

# **TWENTY SIXTH ANNUAL REPORT**

**2019-2020**



## **A. K. SPINTEX LIMITED**



# **A.K. SPINTEX LIMITED, BHILWARA**

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**A.K. SPINTEX LIMITED.**

**2019-2020**

***BOARD OF DIRECTORS***

- **SHRI PRAKASH CHAND CHHABRA- MANAGING DIRECTOR**
- **SHRI TILOK CHAND CHHABRA- DIRECTOR**
- **SHRI SAURABH CHHABRA- DIRECTOR**
- **SHRI SNADEEP HINGER –INDEPENDENT DIRECTOR**
- **SHRI PRAVEEN KUMAR KOTHARI –INDEPENDENT DIRECTOR**
- **SMT DIVYA Praveen kothari- INDEPENDENT DIRECTOR (WOMAN)**

***SENIOR EXECUTIVES***

**SHRI DINESH PORWAL - GENERAL MANAGER (FINANCE)**  
**SHRI ARUN SINGH - GENERAL MANAGER (TECH.)**

***COMPANY SECRETARY***  
**ASHISH KUMAR BAGRECHA**

***AUDITORS***  
**RHDA & ASSO.**  
**CHARTERED ACCOUNTANTS**  
**CHECHANI CHAMBERS**  
**3-E-22. R.C. VYAS COLONY**  
**BHILWARA-311 001**

***BANKERS***  
**UCO BANK**  
**NAGORI GARDEN BRANCH**  
**BHILWARA-311 001(Raj.)**

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





## NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of **A.K. SPINTEX LIMITED** will be held at its registered office at **14 K.M. Stone, Chittorgarh Road, Biliya Kalan, BHILWARA-311001** on Wednesday, 30th September, 2020 at 11.00 A.M. to transact the following business.

### ORDINARY BUSINESS

1. To receive considers and adopts the audited statement of accounts of the Company for the year ended 31st March, 2019, together with reports of the Directors and Auditor's thereon.
2. To appoint a director in place of Mr. Tilok Chand Chhabra (DIN: 00167401) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offer himself for reappointment.

### SPECIAL BUSINESS

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

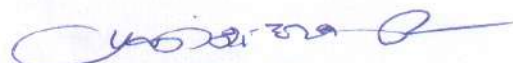
Appointment of Independent Director:

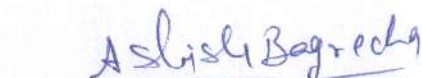
Resolved that pursuant to section 149, 152 and other applicable provision of companies act 2013 and the rules made there under read with schedule IV of the companies act 2013 Mr. Deepak Karwa, who was appointed as an Additional Director of the company effective from February 12, 2020 by the Board of 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 Independent Director of the company up to 11<sup>th</sup> February 2025.

Registered Office:  
14<sup>th</sup> Km. Stone, Chittorgarh Road,  
Bilia Kalan, Bilwara - 311001.

PLACE: BHILWARA  
DATE: 30.06.2020

BY ORDER OF THE BOARD OF DIRECTORS

  
(P. C. CHHABRA)  
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 22.09.2020 to 30.09.2020 (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](mailto: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, 3<sup>rd</sup> 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 2019-20 will also available for downloading on Company's website [www.akspintex.com](http://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.

### **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.akspintex.com](http://www.akspintex.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.





**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 27-09-2020 at 10:00 A.M. and ends on 29-09-2020 at 5:00 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 04-09-2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (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](http://www.evotingindia.com) and voted on an earlier e-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:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both 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).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.





person and take utmost care to keep your password confidential.

- (xi) For shareholders 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.





3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [akspintex@gmail.com](mailto:akspintex@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

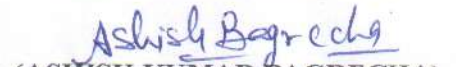
If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**BY ORDER OF THE BOARD OF DIRECTOR**

**PLACE: BHILWARA**  
**DATE: 30.06.2020**

  
**(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

Your Directors have pleasure in presenting their 26<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

### FINANCIAL SUMMARY

Financial Results	2019-20	2018-19
<b>Turnover</b>	<b>6358.19</b>	<b>6014.47</b>
Operating Profit before interest, depreciation & tax	730.60	673.53
Less: Interest	100.81	120.33
<b>Profit Before Depreciation &amp; Tax</b>	<b>629.79</b>	<b>553.20</b>
Less : Depreciation	371.79	377.10
<b>Profit Before tax</b>	<b>258.00</b>	<b>176.10</b>
Less: Income Tax (Current)	41.80	33.89
<b>Profit after tax</b>	<b>216.20</b>	<b>142.21</b>
<b>LESS: MAT Credit Entitlement</b>	-	-
LESS: Deferred Tax (Current)	25.60	16.01
Profit after provision for deferred tax	190.60	126.10
Add: Balance brought forward	1399.70	1273.60
<b>Balance carried to Balance Sheet</b>	<b>1590.30</b>	<b>1399.70</b>

### FINANCIAL HIGHLIGHTS AND OPERATION

The Key highlights pertaining to the business of the company for the year 2019-20 and period subsequent there to have been given hereunder:

- In view of the result for the financial year company turnover has been increase and profit is increase remarkably. 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.
- The company continues to closely monitor the impact the COVID-19 pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The managements has exercised due care, in concluding on significant accounting judgments and estimates inter-aia recoverability of receivables, assessment for impairment of inventory based on the information available to date, both internal and external, while preparing the financial result for the Year ended 31st March,2020.

### DIVIDEND

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review.





## **POLLUTION CONTROL**

Your directors have pleasure to report that they going to install three stages Effluent Treatment Unit with Reverse Osmosis and Effluent Evaporation Plant 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 Sub Section (3) (m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 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:-

Bombay Stock Exchange Ltd. Bomaby

Listing fee has already been paid to the Stock Exchange for the year 2019-20 in time.

## **DIRECTORS**

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

## **PUBLIC DEPOSIT**

The Company has not accepted any fixed deposit from the public within the meaning of Section 73 & 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 and CDSL to convert physical shares into Demat form. So member can convert his/her Shares in to demat form.

## **RESERVES**

Your Directors propose to carry Rs. 1.90 Crore /- being the profit for the current year to the Balance Sheet during the financial year ended March 31, 2020.

## **CAPITAL STRUCTURE**

There is no change in the authorized and paid up share capital of the company during the year.

The Authorized Share Capital of the Company is Rs. 12,50,00,000/- (Rupees Twelve crore Fifty Lacs only) divided into 1.25 Crore equity shares of Rs. 10/- each

The Paid up share capital of the Company is Rs. 5, 03, 17,500 only) divided into 50, 31,750) equity shares of Rs. 10/- each





## **INDUSTRY SCENARIO AND STATE OF COMPANY'S AFFAIRS**

Your company is Public Limited companies engaged, inter-alia, in the area of ManMade Fabric headquartered at Bhilwara (Raj.), India and not have any subsidiary company.

## **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of the business of the Company during the year.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **1. Executive Directors and KMPs:**

- (i) At the Annual General Meeting (AGM) of the Company held on September 30<sup>th</sup> 2019, the Members had re-appointed Mr. Sourach Chhabra (DIN: 00488493) as director of the Company.
- (ii) Mr. Tilok Chand Chhabra (DIN: 00167401) director is liable to retire by rotation and being eligible offer himself for re-appointment as director of the Company.

### **2. Independent Directors:**

- (i) Mr. Sandeep hinger (DIN: 06885495), Mr. Praveen Kumar Kothari (DIN: 06885503 ) and Smt.Divya Praveen kothari (DIN: 06885490) were appointed as the Independent Directors under the Companies Act, 2013 for a term of 5 years with effect from 5<sup>th</sup> June 2019.
- (ii) All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **3. Other Key Managerial Persons:**

The Board of Directors has appointed Mr. Dinesh Porwal as a CFO and Mr. Ashish Kumar Bagrecha as CS (ACS 34182) as required under section 203 of the Companies Act, 2013 on the recommendation of the Nomination & Remuneration Committee and designated them as the Key Managerial Personnel.





## **MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company met 7 times during the year on 30<sup>th</sup> May, 2019, 25<sup>th</sup> June, 2019, 14<sup>th</sup> August, 2019, 21<sup>st</sup> August, 2019, 13<sup>th</sup> November, 2019, 23<sup>rd</sup> December, 2019, 12<sup>th</sup> February, 2020, in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **Board independence:**

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013:-

- (i) Mr. Sandeep hinger (DIN: 06885495)
- (ii) Mr. Paveen kumar Kothari (DIN: 06885503 )
- (iii) Smt. Divya Praveen Kothari (DIN: 06885490)

### **Annual evaluation by the Board:**

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings.
- ii. Quality of contribution to Board deliberations.
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance.
- iv. Providing perspectives and feedback going beyond information provided by the management.
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. Member of the Board not participated in the discussion of his/her evaluation.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed:

### **Accounting Standards:-**

While preparing the annual accounts of the company for the year ended 31<sup>st</sup> March 2020 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.

### **Preparation of accounts on a going concern basis:-**

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

### **Internal Financial Control:-**

The directors had laid down internal financial controls to be followed by the company and such internal financial control is adequate and operating well.

### **Compliance:-**

The directors had devised proper system to ensure compliance with the provision of all applicable laws and that such system is adequate and operating effectively.





## **COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board has the following **3 (Three)** Committees as follows:

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Stakeholder Relationship committee

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH THE RELATED PARTIES**

Your Company has entered into transactions with the related parties, which are in its ordinary course of business and are carried out on an arm's length basis. the provisions of Section 188 to Related Party Transaction are complied.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2. As **Annexure III** (Format enclosed).

## **AKSL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the insider trading policy in accordance with requirement of SEBI (Prohibition of Insider Trading) Regulation, 2015 and applicable security laws. The insider trading policy of the company has lays down guidelines & procedures to be followed and disclosure will be made while dealing with shares of the company as well as the consequences of the violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standard of dealing in company security.

The policy is available on company website.

## **DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

None of the employee of your company, who was employed throughout the financial year, was in receipt of remuneration in aggregate of sixty lakh rupees or more or if employed for the part of the financial year was in receipt of remuneration of five lakh rupees or more per month.

## **NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

At the end of the financial year under review none of the company have become or ceased to be subsidiaries, joint ventures or associate companies, and the Company has no subsidiary

## **PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES**

The Company has no subsidiary

## **AUDITORS**

### **Statutory Auditors**

**"RESOLVED THAT** subject to the provision of section 139 (1) and other applicable provision, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time M/s RHDA & Associates, Chartered Accountants, (Firm Registration No. 014438C), statutory auditor of the company shall be subject to ratification in every annual general meeting till the conclusion of the twenty-eight Annual General Meeting of the Company to be held in the year 2022 (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 Board of Directors of the Company and the Auditor."





### **Secretarial Auditors**

Anil Somani & Associates Practicing Company Secretary were appointed to conduct the secretarial audit of the company for F.Y. 2019-20, as required under section 204 of the companies act, 2013 and rules made there under. The Secretarial Audit Report in form **MR-3** for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **AUDITORS' REPORT**

There is no qualification, reservation or adverse remarks or disclaimer made by the auditors in their report.

