

TWENTY SECOND ANNUAL REPORT

2015-2016



A. K. SPINTEX LIMITED

A.K. SPINTEX LIMITED.

2015-2016

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 RAMESHCHAND KACCHARA- INDEPENDENT DIRECTOR (WOMAN)

SENIOR EXECUTIVES

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

COMPANY SECRETARY
ASHISH KUMAR BAGRECHA

AUDITORS

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

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

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

A.K. SPINTEX LIMITED, BHILWARA

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TWENTY SECOND 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 Friday, 30th September, 2016 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, 2016, together with reports of the Directors and Auditor's thereon.
2. To appoint a director in place of Shri 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.
3. To Ratification of Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:


"RESOLVED THAT subject to the provision of section 139 (1) and other applicable provision, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time Messrs O.P Dad & Company, Chartered Accountants, (Firm Registration No. 002330C) statutory auditor of the company shall be subject to ratification in every annual general meeting till the conclusion of the twenty-third Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at, every AGM held after this AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between Board of Directors of the Company and the Auditor."

Registered Office:
14th Km. Stone, Chittorgarh Road,
Biliya Kalan, Bilwara - 311001.

PLACE: BHILWARA
DATE: 30.05.2016

BY ORDER OF THE BOARD OF DIRECTORS


(P. C. CHHABRA)
MANAGING DIRECTOR


(ASHISH KUMAR BAGRECA)
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 24.09.2016 to 30.09.2016 (both days inclusive).
4. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting and also the Attendance Slips duly filled in for attending the meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
6. The Members are requested to:
 - a) Intimate changes, if any, in their registered addresses immediately.
 - b) Quote their ledger folio number in all their correspondence.
 - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - e) Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.
1. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
2. Members seeking any information are requested to write to the Company by email at akspintex@gmail.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
3. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd floor, 99 Madangir, Behind Local Shopping center, Near Dada Harsukhadas 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 2015-16 will also available for downloading on Company's website www.akspintex.com.
6. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the meeting.

8. Voting through electronic means

- i. The e-voting period begins on Tuesday September 27, 2016 from 10.00 A.M. Upto Thursday, 4.00 P.M. September 29, 2016 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 23/09/2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- iii. Click on "Shareholders" tab.
- iv. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

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

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <company name> on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx. Note for Institutional Shareholders:

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

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

BY ORDER OF THE BOARD OF DIRECTOR


PLACE: BHILWARA

DATE: 30.05.2016

(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 22nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

FINANCIAL SUMMARY

| Financial Results | 2015-2016 | 2014-2015 |
|--|------------------|------------------|
| Turnover | 5240.94 | 4419.20 |
| Operating Profit before interest, depreciation & tax | 628.76 | 396.23 |
| Less: Interest | 129.77 | 148.79 |
| Profit Before Depreciation & Tax | 498.99 | 247.44 |
| Less: Depreciation | 190.29 | 215.01 |
| Profit Before tax | 308.70 | 32.43 |
| Less: Income Tax (Current) | 113.96 | 38.41 |
| Profit after tax | 194.74 | (5.98) |
| LESS: MAT Credit Entitlement | - | - |
| ADD: Deferred Tax (Current) | (2.00) | 18.18 |
| Profit after provision for deferred tax | 192.74 | 12.20 |
| Add: Balance brought forward | 519.73 | 515.95 |
| Balance carried to Balance Sheet | 712.47 | 528.15 |

FINANCIAL HIGHLIGHTS AND OPERATION

The Key highlights pertaining to the business of the company for the year 2015-16 and period subsequent there to have been given hereunder:

- In view of the result for the financial year company turnover has been increase by 18.59% 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.
- Company has taken the expansion in this year by adding an imported machine Formula Textile machine for better finishing. Board of Director has taken a very big step by adding 100% cotton fabric processing in company for this they added Fully Automatic Yamuna Hydraulic Jigger Machine in this regard.

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 R.O. System of 1500 KLD which is very important for pollution control measures. And at present in water crisis problem it is very helpful and necessary for us. Our new ETP and to be installed R.O. System is a complete solution of water pollution.

DISCLOSURE OF PARTICULARS

Information under 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. Bombay

Listing fee has already been paid to the Stock Exchange for the year 2015-2016 in time.

DIRECTORS

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

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. 1.92 Crore /- being the profit for the current year to the Balance Sheet during the financial year ended March 31, 2016.

CAPITAL STRUCTURE

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

The Authorised Share Capital of the Company is Rs. 10, 00, 000, 00/- (Rupees Ten crore only) divided into 1 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 30th 2015, the Members had re-appointed Mr. Sourabh 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 Rameshchand Kacchara (DIN: 06885490) were appointed as the Independent Directors under the Companies Act, 2013 for a term of 5 years with effect from 30th May 2014.
- (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 a 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 24th April, 2015, 30th May, 2015, 22nd July, 2015, 13th August, 2015, 13th November, 2015, 14th December 2015, and 10th February, 2016, 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 Rameshchand Kacchara (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 31st March 2016 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) Stakeholders' 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 and hence the provisions of Section 188 are not applicable.

OR

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

The Company in its 20th Annual General Meeting (AGM) held on 30th September, 2014 appointed M/s O.P.DAD& Co. (Firm Registration No 002330C), Chartered Accountants, as Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to reappoint them from the conclusion of this Annual General Meeting till the conclusion of the Twenty third Annual General Meeting, subject to the approval of shareholders, however, their terms of appointment and remuneration shall be ratified by the members of the Company in the ensuing AGM.

Secretarial Auditors

Anil Somani & Associates Practicing Company Secretary were appointed to conduct the secretarial audit of the company for F.Y. 2015-16, 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, 2016 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. 2015-16 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 31st March, 2016 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 does not apply to your Company.

FOREIGN EXCHANGE EARNINGS & OUTGO

Value of Imports : NIL

Expenditure in Foreign Currency : Rs.

