

TWENTY THIRD ANNUAL REPORT

2016-2017



A. K. SPINTEX LIMITED

A.K. SPINTEX LIMITED.

2016-2017

BOARD OF DIRECTORS

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

SENIOR EXECUTIVES

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

COMPANY SECRETARY
ASHISH KUMAR BAGRECHA

AUDITORS

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 THIRD 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, 29th September, 2017 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, 2017, together with reports of the Directors and Auditor's thereon.
2. To appoint a director in place of Shri Sourabh Chhabra (Din: 00488493) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offer himself for reappointment.
3. To appoint statutory 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 pursuant to the provisions of section 139, 140 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and auditors) Rules, 2014 as may be applicable and pursuant to the recommendations of the Audit Committee, M/s Abhishek Dad & Associates, Chartered Accountants, (Firm Registration No. 014438C), be appointed as statutory auditors of the company, in place of retiring auditors M/s O.P Dad & Company, Chartered Accountants, (Firm Registration No. 002330C) to hold office from the conclusion of this 23rd annual general meeting to be held in the year 2017 until the conclusion of the 28th Annual General Meeting, subject to ratification by members every year, as applicable, 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."

4. TO INCREASE THE AUTHORISED SHARE CAPITAL

To consider and if thought fit, to pass with or without modification(s) the following resolutions as ordinary resolution:

"RESOLVED THAT pursuant to Sections 61(1)(a) and 64(1)(a) of the Companies Act, 2013, and the relevant rules formed thereunder and in accordance with the provisions of the Articles of Association of the Company, the authorized share capital of the Company be and is hereby increased from Rs. 10,00,00,000 (Rupees Ten corer) divided into 1,00,00,000 (One Corer) equity shares of Rs.10 each (Rupee Ten) to Rs. 12,50,00,000 (Rupees Twelve corer fifty lakhs) divided into 1,25,00,000 (One Corer Twenty Five Lakh) equity shares of Rs. 10 each (Rupees Ten).

RESOLVED FURTHER THAT the new equity shares shall rank paripassu with the existing shares."

" FURTHER RESOLVED THAT Board Of Directors of the Company be and is hereby authorize to do all such acts, deeds, things as may be necessary to give effect to above resolution.

5. TO AMEND THE MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to pass with or without modification(s) the following resolution as a ordinary resolution:

“RESOLVED THAT in order to reflect the increase in authorized share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, the consent of members of the company be and is hereby accorded to amend the existing Clause V (a) of Memorandum of Association of the Company with the following:

V. The Authorized Share Capital of the Company is Rs. 12, 50, 00,000/-(Rupees twelve Corer fifty lakhs) divided into 1, 25, 00,000 equity shares of Rs.10 each (Rupees Ten).”

Registered Office:

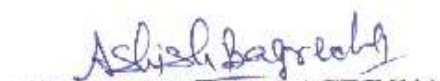
14th Km. Stone, Chittorgarh Road,
Bilia Kalan, Bilwara – 311001.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE: BHILWARA

DATE: 30.05.2017


(P. C. CHILABRA)
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 22.09.2017 to 30.09.2017 (both days inclusive).
4. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting and also the Attendance Slips duly filled in for attending the meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready
6. The Members are requested to:
 - a) Intimate changes, if any, in their registered addresses immediately.
 - b) Quote their ledger folio number in all their correspondence.
 - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - e) Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.
1. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
2. Members seeking any information are requested to write to the Company by email at akspintex@gmail.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
3. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd floor, 99 Madangir, Behind Local Shopping center, Near Dada Harsukhads Mandir, New delhi-110062
4. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report s being sent in the permitted mode.
5. Members may also note that the Annual Report for FY 2016-17 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 26, 2017 from 10.00 A.M. Upto Thursday, 4.00 P.M. September 28, 2017 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 22/09/2017, 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	<p>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.</p>
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

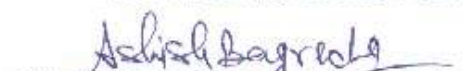
DATE: 30.05.2017



(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.