### **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

As per SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 the Auditor's Certificate on Corporate Governance is enclosed as Annexure to the Board Report, The Auditor's Certificate for F.Y. 2019-20 does not contain any qualification, reservation or adverse remarks or disclaimer made by the auditors in their report

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form **MGT-9** for the year ended 31<sup>st</sup> March, 2020 is annexed herewith as "**Annexure I**".

### **CORPORATE SOCIAL RESPONSIBILITY**

As per the provisions of Section 135 of the Companies Act, 2013, read with rules framed there under, every company including its holding or subsidiary and a foreign company, which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of Section 135 of the Act and its rules.

Since the Company is not falling under any criteria specified in sub-section (1) of section 135 of the Act, your Company is not required to constitute a Corporate Social Responsibility ("CSR") Committee.

### **LISTING AGREEMENT**

The Security & Exchange Board of India (SEBI) on September 2, 2015 issued (Listing Obligation & Disclosure Requirement) Regulation, 2015 with the aim to consolidate & streamline the provision of listing agreement for different segment of capital market to ensure better enforceability the said regulation were effective from December, 1, 2015 accordingly all listed entity were required to enter into the listing agreement within six month from the effective date. The company entered into listing agreement with BSE Limited during August, 2015.

### **VIGIL MECHANISM**

The Company has a vigil mechanism named vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy are explained in the Corporate Governance Report as Annexure IV.

### **RISK MANAGEMENT POLICY**

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.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, guarantees or investments made under Section 186 are furnished hereunder:





**Details of Loans:**

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Details of Investments:-**

SL No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Details of Guarantee / Security Provided:**

SL No	Date of providing security/guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**INTERNAL CONTROL SYSTEMS**

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company is pleased to report that during the year under reporting, the industrial relations were cordial.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134 read with the Companies (Accounts) Rules, 2014 regarding conservation of energy, and technology absorption apply to your Company.

**FOREIGN EXCHANGE EARNINGS & OUTGO**



Value of Imports : Rs. NIL  
Expenditure in Foreign Currency : Rs. NIL  
Value of Imported Raw Material : NIL  
Foreign Exchange Earnings during the year: NIL

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE  
(PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

**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 Regulation 27 of the SEBI (LODR) 2015 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.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**


Pursuant to Clause 49(IV) (i) of the Listing Agreement: As part of the directors' report or as an addition thereto, a Management's Discussion and Analysis Report for the year is presented in a separate section forming part of the Annual Report.


**ACKNOWLEDGEMENT**

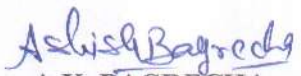
The Directors would like to express their grateful appreciation for the assistance and co-operation received from customers, vendors, stakeholders, Central and State government Authorities and other business associates and bankers of the Company. Your Directors take this opportunity to thank all the 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.

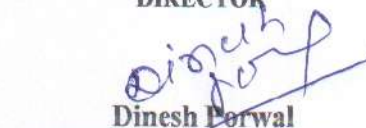
**FOR AND ON BEHALF OF THE BOARD**

PLACE: BHILWARA  
DATED: 30.06.2020

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

  
[T.C. Chhabra]  
Din No-00167401  
DIRECTOR

  
A.K. BAGRECHA  
COMPANY SECRETARY

  
Dinesh Porwal  
CHIEF FINANCIAL OFFICER





**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17117RJ1994PLC008916
2.	Registration Date	14.10.1994
3.	Name of the Company	A.K. SPINTEX LIMITED
4.	Category/Sub-category of the Company	LIMITED COMPANY
5.	Address of the Registered office & contact details	14 K.M. STONE BILIYA KALAN CHITTOR ROAD, BHILWARA-311001 RAJASTHAN
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Pvt Ltd. Beetal House, 3rd Floor 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 Phone- 91-11-2996 1281-83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Fabric Processing	2650	100%
2	N.A.	N.A.	N.A.
3	N.A.	N.A.	N.A.

**III. II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.
3	N.A.	N.A.	N.A.





**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1151550	0	1151550	22.89%	1151550	0	1151550	22.89%	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2135250	0	2135250	42.44%	2135250	0	2135250	42.44%	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	3286800	0	3286800	65.32%	3286800	0	3286800	65.32%	0.00
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0





a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	86031	2500	83531	1.70%	73744	2500	76244	1.70%	-8.72
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	158281	309650	467931	9.29%	163615	300750	464365	9.22%	-0.70





ii) Individual shareholder's holding nominal share capital in excess of Rs 2 lakh	1159473	26400	1185873	23.57%	1171027	26400	1197427	23.80%	+0.23
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	450	0	450	0.0089	0	0	0	0	-0.0089
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Other Individual HUF	4665	0	4665	.0927	6914	0	6914	1.31%	+0.039
Foreign Bodies - DR	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1386350</b>	<b>358600</b>	<b>1744950</b>	<b>34.68%</b>	<b>1415300</b>	<b>329650</b>	<b>1744950</b>	<b>34.68%</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1) + (B)(2)	1406400	338550	1744950	34.68%	1415300	329650	1744950	34.68%	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>4693200</b>	<b>338550</b>	<b>5031750</b>	<b>100</b>	<b>4702100</b>	<b>329650</b>	<b>5031750</b>	<b>100</b>	<b>0.00</b>





B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04. 2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sourabh Chhabra	255750	5.08%	0	255750	5.08%	0	0.00
2	Saroj Devi Chhabra	441000	8.76%	0	441000	8.76%	0	0.00
3	Tilok Chand Chhabra	454800	9.04%	0	454800	9.04%	0	0.00
4	Fashion Suitings Pvt Ltd.	2135250	42.44%	0	2135250	42.44%	0	0.00
	Total	3286800	65.32%	0	3286800	65.32%	0	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S N	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	L P KALYA	169520	3.36%	169520	3.36%
2.	SMT. KAMLA KALYA	124934	2.48%	124934	2.48%





3.	WRIDHI CHAND JAIN	130350	2.59%	130350	2.59%
4.	ASHISH KALYA	121650	2.41%	121650	2.41%
5.	RAHUL KALYA	118950	2.36%	118950	2.36%
6.	GULAB CHAND JAIN	84,150	1.67%	84,150	1.67%
7.	RAKESH MAHESHWARI	70000	1.39%	70000	1.39%
8.	NARBADA DEVI KABRA	59272	1.18%	59272	1.18%
9.	LIFESURE CONSULTANCY PVT.LTD.	66150	1.31%	66150	1.31%
10	KAUSHLIYA KABRA	50000	0.99%	50000	0.99%
TOTAL		9,94,976	19.77%	9,94,976	19.77%
Date wise increase/Decrease in shareholding during the year					
1.	L.P. KALYA (Decrease)	3397	0.06%	3397	0.003%
2.	KAMLA KALYA (Decrease)	7550	0.15%	7550	0.15%
3.	RAKESH MAHESHWARI (Decrease)	10728	0.21%	10728	0.21%
S N	For Each of the Top 10 Shareholders	Shareholding at the ending of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the End of the year				
1.	L P KALYA	167016	3.31%	167016	3.31%
2.	SMT. KAMLA KALYA	122874	2.44%	122874	2.44%
3.	WRIDHI CHAND JAIN	130350	2.59%	130350	2.59%
4.	ASHISH KALYA	121650	2.41%	121650	2.41%
5.	RAHUL KALYA	118950	2.36%	118950	2.36%
6.	GULAB CHAND JAIN	84,150	1.67%	84,150	1.67%
7.	NARBADA DEVI KABRA	70000	1.39%	70000	1.39%
8.	RAKESH MAHESHWARI	59272	1.18%	59272	1.18%
9.	LIFESURE CONSULTANCY PVT LTD.	66150	1.31%	66150	1.31%
10	KAUSHLIYA KABRA	50000	0.99%	50000	0.99%
TOTAL AT THE END OF YEAR		9,90,412	19.65%	9,90,412	19.65%

**E) Shareholding of Directors and Key Managerial Personnel:**

<b>SN</b>	<b>Shareholding of each Directors and each Key Managerial Personnel</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	<b>At the beginning of the year</b>				
1.	Tilok Chand Chhabra	454800	9.04%	454800	9.04%
2.	Sourabh Chhabra	255750	5.08%	255750	5.08%
3.	Prakash Chand Chhabra Managing Director	Nil	Nil	Nil	Nil
4.	Ashish Kumar Bagrecha Company Secretary	Nil	Nil	Nil	Nil





5.	Dinesh Porwal CFO	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year				
1.	Tilok Chand Chhabra	454800	9.04%	454800	9.04%
2.	Sourabh Chhabra	255750	5.08%	255750	5.08%
3.	Prakash Chand Chhabra Managing Director	Nil	Nil	Nil	Nil
4.	Ashish Kumar Bagrecha Company Secretary	Nil	Nil	Nil	Nil
5.	Dinesh Porwal CFO	Nil	Nil	Nil	Nil

F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	50000000	0	0	50000000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	50000000	0	0	50000000
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	50000000	0	0	50000000
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

#### **XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Prakash Chand Chhabra	
I	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,20,000	37,20,000





	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	37,20,000	37,20,000
	<b>Ceiling as per the Act</b>		

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Sandeep Hinger	Praveen Kothari	Divya Praveen Kothari	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.
	Commission				
	Others, please specify				
	<b>Total (1)</b>	N.A.	N.A.	N.A.	N.A.
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	<b>Total (2)</b>	N.A.	N.A.	N.A.	N.A.
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration</b>	N.A.	N.A.	N.A.	N.A.
	<b>Overall Ceiling as per the Act</b>				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	<b>Gross salary</b>			0	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	295200	850700	1145900
	(b) Value of perquisites u/s 17(2)	0		0	





	<b>Income-tax Act, 1961</b>				
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>				
2	<b>Stock Option</b>	0		0	
3	<b>Sweat Equity</b>	0		0	
4	<b>Commission</b>	0		0	
	<b>- as % of profit</b>	0		0	
	<b>others, specify...</b>	0		0	
5	<b>Others, please specify</b>	0		0	
	<b>Total</b>	0	295200	850700	1145900

## XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
<b>Penalty</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Punishment</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Compounding</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
<b>Penalty</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Punishment</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Compounding</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<b>Penalty</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Punishment</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Compounding</b>	N.A.	N.A.	N.A.	N.A.	N.A.





# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

To,  
The Members,  
A.K.SPINTEX LIMITED,  
4 KM Stone, Chittorgarh Road,  
Bilia Kalan, Bhilwara  
Rajasthan 311001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by A.K.SPINTEX LIMITED, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance's and expressing our opinion thereon.

## Management's Responsibility for Secretarial Compliance's

The company's Management is responsible for preparation and maintenance of secretarial records and for devising proper system to ensure compliance with the provisions of applicable laws and regulations.

## Auditor's Responsibility

My responsibility is to express an opinion on the Secretarial records, Standards, Procedures followed by the company with respect to Secretarial Compliance's.