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT


Management's Discussion and Analysis Report for the year under review, as stipulated under Reg 34 of SEBI (Listing Obligations & Disclosure Requirements) Reg 2015 with the Stock Exchanges in India, 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: 30.05.2016


[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 31.03.2016

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-2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % Change during the year |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (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 |
| Total shareholding of Promoter (A) | 3286800 | 0 | 3286800 | 65.32% | 3286800 | 0 | 3286800 | 65.32% | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|-------|--------|--------|-------|-------|--------|--------|-------|-------|
| Institutions | | | | | | | | | |
| 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) FIs | 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 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 66150 | 2500 | 68650 | 1.36% | 74056 | 2500 | 76556 | 1.52% | +0.16 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up | 21550 | 370700 | 392250 | 7.80% | 72546 | 363200 | 435746 | 8.66% | +0.86 |

| | | | | | | | | | |
|---|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|-------------|
| to Rs. 2 lakh | | | | | | | | | |
| ii) Individual shareholder's holding nominal share capital in excess of Rs 2 lakh | 1189850 | 94200 | 1284050 | 25.52% | 1205556 | 26400 | 1231956 | 24.48% | -1.04 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 348 | 0 | 348 | .0069% | +100.69 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Individual HUF | 0 | 0 | 0 | 0 | 344 | 0 | 344 | .0068% | +100.68 |
| Foreign Bodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 1277550 | 467400 | 1744950 | 34.68% | 1277550 | 467400 | 1744950 | 34.68% | 0.00 |
| Total Public Shareholding (B)-(B)(1) + (B)(2) | 1277550 | 467400 | 1744950 | 34.68% | 1277550 | 467400 | 1744950 | 34.68% | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 4564350 | 467400 | 5031750 | 100 | 4564350 | 467400 | 5031750 | 100 | 0.00 |

B) Shareholding of Promoter:-

| SN | Shareholder's Name | Shareholding at the beginning of the year (01.04. 2015) | | | Shareholding at the end of the year (31.03.2016) | | | % 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 | 187050 | 3.72 % | 187050 | 3.72% |
| 2. | SMT. KAMLA KALYA | 146100 | 2.90% | 146100 | 2.90% |
| 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 | 84150 | 1.67% | 84150 | 1.67% |
| 7. | RAKESH MAHESHWARI | 70050 | 1.39% | 70050 | 1.39% |
| 8. | NARBADA DEVI KABRA | 70000 | 1.39% | 70000 | 1.39% |
| 9. | LIFESURE CONSULTANCY PVT LTD. | 66150 | 1.31% | 66150 | 1.31% |
| 10. | KAUSHLIYA KABRA | 50000 | 0.99% | 50000 | 0.99% |
| TOTAL | | 10,44,450 | 20.75% | 10,44,450 | 20.75% |
| Date wise increase/Decrease in shareholding during the year | | | | | |
| 1. | L.P. KALYA (Decrease) | 2775 | 0.06% | 2775 | 0.06% |
| 2. | KAMLA KALYA (Decrease) | 2199 | 0.04% | 84150 | 0.04% |
| 3. | RAKESH MAHESHWARI (Decrease) | 5200 | 0.1% | 54750 | 0.1% |
| | | | | | |
| 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 End of the year | | | | | |
| 1. | L P KALYA | 184275 | 3.66% | 184275 | 3.66% |
| 2. | SMT. KAMLA KALYA | 143901 | 2.86% | 143901 | 2.86% |
| 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 | 64850 | 1.29% | 64850 | 1.29% |
| 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 | | 10,34,276 | 20.55% | 10,34,276 | 20.55% |

E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | 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. | 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 |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 94581160.00 | 55000000 | 0 | 149581160.00 |
| ii) Interest due but not paid | 0 | 3024000 | 0 | 3024000.00 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 94581160.00 | 58024000 | 0 | 152605160.00 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 1327790.00 | 0 | 0 | 1327790.00 |
| * Reduction | 5769425.51 | 45024000 | 0 | 50793425.51 |
| Net Change | | 13000000 | 0 | 49465635.51 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 90139524.49 | 13000000 | 0 | 103139524.49 |
| ii) Interest due but not paid | 78848.00 | 0 | 0 | 78848.00 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 90218372.49 | 13000000 | 0 | 103218372.49 |

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 | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 26,40,000 | 26,40,000 |
| | (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 | - | - |
| | Total (A) | 26,40,000 | 26,40,000 |
| | Ceiling as per the Act | | |

B. Remuneration to other directors

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

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

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|--------|--------|--------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | 0 | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 184428 | 683413 | 867841 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | | 0 | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | 0 | | 0 | |
| 3 | Sweat Equity | 0 | | 0 | |
| 4 | Commission | 0 | | 0 | |
| | - as % of profit | 0 | | 0 | |
| | others, specify... | 0 | | 0 | |
| 5 | Others, please specify | 0 | | 0 | |
| | Total | 0 | 184428 | 683413 | 867841 |

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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| B. DIRECTORS | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |

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 | 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) | Date of approval by the Board | N.A. |
| f) | Amount paid as advances, if any | N.A. |

FOR AND ON BEHALF OF THE BOARD

PLACE: BHILWARA
DATED: 30.05.2016

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

A.K. BAGRECHA
COMPANY SECRETARY

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

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
Chittor Road, Bhilwara-311001
Email akspintex@gmail.com

Name and Address of the - Shri Sandeep hinger
Chairman of the Audit Committee 19, Bhopal Ganj,
Mahaveer Mohalla Bhilwara-311001
Email akspintex@gmail.com

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**

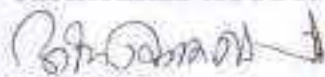
We have reviewed the implementation of Corporate Governance procedures by the company during the year ended 31st March 2016 with the records and documents maintained by the company furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

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

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



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




**PLACE: BHILWARA
DATED: 30th MAY, 2016**

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 2015-16 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 2015-16 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 2015-16;
 - Significant changes in accounting policies during the year 2015-16 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: Bhiwara
Date: 30.05.2016

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16
(As required under Clause 49 of the Listing Agreement entered into with Stock Exchange)

1. Company's Philosophy on Code of Governance

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

2. Board Composition and Particulars of Director

(i) The Board of Directors of the company as on March 31, 2016 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 Rameshchandra Kacchara (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: 24th April, 2015, 30th May, 2015, 22nd July, 2015, 13th August, 2015, 13th November, 2015, 14th December 2015, and 10th February, 2016.

The last Annual General Meeting was held on 30th September 2015.

| Name of Director | No. of Board Meeting attended | Whether attended Last AGM |
|--------------------------------|-------------------------------|---------------------------|
| Shri P. C. Chhabra | 7 | Yes |
| Shri T. C. Chhabra | 7 | Yes |
| Shri Sourabh Chhabra | 7 | Yes |
| Shri Sandeep Hinger | 5 | Yes |
| Shri Praveen Kumar Kothari | 4 | Yes |
| Smt. Divya Rameshchand Kacchar | 4 | 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 59 years, an Indian National, residing at B-382, Shastri Nagar, Bhilwara-311001. He is Bachelor of Commerce. He is having more than 35 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 |
|-----------------------------------|---------------|
| Fashion Suitings Pvt. Ltd | Director |
| Citiline Tex Fab Pvt. Ltd | Director |
| Welplan Infrastructures Pvt. Ltd. | Director |
| Acme Care International 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. 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 2015-2016 |
|----------------------------|-------------|--|
| Shri Sandeep hinger | Chairman | 4 |
| Shri Praveen Kumar Kothari | Member | 4 |
| Shri Prakash Chand Chhabra | Member | 4 |

- Four Audit committees meetings were held during 2015-2016. The dates on which the said meetings were held are as follows: 30th May 2015, 13th August 2015, 13th November 2015 and 10th February 2016.

d. Audit Committee Report for the year ended 31st March, 2016

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 Indian GAAP 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 Indian GAAP of AKSL for the F.Y. 2015-16 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. 2016-17 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. 2016-17 to conduct the secretarial audit as prescribed under section 204 and other applicable section of Companies Act, 2013.

