

# AMIT SPINNING INDUSTRIES LIMITED



20<sup>th</sup> Annual Report  
2011 - 2012

**CLC**

**BOARD OF DIRECTORS**

S P Setia (Non-Executive/Independent Chairman)  
I.B. Maner (Managing Director)  
Ranjan Mangtani (Non-Executive Director)  
K Sankaramani (Non-Executive Director)

**REGISTERED & CORPORATE OFFICE**

A-60, Okhla Industrial Area  
Phase-II, New Delhi-110020  
Tel.: 011-26387738  
Fax: 011-26385181  
Email secretarial@clcindia.com

**AUDITORS**

Sunil Jain & Co.  
Chartered Accountants  
New Delhi

**AUDIT COMMITTEE**

S P Setia (Chairman)  
Ranjan Mangtani  
I M Aggrawala (upto - 11-02-2012)

**REMUNERATION COMMITTEE**

S P Setia (Chairman)  
Ranjan Mangtani  
K Sankaramani

**SHARE TRANSFER & SHAREHOLDERS/INVESTORS  
GRIEVANCE COMMITTEE**

S P Setia (Chairman)  
Ranjan Mangtani  
K Sankaramani

**PLANT**

Gat No. 47 & 48, Sangavade Village  
Kolhapur – Hupari Road  
Taluka Karveer  
Dist. Kolhapur 416 202  
MAHARASHTRA  
Ph.: 0231 – 2676106/2676108/2676110  
Fax: 0231-2676164

**BANKERS**

AXIS Bank Limited  
UCO Bank

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**● 20th AGM**

Date : September 28, 2012 Time: 11.30 A.M.

Venue : Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019

● Book Closure : From Wednesday, September 26, 2012 to Friday, September 28, 2012.

Company's shares are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

**NOTICE**

NOTICE is hereby given that the 20th Annual General Meeting of the Members of Amit Spinning Industries Limited will be held on **Friday the 28th day of September, 2012 at 11.30 A.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019** to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date and the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S P Setia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board  
For **AMIT SPINNING INDUSTRIES LIMITED**

Place: New Delhi  
Date : August 07, 2012

**RANJAN MANGTANI**  
**DIRECTOR**

**NOTES:**

- A. 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 OF THE COMPANY. PROXY SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 26th day of September, 2012 to Friday, the 28th day of September, 2012 (both days inclusive).**
- C. All documents referred in the notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on any working day till the date of Annual General Meeting and also at the meeting.
- D. Members are requested to intimate the change, if any, in their registered address immediately.
- E. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
- F. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
- G. As per provisions of the Companies Act, 1956, facility for making nomination is now available to the members in respect of the shares held by them.
- H. For any queries on the Depository System, members may contact any depository participant or the Share Department at the Registered Office of the Company.
- I. In terms of Clause 49 of the Listing Agreement, a brief resume of directors who are proposed to be appointed/re-appointed at this meeting is given in Corporate Governance.
- J. Securities and Exchange Board of India (SEBI) made it mandatory for the transferees to furnish copy of PAN card to the Company/RTA for registration of shares held in Physical Form.
- K. Members are requested to send queries to E-mail ID **secretarial@clcindia.com** which is being used exclusively for the purpose of redressing the compliant(s) of the investors.
- L. The Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate e-mail address to facilitate to send Annual Report and other reports/notices through e-mail.
- M. Members who are holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agent of the Company to enable the Company to consolidate their holdings in one folio.

**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting the 20th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2012.

**Financial Results:**

(` in Lakhs)

	<b>2011-2012</b>	<b>2010-2011</b>
Net Sales (Turnover)	5764.75	12549.64
Other Income	15.04	76.39
Financial Charges	628.50	761.18
Depreciation	462.99	459.48
Misc. Expenses written off	0	8.49
<b>Profit/(Loss) before tax (PBT)</b>	<b>(3001.74)</b>	<b>(22.59)</b>
Provision for Taxation	0	0
<b>Net Profit/(Loss)</b>	<b>(3001.74)</b>	<b>(22.59)</b>

**Financial Analysis and Performance Review :**

During the year under review, because of sudden surge in raw material costs, fuel prices, surplus inventories and rise in inflation, the turnover of the Company has decreased to Rs. 5764.75 lakhs as compared to Rs. 12549.64 lakhs in the previous year.

**Management Discussion and Analysis**

Due to the impact of financial crises globally, during the fiscal 2011-12, the economy weakened through out the world. Consequently growth became slower and second recession was very much there to deal with. The Textile Industry in such situation was also adversely affected due to economic downturn in Europe and America and the global textile consumption was restricted. However with the recovery in Asian economies, increase of demand and consumption, in recent months, have changed the textile market conditions in domestic as well as export and the improvement was witnessed worldwide during the last quarter of the fiscal.

To overcome the negative growth caused in the Textile Sector due to increase in raw material cost, increase in fuel prices, inflationary pressures and lower consumer demand, certain positive steps were taken by Government of India in middle of third quarter. As a result, raw material prices stabilized and became reasonable to compete overseas markets. Competitive pricing in turn increased foreign consignments and demand from European and American markets and the Indian Textile Sector started recovering day by day. Further, with the elimination of quota restrictions, increase in FDI Investment and large scope of growth for technical textile, the Indian Textile Industry is expected to achieve growth rate upto 8% per annum in time to come.

The Indian Textile industry has been one of the major contributor to the total output of the ever growing Indian industrial sector which is at present revolving around 14 %. Textile sector's contribution to GDP of India has also been significant which currently accounts for 4 %. It has also been a fact that Indian textile industry has been one of the major source of foreign exchange earning for India and has contributed around 16 to 17% to total export earning. The sector accounts for about 14% in the total exports. Besides, it has been the largest industry in terms of employment economy, which has already been employing nearly 10 million people, particularly women and weaker section. It has massive potential for generating employment as compared to other sectors like agricultural or industrial. As such, it has been an important sector of the economy with ever rising potential of growth and stability.

Your company has been shaping itself well, to meaningfully participate in emerging opportunities in such Indian Textile Industry, from medium to long run horizon. Amit Spinning has also been responding and addressing the current challenges of rising cost and nearly stagnant demand both at domestic and export market, lower sales prices and less number of enquiries for new orders, by taking appropriate steps in such situation. The prevailing business scene still remains a tough learning period to be nimble and responsive to the changing market dynamics. To address such situation, the Company has initiated a process of reviewing, its systems and processes across the businesses with the objective of identifying the scope of improvement in its sales volumes, for cost cutting and for higher value addition. Amit Spinning believes that with the collective efforts, the company should emerge stronger through adaptive learning which also can reassure its sustained improved performance, beating the trend as a whole.

**Financial Analysis and Performance Review :**

Amit Spinning has witnessed a negative growth again in fiscal 2011-12 on account of sluggish demand in both domestic and international market. There were other challenges also like heavy debt, high volatility in cotton and yarn prices, sudden gult in the domestic and international market, huge accumulation of stocks, fluctuating global commodity prices, and restrictions on exports, which had adverse financial impact on the Company. Its operations became unviable and it had to restrict its production, to avoid accumulation of inventory and save on inventory carrying cost.

**Segment-wise Performance**

Amit Spinning Industries Ltd. (ASIL) being a cotton yarn manufacturer has only one business segment. On the basis of geographical categorization of market, ASIL has however identified two segments i.e. exports and domestic and the same have been appropriately reflected in its financial statements.