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.

## Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** complied with the statutory provisions listed here-under and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; N. A.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; N. A.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; N.A.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; N.A.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; N.A.





- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;
- (viii) Employees' state Insurance Act, 1948;
- (ix) The Payment of Bonus Act, 1965;
- (x) The payment of Gratuity Act, 1972

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

Sr. No.	Compliance Requirement (Regulations/circulars/Guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Regulation 13 (3) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delayed filing of statement of investor complaints for the quarter ended 31.03.2019	The listed entity has filed statement of investor complaints for the quarter ended 31.03.2019 on 03.05.2019
2.	Regulation 23 (9) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non filing of Disclosure of related party transaction	The listed entity has not filed Disclosure of related party transaction for the year ended 31.03.2019.
3.	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015	Delayed closure of trading window for declaration of quarterly financial results	The listed entity has delayed closed trading window for the quarter ended 31.03.2019, 30.06.2019, 30.09.2019 and 31.12.2019
4.	Regulation 74(5) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018	Non filing of Confirmation certificate under Regulation 74(5)	Confirmation certificate under Regulation 74(5) for the quarter ended 31.03.2019, 30.06.2019, 30.09.2019 and 31.12.2019 has not filed.

**We further report that**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For Anil Somani & Associates  
Company Secretaries

Place: Bhilwara

Anil Kumar Somani

Date: ....., 2020

ACS: 36055

COP: 13379

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.





To,  
The Members  
A.K.SPINTEX LIMITED,  
4 KM Stone, Chittorgarh Road,  
Bilia Kalan, Bhilwara  
Rajasthan 311001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Anil Somani & Associates  
Company Secretaries

Anil Kumar Somani  
ACS: 36055  
COP: 13379

Place: Bhilwara  
Date: ....., 2020





**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Fashion Suiting Pvt. Ltd. (Sister Concern)
b)	Nature of contracts/arrangements/transaction	Fabric Processing
c)	Duration of the contracts/arrangements/transaction	1/04/19 to 31/03/20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Date of approval by the Board	30.05.2019
f)	Amount paid as advances, if any	N.A.

**FOR AND ON BEHALF OF THE BOARD**

PLACE: BHILWARA  
DATED: 30.06.2020

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

*A. K. Bagrecha*  
A.K. BAGRECHA  
COMPANY SECRETARY

[T.C.Chhabra]  
Din No-00167401  
DIRECTOR

*Dinesh Porwal*  
Dinesh Porwal  
CHIEF FINANCIAL OFFICER





**VIGIL MECHANISM / WHISTLE BLOWER POLICY  
A.K. SPINTEX LIMITED**

**1. PREFACE**

1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

1.2. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's Code of Conduct.

1.3. Under these circumstances, A.K. Spintex Limited, being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

**2. POLICY OBJECTIVES**

2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.

2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

**3. SCOPE OF THE POLICY**

3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

**DEFINITIONS**

4.1. "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

4.2. "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.

4.3. "Board" means the Board of Directors of the Company.

4.4. "Company" means the A.K. SPINTEX LIMITED and all its offices.





4.5. **"Code"** means Code of Conduct for Directors and Senior Management Executives adopted A.K. SPINTEX LIMITED.

4.6. **"Employee"** means all the present employees and whole time Directors of the Company.

4.7. **"Protected Disclosure"** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

4.8. **"Subject"** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.9. **"Vigilance and Ethics Officer"** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

4.10. **"Whistle Blower"** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## 5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

6.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English and Hindi.

6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

6.3. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer and ethics / Chairman of the Audit Committee/ MD/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

6.4. All Protected Disclosures should be addressed to the Vigilance and ethics Officer of the Company or to the Chairman of the Audit Committee/ MD/ Chairman in exceptional cases. The contact details of the Vigilance Officer are as under:-

Name and Address – Ashish Kumar Bagrecha

A.K. SPINTEX LIMITED

14 K.M. Stone, Biliya Kalan

Chittor Road, Bhilwara-311001

6.5. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman and Managing director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman & Director and the Chairman of the Audit Committee are as under:

Name and Address of Chairman and Director - Shri Prakash Chand chhabra

A.K. SPINTEX LIMITED

14 K.M. Stone, Biliya Kalan





Email

Chittor Road, Bhilwara-311001  
[akspintex@gmail.com](mailto:akspintex@gmail.com)

Name and Address of the –  
Chairman of the Audit Committee

Shri Sandeep hinger  
19, Bhopal Ganj,  
Mahaveer Mohalla Bhilwara-311001  
[akspintex@gmail.com](mailto:akspintex@gmail.com)

Email

6.6. On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman & Managing Director / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer / Chairman & Managing Director for processing the complaint
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/ other action(s).

6.7 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## 7. INVESTIGATION

7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.

7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

7.8. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## 8. DECISION AND REPORTING

8.1. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against





the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

8.2. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

8.3. In case the Subject is the Chairman & Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

8.4. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

8.5. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **9. SECRECY / CONFIDENTIALITY**

9.1. The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

9.1.1. Maintain confidentiality of all matters under this Policy

9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

9.1.3. Not keep the papers unattended anywhere at any time

9.1.4. Keep the electronic mails / files under password.

## **10. PROTECTION**

10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

10.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.





## **11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

11.1. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

## **12. COMMUNICATION**

12.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

## **13. RETENTION OF DOCUMENTS**

13.1. All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

## **14. ADMINISTRATION AND REVIEW OF THE POLICY**

14.1. The Chairman & Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Chief Executive Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

## **15. AMENDMENT**

15.1. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing





**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 31<sup>st</sup> March 2020 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: RHDA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

  
**DINESH AGAL  
PARTNER**



**PLACE: BHILWARA  
DATED: 30<sup>th</sup> JUNE, 2020**

UDIN NO! - 20417439A AAAAG 200L

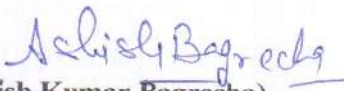


**CEO/CFO CERTIFICATION TO THE BOARD**  
**(Under Clause 49(V) of Listing Agreement)**

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

- a. I have reviewed the financial statements and the cash flow statement for the year 2019-20 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 2019-20 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 2019-20;
  - Significant changes in accounting policies during the year 2019-20 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.

  
(Dinesh Porwal)  
CHIEF FINANCIAL OFFICER

  
(Ashish Kumar Bagrecha)  
COMPANY SECRETARY

Place: Bhilwara  
Date: 30.06.2020





**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019-20**  
(As required under LODR Regulation, 2015 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, 2020 consisted of**

- Executive  
Shri Prakash Chand Chhabra  
Shri Tilok Chand Chhabra  
Shri Sourabh Chhabra
- Non- Executive(Independent)  
Shri Sandeep hinger  
Shri Praveen Kumar Kothari  
Smt. Divya Praveen Kothari (Woman)

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

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

The dates on which the meeting held were as follows: 30<sup>th</sup> May, 2019, 25<sup>th</sup> June, 2019, 14<sup>th</sup> August, 2019, 21<sup>st</sup> August, 2019, 13<sup>th</sup> November 2019, 23<sup>rd</sup> December, 2019, 12<sup>th</sup> February, 2020

The last Annual General Meeting was held on 29<sup>th</sup> September 2019

Name of Director	No. of Board Meeting attended	Whether attended Last AGM
Shri P. C. Chhabra	7	Yes
Shri T. C. Chhabra	6	Yes
Shri Saurabh Chhabra	6	Yes
Shri Sandeep Hinger	7	Yes
Shri Praveen Kumar Kothari	6	Yes
Smt. Divya Praveen Kothari	6	Yes

**(iii) Disclosure Regarding Appointment and Reappointment of Director**

As per the provision of Companies Act, 2013 Mr. Tilok Chand Chhabra will retire in the ensuing AGM and being eligible and seeking re-appointment

The Board recommends his reappointment

Shri Tilok Chand Chhabra, Son of Shri Mohan Lal Chhabra, aged 61 years, an Indian National, residing at B-382, Shastri Nagar, Bhilwara-311001 He is graduate in Commerce. He is having more than 41 years experience in filed 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 Pvt. Ltd.	Director
Fashion suiting Pvt Ltd	Director
Citiline Tex Fab Pvt Ltd	Director
Welplan Infrastructures Pvt ltd	Director

The Companies Act, 2013 provides for the appointment of Independent Directors Sub Section (10) of Section 149 of Companies Act, 2013 (effective April, 1, 2014) provides that Independent Directors shall hold office for a term of Five consecutive years on the Board of a company and shall be eligible for reappointment on the passing of a special resolution by the shareholder of the company. Accordingly all the Independent Directors were appointed by the shareholders either at general meeting or through postal ballot as required under section 149(10).

Further section 149(11) states that no Independent Director shall be eligible to serve on the board for more than two consecutive terms of five years. Section 149(13) states that the provision of retirement by rotation as defined under sub section (6) and (7) of section 152 of the Act, shall not apply to Independent Directors. None of Independent Director will retire in ensuing AGM

#### (iv) Independent Directors Meeting

Schedule IV of the Companies Act, 2013 and the rules under it mandate the Independent Directors and Member of the Management. It is recommended that all the Independent Directors were present in the meeting. These meeting are expected to review the performance of non independent director and the Board as a whole as well as performance of chairman of the Board. Taking into account views of executive directors and non executive directors: access the quality quantity and timeliness of the flow of information between the management and the board that is necessary to effectively and reasonably perform its duty.

#### (v) Code Of Conduct

In compliance with regulation 26 (3) of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and the Companies Act, 2013 the company has framed and adopted the code of conduct and ethics "the code". The Code is applicable to the Board Members and senior Management of the company and is posted on our website [www.akspintex.com](http://www.akspintex.com). The Board Members and Senior Management personnel affirm compliance to the code of conduct.

### 3. Audit Committee

- 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.
- The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are as below:

Name of Member	Designation	No. of Meetings attended during the year 2019-20
Shri Sandeep hinger	Chairman	4
Shri Praveen Kumar Kothari	Member	4
Shri Prakash Chand Chhabra	Member	4

- Four Audit committees meetings were held during 2019-2020. The dates on which the said meetings were held are as follows: 30<sup>th</sup> May 2019, 14<sup>th</sup> August 2019, 13<sup>th</sup> November 2019 and 12<sup>th</sup> February 2020.





d. **Audit Committee Report for the year ended 31<sup>st</sup> March, 2020**

The composition of Audit Committee is according to the definition laid down in the audit committee charter section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

The management is responsible for the company's internal control over financial reporting and the financial reporting process. The Independent Auditor is responsible for performing and Independent Audit of the company's financial statement in accordance with generally accepted auditing principles and for issuing a report thereon. The committees' responsibility is to monitor these processes. The committee is also responsible for overseeing the processes related to financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible. In addition the committee recommends to the board the remuneration appointment and terms of appointment of the company's internal and independent auditors.

In this context, the committee discussed the overall scope and plans for the independent with the company's auditors. The management shared the company's financial statement prepared in accordance with the IND-AS and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board with the committee.

