

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

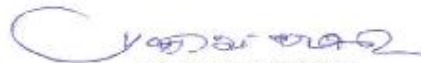
Industrial relation remained cordial and peaceful during the year. Your Directors wish to place on record the appreciation for the devoted services rendered by the workers, staff and executives of the Company at all levels which have very much contributed to the efficient management of the Company's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

[P. C. CHHABRA]
MANAGING DIRECTOR



[T.C.Chhabra]
DIRECTOR

PLACE: BHILWARA
DATED: 30.05.2013

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 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, 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 Chhabar, 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 Auditor. 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

Details	Managing Director Shri Prakash Chand Chhabra
Basic Salary	1,10,000 P.M.
Perquisite	NIL
Total	1,10,000 P.M.

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

5. Shareholders/Investors' Grievances Committee

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

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

Name of the Member	Designation	Category
Shri Saurabh Chhabra	Chairman	Non Executive Director
Shri Manoj Kothari	Member	Non Executive Director
Shri Prakash Chhabra	Member	Executive Director

- (iii) There was no request pending for transfer of shares with transfer agent as on 31st March 2013.

6. GENERAL BODY MEETINGS

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

Detail of Meeting	Date of Meeting	Time of Meeting	Venue of the Meeting
16 th AGM-2010	30.09.2010	11 A.M	A.K. SPINTEX LIMITED 14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhiwara- 311001 (RAj.)
17 th AGM-2011	30.09.2011		
18 th AGM-2012	29.09.2012		

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

7. DISCLOSURE

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

8. MEANS OF COMMUNICATION

The unaudited quarterly and half-yearly are sent to all the Stock Exchange, where the shares of your Company are listed. The result are normally published in the "Dainik Bhaskar/ Rajasthan Patrikain Hindi. The annual results are posted to all the shareholders.

9.

GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting Date & Time Venue	29.09.2012 & 11.00 A.M. 14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhilwara-311001 (Rajasthan)
(ii) Financial Period	1 st April 2013 to 31 st March 2014
(iii) Date of Book Closure	20 nd September 2013 to 30 th September 2013
(iv) Listing Fees	The listing fees for the financial year 2013-14 have been paid to the Stock Exchange, where Your Company equity shares are listed.
(v) Listing on Stock Exchange in India	(i) Delhi Stock Exchange Limited (ii) Jaipur Stock Exchange Limited
(vi) Financial Calendar for the period April 1, 2013 to March 31, 2014	First Quarterly Results By July 2013 Second Quarterly Results By October 2013 Third Quarterly Results By January 2014 Audited Results By May 2014
(vii) Registered Office	14 K.M. Stone, Chittorgarh Road, Bilia Kalan, Bhilwara-311001 (Rajasthan)

(vii) Distribution of Shareholding as on 31st March, 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holding
Up to 5000	587	77.54	171000	3.398
5001 to 10000	67	8.85	46550	.925
10001 to 20000	43	5.68	60200	1.196
20001 to 30000	15	1.98	39950	.794
30001 to 40000	8	1.06	29250	.581
40001 to 50000	3	.40	13200	.262
50001 to 100000	11	1.45	75000	1.490
100001 to above	23	3.04	4596600	91.351
Total	757	100.00	5031750	100.00

(ix) Shareholding Pattern as on 31st March, 2013

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

ANNEXURE : 1 TO THE DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY

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

FORM "A"

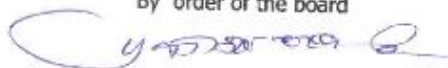
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A	<u>POWER & FUEL CONSUMPTION</u>	31.03.2013	31.03.2012
1	<u>ELECTRICITY</u>		
a	Purchase Units [In KWH]	5,553,682.00	5,514,846.00
	Total Amount [In Rupees]	32,287,904.00	27,837,899.00
	Rate/Unit [In per KWH]	5.81	5.05
b	<u>Own Generation</u>		
	Through Diesel Generator [In KWH]	228,144	244,275
	unit/ltrs in diesel oil	3.10	3.26
	cost [Rs/ unit]	13.59	11.37
2	<u>Coal, Lignite, Fire wood & Wooden Coal</u>		
	Qty. [MT]	6,731.97	7,161.88
	TOTAL COST [Rs]	55,105,697	61,280,388
	Average Rate	8,185.67	8,556.47
B	<u>CONSUMPTION PER UNIT OF PRODUCTION</u>		
	Fabric production [Mtrs]	32,780,360.30	32518250.3
	Electricity [in Kwh]	0.176	0.177
	Coal [in Kg]	0.205	0.220

