |
| Shri T. C. Chhabra | | 6 | Yes | |
| Shri Saurabh Chhabra | | 6 | Yes | |
| Shri Manoj Kothari | | 5 | Yes | |

(B) As per section 149 of Companies Act, 2013 Board appointed

- Shri Sandeep Hinger
- Shri Praveen kumar Kothari
- Smt. Divya RameshChandra Kacchara

As Independent Director and composition of Board & Particulars of Directors as on **30.05.2014** are as under

- Executive Shri Prakash Chand Chhabra
 Shri Tilok Chand Chhabra
 Shri Sourabh Chhabra



- Non- Executive(Independent)

Shri Sandeep hinger
Shri Praveen Kumar Kothari
Smt. Divya Rameshchandra kacchara

(iii) **DISCLOSURE REGARDING REAPPOINTMENT OF DIRECTOR**

Director retiring by rotation and seeking re-appointment

Shri Tilok Chand Chhabra, Son of Shri Mohan Lal Chhabra, aged 56 years, an Indian National, residing at B-382, Shastri Nagar, Bhilwara-311001 He is graduate in commerce. He is having more than 35 years experience in field of Spinning, Treading and Weaving Business.

Details of the Shri Tilok Chand Chhabra Directorship in other Indians Companies are as under

| Other Directorship | Position held |
|----------------------------------|---------------|
| Acme Care International (P) Ltd. | Director |
| Fashion Suitings Pvt. Ltd | Director |
| Citiline Tex Fab Pvt. Ltd | Director |
| Welplan Infrastructures Pvt.Ltd | Director |

(iv) **Code Of Conduct**

The Board lays down Code of Conduct for the Board Members and senior Management of the company and is posted on the website of the company. The Board Members and Senior Management personnel affirm compliance to the code of conduct.

3. Audit Committee

- (i) The Audit Committee of the Company has been constituted in line with provisions of Clause 49 of the Listing Agreement read with Section 177 and 149 (6) of the Companies Act,2013.

- (ii) The terms of reference of the Audit Committee are broadly as under:

- To oversee the Company financial reporting process and the disclosure of its financial information and to ensure that the financial statement is correct, sufficient and credible;
- To hold periodic discussion with the Statutory Auditors of the company concerning the accounts of the company, Internal Control system, scope of audit and observation of the Auditors;
- To review compliance with internal control system;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the company, including the Audit Report.
- Recommending the appointment of statutory auditors fixation of their remuneration
- To Review with the management the annual financial statements before submission to the board, focusing primarily on:
 - (a) Any changes in accounting policies and practices;
 - (b) Major accounting entries based on exercise of judgment by management;
 - (c) Qualifications in draft audit report;
 - (d) Significant adjustments arising out of audit;



- (e) Compliance with accounting standard;
 - (f) Compliance with stock exchange and legal requirements concerning financial statements;
 - (g) Disclosure of any related party transactions.
- To conduct discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area concern;
 - To conduct management discussion and analysis of financial condition and results of operations.
- (iii) The Audit Committee is usually held at the Corporate Office of the Company and are usually attended by the Managing director, General Manager (Financial) and representatives of Statutory Auditory. The Operations Heads are invited to the meetings.
- (iv) The previous Annual General Meeting of the Company was held on 30th September, 2013.
- (v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are as below:

| Name of Member | Category | No. of Meetings attended during the year 2013-2014 |
|----------------------|--------------------------------|--|
| Shri P.C. Chhabra | Non-Independent, Executive | 4 |
| Shri Saurabh Chhabra | Non-Independent, Non Executive | 3 |
| Shri T.C. Chhabra | Non-Independent, Non Executive | 3 |

- (vi) Four Audit committees meetings were held during 2012-2013. The dates on which the said meetings were held are as follows: 25th May 2013, 25th July 2013, 25th October 2013 and 25th January 2014.

Composition of Audit Committee from 30.05.2014 after appointment of Independent directors is as under:

| S.No | Name of the Director | Designation | Nature of Directorship |
|------|----------------------------|-------------|--------------------------|
| 1. | Shri Sandeep hinger | Chairman | Independent Director |
| 2. | Shri Praveen Kumar Kothari | Member | Independent Director |
| 3. | Shri Prakash Chand Chhabra | Member | Non-Independent Director |

4. Remuneration Committee

- (i) Remuneration Committee is there to formulate and recommend to the Board compensation / remuneration structure for managing/whole time directors. Non-Executive directors are at present not paid commission.
- (ii) The following is the constitution of the committee:

| Name of the Member | Designation | Nature of Directorship |
|----------------------|-------------|-----------------------------|
| Shri P.C. Chhabar | Chairman | Executive Managing Director |
| Shri Saurabh Chhabar | Member | Non Executive Director |
| Shri T.C. Chhabra | Member | Non Executive Director |



- (iii) The following is the composition of the committee from 30.05.2014 after appointment of Independent directors is as under:

| Name of the Member | Designation | Nature of Directorship |
|----------------------------|-------------|--------------------------|
| Shri Praveen Kumar Kothari | Chairman | Independent Director |
| Shri Sandeep Hinger | Member | Independent Director |
| Shri Tilok Chand Chhabra | Member | Non-Independent Director |

Details of Remuneration paid to Managing Directors: -

- (a) Executive / Whole - time Director

| Details | Managing Director Shri Prakash Chand Chhabra |
|--------------|--|
| Basic Salary | 2,10,000 P.M. |
| Perquisite | NIL |
| Total | 2,10,000 P.M. |

- (iii) The company currently does not have any stock option scheme.
 (iv) None of the non-executive directors has any pecuniary relationship or transaction with the company.

5. Shareholders/Investors' Grievances Committee

- (i) The Company has constituted a Shareholders/Investor Grievance Committee of Directors to look into transfer and transmission of shares, issue of duplicate share certificate consolidation and subdivision of shares and investors grievances. This committee particularly looks into the investor's grievances and oversees the performance of in-house share department and to ensure prompt and efficient investors' services.