**Internal Control Systems and Adequacy**

The Company has established adequate internal control systems, commensurate with its size and nature of business and such systems are periodically audited, verified and reviewed for their validity, considering the changing business scenario from time to time. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time.

**Management Perception on Opportunities, Risks, Concern & Outlook**

The cotton industry is presently facing challenges like lower demand and a loss in margins, volatility in raw material prices, depreciation in the Indian Rupee against US dollar and uncertain power tariff & fuel charges which have serious implication on textile business. The Asian countries like Pakistan, Bangladesh, China Thailand and Vietnam, which have shown better performance in earlier years, have also registered and are also expecting decline in their sales volume. However with the increased Customer satisfaction, increase in existing customer loyalty improved,

repurchase process, increased awareness of Amit products, a recovery in sales volumes is not only expected but is likely to be increased day by day considering changes in scenario of falling cotton prices, rise in domestic & export demand and fruitful policies being offered by Government of India. The said changes are likely to help your company achieving rise in sales volumes over last corresponding period and improve its net worth in coming years.

#### Human Resources/Industrial Relations

The Company and its management value the talent, commitment and dedication of its employees and acknowledge their contribution. Consequently, the employee turnover is negligible. Everyone in the Company is working as a team and is integral part of a family, sharing their ideas through Town Hall meeting, using intranet across the units and are instrumental in making Spentex, a globally admired company. Management of your Company believes that it is the integration of human resources and business strategy that has culminated into its success. High performance orientation is the pivot of the HR philosophy of the Company and all the HR policies and strategies are centered on the same.

Industrial Relations scenario of the unit is continues to be healthy.

#### Directors

Mr. Suraj Prakash Setia retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Brief resume of the Director to be reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorship(s) and membership(s)/ chairmanship(s) of Board Committees, shareholding and relationships between directors, inter-se, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges are provided in the Report on Corporate Governance.

#### Auditors

The Auditors of the Company M/s. Sunil Jain & Co., Chartered Accountants retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### Directors' view on Auditors observations

Directors' response to the various observations of the auditors even though explained wherever necessary through appropriate notes to accounts, is reproduced hereunder in compliance with the relevant legal requirements.

1. The Loans and Advances of the Company include a sum of Rs.1,93,46,572, being an amount receivable from Customs Department as drawbacks against the export sale pertaining to the period 1993 to September, 2004 when the unit was 100% Export Oriented Unit (EOU). The company has filed an application with the office of DGFT for the claim and on the basis of legal advice obtained in this regard. It is believed claim, is genuine and the Company shall be receiving the claim in due course.
2. Deferred tax asset amounting to Rs.8,78,24,766 has been recognised upto 30th June, 2008. Thereafter, in view of brought forward losses, the Company has decided not to recognise any further deferred tax asset.

In view of recent Government gazette notifications, Company believes that the restoration of duty draw back and tax refunds on cotton yarn exports would be realized in due course.

#### Cost Auditor

The Central Government had directed an audit of the Cost Accounts maintained by the Company in respect of textile business. The Central Government has approved the appointment of Shri Rajesh Goyal, Cost Accountant of M/s. K G Goyal & Associates, Cost Accountants to conduct the audit of the Cost Accounts of the Company for the financial year ending 31st March, 2012 for the product "Textile".

#### Dividend

Your directors have not recommended any dividend for the year ended 31-03-2012 under review.

#### Fixed Deposits

During the year, your Company has not accepted any new deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

#### Listing of Shares

Presently the Company shares are listed and traded at the Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE) and the Listing Fee has been paid till 31st March, 2013.

#### Corporate Governance

As stipulated under Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges, a report on Corporate Governance is attached separately as a part of the Annual Report and Management Discussion and Analysis (MD & A) is included in this report so that duplication and overlapping between Directors' Report and separate MD & A is avoided and the entire information is provided in a composite and comprehensive manner.

#### Particulars of Employees

The particulars required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, w.e.f. 17-4-2002 are not applicable to the Company during the year.

#### Auditors Report

The Auditors' Report read together with the Notes to Accounts is self-explanatory and do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

#### Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- i) in preparing the Annual Accounts for the year ended 31st March 2012 all the applicable Accounting Standards have been followed,
- ii) accounting policies were adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012,
- iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing / detecting fraud and irregularities has been taken and
- iv) the Annual Accounts have been prepared on a "going concern" basis.

**Industrial Relations**

The industrial relations during the year under review remained harmonious and cordial. Your directors wish to place on record their appreciation for the wholehearted co-operation received from all employees of the Company.

**Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed 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 given in Annexure I to the Directors' Report.

**Conclusion**

Your company enjoys a leadership position in domestic market with strong competitive advantage in export segment. The Company now looks forward to further consolidate its position.

**Acknowledgments**

The Directors take this opportunity to express their grateful appreciation for the whole hearted and sincere co-operation the Company had received from the various departments of Central and State Government, Bankers, Financial Institutions, Customers, Suppliers and Contractors as well as Members of the Company during the year under review of the Company. The Directors also wish to place on record the appreciation for the contribution made by all the employees at all levels and hope that with their continued commitment and dedication the Company could look forward to more profitable operations ahead.

**On behalf of the BOARD OF DIRECTORS,**

Place New Delhi  
Date : August 7, 2012

**S P SETIA  
CHAIRMAN**

**ANNEXURE TO THE DIRECTORS' REPORT**

Information under Section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012.

**A. CONSERVATION OF ENERGY:**

The Company constantly endeavors to keep track of developments in the modern technologies and takes every possible step within permissible financial resources. Relevant data in respect of energy consumption is as under: (Unit / ` in Lakhs)

<b>Electricity</b>	<b>Current year</b>	<b>Previous year</b>
<b>Purchased</b>		
Total Units consumed	115.23	210.04
Total Amount	781.82	1080.93
Rate per Unit (Rs.)	6.78	5.15
<b>Own Generation through Furnace Oil Generator Set</b>		
Units (in lakhs)	NIL	NIL
Units per liter of Diesel Oil	N.A.	N.A.
Furnace Oil	NIL	NIL
<b>Consumed (Ltrs. in thousand)</b>	NIL	NIL
Total Amount (Rs. In lakhs)	0.00	0.00
Rate per Ltr.	0.00	0.00
Cost/Unit (Rs.)		
Electricity Consumption (Units) per Kg. of Production of Yarn	4.26	3.95

**B. TECHNOLOGY ABSORPTION :**

Your Company has been, to the extent possible, using the latest Technology available in the Industry.

**RESEARCH & DEVELOPMENT (R&D) :**

- Specific areas in which R & D has been carried out by the Company : Continuing to identify areas of improvements to processes through property documented systems to strengthen yarn quality, improve productivity and effective maintenance.
- Benefits derived as result of the above R & D : Meeting customer requirements and ensuring effective resource utilization.
- Future plan of Action : Identifying measures to further improve productivity and there by contribution per unit of production.
- Expenditure on R&D : Nil

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

- Efforts : Upgrading machines with technologically advanced accessories and spares
- Benefits : Higher output and improved quality of product
- Technology imported during the last 5 years : None.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(` in Lakhs)

	<b>Current year</b>	<b>Previous year</b>
Earnings	247.35	4852.38
Outgo	1.21	46.42

**On behalf of the BOARD OF DIRECTORS,**

Place New Delhi  
Date : August 07, 2012

**S P SETIA  
CHAIRMAN**

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12**

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

**1. Company's Philosophy on Corporate Governance**

The Company's philosophy on Corporate Governance is fostering greater accountability, transparency, responsibility, fairness and commitment to values in all spectrums of business through continual assessment of internal control mechanism vis-à-vis proactive risk management system for upholding ethos of corporate citizenship. Pre-emptive risk assessment and mitigation by using proper internal audit system, dynamic budgeting system with proper business planning and forecasting. The Company is committed to attend best-in-class higher levels disclosures to board and shareholders & society at large. The Company has a strong desire to enhance long-term shareholder value and respect minority rights in addition to complying with all complex and statutory requirements for Corporate Governance.