Based on committee's discussion with the management and the auditors, its review of representation of the management and the reports of the auditors the committee has recommended following to the board.

- (i) The audited financial statement prepared in accordance with the IND-AS of AKSL for the F.Y. 2019-20 is accepted by the board as a true and fair statement of the financial status of the company.
- (ii) The appointment of M/s Bal Mukund Kabra & Co. as the internal auditor of the company for the F.Y. 2019-20 to review various operation of the company. And determination and approval of fees payable to them.
- (iii) The appointment of M/s Anil Somani & Associates company secretaries as Secretarial Auditor for the F.Y. 2019-20 to conduct the secretarial audit as prescribed under section 204 and other applicable section of Companies Act, 2013.

**4. Nomination & 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 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	3,10,000 P.M.
Perquisite	NIL
Total	3,10,000 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. Stakeholder Relationship Committee

- (i) The Company has constituted a Stakeholder Relationship 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 Director	Designation	Nature of Directorship
Shri Praveen Kumar Kothari	Chairman	Independent Director
Shri Saurabh Chhabra	Member	Non-Independent Director
Smt Divya Praveen Kothari	Member	Independent Director (Woman)

## 6. CEO/CFO Certification to the Board

As required by SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 the CEO/CFO Certification is provided in this report.

## 7. Auditors' Certificate on Corporate Governance

As per SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 the Auditor's Certificate on Corporate Governance is enclosed as Annexure to the Board Report, The Auditor's Certificate for F.Y. 2018-19 does not contain any qualification, reservation or adverse remarks or disclaimer made by the auditors in their report

## 8. Prevention of Insider Trading

The Board of Directors has adopted the insider trading policy in accordance with requirement of SEBI (Prohibition of Insider Trading) Regulation, 2015 and applicable security laws. The insider trading policy of the company has lays down guidelines & procedures to be followed and disclosure will be made while dealing with shares of the company as well as the consequences of the violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standard of dealing in company security.

The policy is available on company website.

## 9. Detail of Non- Compliance

No penalty has been imposed by any stock exchange, SEBI or SEC nor has there been any instance of non-compliance with any legal requirement or on matter relating to capital market in F.Y. 2018-19

## 10. 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
23 <sup>rd</sup> AGM-2017	29.09.2017	11:00 A.M	<b>A.K. SPINTEX LIMITED</b> 14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhilwara-311001 ( RAj.)
24 <sup>th</sup> AGM-2018	29.09.2018		
25 <sup>th</sup> AGM-2019	29.09.2019		

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





(i) **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.

(ii) **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 "Jansatta/Business Remedies" in Hindi and in "Financial Express" English newspaper. The annual results are posted to all the shareholders.

9.

**GENERAL SHAREHOLDER INFORMATION**

(i) Annual General Meeting Date & Time Venue	30.09.2020 & 11.00 A.M. 14 K.M. Stone, Chittorgarh Road,Bilia Kalan, Bhilwara-311001 ( Rajasthan)
(ii) Financial Period	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
(iii) Date of Book Closure	23 <sup>th</sup> September 2020 to 30 <sup>th</sup> September 2020
(iv) Listing Fees	The listing fees for the financial year 2019-20 have been paid to Bombay Stock Exchange, where Your Company equity shares are listed.
(v) Listing on Stock Exchange in India	(i) Bombay Stock Exchange Limited
(vi) Financial Calendar for the period April 1, 2018 to March 31, 2019	First Quarterly Results By August 2019 Second Quarterly Results By November 2019 Third Quarterly Result By February 2020 Audited Results By June 2020
(vii) Registered Office	14 K.M. Stone, Chittorgarh Road,Bilia Kalan, Bhilwara-311001 ( Rajasthan)





**(vii) Distribution of Shareholding as on 31<sup>st</sup> March, 2020**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holding
Up to 5000	689	79.46	166605	3.31
5001 to 10000	72	8.30	52134	1.03
10001 to 20000	45	5.19	64023	1.27
20001 to 30000	14	1.61	35894	0.71
30001 to 40000	8	0.92	28853	0.57
40001 to 50000	5	0.57	22100	0.44
50001 to 100000	8	0.92	56838	1.13
100001 to above	26	2.99	4605303	92.50
<b>Total</b>	<b>867</b>	<b>100.00</b>	<b>50,31,750</b>	<b>100.00</b>

**(ix) Shareholding Pattern as on 31<sup>st</sup> March, 2020**

Categories	No. of Shares	% of issued Share Capital
Promoters	3286800	65.32
Foreign Institutional Investors	-	-
Financial Institution	-	-
Mutual Funds and UTI	-	-
Bodies Corporate	76244	1.52
Foreign Companies	-	-
Nationalized and other banks	-	-
Resident Individual-HUF	6914	0.14
Public	1661792	33.02
Non Resident Indian	0	0.00
<b>Total</b>	<b>5031750</b>	<b>100.00</b>





**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**

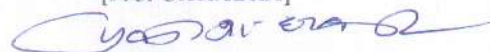
<b>A <u>POWER &amp; FUEL CONSUMPTION</u></b>		<b>31.03.2020</b>	<b>31.03.2019</b>
<b>1 <u>ELECTRICITY</u></b>			
a Purchase Units [In KWH]		6038218.00	6430752.00
Total Amount [In Rupees]		5550069.00	54418693.00
Rate/Unit [In per KWH]		9.19	8.46
b <u>Own Generation</u>			
Through Diesel Generator [In KWH]		147170	165601
unit/ltrs in diesel oil		3.13	3.09
cost [Rs/ unit]		21.88	22.93
Through Solar Generator [In KWH]		1828876	978689
Tran. Charge		1450719	1133715
2 Coal			
Qty [Ton]		21423.52	18683.16
TOTAL COST [Rs]		106477157	102235299.50
Average Rate [Rs/Ton]		4970.11	5472.06
<b><u>CONSUMPTION PER UNIT OF PRODUCTION</u></b>			
<b>B</b>			
Fabric production	[Mtrs]	41603921	41635821
Electricity	[in Kwh]	0.193	0.182
Coal	[in Kg]	0.515	0.449

**FORM "B"**

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

By order of the board

[P.C. CHHABRA]



PLACE: BHILWARA.

DATE: 30<sup>th</sup> June, 2020





**RHDA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
3-E-22 R.C. VYAS COLONY,  
BHILWARA RAJASTHAN - 311001

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**Independent Auditor's Report**

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

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **A.K. SPINTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flow and the Statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information,

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Emphasis of matters**

1. We invite attention to Note No. 47 to the financial statement regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statement for the year ended 31<sup>st</sup> March 2020, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our opinion is not modified in respect of these matters





## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

The key audit matters	How our audit addressed the key audit matter
<p><b>1. Physical Verification of Inventories</b></p> <p>The Company's inventories include raw materials, work-in progress, finished goods, stock-in-trade, stores, and spares. The Company has adequate inventory records and system as also internal controls over inventory movements and records. The Company has established procedures to carry out physical inventories during the year as also at the year-end. Accordingly, physical verification of inventories was carried out during the year and details thereof were provided to us auditors. Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us auditors to physically attend the inventory counting and hence, alternative audit procedures were performed. This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario.</p>	<p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:</p> <ul style="list-style-type: none"><li>• Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements) whether such controls have operated effectively during the period of audit;</li><li>• Obtained details/documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be;</li><li>• Rollback procedures were applied to arrive at the inventories as verified by the Company as at the year-end;</li><li>• Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end;</li></ul>

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## **Management's Responsibility for the Financial Statements**

The Company's Board of directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) referred to in section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we





conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure Aa statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

A) As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act; except in **Ind AS-19 "Employee Benefits" where in the Company has not provided liability for Gratuity on actuarial valuation;**





- (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- B) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) the company has disclosed the impact, if any, of pending litigations on its standalone Ind AS financial position in its standalone Ind AS financial statements
- (ii) as per the information provided to us by the management, the company has not entered in to long term contract including derivative contracts for which provisioning is required;
- (iii) As the Company has not declared any dividend in the past years & there is no unpaid dividend, so there is no requirement of transfer of amount in Investor Education & Protection fund (IEPF).

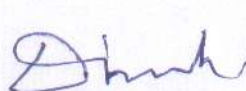
C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**AS PER AUDIT REPORT OF EVEN DATE**

**For: RHDA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

  
[DINESH AGAL]

**PARTNER**

**M. NO. : 417439**

**FRN :- 014438C**

**PLACE: BHILWARA**

**DATE: 30.06.2020**

**UDIN No:- 2041743JAAAAAG12001**





## ANNEXURE A 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 as we considered appropriate and according to the information & explanation given to us during the course of our audit, we report that:

- i.
  - (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- iii. 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 189 of the Companies Act, 2013. Hence clause (iii) (a), (b) & (c) is not applicable to the company as the company has not granted any such loans.
- iv. 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 loan to directors.
- v. The Company has not accepted any loans/deposits from public. In our opinion and according to the information and explanation given to us the provisions of Section 73 and 76 of the Companies Act, 2013 and the Rules framed there under, wherever applicable, are being complied with. No order has been passed by company law board against the company.
- vi. The Central Government has prescribed maintenance of the cost records under 148(1) of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of accounts and records maintained by 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 however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, GST, Sales Tax, Excise Duty, VAT, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2020 for a period of more than six months from the date they have become payable.





- b. According to the information & explanations given to us and the records examined by us, there is no amount which have not been deposited on account on account of any dispute in respect of income tax, service tax, sales tax, customs duty and excise duty, VAT and cess, except the disputed statutory dues aggregating to Rs. 51.70 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

viii. Based on our audit procedures and on the information & explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.

ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

x. In our opinion and according to the information & explanations given to us, we report that no material fraud on or by the company has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations give to us, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Therefore, the provision of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.





xvi. The Company is not required to be registered under sec. 45-IA of the Reserve Bank of India Act, 1934.