4. Remuneration Committee

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

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

Details of Remuneration paid to Managing Directors: -

(a) Executive / Whole - time Director

| Details | Managing Director Shri Prakash Chand Chhabra |
|--------------|--|
| Basic Salary | 2,30,000 P.M. |
| Perquisite | NIL |
| Total | 2,30,000 P.M. |

d. Audit Committee Report for the year ended 31st March, 2016

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- (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 | 2,20,000 P.M. |
| Perquisite | NIL |
| Total | 2,20,000 P.M. |

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

5. Shareholders/Investors' Grievances Committee

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

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

6. 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. 2015-16 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. 2015-16.

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 |
|---------------------------|-----------------|-----------------|---|
| 19 th AGM-2013 | 30.09.2013 | 11:00 A.M | A.K. SPINTEX LIMITED 14 K.M. Stone, Chittorgarh Road, Bilis Kalan, Bhilwara-311001 (RAJ.) |
| 20 th AGM-2014 | 30.09.2014 | | |
| 21 st AGM-2015 | 30.09.2015 | | |

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

(ii) 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.

(iii) MEANS OF COMMUNICATION

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

9.

GENERAL SHAREHOLDER INFORMATION

| | |
|--|---|
| (i) Annual General Meeting Date & Time Venue | 30.09.2016 & 11.00 A.M. 14 K.M. Stone, Chittorgarh Road,Bilia Kalan, Bhilwara-311001 (Rajasthan) |
| (ii) Financial Period | 1 st April 2015 to 31 st March 2016 |
| (iii) Date of Book Closure | 24 th September 2016 to 30 th September 2016 |
| (iv) Listing Fees | The listing fees for the financial year 2015-16 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, 2015 to March 31, 2016 | First Quarterly Results By August 2015 Second Quarterly Results By November 2015 Third Quarterly Result By February 2016 Audited Results By May 2016 |
| (vii) Registered Office | 14 K.M. Stone, Chittorgarh Road,Bilia Kalan, Bhilwara-311001 (Rajasthan) |

(vii) Distribution of Shareholding as on 31st March, 2016

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Share holding |
|---------------------------|---------------------|-------------------|--------------------|--------------------|
| Up to 5000 | 742 | 95.87 | 3,59,854 | 7.1500 |
| 5001 to 10000 | 7 | 0.90 | 47,840 | 0.9500 |
| 10001 to 20000 | 3 | 0.39 | 39,150 | 0.7800 |
| 20001 to 30000 | 5 | 0.65 | 1,30,425 | 2.5900 |
| 30001 to 40000 | 1 | 0.13 | 40,000 | 0.7900 |
| 40001 to 50000 | 3 | 0.39 | 1,43,405 | 2.8500 |
| 50001 to 100000 | 4 | 0.52 | 2,85,150 | 5.6700 |
| 100001 to above | 9 | 1.16 | 39,85,926 | 79.2200 |
| Total | 774 | 100.00 | 50,31,750 | 100.00 |

(ix) Shareholding Pattern as on 31st March, 2016

| Categories | No. of Shares | % of issued Share Capital |
|---------------------------------|----------------|---------------------------|
| Promoters | 3286800 | 65.32 |
| Foreign Institutional Investors | - | - |
| Financial Institution | - | - |
| Mutual Funds and UTI | - | - |
| Bodies Corporate | 76556 | 1.52 |
| Foreign Companies | - | - |
| Nationalized and other banks | - | - |
| Clearing Member | 348 | 0.01 |
| Resident Individual-HUF | 344 | 0.01 |
| Public | 1667702 | 33.14 |
| Total | 5031750 | 100.00 |

ANNEXURE : 1 TO THE DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY

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

FORM "A"**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**


| A <u>POWER & FUEL CONSUMPTION</u> | | 31.03.2016 | 31.03.2015 |
|--|-----------------------------------|-------------------|-------------------|
| 1 <u>ELECTRICITY</u> | | | |
| a | Purchase Units [In KWH] | 6587189.50 | 5769564.00 |
| | Total Amount [In Rupees] | 40688566.00 | 37175573.00 |
| | Rate/Unit [In per KWH] | 6.18 | 6.44 |
| b | <u>Own Generation</u> | | |
| | Through Diesel Generator [In KWH] | 348614 | 231912 |
| | unit/ltrs in diesel oil | 3.11 | 3.19 |
| | cost [Rs/ unit] | 15.31 | 18.60 |
| 2 <u>Coal, Lignite, Fire wood & Wooden Coal</u> | | | |
| | Qty [MT] | 8598.34 | 7365.83 |
| | TOTAL COST [Rs] | 61723212 | 64955232 |
| | Average Rate | 7178.50 | 8818.45 |
| B <u>CONSUMPTION PER UNIT OF PRODUCTION</u> | | | |
| | Fabric production [Mtrs] | 38789131 | 35511915 |
| | Electricity [in Kwh] | 0.197 | 0.169 |
| | Coal [in Kg] | 0.222 | 0.207 |

FORM "B"

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

PLACE: BHILWARA.

DATE: 30th May, 2016

By order of the board

[P.C. CHHABRA]
[MANAGING DIRECTOR]

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **A.K.SPINTEX LIMITED** ("the company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company 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 and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the Provisions of the Act for safeguarding the assets of the company and 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the **Profit and Loss Account**, of the profit/loss for the year ended on that date; and
- (c) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and records;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable;
- (e) on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) 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. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
 - ii. 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)

For: O. P. DAD & CO.
Chartered Accountants
(Firm Reg. No. 002330C)

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



Place: Bhiwara
Dated: 30.05.2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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

- i. (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (B) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodic manner; which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (C) 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, inventories have been physically verified during the year by the management at reasonable intervals on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- 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) 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 provision 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. As per information and explanations given to us, 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. ii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became 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 institutions, 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.