**2. Board of Directors**

The Company has 4 Directors out of which 3 are Independent/Non-executive Directors and one Executive Director. The Chairman of the Company is Non-Executive & Independent Director. The composition of the Board is in conformity with clause 49 of the listing agreement entered into by the Company with the stock exchange(s) and fulfilled the percentages in the said agreement.

During the year, four meetings of the Board of Directors were held and the gap between two meetings did not exceed four months (as stipulated by law in force). The respective dates on which the Board Meetings were held are 10th May, 2011, 8th August, 2011, 12th November, 2011 and 11th February, 2012. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below :

Directors	Category	No. of Board Meetings	No. of Directorships and Chairmanship(s) / Membership(s) of Board Committees of other companies			Attendance at Last AGM
		Attended	Directorship#	Member##	Chairperson	Yes/No
Mr. S P Setia (Chairman)	Independent, Non-executive	4	3	1	-	Yes
Mr. I.B. Maner * (Managing Director)	Executive	-	-	-	-	No
Mr. I M Aggrawala **	Independent, Non-executive	4	1	-	-	No
Mr. Ranjan Mangtani	Non-executive	4	1	-	-	Yes
Mr. Krishnan Sankaramani	- do -	-	-	-	-	No

\* Appointed as Additional Director w.e.f. 22.08.2011 thereafter appointed as Managing Director by the members of the Company w.e.f 01.09.2011.

\*\* Resigned as director of the Company w.e.f 11.02.2012

# The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Private Limited Companies, Section 25 Companies.

## In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of all Public Limited Companies (excluding Amit Spinning Industries Limited) have been considered.

**Details of shares held by the Non-Executive/Independent Directors as on 31st March, 2012**

Name	No. of Shares held	Name	No. of Shares held
Shri S P Setia	Nil	Shri I M Aggrawala	Nil
Shri Ranjan Mangtani	Nil	Shri K Sankaramani	Nil

**Information supplied to the Board**

- Annual operating plans, budgets, Capital budgets and updates from time to time.
- Quarterly results for the company and its operating divisions or business segments.
- Performance of manufacturing units and functioning of Key executives.
- Performance of Quality Standards and platform for decision making on quality.
- Image and credibility of the Company in the eyes of domestic and international buyers by consistent disclosure and transparency.
- Minutes of meetings of audit committee and other committees of the board, as also resolution passed by circulation.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Making of loans and investment of surplus funds.
- Details of joint venture or collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Notices like show cause, demand, penalty which are materially important / effluent and material default in financial obligations to and by the company and also non-receipt of payments for goods sold by the Company.
- Any Significant development in Human Resources Labour problems and their proposed solutions, signing of wage agreements etc.
- Investments/sale in subsidiaries, assets which are not in normal course of business, foreign exchange exposures and steps taken by the management on exchange rate movement and adverse exchange ratio etc.
- Fulfillment of various statutory compliances/listing requirements.

**Disclosure of Appointment/Re-appointment of Directors at the Annual General Meeting**

According to the Articles of Association, one-third of the directors retires by rotation and, if eligible, seeks re-appointment at the Annual General Meeting of Shareholders. As per Article 100 of the Articles of Association, Shri S. P. Setia will retire in the ensuing Annual General Meeting.

The Board has recommended the re-appointment of aforesaid retiring director in the ensuing Annual General Meeting. As per Clause 49 of the Listing Agreement, the brief details of the aforesaid director are indicated herein below:

**Shri S.P. Setia** (69) s/o Late Shri Jagan Nath Setia is director of the Company since March 17, 2009. He is a Science Graduate and Gold Medalist in Textiles. Shri Setia is having rich experience in textile industry and providing consultancy services to textile industry since 1962.

Shri Setia is director in Filatex India Limited, RRA Textiles Private Limited, S.P. Setia & Associates Private Limited, Parameshwari Fabrics Private Limited, Trident Corporation Limited and Rainbow Integrated Texpark Limited. Shri Setia is member in Audit Committee and Compensation Committee of Trident Corporation Limited.

Shri Setia is a Chairman of the Company and also Chairman of Audit Committee, Remuneration Committee and Share Transfer & Shareholders'/Investors' Grievance Committee of the Board of Directors of the Company. He does not hold any share in the Company as on 31st March, 2012.

**3. Audit Committee**

The Audit Committee of the Board consists of two members– Shri S P Setia (Non-Executive/Independent Chairman) and Shri Ranjan Mangtani (Non-Executive Director). The members have the requisite accounting and related financial management expertise. Statutory Auditors and Internal Auditors are inviting to the meetings of Audit Committee and presenting their periodical reports. The Company Secretary acts as Secretary to the Audit Committee. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The terms of reference / powers of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditor and the fixation of audit fees.
3. Reviewing the performance of statutory and internal audit team, adequacy of the internal control systems and other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements i.e. directors responsibility statement under Section 217 (2AA) of the Companies Act, accounting policies and practices, compliances with listing and other legal requirements disclosure of related party transactions, implementation of various accounting standards issued by ICAI and draft audit report before submission to the board for approval.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Reviewing the function of the Whistle Blower Mechanism and weaknesses find out by the statutory auditors, management opinion on such weaknesses and solutions from time to time.
8. To look into the payment being made to the depositors, creditors and shareholders in case of dividend declared and reasons for substantial defaults/delay if due amount has not paid as per statutory due date.

During the year, four meetings of the Audit Committee were held on 10th May, 2011, 8th August, 2011, 12th November, 2011 and 11th February, 2012. The details of attendance of the each member at the Audit Committee are given herein below:

Name of the Director	No. of Meetings Attended
Shri S P Setia	4
Shri I M Aggarwala*	4
Shri Ranjan Mangtani	4

\* Resigned as director of the Company w.e.f 11.02.2012

**4. Remuneration Committee**

A Remuneration Committee of the Board has been constituted to review/recommend the remuneration package of the Managing Director/Director based on performance and defined criteria. The Remuneration Committee of the Board comprises one Independent and two Non-executive Directors, namely Shri S P Setia (Chairman), Shri Ranjan Mangtani (Member) and Shri Krishnan Sankaramani (member) of the Committee. During the year two committee meetings was held on 23rd July, 2011 and 22nd August, 2011 respectively in which all members of the Committee were present.

Details of remuneration paid to Directors for the financial year 2011-12 are as under:

Name of Director	Category	Sitting Fee for Board Meetings(Rs.)	Sitting Fee for Remuneration Committee Meetings (Rs.)	Sitting Fee for Audit Committee Meetings (Rs.)	Salaries and Perquisites p.a. (Rs.)	Total (Rs.)
Mr. I.B. Maner *	Executive	NIL	NIL	NIL	16,42,081	16,42,081
Mr. S P Setia	Non-Exec. Chairman	32,100	NIL	NIL	N.A.	32,100
Mr. Ranjan Mangtani	Non-Executive	NIL	NIL	NIL	N.A.	NIL
Mr. Krishnan Sankaramani	- Do -	NIL	NIL	NIL	N.A.	NIL
Mr. I M Aggarwala **	Independent Director	32,100	NIL	NIL	N.A.	32,100



\* Appointed as Additional Director w.e.f. 22.08.2011 and subsequently as Managing Director w.e.f. 01.09.2011.