- (ii) The following is the constitution of the committee:

| Name of the Member | Designation | Nature of Directorship |
|----------------------|-------------|------------------------|
| Shri Saurabh Chhabra | Chairman | Non Executive Director |
| Shri Manoj Kothari | Member | Non Executive Director |
| Shri Prakash Chhabra | Member | Executive Director |

- (iii) The following is the Composition of the Committee from 30.05.2014 after appointment of Independent directors is as under:

| Name of the Director | Designation | Nature of Directorship |
|----------------------------------|-------------|--------------------------|
| Shri Praveen Kumar Kothari | Chairman | Independent Director |
| Shri Saurabh Chhabra | Member | Non-Independent Director |
| Smt Divya Rameshchandra Kachhara | Member | Independent Director |



6. GENERAL BODY MEETINGS

- (i) Details of location and time of holding the last three AGMs.

| Detail of Meeting | Date of Meeting | Time of Meeting | Venue of the Meeting |
|---------------------------|-----------------|-----------------|---|
| 17 th AGM-2010 | 30.09.2011 | 11 A.M | A.K. SPINTEX LIMITED 14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhilwara- 311001 (RAj.) |
| 18 th AGM-2011 | 29.09.2012 | | |
| 19 th AGM-2012 | 30.09.2013 | | |

- (ii) During the financial year under review, no resolution have been passed by postal ballot

7. DISCLOSURE

- (i) During the under review, there were no materially significant related party transaction with your Company's, promoter's, the director or the management, their subsidiaries or relatives etc, that may have potential conflict with the interest of your Company at large.
- (ii) Your company has complied with all the statutory requirements comprised in the Listing Agreement/Regulation/Guidelines/Rules of the Stock Exchange/SEBI/other statutory authorities.
- (iii) There were no instances of non-compliance by your Company nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any statutory authority during the last four year.

8. MEANS OF COMMUNICATION

The unaudited /audited quarterly and half-yearly are sent to all the Stock Exchange, where the shares of your Company are listed. The results are normally published in the "Dainik Bhaskar/ Rajasthan Patrika and Nafa nuksan in Hindi and in at least one English newspaper. The annual results are posted to all the shareholders.



9.

GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| (i) Annual General Meeting Date & Time Venue | 30.09.2014 & 11.00 A.M. 14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhilwara-311001 (Rajasthan) |
| (ii) Financial Period | 1 st April 2013 to 31 st March 2014 |
| (iii) Date of Book Closure | 20 th September 2014 to 30 th September 2014 |
| (iv) Listing Fees | The listing fees for the financial year 2013-14 have been paid to both the Stock Exchange, where Your Company equity shares are listed. |
| (v) Listing on Stock Exchange in India | (i) Delhi Stock Exchange Limited (ii) Jaipur Stock Exchange Limited |
| (vi) Financial Calendar for the period April 1, 2013 to March 31, 2014 | First Quarterly Results By July 2014 Second Quarterly Results By October 2014 Third Quarterly Result By January 2015 Audited Results By May 2015 |
| (vii) Registered Office | 14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhilwara-311001 (Rajasthan) |

(vii) Distribution of Shareholding as on 31st March, 2014

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Share holding |
|---------------------------|---------------------|-------------------|--------------------|--------------------|
| Up to 5000 | 587 | 77.24 | 1,70,500 | 3.388 |
| 5001 to 10000 | 67 | 8.82 | 46,550 | .925 |
| 10001 to 20000 | 42 | 5.53 | 58,450 | 1.161 |
| 20001 to 30000 | 16 | 2.11 | 42,200 | .838 |
| 30001 to 40000 | 8 | 1.05 | 29,250 | .581 |
| 40001 to 50000 | 3 | .39 | 13,200 | .262 |
| 50001 to 100000 | 11 | 1.45 | 75,000 | 1.490 |
| 100001 to above | 26 | 3.42 | 45,96,600 | 91.351 |
| Total | 760 | 100.00 | 50,31,750 | 100.00 |

(ix) Shareholding Pattern as on 31st March, 2014

| Categories | No. of Shares | % of issued Share Capital |
|---------------------------------|----------------|---------------------------|
| Promoters | 3286800 | 65.32 |
| Foreign Institutional Investors | - | - |
| Financial Institution | - | - |
| Mutual Funds and UTI | - | - |
| Bodies Corporate | 68650 | 1.364 |
| Foreign Companies | - | - |
| Nationalized and other banks | - | - |
| Public | 1676300 | 33.314 |
| Total | 5031750 | 100.00 |



ANNEXURE : 1 TO THE DIRECTORS' REPORT

Statement containing particulars pursuant to the companies (disclosure of particulars in the reports of Board of directors) rules, 1988.

1. CONSERVATION OF ENERGY

Conservation of energy is very high priority area for the company. The efforts are continuing to examine and implement fresh proposals for conservation of energy and minimize its use by regularly monitoring Consumption and improved maintenance of the existing system.

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

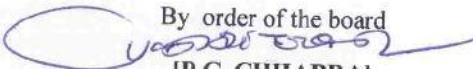
| A | <u>POWER & FUEL CONSUMPTION</u> | 31.03.2014 | 31.03.2013 |
|---|---|---------------|---------------|
| 1 | <u>ELECTRICITY</u> | | |
| a | Purchase Units [In K.WH] | 6,204,490.00 | 5,553,682.00 |
| | Total Amount [In Rupees] | 37,439,114.00 | 32,287,904.00 |
| | Rate/Unit [In per KWH] | 6.03 | 5.81 |
| b | <u>Own Generation</u> | | |
| | Through Diesel Generator [In KWH] | 169,774 | 228,144 |
| | unit/ltrs in diesel oil | 3.18 | 3.10 |
| | cost [Rs/ unit] | 16.99 | 13.59 |
| 2 | <u>Coal, Lignite, Fire wood & Wooden Coal</u> | | |
| | Qty. [MT] | 7,606.56 | 6,731.97 |
| | TOTAL COST [Rs] | 64,196,735 | 55,105,697 |
| | Average Rate | 8,439.65 | 8,185.67 |
| B | <u>CONSUMPTION PER UNIT OF PRODUCTION</u> | | |
| | Fabric production [Mtrs] | 35,989,673.20 | 32780360.3 |
| | Electricity [in Kwh] | 0.177 | 0.161 |
| | Coal [in Kg] | 0.211 | 0.211 |

FORM "B"

| | | | |
|---|------------------------------------|-----|-----|
| A | Research & Development | NIL | NIL |
| B | Technology Absorption | NIL | NIL |
| C | Foreign Exchange Earning and Outgo | NIL | NIL |

PLACE: BHILWARA.

DATE: 30th May, 2014

By order of the board

[P.C. CHHABRA]
[MANAGING DIRECTOR]



O. P. DAD & CO.
CHARTERED ACCOUNTANTS
FIRST FLOOR, BALAJI COMPLEX
PUR ROAD,
BHILWARA – 311001

Independent Auditor's Report

To,
The Shareholders of
A.K.SPINTEX LIMITED
Bhilwara

Report on the Financial Statements

We have audited the accompanying financial statements of **A.K.SPINTEX LIMITED** which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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:

- (a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the **Profit and Loss Account**, of the profit/ loss for the year ended on that date; and
- (c) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

(a). we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b). in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c). the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and records;

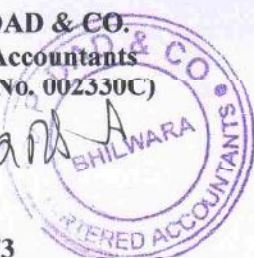
(d). in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

(e). on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and sub-section (2) of Section 164 of the Companies Act, 2013.