FORM "B"

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

By order of the board



[P.C. CHHABRA]
[MANAGING DIRECTOR]

PLACE : BHILWARA.
DATE: 30.05.2013

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **A.K.SPINTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

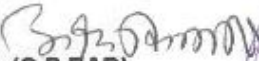
- (a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the **Profit and Loss Account**, of the profit/ loss for the year ended on that date; and
- (c) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information & 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.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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


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



Place: Bhilwara
Dated: 30.05.2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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

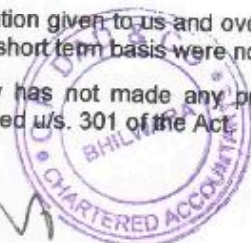
1. In respect of fixed assets:
 - (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (B) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (C) The company during the year has disposed off old machineries and the same have been replaced by new machineries and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - (A) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year.
 - (B) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the Company and nature of its business.
 - (C) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the book record.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (A) The Company has not taken unsecured loans from any party covered in the register maintained u/s 301 of the Act. It has been taken in view of stipulation by financial institution and repayable subject to their approval. The loan so taken is not prima facie prejudicial to the interest of the company. The amount borrowed on current account, the rate of interest wherever applicable and other terms and condition are not prime facie prejudicial to the interest of the Company.
 - (B) As per the explanation and information given to us the Company has not granted any loans, secured or Unsecured to the Companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 that are exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.



6. The Company has not accepted any deposit from public. In our opinion and according to the information and explanation given to us the provisions of Section 58A of the Companies Act, 1956 and the Rules framed there under, wherever applicable, are being complied with
7. In our opinion and according to the information and explanation given to us we report that the company is having proper internal audit system, which is commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and record have been made maintained. We have not however, made detailed examinations of such records.
9. In respect of statutory dues:
 - A) According to the records of the Company, undisputed statutory dues including Provident Fund Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Sales Tax, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. Accordingly to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2013 for a period of more than six months from the date they have become payable.
 - B) The disputed statutory dues aggregating to Rs 133.84 Lac that have not been deposited on account of matters pending before appropriate authorities are as under :

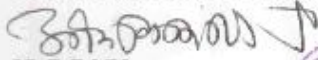
Name of the Statute	Financial year to which the matter pertains	Nature of the dues	Forum where dispute is pending	Amount (Rs. in Lac)
Textiles Cess Act	1997-2007	TC Cess	Textile Cess Tribunal,	46.26
Central Excise Act, 1944	2002-2003	Excise Duty	Commissioner (Appeals)	5.44
Entry Tax Act	2008-2013	Entry Tax	H'nble High Court, Jodhpur (Rajasthan)	82.14

10. The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit report in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution, Banks or debenture holders.
12. According to the Information and explanation given to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(13) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the company is not dealing or trading in shares, Securities, Debentures, Mutual funds & others investment, accordingly, the provision of clause 4 (xiv) of the companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company.
15. In our opinion and as per information and explanation given to us, we report that the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. As per information and explanation given to us, the company has utilized term loans for the purpose for which the loans were obtained.
17. As per information and explanation given to us and over all examination of balance sheet of the company, we are of opinion that funds raised on short term basis were not used for long term investment and vice-versa.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Act.



19. The Company has not raised any amount by issue of debentures.
20. The Company has not raised any amount by way of public issue during the year.
21. In our opinion and as per information and explanation given to us, no fraud on or by the company has been noticed or reported during the year, which causes the financial statements to be materially misstated.