\*\* Resigned as director of the Company w.e.f. 11.02.2012

Mr. Ranjan Mangtani and Mr. K Sankaramani informed to the Board of Directors that they will not take sitting fee till the company earns adequate profits, accordingly the Company is not paying sitting fee to them.

**5. Share Transfer and Shareholders' / Investors Grievance Committee:**

Share Transfer and Shareholders' / Investors' Grievance Committee of the Board comprises of three members, namely Mr. S P Setia, Chairman, Shri Ranjan Mangtani and Shri Krishnan Sankaramani Members of the Committee.

The Committee members meet from time to time, inter alia, to approve issue of duplicate share certificates and overseas and review all matters connected with the transfer of securities. The Committee also reviews the performance of the Registrar and Transfer Agent besides supervising the mechanism of investor grievance redressal to ensure cordial investor relationship.

The committee also reviews all investors' complaints and grievances. During the year the Company has received 4 complaints from the investors and has responded to their fullest satisfaction. There was no complaint outstanding as on 31st March 2012. Mr. Bharat Kapoor, is the Compliance officer of the Company for complying in accordance with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

During the year, four meetings of the Committee were held on 5th April, 2011, 4th July, 2011, 5th October, 2011 and 5th January, 2012. The details of Attendance of each Member at the Share Transfer and Shareholders/Investors Grievance Committee:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. S P Setia	4	4
Mr. Ranjan Mangtani	4	4
Mr. Krishnan Sankaramani	4	NIL

**6. General Body Meetings**

**A) Annual General Meetings;**

Details of last three Annual General Meetings and the Special Resolutions passed thereat are as under:

AGM	LOCATION	DATE & TIME	SPECIAL RESOLUTION PASSED
17TH AGM	Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003	30th September 2009 12.00 Noon	None
18TH AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	30th September 2010 11.00A.M.	None
19TH AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	19th September 2011 10.30 A.M	No Special Resolution has been passed, however, ordinary resolution was passed for the approval of appointment of Mr. I.B. Maner as Managing Director of the Company for a period of 5 years and fixation of his remuneration.

**(B) Special Resolution passed through Postal Ballot:**

No special resolution was passed through postal Ballot during the year 2011-12.

**7. Code of Conduct**

The Board of Directors has adopted the Code of Conduct and ethics for Directors, Senior Management and designated employees. The Code has also been posted on the holding company's website www.spentex.net. The declaration in compliance with Clause 49 I (D) (ii) of the Listing Agreement is given below:

To The Shareholders of Amit Spinning Industries Limited

**Sub: Compliance with Code of Conduct in terms of Clause 49 I (D) (ii) of the Listing Agreement**

Dear Sirs,

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Board of Directors for the year ended 31st March, 2012 in terms of Clause 49 I (D) (ii) of the Listing Agreement entered into with the Stock Exchange.

**Place : New Delhi**  
**Date : August 7, 2012**

**I.B. Maner**  
**Managing Director**

**8. Compliance**

**a. Mandatory Requirements:**

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreement.

**b. Adoption of Non-Mandatory Requirements:**

Although it is not mandatory, a Remuneration Committee of the Board is in place. Details of Remuneration Committee have been provided in this report.

**9. Disclosures**

➤ The disclosure relating to transactions of material nature with the related parties are disclosed in the financial statements.

- Company has fulfilled all Statutory Compliances and there were no penalties, stricture imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- Company has issued circular in connection with Whistle Blower Policy and no employee was denied to access to the Audit Committee.
- Pursuant to Clause 47(f) of the Listing Agreement, the Company has created E-mail ID secretarial@clcindia.com exclusively for the purpose of registering complaints/queries by investors. Pursuant to circular no CIR/OIAE/2/2011 dated June 3, 2011 issued by SEBI, the investors' complaints are processed in a centralized web based complaints redress system 'SCORES'.
- As per Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate e-mail address to facilitate to send Annual Reports and other reports/notices through e-mail.

**10. Means of Communication**

- Information on quarterly/half yearly/annual financial results and press releases on significant developments in the Company, are submitted to the Stock Exchanges immediately after Board approves the same to enable stock exchanges to put the results on their websites and communicate to their members.
- The quarterly/half-yearly/annual financial results are published in English (The Pioneer) and in Hindi (Hari Bhumi) newspapers and the same are also displayed on its holding company's website www.spentex.net
- The Management Discussions and Analysis is a part of Annual Report.

**11. General Shareholder information**

- The 20th Annual General Meeting will be held at Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019 on Friday the 28th September, 2012 at 11.30 A.M.
- **Financial Calendar (Tentative) :**  
 Financial reporting for the Quarter ending June 30, 2012 : 7th August, 2012  
 Financial reporting for the Quarter ending September 30, 2012 : on or before 15th November, 2012  
 Financial reporting for the Quarter ending December 31, 2012 : on or before 15th February, 2013  
 Annual Results for the Year ending March 31, 2013 : on or before 31st May, 2013
- Date of Book closure : Wednesday the 26th September, 2012 to Friday the 28th September, 2012 (both days inclusive)
- Dividend Payment Date: Not Applicable.
- Unclaimed/Unpaid Dividend Not Applicable.
- Listing of Equity Shares on Stock Exchanges: The Bombay Stock Exchange Ltd., Mumbai (scrip code = 521076) and National Stock Exchange of India Ltd. Mumbai (scrip code = ASIL).
- ISIN No. INE988A01026.
- The Annual Listing Fee has been paid to BSE & NSE and Annual Custody Fee has been paid to NSDL & CDSL for the year 2012-13.
- Market Price Data : High/Low during each month in last financial year 2011-12 on BSE & NSE :

Month	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>The Bombay Stock Exchange Ltd. (BSE)</b>												
High	4.66	3.59	3.15	2.96	2.80	2.54	2.48	2.58	2.10	2.03	2.30	2.19
Low	3.25	3.09	2.56	2.60	2.10	2.10	2.14	2.00	1.58	1.55	1.90	1.64
<b>National Stock Exchange of India Ltd. (NSE)</b>												
High	4.65	4.00	3.40	2.90	2.75	2.95	2.50	2.15	2.10	2.05	2.00	1.85
Low	3.00	3.15	2.65	2.55	2.35	2.60	1.90	1.80	1.80	1.80	1.80	1.50

- The Registrars and Transfer Agents of the Company: M/s. Link Intime India Pvt. Ltd. , C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400078, Tel. No. 022-25963838 and Fax No. 022-25946969.  
E-mail ID mt.helpdesk@linkintime.co.in & sharad.patkar@linkintime.co.in.  
Contact person: Mr. Sharad Patkar and Mobile No. 09821754844.
- Share Transfer System: The Company's shares are traded under compulsorily Demat mode. Shares in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time.
- Distribution of shareholding as on 31.03.2012 :

