

NINETEENTH ANNUAL REPORT

2012-2013



A. K. SPINTEX LIMITED

A.K. SPINTEX LIMITED.

2012-2013

BOARD OF DIRECTORS

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

SENIOR EXECUTIVES

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

AUDITORS

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

BANKERS

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

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

A.K. SPINTEX LIMITED, BHILWARA

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of **A.K. SPINTEX LIMITED**, will be held at its registered office at **14 K.M. Stone, Chittorgarh Road, Bilia Kalan, BHILWARA-311001** on Monday, 30th September, 2013 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, 2013, together with reports of the Directors and Auditor's thereon.
2. To appoint a director in place of Shri Saurabh Chhabra who retires by rotation and being eligible offer himself for reappointment
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provision of section 224 and other applicable provision, if any, of the Companies Act, 1956 Messrs O.P Dad & Company, Chartered Accountants, be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

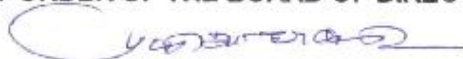
Registered Office :

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

PLACE: BHILWARA

DATE: 30.05.2013

BY ORDER OF THE BOARD OF DIRECTORS

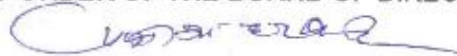


(P. C. CHHABRA)
MANAGING DIRECTOR

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 20.09.2013 to 30.09.2013 (both days inclusive).
3. 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.
4. Corporate members intending to send their authorized representative to attend Meeting are requested to send their certified true copy of Board Resolution authorizing their representative to attend and to vote on their behalf in 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. Members are requested that
 - (a) Quote their folio number in all correspondence with the company
 - (b) Notify immediately to the company any change in their address at the Registered Office of the Company

BY ORDER OF THE BOARD OF DIRECTOR



(P. C. CHHABRA)
MANAGING DIRECTOR

PLACE: BHILWARA

DATE: 30.05.2013

DIRECTORS' REPORT

To,
The Members,

The Directors of the Company have pleasure in presenting their 19th ANNUAL REPORT along with audited statement of accounts for the year ended 31st March, 2013.

[Rs. in Lacs]

Financial Results	2012-2013	2011-2012
Turnover	3352.07	3119.65
Operating Profit before interest, depreciation & tax	287.23	378.77
Less: Interest	105.40	97.87
Profit Before Depreciation & Tax	181.83	280.90
Less : Depreciation	155.50	173.89
Profit Before tax	26.33	107.01
Less: Income Tax (Current)	05.02	21.41
Profit after tax	21.31	85.60
Less: Deferred Tax (Current)	15.69	12.05
Profit after provision for deferred tax	05.62	73.55
Add: Balance brought forward	467.67	394.11
Balance carried to Balance Sheet	473.29	467.67

OPERATIONS

In view of the result for the financial year under consideration the performance of the company is appreciable that they can manage the turn over in this recession and stiff competition & although the profit has been reduced from last year they performed well in last year.

The Board of Directors is continuously watching the performance of the company and trying their best to maximize the profitability of the company and are succeeding gradually towards this direction. The directors are fully hopeful to achieve better results in future years.

DIVIDEND

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

POLLUTION CONTROL

Your directors have pleasure to report that they going to install three stage 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.

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

The prescribed details as required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure I forming part of this report.

PARTICULARS OF EMPLOYEES

The prescribed details as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are nil, hence not applicable.

LISTING OF SHARES

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

Jaipur Stock Exchange Ltd., Jaipur.

Delhi Stock Exchange Association Ltd, New Delhi.

Listing fee has already been paid to both the Stock Exchange for the year 2013-2014 in time.

DIRECTORS

Shri Saurabh Chhabra, director of the company will retire at the forthcoming Annual General Meeting but being eligible offers themselves for reappointment.

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public within the meaning of Section 58A of the Companies Act, 1956.

APPOINTMENT OF SHARE TRANSFER AGENT

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

DEMAT OF SHARES

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

APPOINTMENT OF COST AUDITOR

As per the direction given by the Central Government, the Company has based on an application made, received the Government's approval for re-appointment of M/s V.K. Goyal & Co. a firm of Cost Accountants as the Cost Auditor of the Company for the year ending 31st March, 2014.

SUBSIDIARY COMPANY

The Company has no Subsidiary Company.

DIRECTOR RESPONSIBILITY STATEMENT

Directors's responsibility statement pursuant to section 217 (2AA) of the Companies Act, 1956;

Accounting Standards:-

While preparing the annual accounts of the company for the year ended 31st March 2013 the applicable accounting standards had been followed along with proper explanations relating to material departures, if any.