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



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

**PLACE: BHILWARA
DATED: 30th MAY, 2013**



BALANCE SHEET AS ON 31ST MARCH 2013

NOTES

		31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	[1]	50,317,500.00	50,317,500.00
Reserves & Surplus	[2]	48,829,329.05	48,266,962.82
Share Application money pending allotment			
		99,146,829.05	98,584,462.82
Long-Term Borrowings	[3]	147,120,175.00	36,054,952.00
Deferred Tax Liabilities (Net)	[4]	18,794,473.09	21,924,029.00
Other Long Term Liabilities			
		165,914,648.09	57,978,981.00
CURRENT LIABILITIES			
Short Term Borrowings	[5]	-	73,449,633.96
Trade Payable	[6]	60,264,542.48	54,643,641.73
Other Current Liabilities	[7]	5,805,017.00	11,035,362.00
Short Term Provision	[8]	-	-
		66,069,559.48	139,128,637.69
		331,131,036.62	295,692,081.51
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	[9]	153,350,390.32	171,149,470.69
Intangible Assets		-	-
Capital Work in Progress		146,893.00	-
Non-Current Investments	[10]	3,000.00	3,000.00
Long-Term loans and advances	[11]	14,676,697.84	13,987,639.84
		168,176,981.16	185,140,110.53
CURRENT ASSETS			
Current Investments		-	-
Inventories	[12]	50,086,853.97	43,539,881.30
Trade Receivable	[13]	67,196,154.64	54,644,357.00
Cash and Cash Equivalents	[14]	26,679,842.19	21,658.33
Short-term loans & advances	[15]	18,991,204.66	12,346,074.35
		162,954,055.46	110,551,970.98
		331,131,036.62	295,692,081.51

AS PER AUDIT REPORT OF OUR EVEN DATE

For: O.P. DAD & CO.

CHARTERED ACCOUNTANT




[O.P. DAD]

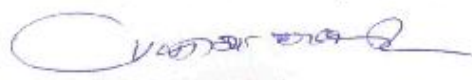
PARTNER

PLACE: BHILWARA

DATE: 30.05.2013

FOR AND ON BEHALF OF THE BOARD

A.K. SPINTEX LIMITED, BHILWARA



[P.C. CHHABRA]

[MANAGING DIRECTOR]



[T.C. CHHABRA]

[DIRECTOR]

Statement of Profit & Loss for the Year ended 31st March, 2013

NOTE

31.03.2013

31.03.2012

REVENUE			
Revenue from Operations	[16]	335,206,502.64	311,965,494.01
Other Income	[17]	305,558.00	478,413.00
TOTAL REVENUE (i)		335,512,060.64	312,443,907.01
EXPENSES			
Cost of materials consumed	[18]	83,903,095.99	73,033,544.26
Purchase of Stock in trade	[19]	-	-
Changes in inventories	[20]	(618,207.53)	(8,053,812.09)
Manufacturing expenses	[21]	141,746,114.62	157,055,970.22
Employee Benefit expenses	[22]	72,365,098.00	42,623,779.00
Finance Cost	[23]	10,539,850.05	9,787,455.55
Depreciation/Amortisation expenses		15,550,017.94	17,388,994.60
Other expenses	[24]	9,393,428.74	9,906,966.30
TOTAL EXPENSES (ii)		332,879,397.82	301,742,897.84
Profit before Tax (PBT) (i-ii)		2632662.82	10701009.17
VI) Exceptional Items/Extraordinary items.			
VII) Profit before Tax (PBT) (V- VI)		2,632,662.82	10,701,009.17
VIII) Tax expenses of continuing operations			
Current Tax		501,650.00	2,141,034.50
MAT credit Entitlement		4,698,202.50	(6,368,806.50)
Deferred Tax		(3,129,555.91)	7,573,384.75
		2,070,296.59	3,345,612.75
Profit / (loss) for the period from continuing operations		562,366.24	7,355,396.42
Profit / (loss) for the period from discontinuing operations		-	-
Profit / (loss) for the period (Profit After Tax)		562,366.24	7,355,396.42
Earning Per Share		0.11	1.46

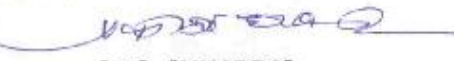
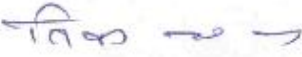
AS PER OUR AUDIT REPORT OF EVEN DATE

For: O.P. DAD & CO.
CHARTERED ACCOUNTANT


[O.P. DAD]
PARTNER
M. NO. : 035373
FRN :- 002330C



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


[P.C. CHHABRA]
[MANAGING DIRECTOR]

[T.C. CHHABRA]
[DIRECTOR]