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
1 to 500	15,760	88.76	25,61,948	6.22
501 to 1000	1,019	5.74	8,84,641	2.15
1001 to 2000	425	2.39	6,90,581	1.68
2001 to 3000	166	0.93	4,33,036	1.05
3001 to 4000	78	0.44	2,81,313	0.68
4001 to 5000	93	0.52	4,45,247	1.08
5001 to 10000	92	0.52	6,98,148	1.70
10001 and above	123	0.69	3,51,74,753	85.44
<b>TOTAL</b>	<b>17,756</b>	<b>100.00</b>	<b>4,11,69,667</b>	<b>100.00</b>

➤ Category of Shareholders as on : **31.03.2012**

Category	Shares held	%age
Promoters	2,09,81,077	50.96
Financial Institutions/Insurance Companies/Banks/Mutual Funds/Trust	6,78,242	1.65
NRIs/OCBs/Foreign Nationals	3,60,016	0.87
Body Corporate(s)	10,06,634	2.45
Public and Others	1,81,43,698	44.07
<b>Total</b>	<b>4,11,69,667</b>	<b>100.00</b>

- Dematerialization of shares: As on 31st March, 2012 the shares in demat form were 3,90,76,127 representing 94.91% of the total paid up capital.
- The Company has been registered under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide registered no 72/2011 dated 30.12.2011.
- There are no outstanding GDR/ADR/Warrant or any convertible instruments, conversion date and likely impact on equity of the Company.
- The equity shares of the Company are frequently traded on The Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.
- Plant: Gat. No. 47 & 48, Village Sangawade, Taluka Karveer, Kolhapur – Hupari Road, Dist. Kolhapur 416005.

➤ Address for Correspondence :

1. Registered & Corporate Office
 

A-60, Okhla Industrial Area, Phase II, New Delhi 110 020  
Ph. 011 - 2638 7738, 4161 4999, Fax: 011 – 2638 5181.  
Email: secretarial@clcindia.com; murthy@clcindia.com
2. Registrars & Transfer Agents
 

M/s. Link Intime India Pvt. Ltd.  
C-13, Panalal Silk Mills Compound, LB S Marg, Bhandup (W) Mumbai 400 078.  
Ph. No. 022 – 25963838 and Fax No. 022 – 25946969  
Shri Sharad Patkar, E-mail sharad.patkar@linkintime.co.in  
mt.helpdesk@linkintime.co.in

Contact person
3. Compliance Officer
 

Mr. Bharat Kapoor  
Ph. 011 - 26387738, 41614999, Fax: 011 – 26385181  
Email: murthy@clcindia.com, secretarial@clcindia.com

**12. CEO/CFO Certification**

To  
The Board of Directors  
Amit Spinning Industries Limited  
Sub: CEO/CFO Certificate

We, I.B. Maner, Managing Director and Ravi Bhojwani, Dy. Manager Accounts, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
  - (i) significant changes in internal controls over financial reporting, during the year.
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - (iii) instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: New Delhi  
Date: August 7, 2012

**I.B. Maner**  
Managing Director

**Ravi Bhojwani**  
Dy. Manager Accounts

**Auditors' Certificate on Corporate Governance**

To the Member of

**AMIT SPINNING INDUSTRIES LIMITED**

We have examined the compliance of conditions of corporate governance by **AMIT SPINNING INDUSTRIES LIMITED**, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **SUNIL JAIN & CO.**  
Chartered Accountants  
(Registration No. 003855N)

**Sanchit Jain**  
Partner  
Membership No. 511714

Place: New Delhi

Date: August 07, 2012

**AUDITOR'S REPORT**

To the members of **AMIT SPINNING INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of AMIT SPINING INDUSTRIES LIMITED as at March 31, 2012 and also the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the auditing to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Attention is drawn to:
  - (a) Note No. 29 with respect to recoverability of amount of Rs. 1,93,46,572 in respect of duty drawbacks.
  - (b) Note No. 33 with respect to realizability of amount of Rs. 8,78,24,766 in respect of deferred tax asset.We report that had the Company decided to write off the sums as mentioned above, the loss for the year would have been greater by Rs.10,71,71,338 and would have amounted to Rs.40,73,41,899 (as against the reported figure of Rs.30,01,70,561), with a consequential effect on Accumulated losses, Loans and Advances and Deferred Tax Asset.
5. Without qualifying our opinion, attention is also drawn to Note No.30 regarding preparation of accounts on a going concern basis due to reasons indicated therein.
6. Further to our comments referred to in paragraphs 3, 4 and 5 above, we report that: -
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (v) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act in the manner so required and subject to our remarks in paragraph 4 above, 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, 2012;
  - b) In the case Profit and Loss Account, of loss for the year ended on that date;
  - c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Sunil Jain & Co.  
Chartered Accountants  
(Registration No. 003855N)  
Sd/-  
**Sanchit Jain**  
Partner  
Membership No. 511714

Place New Delhi  
Date : August 7, 2012

**ANNEXURE TO THE AUDITORS' REPORT**  
(Referred to in paragraph 3 of our report of even date)

- i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and the situation of its fixed assets.
  - b) According to the information and explanations given to us, the Company has a procedure to carry out physical verification of fixed assets by the management, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books account.
  - c) During the year, the Company has not disposed off substantial part of its fixed assets, so as to affect its going concern.
- ii)
  - a) The company has conducted physical verification of inventory at reasonable intervals during the year.
  - b) In our opinion and according to information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable having regard to the size of the Company and nature of its business.
  - c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books account.
- iii)
  - a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) As the Company has not granted any such loans, provisions of clause 4(iii)(b), (iii)(c) and (iii)(d) of the Order are not applicable to the Company.
  - c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of 4(iii)(f) and (iii)(g) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing major weaknesses in such internal controls.
- v)
  - a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that particulars or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and
  - b) during the year, there are no such transactions made in pursuance of contracts or agreements entered in the register maintained under section 301 of the companies Act, 1956, exceeding the value of Rupees Five Lakhs in respect of any party during the year and hence, the provisions of clause 4(v)(b) of the Order are not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix)
  - (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and others material statutory dues with the appropriate authority.
  - (b) According to the information and explanations given to us, there are no arrears of undisputed statutory dues as on March 31, 2012, for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, details of dues of Excise Duty, which have not been deposited on account of any dispute are given below:

S.No.	Name of the Statute	Nature of the dues	Amount (in Rupees)	Period to which the amount relates	Forum where dispute pending
1	Central Excise Act, 1944	Excise duty and penalty	80,408	2001-02	Central Excise and Service Tax Appellate Tribunal
2	Maharashtra Value Added Tax	Sales Tax and penalty	8,44,000 (net of payment of Rs.2,00,000 under protest)	2004-05	First Appellate Authority
3	Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Damages and Interest	15,94,349	2003-06	First Appellate Authority

- x) The accumulated losses at end of financial year are more than 50% of its net worth. The Company has incurred cash loss before working capital changes Rs.18,18,94,013 during the financial year covered by our audit whereas there was no cash loss in the immediately preceding financial year.
- xi) According to the information and explanations given to us and records examined by us, we are of the opinion that the Company has defaulted in repayment of the dues to a bank as infra. The Company did not have outstanding dues to any financial institution and did not have outstanding debentures during the year.