Accounting Policies:-

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

Directors' Responsibility:-

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

Preparation of accounts on a going concern basis:-

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

AUDITORS

M/s. O. P. DAD & CO., CHARTERED ACCOUNTANTS shall be retiring at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The company has obtained a certificate as required U/s. 224 of the Companies Act, 1956, from the auditors to the effect that their re-appointment, if made, would be in the conformity with the limits specified in the said section.

COMMENT U/S 217(3) REGARDING AUDITORS QUALIFICATION

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

INDUSTRIAL RELATION

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

CORPORATE GOVERNANCE

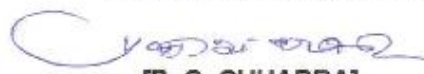
Pursuant to clause 49 of the listing agreements with the stock exchanges, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of the annual Report.

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

PLACE: BHILWARA
DATED: 30.05.2013


[P. C. CHHABRA]
MANAGING DIRECTOR


[T.C. Chhabra]
DIRECTOR

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 2013 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 is 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 Clause 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, 2013**

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13
(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, 2013 consisted of

• Executive	Shri Prakash Chand Chhabra
• Non Executives	Shri Tilok Chand Chhabra
	Shri Sourabh Chhabra
	Shri Manoj Kothari

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

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

The dates on which the meeting held were as follows: 30th May 2012, 1st August 2012, 05th October 2012, 1st Dec. 2012, 15th Feb. 2013, 29th March 2013.

The last Annual General Meeting was held on 29th September 2012

Name of Director	No. of Board Meeting attended	Whether attended Last AGM
Shri P. C. Chhabra	5	Yes
Shri T. C. Chhabra	4	Yes
Shri Saurabh Chhabra	4	Yes
Shri Manoj Kothari	1	Yes

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

Director retiring by rotation and seeking re-appointment

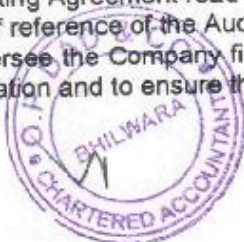
Shri Saurabh Chhabra, Son of Shri Tilok Chand Chhabra, aged 28 years, an Indian National, residing at B-287, Shastri Nagar, Bhilwara-311001 He is an M.B.A.. He is having good experience relating to Textile and Marketing.

Details of the Shri Saurabh Directorship in other Indians Companies are as under

Other Directorship	Position held
Acme Care International (P) Ltd.	Director

3. Audit Committee

- (i) The Audit Committee of the Company has been constituted in line with provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.
- (ii) The terms of reference of the Audit Committee are broadly as under:
- To oversee the Company financial reporting process and the disclosure of its financial information and to ensure that the financial statement is correct, sufficient and credible;



- To hold periodic discussion with the Statutory Auditors of the company concerning the accounts of the company, Internal Control system, scope of audit and observation of the Auditors;
 - To review compliance with internal control system;
 - To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
 - To make recommendations to the Board on any matter relating to the financial management of the company, including the Audit Report.
 - Recommending the appointment of statutory auditors fixation of their remuneration
 - To Review with the management the annual financial statements before submission to the board, focusing primarily on:
 - (a) Any changes in accounting policies and practices;
 - (b) Major accounting entries based on exercise of judgment by management;
 - (c) Qualifications in draft audit report;
 - (d) Significant adjustments arising out of audit;
 - (e) Compliance with accounting standard;
 - (f) Compliance with stock exchange and legal requirements concerning financial statements;
 - (g) Disclosure of any related party transactions.
 - To conduct discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area concern;
 - To conduct management discussion and analysis of financial condition and results of operations.
- (iii) The Audit Committee are usually held at the Corporate Office of the Company and are usually attended by the Managing director, General Manager (Financial) and representatives of Statutory Auditory. The Operations Heads are invited to the meetings.
- (iv) The previous Annual General Meeting of the Company was held on 29th September, 2012.
- (v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are as below:

Name of Member	Category	No. of Meetings attended during the year 2012-2013
Shri P..C. Chhabar	Non-Independent, Executive	4
Shri Saurabh Chhabar	Non-Independent, Non Executive	3
Shri T.C. Chhabra	Non-Independent, Non Executive	3

- (vi) Four Audit committees meetings were held during 2011-2012. The dates on which the said meetings were held are as follows: 25th May 2012, 25th July 2012, 25th October 2012 and 25th January 2013.

4. Remuneration Committee

- (i) Remuneration Committee is there to formulate and recommend to the Board a 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	Category
Shri P..C. Chhabar	Chairman	Executive ManagingDirector
Shri Saurabh Chhabar	Member	Non Executive Director
Shri T.C. Chhabra	Member	Non Executive Director

Details of Remuneration paid to Managing Directors: -

- (a) Executive / Whole - time Director