(f). Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For: O. P. DAD & CO.
Chartered Accountants
(Firm Reg. No. 002530C)


(O.P.DAD)
Partner
M. No. 35373



Place: Bhilwara
Dated: 30.05.2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

On the basis of such checks of the books and records as we consider appropriate and as per the information and explanations given to us during the course of our audit, we further report that:-

1. In respect of fixed assets:

- (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (B) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (C) The company during the year has disposed off old machineries and the same have been replaced by new machineries and the going concern status of the Company is not affected.

2. In respect of its inventories:

- (A) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year.
- (B) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the Company and nature of its business.
- (C) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the book record.

3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and section 189 of Companies Act 2013

- (A) According to the information & explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013, have been so entered.
- (B) In our opinion and according to the information and explanation given to us, the company has taken unsecured loans from 3 nos. of related parties. The amount taken during the year was Rs. 550.00 Lacs, covered in the register maintained 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013 of the Act. The Closing balance of all such parties covered 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013 is Rs. 567.80 Lacs.
- (C) In our opinion and according to the information and explanation given to us, the rate of interest and other terms & conditions of unsecured loan taken by the company are prima-facie not prejudicial to the interest of the company.
- (D) The company is regular in payment of principal and interest whatever it stipulated during the year.



4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013, have been so entered.

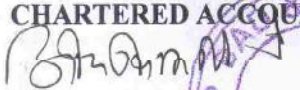
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013, and exceeding the value of Rs. 5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause 4 (VI) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
7. In our opinion and according to the information and explanation given to us we report that the company is having proper internal audit system, which is commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and Section 128 read with Section 2(13) of the Companies Act, 2013, in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
9. In respect of statutory dues:
 - A) According to the records of the Company, undisputed statutory dues including Provident Fund Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Sales Tax, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. Accordingly to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2014 for a period of more than six months from the date they have become payable.
 - B) The disputed statutory dues aggregating to Rs 133.84 Lac that have not been deposited on account of matters pending before appropriate authorities are as under :

| Name of the Statute | Financial year to which the matter pertains | Nature of the dues | Forum where dispute is pending | Amount (Rs. in Lac) |
|--------------------------|---|--------------------|--|---------------------|
| Textiles Cess Act | 1997-2007 | TC Cess | Textile Cess Tribunal, | 46.26 |
| Central Excise Act, 1944 | 2002-2003 | Excise Duty | Commissioner (Appeals) | 5.44 |
| Entry Tax Act | 2008-2014 | Entry Tax | H'nble High Court, Jodhpur (Rajasthan) | 89.97 |



10. The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit report in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution, Banks or debenture holders.
12. According to the information and explanation given to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(XIII) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the company is not dealing or trading in shares, Securities, Debentures, Mutual funds & others investment, accordingly, the provision of clause 4 (xiv) of the companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company.
15. In our opinion and as per information and explanation given to us, we report that the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. As per information and explanation given to us, the company has utilized term loans for the purpose for which the loans were obtained.
17. As per information and explanation given to us and over all examination of balance sheet of the company, we are of opinion that funds raised on short term basis were not used for long term investment and vice-versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.
19. The Company has not issued any debentures during the period under audit..
20. The Company has not raised money by public issues during the year and hence the question of disclosure and verification of the end use of such money does not arise.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company during the year was noticed or reported, nor have we been informed of such case by the management.

**FOR O. P. DAD & COMPANY
CHARTERED ACCOUNTANTS**


[O.P.DAD]
PARTNER
M.NO.35373



**PLACE: BHILWARA
DATED: 30th MAY, 2014**



BALANCE SHEET AS ON 31ST MARCH 2014**NOTES****31.03.2014****31.03.2013****EQUITY AND LIABILITIES****SHAREHOLDERS' FUNDS**

| | | | |
|--------------------|-----|---------------|---------------|
| Share Capital | [1] | 50,317,500.00 | 50,317,500.00 |
| Reserves & Surplus | [2] | 53,094,799.49 | 48,829,329.06 |

Share Application money pending allotment

| | | | |
|--------------------------------|-----|----------------|----------------|
| | | 103,412,299.49 | 99,146,829.06 |
| Long-Term Borrowings | [3] | 73,375,184.00 | 147,120,175.00 |
| Deferred Tax Liabilities (Net) | [4] | 16,914,166.37 | 18,794,473.09 |
| Other Long Term Liabilities | | | |
| | | 90,289,350.37 | 165,914,648.09 |

CURRENT LIABILITIES

| | | | |
|---------------------------|-----|----------------|---------------|
| Short Term Borrowings | [5] | 76,633,668.00 | - |
| Trade Payable | [6] | 73,301,118.48 | 60,264,542.48 |
| Other Current Liabilities | [7] | 5,752,510.00 | 5,805,017.00 |
| Short Term Provision | [8] | - | - |
| | | 155,687,296.48 | 66,069,559.48 |

349,388,946.34**331,131,036.63****ASSETS****NON CURRENT ASSETS****Fixed Assets**

| | | | |
|--------------------------|-----|----------------|----------------|
| Tangible Assets | [9] | 158,954,313.82 | 153,350,390.32 |
| Intangible Assets | | - | - |
| Capital Work in Progress | | - | 146,893.00 |

| | | | |
|------------------------------|------|---------------|---------------|
| Non-Current Investments | [10] | 3,000.00 | 3,000.00 |
| Long-Term loans and advances | [11] | 12,443,992.84 | 14,676,697.84 |

171,401,306.66**168,176,981.16****CURRENT ASSETS****Current Investments**

| | | | |
|-----------------------------|------|---------------|---------------|
| Inventories | [12] | 50,653,226.99 | 50,086,853.97 |
| Trade Recievable | [13] | 83,467,426.70 | 67,196,154.64 |
| Cash and Cash Equivalents | [14] | 27,055,268.78 | 26,679,842.19 |
| Short-term loans & advances | [15] | 16,811,717.22 | 18,991,204.66 |

177,987,639.69**162,954,055.46****349,388,946.34****331,131,036.62**

0.0

(0.0)

AS PER AUDIT REPORT OF OUR EVEN DATE**For: O.P. DAD & CO.****CHARTERED ACCOUNTANT****[O.P. DAD]****PARTNER****PLACE: BHILWARA****DATE: 30th May, 2014****FOR AND ON BEHALF OF THE BOARD****A.K. SPINTEX LIMITED, BHILWARA****[P.C. CHHABRA]****[MANAGING DIRECTOR]****[T.C. CHHABRA]****[DIRECTOR]****[A.K. BAGRECHA]****[COMPANY SECRETARY]**