(` in lacs)

Bankers	Type of Loan	Out Standing as on 31.3.2012	Overdue Interest	Overdue Principal	Default status
Axis Bank	Term Loan (10% p.a.)	2270.98	58.10	67.80	The overdue principal and interest as on 31.03.2012 were paid on 30.06.2012
Axis Bank	FITL(10% p.a.)	111.64	0.96	3.38	The overdue principal and interest as on 31.03.2012 were paid as on 30.06.2012
Axis Bank	WCTL(10% p.a.)	99.37	2.57	3.00	Out of the overdue principal and interest as on 31.03.2012, Rs.5.25 lacs were paid as on 30.06.2012.
UCO Bank	WCTL	90.53	3.14	12.50	The overdue payments were unpaid as on date of signing of balance sheet.
<b>Grand Total</b>		<b>2572.52</b>	<b>64.77</b>	<b>86.68</b>	

- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund or Nidhi/ mutala benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us the Company is not a dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the order are not applicable to the Company.
- xv) According to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi) In our opinion and according to information and explanations given to us, the term loans have been applied for the purpose for which these were raised.
- xvii) On the basis of overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long-term investment.
- xviii) According to the information and explanations given to us, during the period under reference the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the order are not applicable to the Company.
- xx) According to the information and explanations given to us, the Company has not raised any money by public issues during the year under reference. Therefore, the provisions of clause 4(xx) of the order are not applicable to the Company.
- xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the year under reference.

For Sunil Jain & Co.  
Chartered Accountants  
(Registration No. 003855N)  
Sd/-

**Sanchit Jain**  
Partner

Membership No. 511714

Place New Delhi  
Date : August 7, 2012

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Figures in `)

Particulars	Note No.	AS AT	AS AT
		March 31, 2012	March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	2	20,58,48,335	20,58,48,335
(b) Reserves and surplus	3	(59,35,73,368)	(29,34,02,807)
(c) Money received against share warrants		-	-
		<b>(38,77,25,033)</b>	<b>(8,75,54,472)</b>
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	55,80,16,235	59,19,44,645
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	5	13,19,36,646	9,89,25,445
(d) Long-term provisions	6	91,74,696	79,94,169
		<b>69,91,27,578</b>	<b>69,88,64,259</b>
4 Current liabilities			
(a) Short-term borrowings	7	9,70,38,947	9,46,99,629
(b) Trade payables		29,38,08,440	13,51,77,066
(c) Other current liabilities	8	7,01,36,477	6,51,79,854
(d) Short-term provisions	9	69,80,448	45,93,433
		<b>46,79,64,313</b>	<b>29,96,49,982</b>
<b>TOTAL</b>		<b>77,93,66,858</b>	<b>91,09,59,769</b>
<b>II. ASSETS</b>			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	33,52,41,177	38,06,75,145
(b) Non-current investments	11	23,231	23,231
(c) Deferred tax assets (net)		8,78,24,766	8,78,24,766
(d) Long-term loans and advances	12	2,55,14,572	2,55,14,572
(e) Other non-current assets		-	-
		<b>44,86,03,746</b>	<b>49,40,37,714</b>
2 Current assets			
(a) Current investments		-	-
(b) Inventories	13	3,29,20,721	13,32,18,575
(c) Trade receivables	14	5,32,15,065	11,31,11,191
(d) Cash and cash equivalents	15	25,44,458	1,82,55,166
(e) Short-term loans and advances	16	24,20,82,868	15,23,37,123
(f) Other current assets		-	-
		<b>33,07,63,112</b>	<b>41,69,22,055</b>
<b>TOTAL</b>		<b>77,93,66,858</b>	<b>91,09,59,769</b>

See accompanying notes forming part of the financial statements.

As per our report of even date

For **SUNIL JAIN & CO.**  
Chartered Accountants  
(Registration No. 003855N)

**Sanchit Jain**  
Partner  
Membership No. 511714

Place New Delhi  
Date : August 7, 2012

For and on behalf of Board of Directors

**S P Setia**  
Chairman

**I.B. Maner**  
Managing Director

**Ranjan Mangtani**  
Director

**K. Sankaramani**  
Director

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

(Figures in `)

Particulars	Note No.	Year ending March 31, 2012	Year ending March 31, 2011
I. Revenue from operations	17	57,64,75,151	1,25,63,01,654
II. Other income	18	15,04,372	63,02,381
<b>III. Total Revenue (I + II)</b>		<b>57,79,79,523</b>	<b>1,26,26,04,035</b>
IV. Expenses:			
Cost of materials consumed	19	45,55,23,530	69,53,85,370
Purchases of Stock-in-Trade		2,60,51,039	24,55,05,443
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	4,58,87,580	(5,90,82,858)
Employee benefits expense	21	5,77,96,067	7,03,55,188
Finance costs	22	6,28,49,524	7,61,18,897
Depreciation and amortization expense	10	4,62,98,830	4,59,48,096
Other expenses	23	12,93,19,899	19,06,33,032
<b>Total expenses</b>		<b>82,37,26,469</b>	<b>1,26,48,63,168</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(24,57,46,946)	(22,59,132)
VI. Exceptional items		(5,44,23,615)	-
VII. Profit before extraordinary items and tax (V - VI)		(30,01,70,561)	(22,59,132)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		(30,01,70,561)	(22,59,132)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(30,01,70,561)</b>	<b>(22,59,132)</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(30,01,70,561)	(22,59,132)
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>(30,01,70,561)</b>	<b>(22,59,132)</b>
XVI Earnings per equity share:			
(1) Basic		(7.29)	(0.05)
(2) Diluted		(7.29)	(0.05)

See accompanying notes forming part of the financial statements.

As per our report of even date

For **SUNIL JAIN & CO.**  
Chartered Accountants  
(Registration No. 003855N)