AS PER AUDIT REPORT OF EVEN DATE

For: RHDA & ASSOCIATES

CHARTERED ACCOUNTANTS

  
[DINESH AGAL]

PARTNER

M. NO. : 417439

FRN :- 014438C

PLACE: BHILWARA

DATE :- 30.06.2020





## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF A.K SPINTEX LIMITED**

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

We have audited the internal financial controls over financial reporting of **A.K SPINTEX LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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





### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**AS PER AUDIT REPORT OF EVEN DATE**

**For: RHDA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

  
[DINESH AGAL]

**PARTNER**

**M. NO. : 417439**

**FRN :- 014438C**





**BALANCE SHEET**  
**AS AT 31st MARCH, 2020**

	Notes	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	205,172,118.14	224,218,946.32
Capital Work-in-Progress		-	-
Intangible assets		-	-
Intangible assets under development		-	-
<b>Financial Assets</b>			
Investments	2	3,000.00	3,000.00
Loans	3	-	-
Other Financial Assets	4	6,206,674.48	5,479,175.48
Other Non-current assets	5	95,687.60	143,531.40
<b>TOTAL NON-CURRENT ASSETS</b>		<b>211,477,480.22</b>	<b>229,844,653.20</b>
<b>Current assets</b>			
Inventories	6	56,744,870.77	49,449,168.11
<b>Financial Assets</b>			
Investments	7	-	-
Trade receivables	8	146,946,289.55	148,789,101.56
Cash and cash equivalents	9	302,728.27	268,095.82
Loans	10	-	-
Other Financial Assets	11	128,870.00	181,452.00
Other Current Assets	12	31,525,142.66	27,176,279.58
<b>TOTAL CURRENT ASSETS</b>		<b>235,647,901.25</b>	<b>225,864,097.07</b>
<b>TOTAL ASSETS</b>		<b>447,125,381.47</b>	<b>455,708,750.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	50,317,500.00	50,317,500.00
Other Equity	14	159,040,322.69	139,980,838.68
<b>TOTAL EQUITY</b>		<b>209,357,822.69</b>	<b>190,298,338.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	45,358,365.58	55,654,798.38
Provisions	16	-	-
Other Financial Liabilities	17	-	-
Deferred tax liabilities (Net)	18	19,167,669.54	16,608,080.22
Other non-current liabilities	19	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>64,526,035.12</b>	<b>72,262,878.60</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	44,732,723.70	64,476,846.58
Trade payables	21	-	-
I) Total outstanding dues of micro enterprises and small enterprises		-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises		94,389,547.31	92,421,778.31
Other Financial Liabilities	22	14,960,906.60	15,584,663.62
Other Current liabilities	23	13,125,065.48	16,875,080.48
Provisions	24	6,033,280.00	3,789,164.00
<b>TOTAL CURRENT LIABILITIES</b>		<b>173,241,523.09</b>	<b>193,147,532.99</b>
<b>TOTAL LIABILITIES</b>		<b>237,767,558.21</b>	<b>265,410,411.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>447,125,381.48</b>	<b>455,708,750.27</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 46

AS PER AUDIT REPORT OF EVEN DATE  
For: RHDA & ASSOCIATES  
CHARTERED ACCOUNTANTS

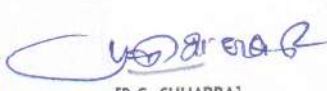
  
DINESH AGAL  
PARTNER  
M. NO. : 417439  
FRN :- 014438C



PLACE: BHILWARA  
DATE: 30.06.2020

UDIN No:- 20417439 A A A A G 2001

FOR AND ON BEHALF OF THE BOARD  
A.K. SPINTEX LIMITED, BHILWARA

  
[P.C. CHHABRA]  
[MANAGING DIRECTOR]  
(DIN NO.00155631)  
A.K. BAGRECHA  
[COMPANY SECRETARY]  
(M.NO.: A34182)

  
[T.C. CHHABRA]  
[DIRECTOR]  
(DIN NO.00167401)  
DINESH P. P. P. P.  
[CFO]



STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2020

	NOTES	2019-20	(Amount in `) 2018-19
<b>INCOME</b>			
Revenue from operations	25	635,819,562.75	601,447,284.92
Other Income	26	1,689,379.37	362,492.00
<b>Total Income</b>		<b>637,508,942.12</b>	<b>601,809,776.92</b>
<b>EXPENSES</b>			
Cost of Material Consumed	27	151,996,965.72	151,539,524.83
Purchase of Stock-in-Trade	28	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(5,730,883.45)	-4,849,997.95
Manufacturing Expenses	30	258,094,708.58	231,019,317.21
Employee Benefits Expenses	31	138,711,627.00	137,529,292.84
Finance Costs	32	10,081,615.11	12,033,655.77
Depreciation / Amortisation and Depletion Expenses		37,179,111.32	37,710,846.58
Other Expenses	33	21,376,084.52	19,217,087.44
<b>Total Expenses</b>		<b>611,709,228.80</b>	<b>584,199,726.72</b>
<b>Profit Before Tax</b>		<b>25,799,713.33</b>	<b>17,610,050.20</b>
<b>Tax Expenses</b>	34		
Current Tax		4,180,640.00	3,388,170.00
Deferred Tax		2,559,589.31	1,601,599.35
		<b>6,740,229.31</b>	<b>4,989,769.35</b>
<b>Profit for the Year</b>		<b>19,059,484.01</b>	<b>12,620,280.85</b>
<b>Other comprehensive income:</b>		-	-
<b>Total comprehensive Income for the year</b>		<b>19,059,484.01</b>	<b>12,620,280.85</b>
<b>Earnings per equity share of face value of ` 10 each</b>		<b>19,059,484.01</b>	<b>12,620,280.85</b>
Basic (in `)		3.79	2.51
Diluted (in `)		3.79	2.51

See accompanying Notes to the Financial Statements

1 to 46

AS PER AUDIT REPORT OF EVEN DATE  
For: RHDA & ASSOCIATES  
CHARTERED ACCOUNTANTS

[DINESH AGAL]  
PARTNER  
M. NO. : 417439  
FRN :- 014438C  
PLACE: BHILWARA  
DATE: 30.06.2020



UDIN NO:- 20417439AAAAAG1 2001

FOR AND ON BEHALF OF THE BOARD

[P.C. CHHABRA]  
[MANAGING DIRECTOR]  
(DIN NO. 00155631)  
A.K. BAGRECHA  
[COMPANY SECRETARY]  
(M.NO.: A34182)

[T.C. CHHABRA]  
[DIRECTOR]  
(DIN NO. 00167401)  
DINESH PORWAL  
[CFO]



	2019-20	(Amount in 2018-19
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	25,799,713.33	17,610,050.
Adjusted for:		
(Profit) / Loss on Sale / Discard of Assets (Net)	(692,078.93)	110,266.
Sundry assets w/off	47,844.00	47,843.
Depreciation / Amortisation and Depletion Expense	37,179,111.32	37,710,846.
Effect of Exchange Rate Change	-	-
Net Gain on Investments	-	-
Dividend Income	-	-
Interest Income	(935,431.00)	(338,492.)
Finance costs	10,081,615.11	12,033,655.
<b>Operating Profit before Working Capital Changes</b>	<b>71,480,773.82</b>	<b>67,174,170.</b>
Adjusted for:		
Trade and Other Receivables	1,842,812.01	(27,012,654.)
Inventories	(7,295,702.66)	(3,732,337.)
Other Current assets	(4,348,863.08)	(5,044,643.)
Other Financial assets	52,582.00	4,075,992
Trade Payables	1,967,769.00	3,249,400
Other Financial Liabilities	(623,757.02)	5,975,619
Other Current Liabilities & Provisions	(1,505,899.00)	(1,785,279.)
<b>Cash Generated from Operations</b>	<b>61,569,715.07</b>	<b>42,900,267</b>
Taxes Paid (Net)	(4,180,640.00)	(3,388,170.)
<b>Net Cash flow from Operating Activities</b>	<b>57,389,075.07</b>	<b>39,512,097.</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets	(22,103,406.00)	(16,953,488.
Proceeds from disposal of tangible and intangible assets	4,663,202.00	854,082
Increase in Non-Current Assets	(727,499.00)	-
Purchase of Other Investments	-	(2,774,506.
Net cash flow for other financial assets	-	338,492
Interest Income	935,431.00	-
Dividend Income from Subsidiary and Associates	-	-
Dividend Income from Others	-	-
<b>Net Cash flow (Used in) Investing Activities</b>	<b>(17,232,272.00)</b>	<b>(18,535,420.</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital	-	-
Share Application Money	-	-
Proceeds from Long Term Borrowings	-	-
Other Non Current Financial Liabilities & Provisions	-	-
Increase in bank borrowing for Working Capital	(19,744,122.88)	(2,810,103.)
Repayment of Long Term Borrowings	(10,296,432.80)	(5,969,252.)
Short Term Borrowings (Net)	-	-
Dividends Paid (including Dividend Distribution Tax)	-	-
Interest Paid	(10,081,615.11)	(12,033,655.)
<b>Net Cash flow from/(Used in) Financing Activities</b>	<b>(40,122,170.79)</b>	<b>(20,813,011.)</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>34,632.28</b>	<b>163,665.</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>268,095.82</b>	<b>104,430.</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>302,728.27</b>	<b>268,095.</b>

AS PER AUDIT REPORT OF EVEN DATE  
For: O.P. DAD AND COMPANY  
CHARTERED ACCOUNTANTS

[DINESH AGAL]  
PARTNER  
M. NO. : 417439  
FRN :- 014438C  
PLACE: BHILWARA  
DATE: 30.06.2020



UDIN NO:- 20417439 AAAAAG 2001

FOR AND ON BEHALF OF THE BOARD

P.C. CHHABRA  
[MANAGING DIRECTOR]  
(DIN NO.00155631)

A.K. BAGRECHA  
[COMPANY SECRETARY]  
(M.NO.: A34182)

T.C. CHHABRA  
[DIRECTOR]  
(DIN NO.00167401)  
DINESH PORWAL  
[CFO]



(Amount in `)

## 1. Property, Plant and Equipment

	Freehold Land	Buildings	Plant & Machinery	Equipments	Furniture & Fixtures	Vehicles	Total
Cost as at April 1, 2019	19,796,763.25	53,276,112.58	404,368,625.55	3,395,564.80	4,887,162.30	20,527,972.00	506,252,200.48
Additions	-	670,625.00	20,972,515.00	343,700.00	116,566.00	-	22,103,406.00
Disposal	90,429.42	4,145,212.00	3,372,495.00	-	-	-	7,608,136.42
Cost as at March 31, 2020	19,796,333.83	49,801,525.58	421,968,645.55	3,739,264.80	5,003,728.30	20,527,972.00	520,747,470.06
Accumulated depreciation as at April 1, 2019	-	20,341,907.92	244,207,770.81	2,858,248.13	4,008,290.13	10,617,037.18	282,033,254.17
Depreciation for the year	-	1,629,300.92	32,975,442.65	244,422.18	339,841.61	1,990,103.96	37,179,111.32
Disposal	-	826,387.79	2,810,625.78	-	-	-	3,637,013.57
Accumulated depreciation as at March 31, 2020	-	21,144,821.05	274,372,587.68	3,102,670.31	4,348,131.74	12,607,141.14	315,575,351.92
Net carrying amount as at March 31, 2019	19,796,763.25	32,934,204.66	160,160,854.74	537,316.67	878,872.17	9,910,934.82	224,218,946.31
Net carrying amount as at March 31, 2020	19,796,333.83	28,656,704.53	147,596,057.87	636,594.49	655,596.56	7,920,830.86	205,172,118.14
Cost as at April 1, 2018	19,796,763.25	48,936,328.58	396,190,387.01	3,288,114.80	4,653,791.30	19,807,800.00	492,673,184.94
Additions	-	4,339,784.00	10,610,461.16	107,450.00	233,371.00	1,662,422.00	16,953,488.16
Disposal	-	-	2,432,222.62	-	-	942,250.00	3,374,472.62
Cost as at March 31, 2019	19,796,763.25	53,276,112.58	404,368,625.55	3,395,564.80	4,887,162.30	20,527,972.00	506,252,200.48
Accumulated depreciation as at April 1, 2018	-	18,823,755.06	212,322,447.38	2,635,561.09	3,634,531.65	9,316,236.45	246,732,531.63
Depreciation for the year	-	1,518,152.86	33,748,431.96	222,687.04	373,758.48	1,847,816.25	37,710,846.59
Disposal	-	-	1,863,108.53	-	-	547,015.52	2,410,124.05
Accumulated depreciation as at March 31, 2019	-	20,341,907.92	244,207,770.81	2,858,248.13	4,008,290.13	10,617,037.18	282,033,254.17
Net carrying amount as at March 31, 2018	19,796,763.25	30,112,573.52	183,867,939.63	652,553.71	1,079,259.65	10,491,563.55	245,940,653.31
Net carrying amount as at March 31, 2019	19,796,763.25	32,934,204.66	160,160,854.74	537,316.67	878,872.17	9,910,934.82	224,218,946.31