PLACE: BHILWARA
DATE: 30.05.2013

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2013

NOTE 1 - SHARE CAPITAL

31.03.2013

31.03.2012

Authorised Share Capital

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

100,000,000.00

100,000,000.00

Issued, Subscribed & Paid Up Capital

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

50,317,500.00

50,317,500.00

50,317,500.00

50,317,500.00

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

Equity Shares

31.03.2013

31.03.2012

At the beginning of the Period

5,031,750

5,031,750

Add:- Issued during the Period

-

-

Outstanding at the end of the period

5,031,750

5,031,750

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

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

S.No. Name of the shareholder

31.03.2013

31.03.2012

% of

% of

No. of Shares

Shareholding

No. of Shares

Shareholding

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

	<u>31.03.2013</u>	<u>31.03.2012</u>
State Capital Investment Subsidy		
Balance as per last financial statements	1,500,000.00	1,500,000.00
Add: During the year		
Closing Balance	1,500,000.00	1,500,000.00
Profit & Loss Account		
Balance as per last financial statements	46,766,962.82	39,411,566.40
Profit for the year	562,366.24	7,355,396.42
Net Surplus in the statement of Profit & Loss	47,329,329.05	46,766,962.82
Total Reserve and Surplus	48,829,329.05	48,266,962.82

NOTE 3 - LONG TERM BORROWINGS

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) Secured Term Loans from Banks and FI's		
1) Rupee Term Loan	21,036,192.00	35,926,482.00
2) Finance lease obligation, Equipments/Vehicle Loans from HDFC Bank	338,840.00	128,470.00
Net Amount (A)	21375032.00	36054952.00
B) Unsecured Loan		
1) Intercorporate Loan	125,745,143.00	0
Total Amount (A + B)	147,120,175	36,054,952

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	26024192.00	6.50%	12.47 Lacs per Quarter	The term loans is secured by first charge of existing fixed assets of the company and also personally guaranteed by director. Also Secured by an FD of Rs. 26000000



NOTE 4 - DEFERRED TAX LIABILITIES (NET)

	<u>31.03.2013</u>	<u>31.03.2012</u>
Deferred Tax Liabilities (Net)	18,794,473.09	21,924,029.00
	<u>18,794,473.09</u>	<u>21,924,029.00</u>

NOTE 5 - SHORT TERM BORROWINGS

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) FROM BANKS		
SECURED		
Cash credit limit/OD LIMIT	-	73,449,633.96
	<u>-</u>	<u>73,449,633.96</u>

Cash Credit/OD limit account is secured by hypothecation of stocks and book debts both present and future of the company and also by extension of charge over fixed assets of the company .

NOTE 6 - TRADE PAYABLE

	<u>31.03.2013</u>	<u>31.03.2012</u>
Sundry creditors for Raw material/ Trade	43,986,661.00	38,146,041.00
Sundry creditors of capital goods	1,285,571.00	6,335,987.25
Other Outstanding liabilities	14,992,310.48	10,161,613.48
	<u>60,264,542.48</u>	<u>54,643,641.73</u>

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

NOTE 7 - OTHER CURRENT LIABILITIES

	<u>31.03.2013</u>	<u>31.03.2012</u>
Current maturities of Long Term Debts	5,219,840.00	10,566,000.00
Tax deducted at source	411,607.00	278,441.00
E.S.I. & P.F. Payable	173,570.00	190,921.00
	<u>5,805,017.00</u>	<u>11,035,362.00</u>



A.K.SPINTEX LIMITED, BHILWARA

NOTE 9 : FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2012	ADDITION	DEDUCTION/ TRANSFER/	AS AT 31.03.2013	UPTO 31.03.2012	FOR THE YEAR	DEDUCTION	UP TO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
LAND	25,535,263.25	39,000.00	0.00	25,574,263.25	0.00	0.00	0.00	0.00	25,574,263.25	25,535,263.25
BUILDING	41,702,105.18	356,250.00	0.00	42,058,355.18	11,036,330.76	1,224,071.81	0.00	12,260,402.56	29,797,952.62	30,665,774.42
PLANT & MACHINERY	223,036,292.46	2,869,897.00	6,180,321.00	219,725,868.46	115,771,239.36	14,621,759.50	1,299,092.60	129,043,906.36	90,681,962.10	107,315,053.10
OFFICE EQUIPMENTS	2,098,118.80	202,262.00	0.00	2,300,380.80	1,348,115.15	176,728.07	0.00	1,524,843.22	775,537.58	750,003.65
FURNITURE & FIXTURE	4,507,444.30	0.00	0.00	4,507,444.30	1,533,240.13	230,683.90	0.00	1,763,924.03	2,743,520.27	2,974,204.17
VEHICLE	6,509,071.00	654,500.00	352,078.00	6,811,493.00	2,599,899.40	595,867.16	161,427.16	3,034,339.41	3,777,153.59	3,909,171.60
SUB TOTAL (A)	303,388,294.99	4,121,909.00	6,532,399.00	300,977,804.99	132,238,824.80	16,849,110.54	1,460,519.75	147,627,415.59	153,350,389.40	171,149,470.68
ADD: Capital Work-in-progress (B)		146893.00		146893.00					146893.00	
TOTAL (A+B)	303,388,294.99	4,268,802.00	6,532,399.00	301,124,697.99	132,238,824.80	16,849,110.54	1,460,519.75	147,627,415.59	153,497,282.40	171,149,470.68
PREVIOUS YEAR	299457706.99	5042070.00	1111482.00	303388294.99	115234202.27	17388994.60	384372.08	132238824.80	171149470.68	184223504.72