**Sanchit Jain**  
Partner  
Membership No. 511714

Place New Delhi  
Date : August 7, 2012

For and on behalf of Board of Directors

**S P Setia**  
Chairman

**I.B. Maner**  
Managing Director

**Ranjan Mangtani**  
Director

**K. Sankaramani**  
Director



**CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2012**

(Figures in `)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	(30,01,70,561)	(22,59,132)
<b>Adjustments for:</b>		
Depreciation	4,62,98,830	4,59,48,096
Interest Expense	6,28,49,524	7,61,18,897
Interest Income	(7,00,441)	(7,69,951)
Income from Investment - Dividends	(4,260)	(3,960)
(Profit)/ Loss on sale of fixed assets	61,474	(31,111)
Miscellaneous Expenditure written off	-	8,49,372
Provision for Gratuity	14,03,133	18,86,606
Provision/ (Reversal) for Leave Encashment	(2,22,606)	4,43,867
Miscellaneous balances written Back	(1,65,938)	(27,518)
Provision for Bad Debts	84,53,244	84,53,245
Unrealised Foreign Exchange loss/ (gain)	3,03,588	(30,21,118)
	<u>11,82,76,548</u>	<u>12,98,46,425</u>
<b>Operating profit before working capital changes</b>	<b>(18,18,94,013)</b>	<b>12,75,87,293</b>
<b>Adjustments for changes in working capital :</b>		
(INCREASE)/DECREASE in Sundry Debtors	10,55,62,909	2,87,21,242
(INCREASE)/DECREASE in Other Receivables	(9,07,44,308)	12,85,22,305
(INCREASE)/DECREASE in Inventories	10,02,97,854	(9,06,75,446)
INCREASE/(DECREASE) in Trade and Other Payables	20,99,06,451	85,38,269
	<u>32,50,22,906</u>	<u>7,51,06,370</u>
<b>Cash generated from/ (used in) operations</b>	<b>14,31,28,893</b>	<b>20,26,93,662</b>
Direct Taxes (Paid) / Received (net)	9,98,563	33,82,957
Extraordinary /exceptional Item (Expense)/ Income	(5,44,23,615)	-
	<u>(5,34,25,052)</u>	<u>33,82,957</u>
<b>Net cash from / (used in) operating activities</b>	<b>8,97,03,841</b>	<b>20,60,76,619</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets	(9,96,933)	(5,55,595)
Proceeds from Sale of fixed assets	70,597	31,111
Interest Received	7,00,441	7,69,951
Dividend Received	4,260	3,960
	<u>4,260</u>	<u>3,960</u>
<b>Net cash from/ (used in) investing activities</b>	<b>(2,21,635)</b>	<b>2,49,427</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds/ (Repayment) of term loans (net)	(8,17,41,550)	(2,75,50,173)
Proceeds/ (Repayment) of short term borrowings (net)	23,76,576	(9,80,774)
Proceeds/ (Repayment) of Unsecured Loans	-	(9,07,02,000)
Interest Paid	(2,58,27,940)	(7,38,57,161)
	<u>(8,52,92,914)</u>	<u>(10,01,38,008)</u>
<b>Net cash used in financing activities</b>	<b>(10,51,92,914)</b>	<b>(19,30,90,109)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,57,10,708)</b>	<b>1,32,35,938</b>
Cash and Cash Equivalents at the Beginning of the Year	1,82,55,166	50,19,228
Cash and Cash Equivalents at the End of the Year	25,44,458	1,82,55,166
Increase/(Decrease) in Cash/Cash Equivalents	(1,57,10,708)	1,32,35,938
Cash and cash equivalents comprise:		
Cash in hand	1,71,264	1,17,426
Balance in Current Accounts	69,584	1,46,09,379
Balance in Fixed Deposit Accounts	23,03,610	35,28,361
	<u>25,44,458</u>	<u>1,82,55,166</u>

See accompanying notes forming part of the financial statements

As per our report of even date

For **SUNIL JAIN & CO.**  
Chartered Accountants  
(Registration No. 003855N)

**Sanchit Jain**  
Partner  
Membership No. 511714

Place New Delhi  
Date : August 7, 2012

For and on behalf of Board of Directors

**S P Setia**  
Chairman

**I.B. Maner**  
Managing Director

**Ranjan Mangtani**  
Director

**K. Sankaramani**  
Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 1 : SIGNIFICANT ACCOUNTING POLICIES****(a) SYSTEM OF ACCOUNTING**

The Company follows the accrual system of accounting.

**(b) OVERALL VALUATION POLICY**

The accounts have been prepared under the historical cost convention.

**(c) REVENUE RECOGNITION**

Revenue on sale of goods is recognized on transfer of significant risks & rewards of ownership to the buyer and on reasonable certainty of the ultimate collection. Sales are net off sales tax, trade discounts and sales returns.

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable

**(d) VALUATION OF INVENTORY**

Inventories are valued at lower of cost and net realisable value.

The cost in respect of raw materials, store and spares and packing material is determined under the Specific Identification of cost method. Cost are net of credit under CENVAT scheme, wherever applicable.

The cost in respect of work-in-progress and finished goods is determined using the weighted average cost method and includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Waste is valued at estimated net realisable value.

**(e) FIXED ASSETS**

All fixed assets are stated at original cost less depreciation. Cost includes freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.

**(f) DEPRECIATION**

Depreciation has been provided on straight-line method in accordance with the rates prescribed under Schedule XIV to the Companies Act, 1956. On the basis of technical advice, the Company has treated its spinning Process Plant as a Continuous Process Plant and has provided depreciation accordingly.

**(g) FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transaction. All monetary items denominated in foreign currency are translated at year end rates. Exchange differences arising on such transactions and also exchange differences arising on the settlement of such transactions are adjusted in the profit and loss account.

In case of forward contracts the premium or discount on all such contracts arising at the inception of each contract is recognized / amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of such contract is recognized as income or expense for the period.

**(h) EMPLOYEE BENEFITS****i. Defined Contribution Plan**

The company's contributions to recognized Provident Fund and Labour Welfare Fund are charged to profit and loss account on accrual basis.

**ii. Defined Benefit Plan**

Gratuity - The Gratuity plan, a defined benefit plan, provides a lump sum payment to vested employees, at the retirement or termination of employment, an amount based on the respective employees' last drawn salary and the years of employment with the Company. The liability with regard to Gratuity plan is accrued based on the actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of profit and loss as income or expense. The Company has employees' Gratuity fund managed by Life Insurance Corporation of India ("LIC").

Compensated Absences – The Company provides for the encashment of absence or absences with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measured the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

**(i) INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**(j) BORROWING COST**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as expense in the period in which they are incurred.

**(k) LEASES**

The company has taken premises on lease. Lease rental in respect of operating lease arrangement are charged to Profit and Loss Account.

**(l) TAXES ON INCOME**

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit/(loss) for the year.

A provision is made for the current tax based on tax liability computed in accordance with the relevant tax rates and tax laws. Deferred tax assets are recognized for all deductible timing differences and carried forward to the extent it is reasonably certain that future taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

**(m) IMPAIRMENT OF ASSETS**

At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) the provision for impairment, if any, required; or
- b) the reversal, if any, required of impairment loss recognised in previous period.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined

- a) In the case of an individual asset, on the higher of the net selling price and the value in use.
- b) In the case of a cash-generating unit, on the higher of the cash generating units net selling price and value in use.

(Value in use is determined on the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life)

**(n) GOVERNMENT GRANT**

Government grants of the nature of promoter's contribution are credited to capital reserve and treated as part of shareholder's funds.

**(o) PROVISIONS AND CONTINGENCIES**

The company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

**Note 2 Share Capital**

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number		Number	
<b>Authorised</b> Equity Shares of Rs 5/- each with voting rights	5,00,00,000	25,00,00,000	5,00,00,000	25,00,00,000
<b>Issued</b> Equity Shares of Rs 5/- each with voting rights	4,11,69,667	20,58,48,335	4,11,69,667	20,58,48,335
<b>Subscribed &amp; fully Paid up</b> Equity Shares of Rs 5/- each with voting rights	4,11,69,667	20,58,48,335	4,11,69,667	20,58,48,335
<b>Total</b>	<b>4,11,69,667</b>	<b>20,58,48,335</b>	<b>4,11,69,667</b>	<b>20,58,48,335</b>

**2.(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Equity Shares Year ending 31.03.2012		Equity Shares Year ending 31.03.2011	
	Number		Number	
Equity Shares outstanding at the beginning of the year	4,11,69,667	20,58,48,335	4,11,69,667	20,58,48,335
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	4,11,69,667	20,58,48,335	4,11,69,667	20,58,48,335

**2.(ii) Details of Equity Shares held by each shareholder holding more than 5% shares:**

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Spentex Industries Limited	2,09,81,077	50.96	2,09,81,077	50.96
Smita Bharat Shah	34,82,009	8.46	34,82,009	8.46

(Figures in `)

<b>Note 3 Reserve &amp; Surplus</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>a. Capital Reserves</b>		
Opening Balance	30,00,000	30,00,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	30,00,000	30,00,000
<b>b. Securities Premium Account</b>		
Opening Balance	4,46,01,665	4,46,01,665
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	4,46,01,665	4,46,01,665
<b>c. Surplus/ (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(34,10,04,472)	(33,87,45,190)
(+) Net Profit/(Net Loss) For the current year	(30,01,70,561)	(22,59,282)
Closing Balance	(64,11,75,033)	(34,10,04,472)
<b>Total</b>	<b>(59,35,73,368)</b>	<b>(29,34,02,807)</b>

**Note 4 Long Term Borrowings**
**Secured**

## Term loans

From banks	20,81,90,216	24,21,18,626
	<b>20,81,90,216</b>	<b>24,21,18,626</b>

**Unsecured**

Loans and advances from related parties	34,98,26,019	34,98,26,019
	<b>34,98,26,019</b>	<b>34,98,26,019</b>

<b>Total</b>	<b>55,80,16,235</b>	<b>59,19,44,645</b>
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4.1 Term Loans are secured by first pari passu charge by on fixed assets of the company, both present and future.