FOR O. P. DAD & COMPANY
CHARTERED ACCOUNTANTS

(Signature)
[O.P.DAD]
PARTNER
M.NO.33373



PLACE: BHILWARA
DATED: 30th MAY, 2016

ANNEXURE 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, 2016 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as



necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: O. P. DAD & CO
Chartered Accountants
(Firm Reg. No. 062306C)

(O.P.DAD)

Partner

M. No. 35373

Place: Bhilwara

Dated: 30.05.2016



BALANCE SHEET AS ON 31ST MARCH, 2016

NOTES

| | | 31.03.2016 | 31.03.2015 |
|---|------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | [1] | 50,317,500.00 | 50,317,500.00 |
| Reserves & Surplus | [2] | 72,747,207.81 | 53,473,353.51 |
| Share Application money pending allotment | | | |
| | | 123,064,707.81 | 103,790,853.51 |
| Long-Term Borrowings | [3] | 20,612,822.00 | 71,978,227.00 |
| Deferred Tax Liabilities (Net) | [4] | 15,295,459.00 | 15,095,553.00 |
| Other Long Term Liabilities | | | |
| | | 35,908,281.00 | 87,073,780.00 |
| CURRENT LIABILITIES | | | |
| Short Term Borrowings | [5] | 72,044,346.49 | 72,778,565.00 |
| Trade Payable | [6] | 84,418,169.44 | 76,867,758.50 |
| Other Current Liabilities | [7] | 8,317,564.00 | 7,973,180.00 |
| Short Term Provision | [8] | | |
| | | 164,780,079.93 | 157,619,503.50 |
| | | 323,753,068.74 | 348,484,137.01 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Tangible Assets | [9] | 146,823,577.22 | 149,582,999.72 |
| Intangible Assets | | | |
| Capital Work in Progress | | | |
| Non-Current Investments | [10] | 3,000.00 | 3,000.00 |
| Long-Term loans and advances | [11] | 11,100,854.84 | 11,114,225.84 |
| | | 157,927,432.06 | 160,700,225.56 |
| CURRENT ASSETS | | | |
| Current Investments | | | |
| Inventories | [12] | 39,291,786.31 | 44,874,064.01 |
| Trade Receivable | [13] | 97,495,970.88 | 93,496,179.68 |
| Cash and Cash Equivalents | [14] | 12,316,540.15 | 26,369,891.91 |
| Short-term loans & advances | [15] | 16,721,339.35 | 23,043,775.85 |
| | | 165,825,636.69 | 187,783,911.45 |
| | | 323,753,068.75 | 348,484,137.01 |

AS PER AUDIT REPORT OF OUR EVEN DATE

For: O.P. DAD & CO.

CHARTERED ACCOUNTANTS

[O.P. DAD]

PARTNER

PLACE: BHILWARA

DATE: 30th May, 2016



0.00

FOR AND ON BEHALF OF THE BOARD

A.K. SPINTEX LIMITED, BHILWARA

[P.C. CHHABRA]

(MANAGING DIRECTOR)

[T.C. CHHABRA]

[DIRECTOR]

A.K. BAGRECHA

[COMPANY SECRETARY]

DIPESH PODDAL

[CFO]

Statement of Profit & Loss for the Year ended 31st MARCH, 2016

| | NOTES | 31.03.2016 | 31.03.2015 |
|---|-------|-----------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations | [16] | 524,093,892.48 | 441,919,827.98 |
| Other Income | [17] | 1,896,909.41 | 534,238.00 |
| TOTAL REVENUE (I) | | 525,990,801.89 | 442,454,065.98 |
| EXPENSES | | | |
| Cost of materials consumed | [18] | 143,997,417.55 | 130,921,260.47 |
| Purchase of Stock in trade | [19] | - | - |
| Changes in inventories | [20] | 4,646,064.98 | 461,368.86 |
| Manufacturing expenses | [21] | 177,804,046.13 | 153,660,730.65 |
| Employee Benefit expenses | [22] | 122,415,325.00 | 105,612,439.00 |
| Finance Cost | [23] | 12,977,306.29 | 14,879,770.16 |
| Depreciation/Amortisation expenses | | 19,029,036.91 | 21,501,426.48 |
| Other expenses | [24] | 14,251,684.73 | 12,174,691.00 |
| TOTAL EXPENSES (II) | | 495,120,881.59 | 439,210,686.62 |
| Profit before Tax (PBT) (i-ii) | | 308,869,920.30 | 324,3379.36 |
| VI) Exceptional Items/Extraordinary Items | | | |
| VII) Profit before Tax (PBT) (V- VI) | | 30,869,920.30 | 3,243,379.36 |
| VIII) Tax expenses of continuing operations | | | |
| Current Tax | | 11,396,160.00 | 3,941,618.00 |
| MAT credit Entitlement | | - | - |
| Deferred Tax | | 199,906.00 | (1,818,613.37) |
| | | 11,596,066.00 | 2,023,004.63 |
| Profit / (loss) for the period from continuing operations | | 19,273,854.30 | 1,220,374.73 |
| Profit / (loss) for the period from discontinuing operations | | - | - |
| Profit / (loss) for the period (Profit After Tax) | | 19,273,854.30 | 1,220,374.73 |
| Earning Per Share | | 3.83 | 0.24 |

AS PER OUR AUDIT REPORT OF EVEN DATE

For: O.P. DAD & CO.

CHARTERED ACCOUNTANT

[Signature]

[O.P. DAD]

PARTNER

M. NO. : 035373

FRN :- 002330C

PLACE: BHILWARA

DATE: 31ST MAY, 2016



FOR AND ON BEHALF OF THE BOARD

A.K. SPINTEX LIMITED, BHILWARA

[Signature]
[P.C. CHHABRA]

[MANAGING DIRECTOR] COMPANY SECRETARY]

[Signature]

[T.C. CHHABRA]

[DIRECTOR]

[Signature]
A.K. BAGRECHA

COMPANY SECRETARY]

[Signature]
DINESH PORWAL

[CFO]

A.K.SPINTEX LIMITED
CASH FLOW STATEMENT

for the year ended 31st March, 2016

| | Current Year | Previous Year |
|--|-------------------|-------------------|
| (A) CASH FLOW STATEMENT FROM OPERATING ACTIVITIES | 31.03.2016 | 31.03.2015 |
| Net Profit Before Tax | 30869920 | 3243379 |
| Adjustments for :- | | |
| Depreciation | 19029037 | 21501426 |
| Interest Expenditure | 14999702 | 17380219 |
| Interest Income | (1081169) | (323908) |
| Loss / profit (+/-) on sale of Fixed Assets | (752110) | (6149) |
| Preliminary Expenses W/off | 0 | 0 |
| Adjustments for :- | | |
| Inventories | 5,582,278 | (6546973) |
| Sundry Debtors | (3999791) | (12551798) |
| Loans and Advances | 6335808 | (7334188) |
| Current liabilities | 7894795 | 390556 |
| Less : Taxes Paid (Net of refund) | (11396160) | (3841618) |
| Cash Generated from Operations (A) | 67482309 | 11910947 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (16550736) | (4121909) |
| Increase in Capital W.I.P. | 0 | (146893) |
| Sale of Fixed Assets | 66000.00 | 6377121 |
| Interest Received | 1081169 | 323908 |
| Preliminary addition | 0 | 0 |
| Net Cash Used in Investing Activities (B) | (15403567) | 2432227 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds from long term borrowing | (8437832) | (14679920) |
| Increase in bank borrowing for Working Capital | (734219) | (73449634) |
| Increase /(Repayment) of Unsecured loan | 12454954 | 125745143 |
| increase in share capital/application money | 0 | 0 |
| Subsidy Received | 0 | 0 |
| Interest Paid | (14999702) | (17380219) |
| Net Cash From Financing Activities (C) | (11716799) | 20235370 |
| (D) Net Increase / Decrease in Cash & Cash Equivalent (A-B+C) | 40361943 | 34578544 |
| Closing Balance of Cash & Cash Equivalent | 12316540 | 26369892 |
| Opening Balance of Cash & Cash Equivalent | 26369892 | 21658 |