Statement of Profit & Loss for the Year ended 31st March, 2014

| | NOTE | 31.03.2014 | 31.03.2013 |
|---|------|-----------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations | [16] | 395,593,291.06 | 335,206,502.64 |
| Other Income | [17] | 715,337.00 | 305,558.00 |
| TOTAL REVENUE (i) | | 396,308,628.06 | 335,512,060.64 |
| EXPENSES | | | |
| Cost of materials consumed | [18] | 105,076,244.46 | 83,903,095.99 |
| Purchase of Stock in trade | [19] | - | - |
| Changes in inventories | [20] | (3,217,683.72) | (618,207.53) |
| Manufacturing expenses | [21] | 150,539,359.24 | 141,746,114.62 |
| Employee Benefit expenses | [22] | 94,230,236.00 | 72,365,098.00 |
| Finance Cost | [23] | 16,494,033.26 | 10,539,850.05 |
| Depreciation/Amortisation expenses | | 16,582,920.52 | 15,550,017.94 |
| Other expenses | [24] | 11,507,894.59 | 9,393,128.71 |
| TOTAL EXPENSES (ii) | | 391,213,004.35 | 332,879,397.81 |
| Profit before Tax (PBT) (i-ii) | | 5095623.71 | 2632662.83 |
| VI) Exceptional Items/Extraordinary items. | | | |
| VII) Profit before Tax (PBT) (V- VI) | | 5,095,623.71 | 2,632,662.83 |
| VIII) Tax expenses of continuing operations | | | |
| Current Tax | | 1,039,856.00 | 501,650.00 |
| MAT credit Entitlement | | 1,670,604.00 | 4,698,202.50 |
| Deferred Tax | | (1,880,306.72) | (3,129,555.91) |
| | | 830,153.28 | 2,070,296.59 |
| Profit / (loss) for the period from continuing operations | | 4,265,470.43 | 562,366.24 |
| Profit / (loss) for the period from discontinuing operations | | - | - |
| Profit / (loss) for the period (Profit After Tax) | | 4,265,470.43 | 562,366.24 |
| Earning Per Share | | 0.85 | 0.11 |

AS PER OUR AUDIT REPORT OF EVEN DATE

For: O.P. DAD & CO.

CHARTERED ACCOUNTANT

[O.P. DAD]

PARTNER

M. NO. : 035373

FRN :- 002330C

PLACE: BHILWARA

DATE: 30th May, 2014

FOR AND ON BEHALF OF THE BOARD

A.K. SPINTEX LIMITED, BHILWARA

[P.C. CHHABRA]

MANAGING DIRECTOR]

[T.C. CHHABRA]

[DIRECTOR]

[A.K. BAGRECHA]

[COMPANY SECRETARY]

CASH FLOW STATEMENT

| | Current Year 31.03.2014 | Previous Year 31.03.2013 |
|--|----------------------------|-----------------------------|
| (A) CASH FLOW STATEMENT FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 5095624 | 2632663 |
| Adjustments for :- | | |
| Depreciation | 16582921 | 15550018 |
| Interest Expenditure | 18542065 | 10527384 |
| Interest Income | (654927) | (299409) |
| Loss / profit (+/-) on sale of Fixed Assets | (4535) | (6149) |
| Preliminary Expenses W/off | 0 | 0 |
| Adjustments for :- | | |
| Inventories | (566,373) | (6546973) |
| Sundry Debtors | (16271272) | (12551798) |
| Loans and Advances | 4412192 | (7334188) |
| Current liabilities | 12984069 | 390556 |
| Less : Taxes Paid (Net of refund) | (2710460) | (5199853) |
| Cash Generated from Operations (A) | 37409304 | (2837749) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (22248309) | (4121909) |
| Increase in Capital W.I.P. | 146893 | (146893) |
| Sale of Fixed Assets | 66000.00 | 6377121 |
| Interest Received | 654927 | 299409 |
| Preliminary addition | 0 | 0 |
| Net Cash Used in Investing Activities (B) | (21380489) | 2407728 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds from long term borrowing | (5324378) | (14679920) |
| Increase in bank borrowing for Working Capital | 76633668 | (73449634) |
| Increase /(Repayment) of Unsecured loan | (68420613) | 125745143 |
| increase in share capital/application money | 0 | 0 |
| Subsidy Received | 0 | 0 |
| Interest Paid | (18542065) | (10527384) |
| Net Cash From Financing Activities (C) | (15653388) | 27088205 |
| (D) Net Increase / Decrease in Cash & Cash Equivalent (A-B+C) | 375427 | 26658184 |
| Closing Balance of Cash & Cash Equivalent | 27055269 | 26679842 |
| Opening Balance of Cash & Cash Equivalent | 26679842 | 21658 |

This is the cash flow statement referred
To in our report of even date.

For O.P. DAD & Co.

Chartered Accountants

Sd- 
(O.P. DAD)

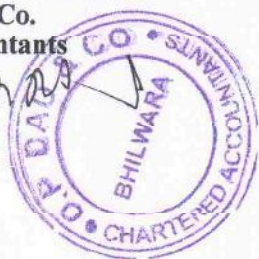
Partner

M.No. 035373

FRN 02230C


Place: Bhilwara

Date: 30.05.2014



For and on behalf of the Board
A.K. SPINTEX LIMITED

Sd- 
[P.C. CHHABRA]
Managing Director

Sd- 
[T.C. CHHABRA]
Director

Sd- 
[A.K. BAGRECHA]
Company Secretary



NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2014

NOTE 1 - SHARE CAPITAL

31.03.2014

31.03.2013

Authorised Share Capital

1,00,00,000 EQUITY SHARES OF RS. 10/-EACH

100,000,000.00

100,000,000.00

Issued, Subscribed & Paid Up Capital

50,31,750 EQUITY SHARES OF RS. 10/- EACH

50,317,500.00

50,317,500.00

50,317,500.00

50,317,500.00

A. Reconciliation of the Shares Outstanding at the Beginning and at the end of the reporting period

Equity Shares

31.03.2014

31.03.2013

At the beginning of the Period

5,031,750

5,031,750

Add:- Issued during the Period

-

-

Outstanding at the end of the period

5,031,750

5,031,750

B. The Company has only one Class of Equity Shares having a par value of Rs. 10 per share. Each holder of equity

c. Shareholders Holding More than 5% Shares in total Equity share capital

S.No. Name of the shareholder

31.03.2014

31.03.2013

% of

% of

No. of Shares

Shareholding

No. of Shares

Shareholding

1 Fashion Suitings Private Llimited

2,135,250

42.44%

2,135,250

42.44%

2 T.C. Chhabra

454,800

9.04%

454,800

9.04%

3 Saroj Devi Chhabra

441,000

8.76%

441,000

8.76%

4 Saurabh Chhabra

255,750

5.08%

255,750

5.08%



NOTE 2 - RESERVE AND SURPLUS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--|----------------------|----------------------|
| State Capital Investment Subsidy | | |
| Balance as per last financial statements | 1,500,000.00 | 1,500,000.00 |
| Add: During the year | | |
| Closing Balance | 1,500,000.00 | 1,500,000.00 |
| Profit & Loss Account | | |
| Balance as per last financial statements | 47,329,329.06 | 46,766,962.82 |
| Profit for the year | 4,265,470.43 | 562,366.24 |
| Net Surplus in the statement of Profit & Loss | 51,594,799.49 | 47,329,329.06 |
| Total Reserve and Surplus | 53,094,799.49 | 48,829,329.06 |