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.



NOTE 8 - SHORT TERM PROVISIONS

	<u>31.03.2013</u>	<u>31.03.2012</u>
Provision for Income Tax	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

NOTE 10 - NON CURRENT INVESTMENTS

	<u>31.03.2013</u>	<u>31.03.2012</u>
N.S.C.	3,000.00	3,000.00
	<hr/>	<hr/>
	3,000.00	3,000.00
	<hr/>	<hr/>

NOTE 11 - LONG TERM LOAN AND ADVANCES

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) Security Deposits		
Government Deptt.	11,001,050.36	10,865,524.36
R.S.E.B. Deposit	3,654,512.48	2,953,183.48
B) Cenvat Receivable on Capital Goods	21,135.00	168,932.00
C) Loans And Advances To Related Parties	-	-
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	14,676,697.84	13,987,639.84
	<hr/>	<hr/>

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

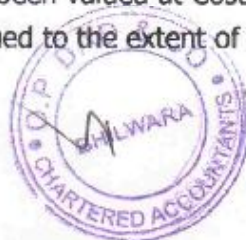
NOTE 12 - INVENTORIES

(As taken ,valued & certified by the management)

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) Raw Material (Dyes & Chemical)	11,059,378.76	7,192,027.75
B) Work-In-Progress	2,861,127.55	2,456,408.05
C) Finish Fabrics	26,724,165.69	26,510,677.66
D) Stores & Spares	9,442,181.97	7,380,767.84
	<hr/>	<hr/>
	50,086,853.97	43,539,881.30
	<hr/>	<hr/>

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

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



NOTE 13 - TRADE RECEIVABLES

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) Trade Receivables Outstanding for more than six months Unsecured, Considered Good	509,739.00	84,907.00
B) Trade Receivables Unsecured, Considered Good	66,686,415.64	54,559,450.00
C) Balance with Related Parties	-	-
	<u>67,196,154.64</u>	<u>54,644,357.00</u>

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

NOTE 14 - CASH AND CASH EQUIVALENTS

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) Balances with Banks	601,101.19	-
B) Cash on Hand	78,741.00	21,658.33
3) Fixed Deposit With Bank (Exceeding 1 year)	26,000,000.00	-
	<u>26,679,842.19</u>	<u>21,658.33</u>

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

NOTE 15 - SHORT TERM LOAN AND ADVANCES

	<u>31.03.2013</u>	<u>31.03.2012</u>
<i>Advances Recoverable in Cash or Kind</i>		
Advances recoverable in cash or in kind or for value to be re	385,580.00	280,364.00
TDS Receivable	9,929,855.85	5,696,903.85
MAT Credit Receivable	1,670,604.00	6,368,806.50
Advance against capital goods	7,005,164.81	-
	<u>18,991,204.66</u>	<u>12,346,074.35</u>

NOTE 16 - REVENUE FROM OPERATIONS

	<u>31.03.2013</u>	<u>31.03.2012</u>
<u>Sale of Services</u>		
Fabric Processing	335,206,502.64	311,965,494.01
	<u>335,206,502.64</u>	<u>311,965,494.01</u>

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



NOTE 17 - OTHER INCOME

	<u>31.03.2013</u>	<u>31.03.2012</u>
Interest received	299,409.00	139,800.00
Scrap/ Fent regs sale	-	338,613.00
Profit on sale of Fixed Assets	6,149.00	-
	<u>305,558.00</u>	<u>478,413.00</u>