	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>2. NON-CURRENT INVESTMENTS</b>		
Investments measured at Amortised Cost		
N.S.C.	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>3. LOANS (UNSECURED AND CONSIDERED GOOD)</b>		
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>4. OTHER FINANCIAL ASSETS - NON CURRENT</b>		
Deposits with RSEB & Other Departments	6,206,674.48	5,479,175.48
<b>Total</b>	<b>6,206,674.48</b>	<b>5,479,175.48</b>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>5. OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)		
Preliminary Expenses Not W/Off	143,531.40	191,375.20
Less : Transferred to P & L A/c	47,843.80	47,843.80
	95,687.60	143,531.40
<b>Total</b>	<b>95,687.60</b>	<b>143,531.40</b>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>6. INVENTORIES</b>		
Raw Materials (Including Material in Transit)	9,710,729.48	6,966,615.86
Work-in-Progress	3,269,920.35	2,476,948.35
Finished Goods	35,035,002.65	30,097,091.20
Stores & Spares	8,729,218.29	9,908,512.70
<b>Total</b>	<b>56,744,870.77</b>	<b>49,449,168.11</b>

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

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>7. INVESTMENTS - CURRENT</b>		
	-	-
<b>Total Current Investments</b>	<b>-</b>	<b>-</b>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>8. TRADE RECEIVABLES</b>		
Trade receivables Considered good - Secured	-	-
Trade receivables Considered good - Unsecured	146,278,454.54	148,619,385.56
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - Credit impaired	-	-
Trade receivables Related Parties- Considered good & Unsecured	667,835.01	169,716.00
<b>Total</b>	<b>146,946,289.55</b>	<b>148,789,101.56</b>

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





	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	27,927.00	51,365.00
Balance with bank	274,801.27	216,730.82
Cash and cash equivalents as per balance sheet	<u>302,728.27</u>	<u>268,095.82</u>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>10. LOANS - CURRENT</b>		
(Unsecured and Considered Good)		
Total	<u>-</u>	<u>-</u>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>11. OTHER FINANCIAL ASSETS</b>		
Interest Receivable on FDR	94,255.00	87,618.00
Interest Receivable under Gratuity Scheme	24,758.00	24,758.00
FDR's*	-	17,300.00
Others	9,857.00	51,776.00
Total	<u>128,870.00</u>	<u>181,452.00</u>

\*Mortgaged with bank against the outstanding of term loans from Axis Bank & against Bank Gurantee

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>12. OTHER CURRENT ASSETS</b>		
(Unsecured and Considered Good)		
GST Credit Balance	11,692,838.18	10,679,105.18
TDS Recievable	16,121,644.85	14,202,320.85
GST Refundable	2,703,074.00	1,784,217.00
Others Misc. assets	1,007,585.63	510,636.55
Total	<u>31,525,142.66</u>	<u>27,176,279.58</u>





	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amounts	Units	Amounts
<b>13. SHARE CAPITAL</b>				
Authorised Share Capital				
Equity Shares of ` 10 each	12,500,000.00	125,000,000.00	12,500,000.00	125,000,000.00
	<u>12,500,000.00</u>	<u>125,000,000.00</u>	<u>12,500,000.00</u>	<u>125,000,000.00</u>
Issued, Subscribed and Paid up:				
Equity Shares of ` 10 each fully paid up	5,031,750.00	50,317,500.00	5,031,750.00	50,317,500.00
<b>Total</b>	<u>5,031,750.00</u>	<u>50,317,500.00</u>	<u>5,031,750.00</u>	<u>50,317,500.00</u>

12.1 The details of shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Fashion Suitings Private Limited	2,135,250.00	42.44%	2,135,250.00	42.44%
T.C. Chhabra	454,800.00	9.04%	454,800.00	9.04%
Saroj Devi Chhabra	441,000.00	8.76%	441,000.00	8.76%
Saurabh Chhabra	255,750.00	5.08%	255,750.00	5.08%

12.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2020	As at 31st March, 2019
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	5,031,750.00	5,031,750.00
Add: Issued During the Year	-	-
<b>Equity Shares at the end of the year</b>	<u>5,031,750.00</u>	<u>5,031,750.00</u>

13.3. The Company has only one Class of Equity Shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

	As at 31st March, 2020	(Amount in `) As at 31st March, 2019
<b>14. OTHER EQUITY</b>		
State Investment Capital Subsidy		
As per last Balance Sheet	1,500,000.00	1,500,000.00
Add : Recieved during the year		
(Less) : Transfer to Statement of P&L	1,500,000.00	1,500,000.00
<b>Retained Earnings</b>		
As per last Balance Sheet	138,480,838.68	125,860,557.83
Add: Profit for the year	19,059,484.01	12,620,280.85
Less: Appropriations	-	-
	<u>157,540,322.69</u>	<u>138,480,838.68</u>
<b>Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet		
Add: Movement in OCI (Net) during the year		
<b>Total</b>	<u>159,040,322.69</u>	<u>139,980,838.68</u>





	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>15. BORROWINGS</b>		
<b>Secured - At amortised cost</b>		
Term Loans- from Banks		
UCO Bank Term Loan 1	4,263,047.18	7,569,063.18
UCO Bank Term Loan 2	40,953,569.00	47,936,000.00
Vehicle Loans- from Banks	141,749.40	149,735.20
Sub Total (A)	45,358,365.58	55,654,798.38
<b>Unsecured - At amortised cost</b>		
From Director, Shareholders, Members and Relatives	-	-
Sub Total (B)	-	-
<b>Total (A)+(B)</b>	<b>45,358,365.58</b>	<b>55,654,798.38</b>

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

Project Loan UCO BANK

Terms of Repayment

first charge of hypothecation charge on entire stock, Book Debts, bills & other chargeable current assets. also personally guaranteed by director. Also by 1st charge on factory land and Building size 15,057 sqmt and plant & machinery lying in factory premises.

O/s Amount

7,628,651.00

Int. Rate

9.30%

Installments amount

2.81 Lacs Per Month

Project Loan UCO BANK

Terms of Repayment

first charge of hypothecation charge on entire stock, Book Debts, bills & other chargeable current assets. also personally guaranteed by director. Also by 1st charge on factory land and Building size 15,057 sqmt and plant & machinery lying in factory premises.

O/s Amount

48,329,569.00

Int. Rate

9.30%

Installments amount

18.44 Lacs Per Quarter

Vehicle Loan

Terms of Repayment

Secured by relevant vehicles

O/s Amount

1,140,083.42

Installments amount

Principal of Rs. 10.00 Lac payable in FY 2020-21

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>16. PROVISIONS - NON CURRENT</b>		

<b>Total</b>	-	-
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	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>17. OTHER FINANCIAL LIABILITIES - NON CURRENT</b>		

<b>Total</b>	-	-
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	As at 31ST MARCH, 2020	As at 31st March, 2019
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**18. DEFERRED TAX LIABILITIES (NET)**

The movement on the deferred tax account is as follows:

At the start of the year	16,608,080.22	15,006,480.87
Charge/(credit) to Statement of Profit and Loss	2,559,589.31	1,601,599.35
<b>At the end of year</b>	<b>19,167,669.54</b>	<b>16,608,080.22</b>

**Component of Deferred tax liabilities / (asset)**

**Deferred tax liabilities / (asset) in relation to:**

	As at 31st March, 2020	Charge/(credit) to profit or loss
Property, plant and equipment	22,561,629.00	24,336,652.00
Provision for Gratuity	-1,678,458.50	-1,054,145.42
MAT Credit	-1,715,500.97	-6,674,426.35
<b>Total</b>	<b>19,167,669.54</b>	<b>16,608,080.22</b>





## 19. OTHER NON-CURRENT LIABILITIES

Total

As at  
31ST MARCH, 2020As at  
31st March, 2019

## 20. BORROWINGS - CURRENT

Secured - At Amortised Cost

Working Capital Loans  
From Banks

44,732,723.70

64,476,846.58

Sub Total (A)

44,732,723.70

64,476,846.58

Unsecured - At Amortised Cost

Sub Total (B)

Total (A)+(B)

44,732,723.70

64,476,846.58

Working Capital Loans from Banks are secured by hypothecation of present and future stock of raw materials, work-in-progress, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc.

## 21. TRADE PAYABLES

As at  
31ST MARCH, 2020As at  
31st March, 2019

I) Total outstanding dues of micro enterprises and small enterprises

II) Total outstanding dues of creditors other than micro enterprises and small enterprises-

Materials

72,494,370.00

62,783,597.00

Expenses

18,790,153.31

25,689,020.31

Capital goods

3,105,024.00

3,949,161.00

Total

94,389,547.31

92,421,778.31

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

Due to Micro, Small & Medium Enterprises:-

21.1 The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Since the relevant information is not readily available, necessary disclosure required under MSME Act, 2006 can not be made. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.

21.2 The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year

21.3 The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year

21.4 The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

21.5 The amount of interest accrued and remaining unpaid at the end of each accounting year

21.6 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

Note :- 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 overdue 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.

## 22. OTHER FINANCIAL LIABILITIES

31ST MARCH, 2020

31st March, 2019

Current maturities of Long Term Debt

11,742,218.60

12,566,475.62

Deposits from Contractors, staff &amp; Others

3,218,688.00

3,018,188.00

Total

14,960,906.60

15,584,663.62





	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>23. OTHER CURRENT LIABILITIES</b>		
Outstanding liabilities for expenses & Customer advances	10,981,575.48	14,916,479.48
Statutory dues	2,143,490.00	1,958,601.00
<b>Total</b>	<b>13,125,065.48</b>	<b>16,875,080.48</b>

	As at 31ST MARCH, 2020	As at 31st March, 2019
<b>24. PROVISIONS - CURRENT</b>		
Provision for Gratuity*	6,033,280.00	3,789,164.00
<b>Total</b>	<b>6,033,280.00</b>	<b>3,789,164.00</b>

\* As no actuarial valuation has been done, hence, whole of provision has been considered as current due to non availability of estimate.