This is the Cash flow statement referred to in our report of even date

For O.P. DAD & CO.

Chartered Accountants

(O.P. DAD)

Partner

M. No. 035373

FRN 02230C

Place: Bhilwara

Date: 30.05.2016



For and on behalf of the Board

A.K.SPINTEX LIMITED

[A.K. BAGRECHA] P.C. CHHABRA]

Company Secretary Managing Director

[DINESH PORWAL] T.C. CHHABRA]

CRD Director

(Signatures)

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2016

NOTE 1 - SHARE CAPITAL

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--|-----------------------------|-----------------------------|
| <u>Authorised Share Capital</u> | | |
| 1,00,00,000 EQUITY SHARES OF RS. 10/- EACH | 100,000,000.00 | 100,000,000.00 |
| <u>Issued, Subscribed & Paid Up Capital</u> | | |
| 50,31,750 EQUITY SHARES OF RS. 10/- EACH | 50,317,500.00 | 50,317,500.00 |
| | <u>50,317,500.00</u> | <u>50,317,500.00</u> |

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

| <u>Equity Shares</u> | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------------------------------------|--------------------------|--------------------------|
| At the beginning of the Period | 5,031,750 | 5,031,750 |
| Add:- Issued during the Period | | |
| Outstanding at the end of the period | 5,031,750 | 5,031,750 |

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

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

| S.No. | Name of the shareholder | <u>31.03.2016</u> | | <u>31.03.2015</u> | |
|-------|----------------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| | | <u>No. of Shares</u> | <u>% of Shareholding</u> | <u>No. of Shares</u> | <u>% of Shareholding</u> |
| 1 | Fashion Suitings Private Limited | 2,135,250 | 42.44% | 2,135,250 | 42.44% |
| 2 | T.C. Chhabra | 454,800 | 9.04% | 454,800 | 9.04% |
| 3 | Saroj Devi Chhabra | 441,000 | 8.76% | 441,000 | 8.76% |
| 4 | Saurabh Chhabra | 255,750 | 5.08% | 255,750 | 5.08% |



NOTE 2 - RESERVE AND SURPLUS

| | 31.03.2016 | 31.03.2015 |
|--|----------------------|----------------------|
| State Capital Investment Subsidy | | |
| Balance as per last financial statements | 1,500,000.00 | 1,500,000.00 |
| Add: During the year | | |
| Closing Balance | 1,500,000.00 | 1,500,000.00 |
| Profit & Loss Account | | |
| Balance as per last financial statements | 51,973,353.51 | 51,594,799.49 |
| Profit for the year | 19,273,854.30 | 1,220,374.73 |
| Less: Retained earning adjustment | | 841,820.71 |
| Net Surplus in the statement of Profit & Loss | 71,247,207.81 | 51,973,353.51 |
| Total Reserve and Surplus | 72,747,207.81 | 53,473,353.51 |

NOTE 3 - LONG TERM BORROWINGS

| | 31.03.2016 | 31.03.2015 |
|--|-------------------|--------------------|
| A) Secured Term Loans from Banks and FI's | | |
| 1) Rupee Term Loan | 5,829,388.00 | 15,883,548.00 |
| 2) Finance lease obligation, Equipments/Vehicle Loans from HDFC Bank | 1,783,434.00 | 167,106.00 |
| Net Amount (A) | 7612822.00 | 16050654.00 |
| B) Unsecured Loan | | |
| 1) Intercompany Loan | | 545,046.00 |
| Directors | 13,000,000.00 | 56,779,484.00 |
| Total Amount (A + B) | 20,612,822 | 73,375,184 |

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

D) Details of Term loans (Project & Corporate)

| S.No | Nature of Loan | Name of Bank | Year of Sanction | O/s Amount | Int. Rate | Installments amount | Terms of Repayment |
|------|----------------|--------------|------------------|-------------|-----------|------------------------|---|
| 1 | Project Loan | AXIS BANK | 2009-10 | 10817388.00 | 8.75% | 12.47 Lacs per Quarter | The term loans is secured by first charge of existing fixed assets (to the extent of assets financed by Axis Bank against this loan) of the company and also personally guaranteed by director. Also Secured by an FD of Rs. 12000000 (Principal Amount). |



NOTE 4 - DEFERRED TAX LIABILITIES (NET)

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------------------------------|----------------------|----------------------|
| Deferred Tax Liabilities (Net) | 15,295,459.00 | 15,095,553.00 |
| | <u>15,295,459.00</u> | <u>15,095,553.00</u> |

NOTE 5 - SHORT TERM BORROWINGS

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|----------------------|----------------------|----------------------|
| A) FROM BANKS | | |
| SECURED | | |
| Cash credit limit: | 72,044,346.49 | 72,778,565.00 |
| | <u>72,044,346.49</u> | <u>72,778,565.00</u> |

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

NOTE 6 - TRADE PAYABLE

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--|----------------------|----------------------|
| Sundry creditors for Raw material/ Trade | 65,049,936.96 | 60,345,612.00 |
| Sundry creditors of capital goods | | |
| Other Outstanding liabilities | 19,368,232.48 | 16,522,146.48 |
| | <u>84,418,169.44</u> | <u>76,867,758.48</u> |

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

NOTE 7 - OTHER CURRENT LIABILITIES

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|---------------------------------------|---------------------|---------------------|
| Current maturities of Long Term Debts | 7,799,964.00 | 7,382,468.00 |
| Tax deducted at source | 272,871.00 | 358,203.00 |
| E.S.I. & P.F. Payable | 254,729.00 | 232,509.00 |
| | <u>8,317,564.00</u> | <u>7,973,180.00</u> |



NOTE 4 - DEFERRED TAX LIABILITIES (NET)

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------------------------------|----------------------|----------------------|
| Deferred Tax Liabilities (Net) | 15,295,459.00 | 15,095,553.00 |
| | <u>15,295,459.00</u> | <u>15,095,553.00</u> |