NOTE 18 - COST OF RAW MATERIALS CONSUMED

	<u>31.03.2013</u>	<u>31.03.2012</u>
Opening Stock	7,192,027.75	5,061,944.01
	87,770,447.00	75,163,628.00
Less: Closing Stock	11,059,378.76	7,192,027.75
	<u>83,903,095.99</u>	<u>73,033,544.26</u>

NOTE 19 - PURCHASE OF STOCK IN TRADE

	<u>31.03.2013</u>	<u>31.03.2012</u>
Stock in trade purchase	-	-
	<u>-</u>	<u>-</u>

NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP

	<u>31.03.2013</u>	<u>31.03.2012</u>
Opening Stock		
Finished Goods	26,510,677.66	19,948,732.73
Work in Progress	2,456,408.05	964,540.89
	<u>28,967,085.71</u>	<u>20,913,273.62</u>
Less : Closing Stock		
Finished Goods	26,724,165.69	26,510,677.66
Work in Progress	2,861,127.55	2,456,408.05
	<u>29,585,293.24</u>	<u>28,967,085.71</u>
	<u>(618,207.53)</u>	<u>(8,053,812.09)</u>



NOTE 21 - MANUFACTURING EXPENSES

	<u>31.03.2013</u>	<u>31.03.2012</u>
Stores & Spares consumed	35,426,639.07	36,758,014.54
Coal	55,105,696.61	61,280,388.52
Power & Fuel	35,387,947.94	30,684,032.16
Other manufacturing expenses	8,806,186.00	25,244,746.00
Entry Tax	3,412,464.00	-
Service Tax	229,094.00	178,736.00
Repair & Maintenance [P&M]	2,556,375.00	2,458,261.00
Water charges	821,712.00	451,792.00
	<u>141,746,114.62</u>	<u>157,055,970.22</u>

NOTE 22 - EMPLOYEE BENEFITS EXPENSES

	<u>31.03.2013</u>	<u>31.03.2012</u>
Salary, Wages & Other Allowances	67,924,237.00	38,398,958.00
E.S.I.& P.F. contribution	2,723,959.00	2,078,620.00
Gratuity & P.L.Encashment	742,523.00	727,812.00
Staff & Labour Welfare Expenses	476,084.00	956,957.00
Bonus & exgratia	498,295.00	461,432.00
	<u>72,365,098.00</u>	<u>42,623,779.00</u>

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

NOTE 23 - FINANCE COSTS

	<u>31.03.2013</u>	<u>31.03.2012</u>
Bank charges	12,466.50	27,548.55
Interest on Term Loan	2,655,854.06	2,887,147.00
Interest on Working Capital	7,025,089.49	6,846,310.00
Interest on Others	846,440.00	26,450.00
	<u>10,539,850.05</u>	<u>9,787,455.55</u>



NOTE 24 - OTHER EXPENSES

	<u>31.03.2013</u>	<u>31.03.2012</u>
A) ADMINISTRATIVE EXPENSES		
Audit exp.	4,275.00	6,025.00
Auditor Remuneration	60,000.00	50,000.00
Charity & donation	21,900.00	76,200.00
Conveyance expenses	455,750.00	353,342.00
Cost Audit fees	22,000.00	20,000.00
Fees & subscription	171,007.00	167,141.00
Insurance	460,208.00	183,786.00
Legal & Professional exp.	677,847.00	35,755.00
Listing Fees	15,104.00	34,193.00
Loss on Sale of fixed Assets	0.00	66,605.00
M.D. Remuneration	1,320,000.00	1,260,000.00
Miscellaneous expenses	444,687.74	199,450.30
Postage, Telegram	7,986.00	7,194.00
Printing & Stationery	417,779.00	345,234.00
Public Walfair exp.	18,175.00	25,025.00
Rent, Rates & Taxes	102,000.00	90,500.00
Repair & Maintenance (Vehicle)	53,441.00	58,923.00
Telephone expenses	144,091.00	183,718.00
Travelling Expenses	18,721.00	420,950.00
Water Cess	108,996.00	101,227.00

4,523,967.74**3,685,268.30****B) SELLING & DISTRIBUTION EXPENSES**

	<u>31.03.2013</u>	<u>31.03.2012</u>
Advertisement	129,902.00	140,832.00
Freight, Checking ,Loading & Unloading Charges	4,739,559.00	6,080,866.00