		(Amount in `)
	2019-20	2018-19
<b>25. REVENUE FROM OPERATIONS</b>		
<b><u>SALE OF SERVICES</u></b>		
Job Processing Receipts	6358,19,562.75	6014,47,284.92
<b>Total</b>	<b>6358,19,562.75</b>	<b>6014,47,284.92</b>

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

		(Amount in `)
	2019-20	2018-19
<b>26. OTHER INCOME</b>		
<b><u>Interest</u></b>		
Bank deposits & Others	9,35,431.00	3,38,492.00
Scrap Sales & Other Non operating income		24,000.00
Profit on sale of Fixed Assets	7,53,948.37	-
<b>Total</b>	<b>16,89,379.37</b>	<b>3,62,492.00</b>

		(Amount in `)
	2019-20	2018-19
<b>25.1 Other Comprehensive Income</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>

		(Amount in `)
	2019-20	2018-19
<b>27. COST OF RAW MATERIALS CONSUMED</b>		
<b><u>Dyes &amp; Chemicals</u></b>		
Opening stock	69,66,615.86	81,90,750.61
Add: Purchases	1547,41,079.34	1503,15,390.08
Add: Purchasing Expenses		-
	<b>1617,07,695.20</b>	<b>1585,06,140.69</b>
Less: Closing stock	97,10,729.48	69,66,615.86
	<b>1519,96,965.72</b>	<b>1515,39,524.83</b>

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

		(Amount in `)
	2019-20	2018-19
<b>28. PURCHASE OF STOCK IN TRADE</b>		
Finish Fabric Purchase	-	-
Grey Fabric Purchase	-	-
	<b>-</b>	<b>-</b>





	2019-20	(Amount in `) 2018-19
<b>29. CHANGES IN INVENTORIES</b>		
Inventories (at commencement)		
Finished Goods / Stock-in-Trade	30,097,091.20	25,236,455.50
Work-in-Progress	2,476,948.35	2,487,586.10
	<b>32,574,039.55</b>	<b>27,724,041.60</b>
Inventories (at close)		
Finished Goods / Stock-in-Trade	35,035,002.65	30,097,091.20
Work-in-Progress	3,269,920.35	2,476,948.35
	<b>38,304,923.00</b>	<b>32,574,039.55</b>
<b>Total</b>	<b>(5,730,883.45)</b>	<b>-4,849,997.95</b>

	2019-20	(Amount in `) 2018-19
<b>30. MANUFACTURING EXPENSES</b>		
Stores & Spares consumed	48,872,661.93	40,685,062.12
Coal Consumed	106,477,157.06	102,235,299.53
Power & Fuel	60,124,950.21	60,038,997.48
Repair & Maintenance [ P&M ]	8,229,366.34	7,058,050.84
Water charges & Air pollution Charges	8,267,852.04	2,806,984.24
RO Plant Maintenance	3,882,371.00	3,804,683.00
Other manufacturing expenses	22,240,350.00	14,390,240.00
	<b>258,094,708.58</b>	<b>231,019,317.21</b>

	2019-20	(Amount in `) 2018-19
<b>31. EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages & Other Allowances	128,698,822.00	127,783,366.00
E.S.I. & P.F. contribution	4,892,154.00	5,040,946.00
Gratuity & P.L. Encashment	3,165,794.00	2,876,892.00
Staff & Labour Welfare Expenses	528,762.00	478,132.84
Bonus & exgratia	1,426,095.00	1,349,956.00
<b>Total</b>	<b>138,711,627.00</b>	<b>137,529,292.84</b>

\*\*The company is accounting leave encashment on mercantile/ actual basis. The company has discontinued the Gratuity policy from LIC and is now provisioning for gratuity on actual undiscounted basis. Hence, provision for gratuity (including any earlier shortfalls) have been provided for the year. Further details as per Note no.44.

	2019-20	(Amount in `) 2018-19
<b>32. FINANCE COSTS</b>		
Interest on Term Loan	5,868,914.00	3,176,941.00
Interest on Working Capital	3,834,747.00	5,707,817.00
Interest on Others	-	2,609,545.00
Interest on Vehicle Finance	120,734.60	137,230.05
Borrowing cost	257,219.51	402,122.72
Less:- Interest received on Fixed deposit	-	-
<b>Total</b>	<b>10,081,615.11</b>	<b>12,033,655.77</b>

	2019-20	2018-19
<b>32.1 Interest Expenses</b>		
Short Term Borrowings	3,834,747.00	5,707,817.00
Long Term Borrowings		
Secured from banks	5,989,648.60	3,314,171.05
Unsecured	-	2,609,545.00
Creditors	-	-
<b>TOTAL</b>	<b>9,824,395.60</b>	<b>11,631,533.05</b>





		(Amount in `)	
33. OTHER EXPENSES		2019-20	2018-19
<b>Establishment/Administrative Expenses</b>			
Audit exp.	13,358.00	19,337.00	
Internal Auditor Fees	276,000.00	270,000.00	
Auditor Remuneration	90,000.00	90,000.00	
Charity & donation	288,700.00	88,500.00	
Conveyance expenses	564,519.00	657,944.00	
Energy Audit	137,500.00	165,000.00	
Fees & subscription	4,130.00	3,500.00	
Insurance	1,458,860.92	620,702.45	
Legal & Professional exp.	687,391.78	692,190.02	
Listing Fees	300,000.00	250,000.00	
Loss on sale of Property, Plant and Equipment	61,869.44	110,266.57	
Salary to Managing Director	3,720,000.00	3,600,000.00	
Miscellaneous expenses	690,738.04	490,424.38	
Postage Exp.	103,339.10	130,299.40	
Printing & Stationery	484,717.72	461,458.76	
Public Welfare exp.	30,000.00	22,500.00	
Rent, Rates & Taxes	-	-	
Repair & Maintenance ( Vehicle )	226,714.00	149,587.66	
Telephone expenses	274,905.00	332,494.00	
Travelling Expenses	212,946.00	356,439.00	
Plantation Exp.	13,250.00	19,800.00	
Service Tax	-	55,557.00	
	<b>9,638,939.00</b>	<b>8,586,000.24</b>	
<b>Selling and Distribution Expenses</b>			
Advertisement	216,068.52	142,636.40	
Freight, Checking ,Loading & Unloading Charges	11,471,056.00	10,424,552.00	
Sales Promotion	2,177.00	16,055.00	
	<b>11,689,301.52</b>	<b>10,583,243.40</b>	
<b>Preliminary Expenses Written Off</b>	<b>47,844.00</b>	<b>47,843.80</b>	
<b>Total</b>	<b>21,376,084.52</b>	<b>19,217,087.44</b>	

### 33.1 Payment to Auditors as :

Particulars		2019-20	2018-19
(a) Auditor:			
Statutory Audit Fees	60,000.00	60,000.00	
Tax Audit Fees	30,000.00	30,000.00	
<b>Total</b>	<b>90,000.00</b>	<b>90,000.00</b>	





		(Amount In `)
	2019-20	2018-19
<b>34. TAXATION</b>		
Income tax recognised in Statement of Profit and Loss		
Current tax	4,180,640.00	3,388,170.00
Deferred tax	2,559,589.31	1,601,599.35
MAT Credit Utilised/ (entitlement)	-	-
<b>Total income tax expenses recognised in the current year</b>	<b>6,740,229.31</b>	<b>4,989,769.35</b>
<b>Profit before tax</b>	<b>25,799,713.33</b>	<b>17,610,050.20</b>
Current Tax Provision (A)	4,180,640.00	3,388,170.00
Deferred tax Provision (B)	2,559,589.31	1,601,599.35
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>6,740,229.31</b>	<b>4,989,769.35</b>
<b>Effective Tax Rate</b>	<b>26.13%</b>	<b>28.33%</b>





## Notes to Standalone Financial Statements

### NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

#### **35. CORPORATE INFORMATION**

**A.K SPINTEX LIMITED** ("the Company") is one of India's leading textile companies with the presence of almost three decades in this industry. It is among the largest Textile Processors/weaver of Bhilwara.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE in India. The registered office of the Company is located at Bhilwara, Rajasthan - 311001.

The standalone financial statements were approved by the Board of Directors and authorized for issue on May 30, 2019.

#### **36. Statement of compliance**

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2020 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2019.

The Company has consistently applied accounting policies to all periods presented in these financial statements

#### **37. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### (A) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended 31st March, 2020 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

##### (B) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.





A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **Operating cycle**

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

### **(C) Use of estimates and judgments**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### **Judgments**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included below:

- Estimation of current and deferred tax expense and asset/ liability.
- Estimated useful life of property, plant and equipment.
- Estimation of defined benefit obligation.
- Measurement and likelihood of occurrence of provisions and contingencies.

### **(D) Fair value of Financial Instruments:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.



In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value and such value may never actually be realized. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Refer Note No.—37 in for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximate fair value due to the short maturity of these instruments.

#### **(E) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **(F) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis GST and other taxes on sales are excluded from revenue.

#### **Rendering of services**

Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

#### **Interest income**

Interest income from a financial asset is recognized using effective interest rate method. Interest income is included in other income in the statement of profit or loss.

#### **Other operational revenue**

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

#### **Other income**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably





#### **(G) Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All other repair and maintenance costs are recognised in profit or loss as incurred. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

#### **Depreciation**

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

#### **(H) Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

#### **(I) Inventories**

Inventories are valued as under:

Raw material	- At Cost or NRV whichever is lower
Stock in process -	-At Cost or NRV whichever is lower
Stores, spares etc.	- At Cost or NRV whichever is lower
Finished Goods	- At lower of Cost or Net Realisable value.



- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence.

#### **(J) Impairment of non-financial assets - property, plant and equipment and intangible assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.

#### **(K) Provisions and contingent liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **(L) Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **(M) Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. Tax expense relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.





### **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax includes MAT tax credit.

### **(N) Foreign currency**

These financial statements are presented in Indian rupees, which is the functional currency of Limited. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction quoted by bank.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

### **(O) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity Shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

### **(P) Financial instruments**

#### **(1) Financial Assets**

##### **(i) Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### **(ii) Subsequent measurement**



A. Financial assets carried at amortized cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(3) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(Q) Employees Benefit :**

**a) Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, exgratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

**b) Post-Employment Benefits**

**(i) Defined contribution plan**

The Company's approved provident fund scheme and employees' state insurance fund scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

**(ii) Defined benefit plan**

Gratuity and Leave Encashment are recognized as an expense at the un-discounted amount in the profit and loss account of the year in which related service is rendered. The company has not made any actuarial valuation in this regards.

**(R) Leases**

As lessee

Initial measurement

Long term lease

The company does not have any long term lease contract liabilities.





## Short term lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. Low value lease is for which the underlying asset is of low value. If the company elected to apply short term lease/Low Value Lease, the lessee shall recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit

## Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

### (S) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### (T) Changes in accounting policies and disclosures

New and amended standards

#### (A) **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.

#### (B) **Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial





asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.

**(C) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.

**(D) Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company does not have long-term interests in its associate and joint venture.

**(E) Annual Improvements to Ind AS 2018**

**Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019. These amendments had no impact on the standalone financial statements as the Company

**Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019.

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.