NOTE 3 - LONG TERM BORROWINGS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--|--------------------|--------------------|
| A) Secured Term Loans from Banks and FI's | | |
| 1) Rupee Term Loan | 15,883,548.00 | 21,036,192.00 |
| 2) Finance lease obligation, Equipments/Vehicle Loans from HDFC Bank | 167,106.00 | 338,840.00 |
| Net Amount (A) | 16050654.00 | 21375032.00 |
| B) Unsecured Loan | | |
| 1) Intercompany Loan | 545,046.00 | 125,745,143.00 |
| Directors | 56,779,484.00 | 0 |
| Total Amount (A + B) | 73,375,184 | 147,120,175 |

C) Financial lease obligation, Equipment and vehicle loans are secured by hypothecation of respective assets.

D) Details of Term loans (Project & Corporate)

| S.No | Nature of Loan | Name of Bank | Year of Sanction | O/s Amount | Int. Rate | Installments amount | Terms of Repayment |
|------|----------------|--------------|------------------|-------------|-----------|------------------------|---|
| 1 | Project Loan | AXIS BANK | 2009-10 | 23383795.00 | 8.75% | 12.47 Lacs per Quarter | The term loans is secured by first charge of existing fixed assets (to the extent of assets financed by Axis Bank against this loan) of the company and also personally guaranteed by director. Also Secured by an FD of Rs. 26000000 |



NOTE 4 - DEFERRED TAX LIABILITIES (NET)

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--------------------------------|----------------------|----------------------|
| Deferred Tax Liabilities (Net) | 16,914,166.37 | 18,794,473.09 |
| | <u>16,914,166.37</u> | <u>18,794,473.09</u> |

NOTE 5 - SHORT TERM BORROWINGS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|----------------------|----------------------|-------------------|
| A) FROM BANKS | | |
| SECURED | | |
| Cash credit limit | 76,633,668.00 | - |
| | <u>76,633,668.00</u> | <u>-</u> |

(Cash Credit/OD limit account taken from UCO Bank is secured by hypothecation of stocks and book debts both present and future of the company and also by extension of First charge over fixed assets of the company.)

NOTE 6 - TRADE PAYABLE

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--|----------------------|----------------------|
| Sundry creditors for Raw material/ Trade | 53,093,229.00 | 43,986,661.00 |
| Sundry creditors of capital goods | 1,346,353.00 | 1,285,571.00 |
| Other Outstanding liabilities | 18,861,536.48 | 14,992,310.48 |
| | <u>73,301,118.48</u> | <u>60,264,542.48</u> |

*The balance outstanding with sundry creditors either debit or credit are subject to confirmation and recor

NOTE 7 - OTHER CURRENT LIABILITIES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---------------------------------------|---------------------|---------------------|
| Current maturities of Long Term Debts | 5,219,840.00 | 5,219,840.00 |
| Tax deducted at source | 332,801.00 | 411,607.00 |
| E.S.I. & P.F. Payable | 199,869.00 | 173,570.00 |
| | <u>5,752,510.00</u> | <u>5,805,017.00</u> |



A.K.SPINTEX LIMITED, BHILWARA

NOTE 9 : FIXED ASSETS

| ASSETS | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | |
|---------------------|---------------------|---------------|------------------------|---------------------|--------------------|-----------------|------------|---------------------|---------------------|
| | AS AT 01.04.2013 | ADDITION | DEDUCTION/ TRANSFER | RS AT 31.03.2014 | UPTO 31.03.2013 | FOR THE YEAR | DEDUCTION | UP TO 31.03.2014 | AS AT 31.03.2013 |
| LAND | 25,574,263.25 | 0.00 | 0.00 | 25,574,263.25 | 0.00 | 0.00 | 0.00 | 0.00 | 25,574,263.25 |
| BUILDING | 42,058,355.18 | 0.00 | 0.00 | 42,058,355.18 | 12,260,402.56 | 1,229,157.30 | 0.00 | 13,489,559.87 | 29,797,952.62 |
| PLANT & MACHINERY | 219,725,868.46 | 22,186,584.00 | 84,150.00 | 241,828,302.46 | 129,043,906.36 | 14,263,610.10 | 22,685.03 | 143,284,831.43 | 90,681,962.10 |
| OFFICE EQUIPMENTS | 2,300,380.80 | 36,000.00 | 0.00 | 2,336,380.80 | 1,524,843.22 | 187,241.33 | 0.00 | 1,712,084.55 | 775,537.58 |
| FURNITURE & FIXTURE | 4,507,444.30 | 25,725.00 | 0.00 | 4,533,169.30 | 1,763,924.03 | 222,372.54 | 0.00 | 1,986,296.57 | 2,743,520.27 |
| VEHICLE | 6,811,493.00 | 0.00 | 0.00 | 6,811,493.00 | 3,034,339.41 | 680,539.25 | 0.00 | 3,714,878.66 | 3,777,153.59 |
| TOTAL | 300,977,304.99 | 22,248,309.00 | 84,150.00 | 323,141,963.99 | 147,627,415.59 | 16,582,920.52 | 22,685.03 | 164,187,651.07 | 153,350,389.40 |
| PREVIOUS YEAR | 303388294.99 | 4268802.00 | 5532399.00 | 301124697.99 | 132238824.80 | 16849110.54 | 1460519.75 | 147627415.59 | 171149470.68 |

In the opinion of the management, there is no Impairment of the Assets in the accordance with Accounting Standard AS-28 as on Balirce Sheet Date.