NOTE 5 - SHORT TERM BORROWINGS

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|----------------------|----------------------|----------------------|
| A) FROM BANKS | | |
| SECURED | | |
| Cash credit limit | 72,044,346.49 | 72,778,565.00 |
| | <u>72,044,346.49</u> | <u>72,778,565.00</u> |

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

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|--|----------------------|----------------------|
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| Sundry creditors of capital goods | - | - |
| Other Outstanding liabilities | 19,368,232.48 | 16,522,146.48 |
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| | <u>31.03.2016</u> | <u>31.03.2015</u> |
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| | <u>8,317,564.00</u> | <u>7,973,180.00</u> |



NOTE 8 - SHORT TERM PROVISIONS

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------------------------|-------------------|-------------------|
| Provision for Income Tax | - | - |
| | <u>-</u> | <u>-</u> |

NOTE 10 - NON CURRENT INVESTMENTS

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------|-------------------|-------------------|
| N.S.C. | 3,000.00 | 3,000.00 |
| | <u>3,000.00</u> | <u>3,000.00</u> |

NOTE 11 - LONG TERM LOAN AND ADVANCES

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--|----------------------|----------------------|
| A) Security Deposits | | |
| Government Deptt. | 8,370,951.36 | 8,378,725.36 |
| R.S.F.B. Deposit & others | 2,729,903.48 | 2,735,500.48 |
| B) Cenvat Receivable on Capital Goods | - | - |
| C) Loans And Advances To Related Parties | - | - |
| | <u>11,100,854.84</u> | <u>11,114,225.84</u> |

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

NOTE 12 - INVENTORIES

(As taken, valued & certified by the management)

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|-----------------------------------|----------------------|----------------------|
| A) Raw Material (Dyes & Chemical) | 5,056,901.28 | 5,090,939.83 |
| B) Work-In-Progress | 2,487,443.20 | 2,444,201.65 |
| C) Finish Fabrics | 25,208,099.92 | 29,897,406.45 |
| D) Stores & Spares | 6,539,341.91 | 7,441,516.08 |
| | <u>39,291,786.31</u> | <u>44,874,064.01</u> |

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

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



NOTE 9 : FIXED ASSETS

| ASSETS | GROSS BLOCK | | DEPRECIATION | | | | NET BLOCK | |
|----------------------|---------------------|----------------------|---------------------|-----------------|------------------------|---------------------|---------------------|---------------------|
| | AS AT 31.03.2015 | ADDITION THRU P&L | AS AT 31.03.2015 | FOR THE YEAR | DEFINITION RETAINED | UP TO 31.03.2015 | AS AT 31.03.2015 | AS AT 31.03.2016 |
| LAND | 25,374,333.25 | 0.00 | 25,374,333.25 | 0.00 | 0.00 | 0.00 | 25,374,333.25 | 25,374,333.25 |
| BUILDING | 40,593,335.18 | 0.00 | 42,058,335.18 | 1,465,000.00 | 0.00 | 14,779,241.70 | 27,279,093.48 | 27,279,093.48 |
| PLANT & MACHINERY | 240,650,872.45 | 14,766,044.40 | 255,416,916.85 | 15,312,444.71 | 0.00 | 177,886,231.56 | 87,530,685.29 | 87,530,685.29 |
| OFFICE EQUIPMENTS | 2,382,789.80 | 217,632.00 | 2,599,421.80 | 60,332.54 | 0.00 | 2,239,571.70 | 369,850.10 | 369,850.10 |
| FURNITURE & FIXTURES | 4,523,106.30 | 28,000.00 | 4,551,106.30 | 403,122.18 | 0.00 | 2,700,762.70 | 1,770,400.60 | 1,770,400.60 |
| VEHICLE | 14,954,957.00 | 1,325,075.00 | 16,280,032.00 | 1,754,705.88 | 0.00 | 778,403.15 | 9,722,757.13 | 9,722,757.13 |
| TOTAL | 336,111,997.99 | 16,596,756.40 | 352,708,754.39 | 19,025,078.91 | 0.00 | 1,857,875.41 | 146,827,577.21 | 146,827,577.21 |
| PREVIOUS YEAR | 322,142,963.98 | 1,377,134.00 | 323,520,097.98 | 11,501,420.43 | 0.00 | 1,041,331.75 | 142,018,766.23 | 142,018,766.23 |

Notes:-

1) In the opinion of the management, there is no impairment of the Assets in the accordance with Accounting Standard AS-28 as on Balance Sheet Date.

2) Depreciation has been provided based on useful lives prescribed by Schedule II of the New Companies Act 2013 except certain plant & Machinery. In opinion of management and based on external technical advice, the life certain machinery is longer than prescribed life of schedule II, hence, the depreciation on such machines has been taken on reassessed higher lives.



NOTE 13 - TRADE RECEIVABLES

| | 31.03.2016 | 31.03.2015 |
|---|----------------------|----------------------|
| A) Trade Receivables Outstanding for more than six months Unsecured, Considered Good | 2,535,644.00 | 1,655,174.01 |
| B) Trade Receivables Unsecured, Considered Good | 94,726,931.88 | 91,841,335.67 |
| C) Balance with Related Parties | 233,395.00 | (330.00) |
| | 97,495,970.88 | 93,496,179.68 |

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

NOTE 14 - CASH AND CASH EQUIVALENTS

| | 31.03.2016 | 31.03.2015 |
|---|----------------------|----------------------|
| A) Balances with Banks | 210,272.15 | 179,167.91 |
| B) Cash on Hand | 106,268.00 | 190,724.00 |
| 3) Fixed Deposit With Bank (Exceeding 1 year) | 12,000,000.00 | 26,000,000.00 |
| | 12,316,540.15 | 26,369,891.91 |

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

NOTE 15 - SHORT TERM LOAN AND ADVANCES

| | 31.03.2016 | 31.03.2015 |
|---|----------------------|----------------------|
| Advances Recoverable in Cash or Kind | | |
| Advances recoverable in cash or in kind or for value to be received | 837,756.00 | 4,717,889.00 |
| TDS Receivable | 11,873,915.85 | 23,986,118.22 |
| Advance against capital goods | 4,009,667.50 | - |
| | 16,721,339.35 | 28,704,007.22 |

NOTE 16 - REVENUE FROM OPERATIONS

| | 31.03.2016 | 31.03.2015 |
|-------------------------|-----------------------|-----------------------|
| Sale of Services | | |
| Fabric Processing | 524,093,892.48 | 441,919,827.98 |
| | 524,093,892.48 | 441,919,827.98 |