4,869,461.00**6,221,698.00**

	<u>31.03.2013</u>	<u>31.03.2012</u>
Audit fees & consultancy	35,000.00	30,000.00
Tax audit fees	12,500.00	10,000.00
Certification & Consultancy	12,500.00	10,000.00

9,393,428.74**9,906,966.30**

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

NOTE 26 EARNING PER SHARE

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

Particulars	31.03.2013	31.03.2012
Net Profit after taxes for equity shareholders	05.62	73.55
Number of Equity Shares outstanding	5031750	5031750
Weighted average number of Equity Shares outstanding	5031750	5031750
Basic Earning Per Share	0.11	1.46
Diluted Earning Per Share	0.11	1.46

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	1320000	1260000

NOTE 28 - CONTINGENT LIABILITIES

1. The Textile Cess Committee has raised a demand of Rs.46.26 Lacs against the company. The Company has filed various appeal against it before Hon'ble TC Appellate Tribunal, Mumbai. The Company has not received any communication from the tribunal and as per our information and belief the matter is still pending with TC Cess Appellent Tribunal. Mumbai and consequently, liability, if any arises will be accounted for as and when the case will be decided. The management being confident of winning the case, no provision of the above has been made.
2. The Company has deposited Rs. 82246/- under protest towards demand confirmed by the order of Commissioner of Excise in Case No IV(55)4/45/BHL/R-IV/04/6587 Dated 18.08.2004. Company has filed the appeal in CESTAT.
3. Hon,ble CESTAT Vide it,s Final Order No. 493-495/08 CEx. Dated 18.07.2008 reduced the penalty and accordingly we have filed the refund of excess penalty deposited by us. The department has sanctioned a sum of Rs. 114093 /- on 27.02.2009 towards excess penalty deposited by us. The department preferred an appeal with the Rajasthan High Court and matter is pending with High Court.
4. Hon,ble Rajasthan High Court in Central Excise Appeal No. 34/2007 " Union of India Vs. A.K.Spintex Ltd. & Anr." Has decided the case in our favour. The Department has filed SLP with Hon'ble Supreme Court of India vide SLP (Civil) No. 25055 of 2009.
5. A writ petition regarding livability of Rajasthan entry tax on the processing units was pending before the Hon. Rajasthan High Court, Jodhpur in which a modified interim order was passed on 21.01.2011. In compliance with the order, the company had to deposit 50 % of the entry tax for the years of which assessment is done i.e. FY 2007-08 and for the balance 50% amount, a surety bond was given. As the final order on the aforesaid writ petition has not been yet passed, the company on conservative basis has accounted for the entry tax upto FY 2007-08 in the books of accounts. In view of the management, there being a fair chance of winning the case, no further provision is necessary for period after FY 2007-08. Thus, the total amount of disputed liability for the period 01.04.2008 to 31.03.2013 is Rs. 82.14 lacs for which no provision is made being contingent in nature.



NOTE 29 – TAXES ON INCOME

The break up of Deferred Tax Assets and Liabilities as on 31-3-2013 is as under:

	2012-2013	[Rs.in Lacs] 2011-2012
Deferred Tax Calculation Liability		
Opening balance	21,924,029	14,350,644
Add: Tax Arising on account of Current Year Depreciation	(3,129,556)	7,573,384
Closing Balance	18,794,473	21,924,029

NOTE 30 – RELATED PARTY DISCLOSURE:

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

A. 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)

Sister/ Associate concerns : Fashion Suitings Pvt. Ltd

B. Detail of transactions made with above parties during the year 2012-2013

Particulars	Key Management Personnel		Promoters		Associate / Sister Concerns	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Income from services (Processing charges received)	0.00	0.00	0.00	0.00	62.16	271.57
Balance Outstanding as on 31 st March Debtors a/c	0.00	0.00	0.00	0.00	(-)10.01	(-)7.26
Payment :- Salary	13.20	12.60	0.00	0.00	0.00	0.00

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

Particulars	% Total Consumption	Value	% Total Consumption	Value
	Current Year	Current Year	Previous Year	Previous Year
Raw Material				
Imported	%	0.00	%	0.00
Indigenously obtained	100%	83903096.00	100%	73033544.00
Spare Parts				
Imported	0%	0.00	0%	0.00
Indigenously obtained	100%	25053634.00	100%	27935203.00



NOTE 32 – DUES TO MICRO, SMALL & MEDIUM ENTERPRISES

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

NOTE 33 – PREVIOUS YEAR FIGURES

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

NOTE 34 – SEGMENT REPORTING

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

NOTE 35 – SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting

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

2. Fixed Assets

- 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

Depreciation has been calculated on plant and machinery as continuous process plant (as per technical opinion obtained by the management) by applying written down value rates prescribed in schedule XIV to the companies act, 1956.