588,296.25
(36,000.00)



NOTE 8 - SHORT TERM PROVISIONS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--------------------------|-------------------|-------------------|
| Provision for Income Tax | - | - |
| | - | - |

NOTE 10 - NON CURRENT INVESTMENTS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--------|-------------------|-------------------|
| N.S.C. | 3,000.00 | 3,000.00 |
| | <u>3,000.00</u> | <u>3,000.00</u> |

NOTE 11 - LONG TERM LOAN AND ADVANCES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--|----------------------|----------------------|
| A) Security Deposits | | |
| Government Deptt. | 8,386,426.36 | 11,001,050.36 |
| R.S.E.B. Deposit & others | 4,057,566.48 | 3,654,512.48 |
| B) Cenvat Receivable on Capital Goods | - | 21,135.00 |
| C) Loans And Advances To Related Parties | - | - |
| | <u>12,443,992.84</u> | <u>14,676,697.84</u> |

The balance outstanding of loan and advances either debit or credit are subject to confirmation and recon

NOTE 12 - INVENTORIES

(As taken ,valued & certified by the management)

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|-----------------------------------|----------------------|----------------------|
| A) Raw Material (Dyes & Chemical) | 10,140,918.30 | 11,059,378.76 |
| B) Work In Progress | 3,389,518.90 | 2,861,127.55 |
| C) Finish Fabrics | 29,413,428.06 | 26,724,165.69 |
| D) Stores & Spares | 7,709,331.73 | 9,442,181.97 |
| | <u>50,653,226.99</u> | <u>50,086,853.97</u> |

A. All the above inventories have been valued at Cost or Net realisable value whichever is lower.

B. WIP & Finish Fabrics Stock valued to the extent of processing cost involved



NOTE 13 - TRADE RECEIVABLES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---|----------------------|----------------------|
| A) Trade Receivables Outstanding for more than six months Unsecured, Considered Good | 1,796,084.02 | 509,739.00 |
| B) Trade Receivables Unsecured, Considered Good | 81,671,342.68 | 66,686,415.64 |
| C) Balance with Related Parties | - | - |
| | <u>83,467,426.70</u> | <u>67,196,154.64</u> |

The balance outstanding with sundry debtors either debit or credit are subject to confirmation and reconciliation

NOTE 14 - CASH AND CASH EQUIVALENTS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---|----------------------|----------------------|
| A) Balances with Banks | 891,811.78 | 601,101.19 |
| B) Cash on Hand | 163,457.00 | 78,741.00 |
| 3) Fixed Deposit With Bank (Exceeding 1 year) | 26,000,000.00 | 26,000,000.00 |
| | <u>27,055,268.78</u> | <u>26,679,842.19</u> |

Fixed Deposit with the bank is mortgaged against the outstanding term loan from Axis Bank.

NOTE 15 - SHORT TERM LOAN AND ADVANCES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---|----------------------|----------------------|
| <i>Advances Recoverable in Cash or Kind</i> | | |
| Advances recoverable in cash or in kind or for value to be re | 2,585,693.37 | 385,580.00 |
| TDS Receivable | 13,043,614.85 | 9,929,855.85 |
| MAT Credit Receivable | - | 1,670,604.00 |
| Advance against capital goods | 1,182,409.00 | 7,005,164.81 |
| | <u>16,811,717.22</u> | <u>18,991,204.66</u> |

NOTE 16 - REVENUE FROM OPERATIONS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--------------------------------|-----------------------|-----------------------|
| <u>Sale of Services</u> | | |
| Fabric Processing | 395,593,291.06 | 335,206,502.64 |
| | <u>395,593,291.06</u> | <u>335,206,502.64</u> |

Rebates, claims and discount etc on sales are accounted for and being provided for as and when settled with the parties as per consistent policy adopted by the Company every year



NOTE 17 - OTHER INCOME

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--------------------------------|-------------------|-------------------|
| Interest received | 654,927.00 | 299,409.00 |
| Scrap/ Fent regs sale | 55,875.00 | - |
| Profit on sale of Fixed Assets | 4,535.00 | 6,149.00 |
| | <u>715,337.00</u> | <u>305,558.00</u> |

NOTE 18 - COST OF RAW MATERIALS CONSUMED

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---------------------|-----------------------|----------------------|
| Opening Stock | 11,059,378.76 | 7,192,027.75 |
| | 104,157,784.00 | 87,770,447.00 |
| Less: Closing Stock | 10,140,918.30 | 11,059,378.76 |
| | <u>105,076,244.46</u> | <u>83,903,095.99</u> |

NOTE 19 - PURCHASE OF STOCK IN TRADE

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|-------------------------|-------------------|-------------------|
| Stock in trade purchase | - | - |
| | <u>-</u> | <u>-</u> |

NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|-----------------------------|-----------------------|----------------------|
| Opening Stock | | |
| Finished Goods | 26,724,165.69 | 26,510,677.66 |
| Work in Progress | 2,861,127.55 | 2,456,408.05 |
| | <u>29,585,293.24</u> | <u>28,967,085.71</u> |
| Less : Closing Stock | | |
| Finished Goods | 29,413,428.06 | 26,724,165.69 |
| Work in Progress | 3,389,548.90 | 2,861,127.55 |
| | <u>32,802,976.96</u> | <u>29,585,293.24</u> |
| | <u>(3,217,683.72)</u> | <u>(618,207.53)</u> |



NOTE 21 - MANUFACTURING EXPENSES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---------------------------------------|------------------------------|------------------------------|
| Stores & Spares consumed | 36,439,280.17 | 35,426,639.07 |
| Coal | 64,196,735.19 | 55,105,696.61 |
| Power & Fuel | 40,326,175.88 | 35,387,947.94 |
| Other manufacturing expenses | 1,530,091.00 | 8,806,186.00 |
| Entry Tax | 1,992,642.00 | 3,412,464.00 |
| Service Tax | 295,050.00 | 229,094.00 |
| Repair & Maintenance [P&M] | 3,871,411.00 | 2,556,375.00 |
| Water charges & Air pollution Charges | 1,887,974.00 | 821,712.00 |
| | <u>150,539,359.24</u> | <u>141,746,114.62</u> |

NOTE 22 - EMPLOYEE BENEFITS EXPENSES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|----------------------------------|-----------------------------|-----------------------------|
| Salary, Wages & Other Allowances | 90,200,062.00 | 67,924,237.00 |
| E.S.I. & P.F. contribution | 2,890,253.00 | 2,123,959.00 |
| Gratuity & P.L. Encashment | 455,903.00 | 742,523.00 |
| Staff & Labour Welfare Expenses | 159,183.00 | 476,084.00 |
| Bonus & exgratia | 524,835.00 | 498,295.00 |
| | <u>94,230,236.00</u> | <u>72,365,098.00</u> |

**The company is accounting leave encashment on mercantile/ actual basis. However gratuity has been accounted by way of actuarial valuation and due provision has been made in the books in current year
 *** There is no expenditure incurred on employees who were in receipt of remuneration in the aggregate or not less than Rs. 24,00,000/- p.a. if employed through out the year and Rs. 2,00,000/- per month for a part of the year.