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



NOTE 17 - OTHER INCOME

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------------------------------|---------------------|-------------------|
| Interest received | 1,081,169.00 | 323,908.00 |
| Scrap/ Fent regs sale | 63,630.00 | 210,330.00 |
| Profit on sale of Fixed Assets | 752,110.41 | - |
| | <u>1,896,909.41</u> | <u>534,238.00</u> |

NOTE 18 - COST OF RAW MATERIALS CONSUMED

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|---------------------|-----------------------|-----------------------|
| Opening Stock | 5,090,939.83 | 10,140,915.30 |
| | 143,963,379.00 | 125,871,282.00 |
| Less: Closing Stock | 5,056,901.28 | 5,090,939.83 |
| | <u>143,997,417.55</u> | <u>130,921,260.47</u> |

NOTE 19 - PURCHASE OF STOCK IN TRADE

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|-------------------------|-------------------|-------------------|
| Stock in trade purchase | - | - |
| | <u>-</u> | <u>-</u> |

NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP

| | <u>31.03.2016</u> | <u>31.03.2015</u> |
|----------------------|----------------------|----------------------|
| Opening Stock | | |
| Finished Goods | 29,897,406.45 | 29,413,428.06 |
| Work in Progress | 2,444,201.65 | 3,389,548.90 |
| | <u>32,341,608.10</u> | <u>32,802,976.96</u> |
| Less : Closing Stock | | |
| Finished Goods | 25,208,099.92 | 29,897,406.45 |
| Work in Progress | 2,487,443.20 | 2,444,201.65 |
| | <u>27,695,543.12</u> | <u>32,341,608.10</u> |
| | <u>4,646,064.98</u> | <u>461,368.86</u> |



NOTE 21 - MANUFACTURING EXPENSES

| | 31.03.2016 | 31.03.2015 |
|---------------------------------------|-----------------------|-----------------------|
| Stores & Spares consumed | 46,174,895.73 | 35,938,548.76 |
| Coal | 61,723,211.67 | 64,955,183.90 |
| Power & Fuel | 47,036,327.73 | 41,527,627.99 |
| Other manufacturing expenses | 2,087,410.00 | 1,965,453.00 |
| Entry Tax | 8,066,035.00 | 1,938,324.00 |
| Service Tax | 608,260.00 | 319,625.00 |
| Repair & Maintenance [P&M] | 9,513,218.00 | 4,720,138.00 |
| Water charges & Air pollution Charges | 2,594,688.00 | 2,295,830.00 |
| | 177,804,046.13 | 153,660,730.65 |

Entry tax comprises of entry tax paid under amiensty scheme for preceding years as well as current year.

NOTE 22 - EMPLOYEE BENEFITS EXPENSES

| | 31.03.2016 | 31.03.2015 |
|----------------------------------|-----------------------|-----------------------|
| Salary, Wages & Other Allowances | 116,745,997.00 | 100,778,702.00 |
| E.S.I & P.F. contribution | 3,727,390.00 | 3,668,009.00 |
| Gratuity & P.L. Encashment | 444,420.00 | 430,721.00 |
| Staff & Labour Welfare Expenses | 467,742.00 | 170,246.00 |
| Bonus & exgratia | 999,776.00 | 564,761.00 |
| | 122,415,325.00 | 105,612,439.00 |

**The company is accounting leave encashment on mercantile/ actual basis. However gratuity has been accounted by way of actuarial valuation subject to management estimates and due provision has been made in the books in current year.

NOTE 23 - FINANCE COSTS

| | 31.03.2016 | 31.03.2015 |
|---|----------------------|----------------------|
| Bank charges | 283,476.29 | 116,092.16 |
| Interest on Term Loan | 1,255,254.00 | 1,776,285.00 |
| Interest on Working Capital | 8,044,560.00 | 8,766,995.00 |
| Interest on Others | 5,699,788.00 | 6,836,939.00 |
| Less:- Interest received on Fixed deposit | 2,305,872.00 | 2,619,541.00 |
| | 12,977,306.29 | 14,878,770.16 |



NOTE 24 - OTHER EXPENSES

| | 31.03.2016 | 31.03.2015 |
|-----------------------------------|---------------------|---------------------|
| A) ADMINISTRATIVE EXPENSES | | |
| Audit exp. | 25,300.00 | 37,450.00 |
| Internal Auditor Fees | 252,000.00 | 191,000.00 |
| Auditor Remuneration | 75,000.00 | 70,000.00 |
| Charity & donation | 42,400.00 | 109,500.00 |
| Conveyance expenses | 626,080.00 | 540,809.00 |
| Cost Audit fees | 0.00 | 0.00 |
| Energy Audit | 390,790.00 | 268,540.00 |
| Fees & subscription | 15,995.00 | 44,003.00 |
| Insurance | 288,403.00 | 235,318.00 |
| Legal & Professional exp. | 1,084,344.50 | 1,132,917.00 |
| Listing Fees | 300,800.00 | 511,800.00 |
| Loss on Sale of fixed Assets | 0.00 | 0.00 |
| Salary to Managing Director | 2,640,000.00 | 2,520,000.00 |
| Miscellaneous expenses | 263,237.00 | 191,228.00 |
| Postage Exp. | 109,961.00 | 26,056.00 |
| Printing & Stationery | 553,287.00 | 487,784.00 |
| Public Walfair exp. | 466,840.00 | 33,310.00 |
| Rent, Rates & Taxes | 131,400.00 | 127,500.00 |
| Repair & Maintenance (Vehicle) | 191,716.00 | 149,811.00 |
| Telephone expenses | 224,341.23 | 183,911.00 |
| Travelling Expenses | 216,808.00 | 51,982.00 |
| Water Cess | 47,937.00 | 279,745.00 |
| | 7,946,639.73 | 7,192,674.00 |

B) SELLING & DISTRIBUTION EXPENSES

| | 31.03.2016 | 31.03.2015 |
|--|----------------------|----------------------|
| Advertisement | 146,766.00 | 83,741.00 |
| Freight, Checking ,Loading & Unloading Charges | 6,158,279.00 | 4,898,276.00 |
| | 6,305,045.00 | 4,982,017.00 |
| | 14,251,684.73 | 12,174,691.00 |
| Audit fees & consultancy | 40,000.00 | 40,000.00 |
| Tax audit fees | 17,500.00 | 12,500.00 |
| Others including misc. reimbursements | 17,500.00 | 17,500.00 |



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

NOTE 25 EARNING PER SHARE

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

| Particulars | 31.03.2016 | 31.03.2015 |
|--|------------|------------|
| Net Profit after taxes for equity shareholders | 192.74 | 12.20 |
| Number of Equity Shares outstanding | 5031750 | 5031750 |
| Weighted average number of Equity Shares outstanding | 5031750 | 5031750 |
| Basic Earning Per Share | 3.83 | 0.24 |
| Diluted Earning Per Share | 3.83 | 0.24 |