Depreciation on all other fixed assets including miscellaneous plant & machinery has been provided under straight line method at the rate prescribed as per schedule XIV to the companies act.

Depreciation on fixed assets acquired during the year has been calculated on pro-rata basis with reference to the date on which the assets are put to use.

Depreciation on assets where actual cost does not exceed Five Thousand Rupees, being provided at the rate of Hundred percent in the year of acquisition.

4. Investment.

Investments are stated at cost.

5. Revenue Recognition / Basis of accounting

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

6. Inventories

Inventories are valued as under.

Finished Goods	: 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 man made fabrics and has only one unit i.e. process house which is located at Bhilwara (Raj) and most of the customers are local. Hence the company does not have any other segment to disclose separately.

11. Related Party

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

12. Earning Per Share (EPS)

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

13. Deferred tax

Provision for current tax is made after taking into consideration admissible benefits under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax laws and rates that have been or substantively enacted as on the Balance-Sheet date. Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that the assets will be realised 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: 30.05.2013



FOR & ON BEHALF OF A.K. SPINTEX LIMITED



[P. C. CHHABRA]
MANAGING DIRECTOR

A.K.SPINTEX LIMITED

CASH FLOW STATEMENT

for the year ended 31st March, 2013

	Current Year	Previous Year
(A) CASH FLOW STATEMENT FROM OPERATING ACTIVITIES	31.03.2013	31.03.2012
Net Profit Before Tax	2632663	10701009
Adjustments for :-		
Depreciation	15550018	17388995
Interest Expenditure	10527384	9759907
Interest Income	(299409)	(139800)
Loss / profit (+/-) on sale of Fixed Assets	(6149)	66605
Preliminary Expenses W/off	0	0
Adjustments for :-		
Inventories	(6,546,973)	(8554921)
Sundry Debtors	(12551798)	(10426577)
Loans and Advances	(7334188)	(10548726)
Current liabilities	390556	11174964
Less : Taxes Paid (Net of refund)	(5199853)	4227772
Cash Generated from Operations (A)	(2837749)	23649228
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4121909)	(5042070)
Increase in Capital W.I.P.	(146893)	0
Sale of Fixed Assets	6377121.00	660505
Interest Received	299409	139800
Preliminary addition	0	0
Net Cash Used in Investing Activities (B)	2407728	(4241765)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from long term borrowing	(14679920)	(10700496)
Increase in bank borrowing for Working Capital	(73449634)	928623
Increase /(Repayment) of Unsecured loan	125745143	0
increase in share capital/application money	0	0
Subsidy Received	0	0
Interest Paid	(10527384)	(9759907)
Net Cash From Financing Activities (C)	27088205	(19531780)
(D) Net Increase / Decrease in Cash & Cash Equivalent (A-B+C)	26658184	(124317)
Closing Balance of Cash & Cash Equivalent	26679842	21658
Opening Balance of Cash & Cash Equivalent	21658	145975

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: 30.05.2013



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

[P.C. CHHABRA]

Managing Director

[T.C. CHHABRA]

Director

PROXY FORM

Folio No. _____ No. of Shares held _____
I/We _____ of _____ being a member/ members of the
above named Company, hereby appoint Shri/ Mrs./ Miss _____ of
_____ in the district of _____ or failing him/ her Shri/ Mrs./ Miss
_____ of _____ in the district of _____ as
my/ our proxy to vote for me/ us on my/ our behalf at the 19th Annual General Meeting of the Company to be held on 30th
September, 2013 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013.

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

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

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

ATTENDENCE SLIP

I hereby record my presence at the 19th Annual General Meeting of the Company held on 30th September, 2013 at 11.00 a.m. at 14th K.M. Mile Stone Chittor Garh Road ,Bilia Kalan , Bhiwara.

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.