NOTE 23 - FINANCE COSTS

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---|-----------------------------|-----------------------------|
| Bank charges | 252,811.26 | 12,466.50 |
| Interest on Term Loan | 2,057,588.00 | 2,655,854.06 |
| Interest on Working Capital | 2,259,851.00 | 7,025,089.49 |
| Interest on Others | 14,224,626.00 | 846,440.00 |
| Less:- Interest received on Fixed deposit | 2,300,843.00 | - |
| | <u>16,494,033.26</u> | <u>10,539,850.05</u> |



NOTE 24 - OTHER EXPENSES**A) ADMINISTRATIVE EXPENSES**

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|----------------------------------|---------------------|---------------------|
| Audit exp. | 4,450.00 | 4,275.00 |
| Auditor Remuneration | 60,000.00 | 60,000.00 |
| Charity & donation | 69,600.00 | 21,900.00 |
| Conveyance expenses | 488,102.00 | 455,750.00 |
| Cost Audit fees | 22,000.00 | 22,000.00 |
| Energy Audit | 295,540.00 | 0.00 |
| Fees & subscription | 92,305.00 | 171,007.00 |
| Insurance | 242,726.33 | 460,208.00 |
| Legal & Professional exp. | 1,089,792.00 | 677,847.00 |
| Listing Fees | 34,626.00 | 15,104.00 |
| Loss on Sale of fixed Assets | 0.00 | 0.00 |
| M.D. Remuneration | 2,400,000.00 | 1,320,000.00 |
| Miscellaneous expenses | 270,551.26 | 444,687.74 |
| Postage Exp. | 28,876.00 | 7,986.00 |
| Printing & Stationery | 468,102.00 | 417,779.00 |
| Public Welfare exp. | 222,771.00 | 18,175.00 |
| Rent, Rates & Taxes | 161,400.00 | 102,000.00 |
| Repair & Maintenance (Vehicle) | 96,553.00 | 53,441.00 |
| Telephone expenses | 216,095.00 | 144,091.00 |
| Travelling Expenses | 63,757.00 | 18,721.00 |
| Water Cess | 148,910.00 | 108,996.00 |
| | 6,476,156.59 | 4,523,967.74 |

B) SELLING & DISTRIBUTION EXPENSES

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|--|----------------------|---------------------|
| Advertisement | 99,471.00 | 129,902.00 |
| Freight, Checking ,Loading & Unloading Charges | 4,932,267.00 | 4,739,559.00 |
| | 5,031,738.00 | 4,869,461.00 |
| | 11,507,894.59 | 9,393,428.74 |
| Audit fees & consultancy | - | 35,000.00 |
| Tax audit fees | - | 12,500.00 |
| Certification & Consultancy | - | 12,500.00 |



NOTE-25 - A. K. SPINTEX LIMITED is public limited company incorporated under companies Act 1956, Company is mainly engaged in processing of grey fabric.

NOTE 26 EARNING PER SHARE

As per accounting Standard -20"Earning per Share" issued by the Institute of Chartered Accountant of India ,the particulars of EPS for equity Share holders are as below:

| Particulars | 31.03.2014 | 31.03.2013 |
|--|------------|------------|
| Net Profit after taxes for equity shareholders | 42.66 | 05.62 |
| Number of Equity Shares outstanding | 5031750 | 5031750 |
| Weighted average number of Equity Shares outstanding | 5031750 | 5031750 |
| Basic Earnings Per Share | 0.85 | 0.11 |
| Diluted Earnings Per Share | 0.85 | 0.11 |

NOTE 27 – MANAGERIAL REMUNERATION

Details of Remuneration paid to directors as under:-

| PARTICULAR | CURRENT YEAR [Amount in Rs.] | PREVIOUS YEAR [Amount in Rs.] |
|-------------------|---------------------------------|----------------------------------|
| Directors' Salary | 24,00,000 | 13,20,000 |

NOTE 28 - CONTINGENT LIABILITIES

1. The Textile Cess Committee has raised a demand of Rs.46.26 Lacs against the company. The Company has filed various appeal against it before Hon'ble TC Appellate Tribunal, Mumbai. The Company has not received any communication from the tribunal and as per our information and belief the matter is still pending with TC Cess Appellent Tribunal. Mumbai and consequently, liability, if any arises will be accounted for as and when the case will be decided. The management being confident of winning the case, no provision of the above has been made.
2. The Company has deposited Rs. 82246/- under protest towards demand confirmed by the order of Commissioner of Excise in Case No IV(55)4/45/BHL/R-IV/04/6587 Dated 18.08.2004. Company has filed the appeal in CESTAT.
3. Hon,ble CESTAT Vide it,s Final Order No. 493-495/08 CEx. Dated 18.07.2008 reduced the penalty and accordingly we have filed the refund of excess penalty deposited by us. The department has sanctioned a sum of Rs. 114093 /- on 27.02.2009 towards excess penalty deposited by us. The department preferred an appeal with the Rajasthan High Court and matter is pending with High Court.
4. Hon,ble Rajasthan High Court in Central Excise Appeal No. 34/2007 " Union of India Vs. A.K.Spintex Ltd. & Anr." Has decided the case in our favour. The Department has filed SLP with Hon'ble Supreme Court of India vide SLP (Civil) No. 25055 of 2009.
5. A writ petition regarding livability of Rajasthan entry tax on the processing units was pending before the Hon. Rajasthan High Court, Jodhpur in which a modified interim order was passed on 21.01.2011. In compliance with the order, the company had to deposit 50 % of the entry tax for the years of which assessment is done i.e. FY 2010-11 and for the balance 50% amount, a surety bond was given. As the final order on the aforesaid writ petition has not been yet passed, the company on conservative basis has accounted for the entry tax upto FY 2010-11 in the books of accounts. In view of the management, there being a fair chance of winning the case, no further provision is necessary for period after FY 2010-11. Thus, the total amount of disputed liability for the period 01.04.2011 to 31.03.2014 is Rs. 53.43 lacs for which no provision is made being contingent in nature.



NOTE 29 – TAXES ON INCOME

The Break up of Deferred Tax Assets and Liabilities as on 31-3-2014 is as under:

| | <u>2013-2014</u> | <u>2012-2013</u> |
|--|------------------|------------------|
| Deferred Tax Calculation Liability | | |
| Opening balance | 18,794,473 | 21,924,029 |
| Add: Tax Arising on account of Current Year Depreciation | (1,880,306) | (3,129,556) |
| Closing Balance | 16,914,166 | 18,794,473 |

[Rs.in Lacs]

NOTE 30 – RELATED PARTY DISCLOSURE:

The company is having following related parties as defined under AS-18 issued by ICAI.