**38 FINANCIAL INSTRUMENTS BY CATEGORY:**

The carrying value and fair value of financial instruments by categories as at 31.03.2020

(₹ in Lacs)

Particulars	Amortized cost	Financial Assets/ Liabilities at fair value through Profit or Loss	Financial Assets/ Liabilities at fair value through Profit or Loss	Total Carrying Value	Total Fair Value
<b>ASSETS</b>					
<b>NON CURRENT</b>					
Investments	0.03	-	-	0.03	0.03
Other Financial Assets	62.07	-	-	62.07	62.07
<b>CURRENT</b>					
Trade receivables	1469.46	-	-	1469.46	1469.46
Cash and cash equivalents	3.03	-	-	3.03	3.03
Other Financial Assets	1.29	-	-	1.29	1.29
<b>NON CURRENT</b>					
Borrowings	453.58	-	-	453.58	453.58
<b>CURRENT</b>					
Borrowings	447.33	-	-	447.33	447.33
Trade payables	944.00	-	-	944.00	944.00
Other Financial Liabilities	149.61	-	-	149.61	149.61



The carrying value and fair value of financial instruments by categories as at 31.03.2019

(` in Lacs)

Particulars	Amortised cost	Financial Assets/ Liabilities at fair value through Profit or Loss	Financial Assets/ Liabilities at fair value through Profit or Loss	Total Carrying Value	Total Fair Value
<b>ASSETS</b>					
<b>NON CURRENT</b>					
Investments	0.03	-	-	0.03	0.03
Other Financial Assets	54.79	-	-	54.79	54.79
<b>CURRENT</b>					
Trade receivables	1,487.89	-	-	1,487.89	1,487.89
Cash and cash equivalents	2.68	-	-	2.68	2.68
Other Financial Assets	1.81	-	-	1.81	1.81
<b>NON CURRENT</b>					
Borrowings	556.55	-	-	556.55	556.55
<b>CURRENT</b>					
Borrowings	644.77	-	-	644.77	644.77
Trade payables	924.22	-	-	924.22	924.22
Other Financial Liabilities	155.85	-	-	155.85	155.85

Other Financial assets and liabilities includes the financial assets and liabilities whose carrying value shown as amortized value:-

Security deposits with Govt. Department as the term of agreement is not specified hence the carrying value is considered as amortized value.

Loans From Banks ; As the interest is being charged itself on current market rates and the EIR is approx, similar to its interest rates charged. Hence Carrying value is considered as its amortized cost.





### FAIR VALUE HIERARCHY

No Financial Assets/Liabilities falls under level 1, level 2 or Level 3 category, hence, no such asset/liability has been valued at either through FVTOCL /FVTPL.

	2019-20	2018-19
<b>39. EARNINGS PER SHARE (EPS)</b>		
i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	190,59,484.01	12,620,280.85
ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	5,031,750.00	5,031,750.00
iii) Weighted Average Potential Equity Shares		
iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	5,031,750.00	5,031,750.00
v) Basic Earnings per Share (₹)	3.79	2.51
vi) Diluted Earnings per Share (₹)	3.79	2.51
vii) Book Value per Equity Share (₹)	41.61	37.82
viii) Face Value per Equity Share (₹)	10.00	10.00

### **40. RELATED PARTIES DISCLOSURES**

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
Fashion Suitings Pvt. Ltd.	Associates
Tilok Chand Chhabra Prakash Chand Chhabra Sourabh Chhabra	Key Managerial Personnel (KMP)
Saroj Devi Chhabra	Relatives of KMP
Fashion Suitings Pvt. Ltd. Acme Industries Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence



## (ii) Transactions during the year with related parties: -

(Rs. in Lakhs)

Particulars	Key Management Personnel		Relative of KMP		Associate / Sister Concerns	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Income from services (Processing Charges Received)	-	-	-	-	21.62	4.81
Net Loans and Advances, Deposits taken	0.00	140.00	-	-	-	-
Returned	0.00	640.00	-	-	-	-
Balance Outstanding as on 31 <sup>st</sup> March of unsecured loans	0.00	0.00	-	-	-	-
Balance Outstanding as on 31 <sup>st</sup> March Debtors a/c	-	-	-	-	6.68	1.74
Interest Payment	0.00	26.10	-	-	-	-
Salary	37.20	36.00	-	-	-	-

## (iii) Disclosure in Respect of Major Related Party

Transactions during the year :

Sr. No.	Particulars	Relationship	2019-20	2018-19
1	Loans and Advances, Deposits Taken/ (Returned)			
	<u>Loan taken</u>			
	Tilok Chand Chhabra	Director	0.00	25,00,000.00
	Sourabh Chhabra	Director	0.00	11,500,000.00
	<u>Loan Returned</u>			
	Tilok Chand Chhabra	Director	0.00	31,500,000.00
	Sourabh Chhabra	Director	0.00	32,500,000.00
2	Revenue from Operations			
	Fashion Suitings Pvt. Ltd.	Associate Concern	21,62,089	481,450.00
3	Interest Payment			
	Tilok Chand Chhabra	Director	0.00	11,18,783.00
	Sourabh Chhabra	Director	0.00	14,90,762.00
4	Salary Payment			
	Prakash Chand Chhabra	M.D	37,20,000.00	36,00,000.00





The above entities includes related parties where the relationship existed for the part of the year and the amounts reported is for the period during which the related party relationship existed during the period.

**NOTE 41 - EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	Current Year	Previous Year
Travelling & Conveyance / Interest/ Professional Fee	Nil	Nil
<b>Total</b>	Nil	Nil

**NOTE 42 - IMPORTED AND INDIGENEOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED**

	% Total	Value	% Total	Value
Particulars	Consumption		Consumption	
	Current Year	Current Year	Current Year	Current Year
<b>Raw Material</b>				
Imported	%		%	
Indigenously obtained	100%	1519,96,965.72	100%	179,042,873.32
<b>Spare Parts</b>				
Imported	0%	0.00	3.10 %	12,08,542.22
Indigenously obtained	100%	488,72,661.93	96.90 %	3,76,96,152.31

**NOTE 43- VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	Current Year	Current Year
Raw Material	Nil	Nil
Components and Spares Parts	Nil	1208542.22
Capital Goods	Nil	Nil
<b>Total</b>	Nil	1208542.22

**NOTE 44 - RETIREMENT BENEFITS**

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



- (b) Short term and long term employee's benefit such as Leave Encashment are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which related service is rendered. Leave Encashment liability is provided on accrual basis as on 31<sup>st</sup> March of every year and paid in next following year.
- (c) The company is accounting leave encashment on mercantile/ actual basis. The company has discontinued the Gratuity policy from LIC and is now provisioning for gratuity on actual undiscounted basis. Hence, provision for gratuity (including any earlier shortfalls) have been provided for the year

The Disclosures with respect to Ind AS 19 "Employee Benefits" are as under:

**A. Defined Contribution Plans**

- Employer's Contribution to Provident Fund
- Employers Contribution to Employees' State Insurance

The Company has recognized the following amounts in Profit & Loss Account

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Employer's contribution to Provident Fund	34,13,060.00	32,09,476.00
Employer's Contribution to Employees' State Insurance	11,89,704.00	15,06,086.00

**B. Defined Benefit Plans**

**Gratuity (Non-Funded)**

Gratuity has been provided at actual (un-discounted) manner, based on the 15 days salary for every completed year of service.

**Amount Recognized in the Balance Sheet**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Actual Value of Gratuity as at the beginning of the year	37,89,164	2816405
Gratuity provided during the year	24,05,610	2077251
Gratuity paid for the year	1,61,494	1104492
Actual Value of Gratuity as at end of the year on 31.3.2020	60,33,280	3789164

**C. Leave Encashment (Non- Funded)**

Leave Encashment has been provided at accrual basis, based on the leave standing credit of the employee as at the Balance Sheet date.

**Amount Recognized in the Balance Sheet**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Actual Value of Leave Encashment as at the beginning of the year	408132	352474
Leave Encashment provided during the year	534950	408132
Leave Encashment paid for the year	453330	352474
Actual Value of Leave Encashment as at end of the year on 31.3.2020	489751	408132





#### **NOTE 45 - 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. In opinion of the management, there may be some lawsuits, claims, demand or proceedings against company, which arise in normal course of business. However, there is no such matter pending that the company expects to be material in relation to its business and which requires specific disclosures. The management is confident of getting the verdict in its favor and therefore, no, liability on this account is anticipated and hence no specific disclosure is being made for the contingent liability.

#### **NOTE 46 - SEGMENT REPORTING**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

#### **Note 47- IMPLICATIONS OF COVID-19 ON THE BUSINESS**

The COVID-19, which was declared as a global pandemic by World Health Organization on 11 March 2020, continues to spread across globe and in India and has resulted in reduced economic activities from March 2020 onwards, however with the relaxation of Govt imposed restrictions and recovery in market conditions, the level of economic activities is gradually coming back to normal.

Operations of the company were suspended due to Govt. Imposed lockdown and the same was restarted on 20th May 2020 and as on date of this balance sheet the company has achieved nearly usual capacity utilization.



The Company has performed sensitivity analysis on the assumptions used for Impact assessment of COVID-19 on operations of the company and based on current indicators of future economic conditions, the Company and its management is strongly making efforts to revive the sales and expects to recover the carrying amount of all the assets including receivables.

In Summary, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

AS PER AUDIT REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For: RHDA & ASSOCIATES

CHARTERED ACCOUNTANTS



[DINESH AGAL]

PARTNER

M. NO. : 417439

FRN :- 014438C

PLACE: BHILWARA

DATE: 30.06.2020

UDIN No:- 20417439AAAG 2001



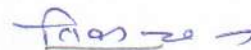
[P.C. CHHABRA]

[MANAGING DIRECTOR]



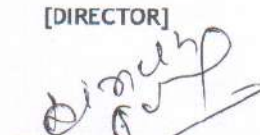
A.K. BAGRECHA

[COMPANY SECRETARY]



[T.C. CHHABRA]

[DIRECTOR]



DINESH PORWAL

[CFO]



**FORM MGT- 11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name : A.K. SPINTEX LIMITED  
CIN : L17117RJ1994PLC008916  
Regd office : 14 K.M. STONE, CHITTOR ROAD  
BILYA KALAN, BHILWARA-311001 (Raj.)

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> September, 2020 at the Registered Office at 14 K.M. Stone, Chittor road, Biliya Kalan, Bhilwara-311001 at 11:00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	
1.	Consider and adopt Audited Financial Statement, reports of the Board of directors and Auditor for the year ended 31 <sup>st</sup> March, 2020.
2.	Reappointment of Mr. Tilok Chand Chhabra who is liable to retire by rotation being eligible offers himself for re-appointment.
8.	To appoint Sh. Deepak Karwa as Independent Director of the company

Signed this ..... day of ..... 2019 Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**ATTENDANCE SLIP**

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2020 at 11.00 a.m. at 14<sup>th</sup> K.M. Mile Stone Chittor Garh Road, Biliya 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.