NOTE 27 - MANAGERIAL REMUNERATION

Details of Remuneration paid to directors as under:-

| PARTICULAR | CURRENT YEAR [Amount in Rs.] | PREVIOUS YEAR [Amount in Rs.] |
|-------------------|---------------------------------|----------------------------------|
| Directors' Salary | 26,40,000 | 25,20,000 |

NOTE 28 - CONTINGENT LIABILITIES

1. The Textile Cess Committee has raised a demand of Rs.46.26 Lacs against the company. The Company has filed various appeal against it before Hon'ble TC Appellate Tribunal, Mumbai. The Company has not received any communication from the tribunal and as per our information and belief the matter is still pending with TC Cess Appellant 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 its Final Order No. 493-495/08 CEx. Dated 18.07.2008 reduced the penalty and accordingly we have filed the refund of excess penalty deposited by us. The department has sanctioned a sum of Rs. 114093/- on 27.02.2009 towards excess penalty deposited by us. The department preferred an appeal with the Rajasthan High Court and matter is pending with High Court.
4. Hon'ble Rajasthan High Court in Central Excise Appeal No: 34/2007 * Union of India Vs. A.K Spintex Ltd. & Anr. * Has decided the case in our favour. The Department has filed SLP with Hon'ble Supreme Court of India vide SLP (Civil) No. 25055 of 2009.

NOTE 29 - TAXES ON INCOME

The Breakup of Deferred Tax Assets and Liabilities as on 31-3-2016 is as under:

| | 2015-2016 | [Rs in Lacs] 2014-2015 |
|--|------------|---------------------------|
| Deferred Tax Calculation Liability | 15,095,553 | 16,914,166 |
| Opening balance | 199,906 | (1,818,613.37) |
| Add: Tax Arising on account of Current Year Depreciation | 15,295,459 | 15,095,553 |
| Closing Balance | | |



NOTE 30 – RELATED PARTY DISCLOSURE:

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

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

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

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

Sister/ Associate concerns : Fashion Suitings Pvt. Ltd.

- B. Detail of transactions made with above parties during the year 2015-2016

(Rs. in Lacs)

| Particulars | Key Management Personnel | | Relative of KMP | | Associate / Sister Concerns | |
|--|--------------------------|---------|-----------------|---------|-----------------------------|---------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Income from services (Processing charges received) | 0.00 | 0.00 | 0.00 | 0.00 | 13.93 | 11.27 |
| Balance Outstanding as on 31 st March Debtors a/c | 0.00 | 0.00 | | | 2.33 | (-)0.03 |
| Payment :- Salary | 26.40 | 25.20 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Unsecured Loan | 36.70 | 44.00 | 10.12 | 22.04 | 0.00 | 0.00 |

NOTE 31 – EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Travelling & Conveyance / Interest/ Professional Fee | Nil | Nil |
| Total | Nil | Nil |

NOTE 32 – IMPORTED AND INDIGENEOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

| Particulars | % Total Consumption Current Year | Value Current Year | % Total Consumption Previous Year | Value Previous Year |
|-----------------------|----------------------------------|--------------------|-----------------------------------|---------------------|
| Raw Material | | | | |
| Imported | % | 0.00 | % | 0.00 |
| Indigenously obtained | 100% | 143997417.55 | 100% | 130821260.47 |
| Spare Parts | | | | |
| Imported | 1.27% | 587188 | 0% | 0.00 |
| Indigenously obtained | 98.73% | 45587707.73 | 100% | 35938548.76 |

NOTE 33– VALUE OF IMPORTS CALCULATED ON CIF BASIS

| Particulars | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| Raw Material | Nil | Nil |
| Components and Spares Parts | 5078096 | Nil |
| Capital Goods | Nil | Nil |
| Total | 5078096 | Nil |



NOTE 34 – DUES TO MICRO, SMALL & MEDIUM ENTERPRISES

The Government of India has promulgated an act namely "The Micro, Small & Medium Enterprises Development Act 2006" which comes into force with effect from October 2 2006. As per The Act, the Company is required to identify the Micro & Small Enterprises & Pay them interest on 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.

NOTE 35 – PREVIOUS YEAR FIGURES

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

NOTE 36 – SEGMENT REPORTING

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

NOTE 37 – SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting

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

2. Fixed Assets

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

3. Depreciation

- a. Depreciation is provided on straight line method based on useful lives of assets as prescribed under the transitional provisions of Schedule II of Companies Act, 2013 on pro-rata basis. Reassessment of useful life of certain assets, where ever done, is based on the external technical advice taken by the company.
- b. Company have a policy to fully depreciate assets upto Rs 5000/- in the year of acquisition. Hence the assets costing less than Rs 5000/- have been fully depreciated in the year of acquisition.

4. Investment

Investments are stated at cost.

5. Revenue Recognition / Basis of accounting

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

6. Inventories

Inventories are valued as under.

| | |
|--------------------------------------|--|
| Finished Goods | : At Cost or market realisable value, whichever is lower |
| Work in Progress | : At Cost inclusive of allocable overheads |
| Dyes & Chemical, Stores & Spares etc | : At lower of cost or net realisable value |

7. Job Processing Income

Job Processing Income is stated at net of discount.

8. Retirement Benefits

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



Encashment of leave is accounted on Accrual Basis.

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

9. Borrowing Costs

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

10. Segment Reporting

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

11. Related Party

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

12. Earning Per Share (EPS)

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

13. Deferred tax

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

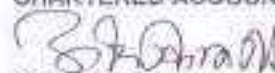
14. Impairment of Assets

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

15. Contingent Liabilities.

Contingent Liabilities disclosed by way of notes.

For O.P.DAD & CO.
CHARTERED ACCOUNTANTS



[O.P.DAD]
PARTNER

PLACE: BHILWARA
DATED: 30.05.2016



FOR & ON BEHALF OF A.K. SPINTEX LIMITED


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


[Ashish Kumar Bagrecha]
COMPANY SECRETARY

**PROXY FORM
FORM MGT- 11**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(1) of the Companies (Management and Administration) Rules, 2014)

Name : A.K. SPINTEX LIMITED
CIN : L17117RJ1994PLC008916
Regd. office : 14 K.M. STONE, CHITTOR ROAD
BHILYA 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 22nd Annual General Meeting of the Company, to be held on the 30th September, 2016 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 st March, 2016. |
| 2. | Reappointment of Mr. Tilok Chand Chhabra who is liable to retire by rotation being eligible offers himself for re-appointment. |
| 3. | Ratification for appointment of Auditor for the Financial Year 2016-17 and fixing their remuneration |

Signed this day of 2016

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 22nd Annual General Meeting of the Company held on 30th September, 2016 at 11.00 a.m. at 14th 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.