0. The Co. is dealing with following related parties as defined under AS-18 issued by the ICAI.

Key Management Personnel : Shri Prakash Chand Chhabra (Managing Director)
Shri Saurabh Chhabra (Director)

Relative of Key Management Personnel: - Smt. Saroj Devi Chhabra (Wife of Director)
Shri Tilok Chand Saurabh Chhabra HUF (Relative of director)

Sister/ Associate concerns : Fashion Suitings Pvt. Ltd

B. Detail of transactions made with above parties during the year 2013-2014

[Rs. In Lacs]

| Particulars | Key Management Personnel | | Relative of KMP | | Associate / Sister Concerns | |
|--|--------------------------|---------|-----------------|---------|-----------------------------|----------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Income from services (Processing charges received) | 0.00 | 0.00 | 0.00 | 0.00 | 15.38 | 62.16 |
| Balance Outstanding as on 31 st March Debtors a/c | 0.00 | 0.00 | 0.00 | 0.00 | (-)0.94 | (-)10.01 |
| Payment :- Salary | 24.00 | 13.20 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Unsecured Loan | 9.21 | 0.00 | 10.56 | 0.00 | 0.00 | 0.00 |

NOTE 31 – IMPORTED AND INDIGENEOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

| Particulars | % Total Consumption | Value | % Total Consumption | Value |
|-----------------------|---------------------|--------------|---------------------|---------------|
| | Current Year | Current Year | Previous Year | Previous Year |
| Raw Material | | | | |
| Imported | % | 0.00 | % | 0.00 |
| Indigenously obtained | 100% | 105076244.00 | 100% | 83903096.00 |
| Spare Parts | | | | |
| Imported | 0% | 0.00 | 0% | 0.00 |
| Indigenously obtained | 100% | 26188892.00 | 100% | 25053634.00 |



NOTE 32 – DUES TO MICRO, SMALL & MEDIUM ENTERPRISES

The Government of India has promulgated an act namely "The Micro, Small & Medium Enterprises Development Act 2006" which comes into force with effect from October, 2 2006. As per The Act, the Company is required to identify the Micro & Small Enterprises & Pay them interest on over due beyond the specified period irrespective of the terms agreed with the enterprises. The Company has initiated the process of identification of such suppliers. In view of number of supplier & no receipt of critical inputs & response from several such potential parties, the liability of interest cannot be reliable estimates nor can required disclosure be made. Accounting in this regard will be carried out after process is complete and reliable estimate can be made. Since the Company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.

NOTE 33 – PREVIOUS YEAR FIGURES

The figures for previous year have been re-grouped, re-arranged and re-classified wherever necessary to make them comparable with the current year's figure.

NOTE 34 – SEGMENT REPORTING

As the company's significant business activity falls within a single primary business segment viz. "Processing of Fabrics", the disclosure requirement of accounting Standard-17 "Segment reporting", issued by Institute of Chartered Accountants of India, is not applicable.

NOTE 35 – SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting

The accounts have been prepared as per historical cost convention and on an accrual basis. Accounting policies not specifically referred to otherwise be consistent and in consonance with generally accepted accounting principles followed by the company.

2. Fixed Assets

- Fixed assets are stated at their original cost (net of CENVAT) including incidental expenditure related to acquisition and Installation less accumulated depreciation.
- Capital assets under erection / installation are reflected in the balance sheet as capital work-in-progress.

3. Depreciation

Depreciation has been calculated on plant and machinery as continuous process plant (as per technical opinion obtained by the management) by applying written down value rates prescribed in **Section 123(2) and Schedule II** to the companies act, 2013. Depreciation on all other fixed assets including miscellaneous plant & machinery has been provided under straight line method at the rate prescribed as per Part "C" of schedule II of the companies act 2013. Depreciation on fixed assets acquired during the year has been calculated on pro-rata basis with reference to the date on which the assets are put to use. Depreciation on assets where actual cost does not exceed Five Thousand Rupees, being provided at the rate of Hundred percent in the year of acquisition.

4. Investment.

Investments are stated at cost.

5. Revenue Recognition / Basis of accounting

The company follows the accrual system of accounting except certain items like interest, rebates, discounts & claims on sales, insurance claims etc are admitted as and when there is reasonable certainty.

6. Inventories

Inventories are valued as under.

Finished Goods

Work in Progress

Dyes & Chemical, Stores & Spares etc

: At Cost or market realisable value, whichever is lower.

: At Cost inclusive of allocable overheads

: At lower of cost or net realisable value.

7. Job Processing Income

Job Processing Income is stated at net of discount.



8. Retirement Benefits

Company's contribution accruing during the year in respect of Provident Fund and Employee State Insurance Scheme has been charged to Profit & Loss Account.

Encashment of leave is accounted on Accrual Basis

Liability in respect of employees gratuity is valued on actuarial basis made by the Life Insurance Corporation of India under employees' group gratuity scheme. Any shortfall or excess based on such valuation is accounted for.

9. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

10. Segment Reporting

The company's main operation relates to the processing of man made fabrics and has only one unit i.e. process house which is located at Bhilwara (Raj) and most of the customers are local. Hence the company does not have any other segment to disclose separately.

11. Related Party

Related party transactions as required under AS- 18 issued by the ICAI are disclosed by way of notes to the accounts.

12. Earning Per Share (EPS)

EPS is calculated as per AS-20 issued by the Institute Of Chartered Accountants Of India.

13. Deferred tax

Provision for current tax is made after taking into consideration admissible benefits under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax laws and rates that have been or substantively enacted as on the Balance-Sheet date. Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that the assets will be realized in future.

14. Impairment of Assets

Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determine and provide/revert an impairment loss following accounting standard AS-28 for impairment of assets.

15. Contingent Liabilities.

Contingent Liabilities disclosed by way of notes.

For O.P.DAD & CO.
CHARTERED ACCOUNTANTS

[O.P.DAD]
PARTNER

PLACE: BHILWARA
DATED: 30.05.2014

FOR & ON BEHALF OF A.K. SPINTEX LIMITED

[P. C. CHHABRA]
MANAGING DIRECTOR

[Ashish Kumar Bagrecha]
COMPANY SECRETARY



PROXY FORM

Folio No. _____ No. of Shares held _____
I/We _____ of _____ being a member/ members of the above
named Company, hereby appoint Shri/ Mrs./ Miss _____ of _____
in the district of _____ or failing him/ her Shri/ Mrs./ Miss _____ of _____
in the district of _____ as my/ our proxy to vote for me/ us on
my/ our behalf at the 19th Annual General Meeting of the Company to be held on 30th September, 2014 at 11.00 a.m. or at
any adjournment thereof.

Signed this _____ day of _____ 2014.

Note: This proxy form in order to be effective should be duly stamped, completed and signed and must be deposited with
the Company's Registered Office not less than 48 hours before the meeting.

----- Cut here -----

A. K. SPINTEX LIMITED
Registered Office: 14th Km. Stone, Chittor Road,
Bilia Kalan, Bhilwara -311 001.

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting of the Company held on 30th September, 2014 at 11.00
a.m. at 14th K.M. Mile Stone Chittor Garh Road, Bilia Kalan, Bhilwara.

Full Name of the Shareholder (in Block Letters) _____
Folio No. _____ No. of Shares held _____ Name of Proxy (if the Proxy attends, instead of the
Shareholder) _____.

Signature of Shareholder / Proxy

Members attending the meeting must fill in this attendance slip and hand it over at the entrance of the meeting hall.
Members are requested to bring their copy of the annual report at the meeting.