**4.2 Maturity Profile**

Bankers	Type of Loan	Out Standing as on 31.3.2012	Overdue Interest	Overdue Principal	Installment						Default status
					F.Y. 12-13	F.Y. 13-14	F.Y. 14-15	F.Y. 15-16	F.Y. 16-17	F.Y. 17-18	
Axis Bank	Term Loan (10% p.a.)	2270.98	58.10	67.80	299.00	326.00	360.00	387.00	427.00	346.00	The overdue principal and interest as on 31.03.2012 were paid on 30.06.2012
Axis Bank	FITL (10% p.a.)	111.64	0.96	3.38	14.88	16.28	17.92	19.40	21.40	17.40	- do -
Axis Bank	WCTL (10% p.a.)	99.37	2.57	3.00	12.79	14.00	16.00	17.00	19.00	15.00	Out of the overdue principal and interest as on 31.03.2012, Rs. 5.25 lacs were paid as on 30.06.2012.
UCO Bank	WCTL	90.53	3.14	12.50	12.50	12.50	12.50	12.50	12.50	12.50	The overdue payments were unpaid as on date of signing of balance sheet.
<b>Grand Total</b>		<b>2572.52</b>	<b>64.77</b>	<b>86.68</b>	<b>339.17</b>	<b>368.78</b>	<b>406.42</b>	<b>435.90</b>	<b>479.90</b>	<b>390.90</b>	

**Note 5 Other Long Term Liabilities**

	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
(i) Contractually reimbursable expenses	3,59,86,063	3,59,86,063
(ii) Interest accrued but not due on borrowings	9,59,50,583	6,29,39,382
<b>Total</b>	<b>13,19,36,646</b>	<b>9,89,25,445</b>

	<u>As at 31 March 2012</u>	<u>As at 31 March 2011</u>
<b>(Figures in `)</b>		
<b>Note 6 Long Term Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	77,61,369	63,58,236
Leave Encashment (unfunded)	14,13,327	16,35,933
<b>Total</b>	<b>91,74,696</b>	<b>79,94,169</b>

**Note 7 Short Term Borrowings**

**Repayable on demand:**

**Secured**

**Working Capital Borrowings**

From banks	9,70,38,947	9,46,99,629
<b>Total</b>	<b>9,70,38,947</b>	<b>9,46,99,629</b>

7.1 Working Capital borrowings are secured by first charge on all current assets (both present and future) of the company and second pari passu charge on fixed assets.

**Note 8 Other Current Liabilities**

Current Maturities of Long Term debt	4,90,62,328	4,38,02,757
Interest accrued but not due on borrowings	4,25,250	-
<b>Other payables :</b>		
(i) Statutory remittances	17,77,257	12,53,476
(ii) Trade /security deposits received	43,033	43,033
(iii) Advances from customers	13,90,290	23,75,095
(iv) Others	1,74,38,319	1,77,05,492
<b>Total</b>	<b>7,01,36,477</b>	<b>6,51,79,854</b>

**Note 9 Short Term Provisions**

**(a) Provision for employee benefits:**

Bonus and Ex-gratia	55,29,127	45,93,433
Gratuity (Funded)	13,82,482	-
Leave Encashment (unfunded)	68,839	-
<b>Total</b>	<b>69,80,448</b>	<b>45,93,433</b>

**Note 10 Fixed Assets**

**(Figures in `)**

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block	
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
Tangible Assets										
Freehold Land	50,17,299	-		50,17,299	-	-	-	-	50,17,299	50,17,299
Buildings:										
Factory Building	4,01,88,303	-		4,01,88,303	2,12,64,237	13,42,290	-	2,26,06,527	1,75,81,776	1,89,24,066
Non Factory Building	11,57,30,572	-		11,57,30,572	2,24,36,515	18,86,161	-	2,43,22,676	9,14,07,896	9,32,94,057
Plant and Equipment	79,75,01,574	8,77,536		79,83,79,110	53,83,13,753	4,24,60,161	-	58,07,73,914	21,76,05,196	25,91,87,821
Furniture and Fixtures	80,27,836	21,280	22,500	80,26,616	62,60,266	2,29,082	17,560	64,71,788	15,54,828	17,67,570
Vehicles	21,84,369	-	4,57,197	17,27,172	20,25,145	42,510	3,40,483	17,27,172	-	1,59,224
Office equipment	2,44,61,863	98,117	14,900	2,45,45,080	2,21,36,755	3,38,626	4,483	2,24,70,898	20,74,182	23,25,108
<b>Total</b>	<b>99,31,11,816</b>	<b>9,96,933</b>	<b>4,94,597</b>	<b>99,36,14,152</b>	<b>61,24,36,671</b>	<b>4,62,98,830</b>	<b>3,62,526</b>	<b>65,83,72,975</b>	<b>33,52,41,177</b>	<b>38,06,75,145</b>
Previous Year	99,35,30,145	5,55,595	9,73,924	99,31,11,816	56,74,62,499	4,59,48,096	9,73,924	61,24,36,671	38,06,75,145	42,60,67,646

	(Figures in `)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 11 Non-Current Investments</b>		
<b>Non-Trade Investments (Refer B below)</b>		
Investment in Equity instruments	23,231	23,231
<b>Total</b>	<b>23,231</b>	<b>23,231</b>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	23,231	23,231

Name of the Body Corporate	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (`)		Whether stated at Cost
	2012	2011			2012	2011	
Investment in Equity Instruments							
Shares of Shamrao Vitthal Co-Op Bank of Rs 10 each	250	250	Unquoted	Fully paid-up	2,500	2,500	Yes
Share of United Yarn of Rs 31 each	1	1	Unquoted	Fully paid-up	31	31	Yes
Share of Lotus House Prem Co-op Soc.	1	1	Unquoted	Fully paid-up	1,500	1,500	Yes
Shares of Datta Nagari Patsanstha of Rs 10 each	500	500	Unquoted	Fully paid-up	5,000	5,000	Yes
Shares of Saraswat Co-op Bank Ltd of Rs 10 each	1,420	1,420	Unquoted	Fully paid-up	14,200	14,200	Yes
<b>Total</b>					<b>23,231</b>	<b>23,231</b>	

	(Figures in `)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 12 Long Term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
a. Security Deposits	3,93,856	3,93,856
b. Other loans and advances		
Balance from Excise Authorities	1,93,46,572	1,93,46,572
Other Claims Receivable	57,74,144	57,74,144
Doubtful Loans and advances	92,35,000	92,35,000
Less: Provision for doubtful loans and advances	92,35,000	92,35,000
<b>Total</b>	<b>2,55,14,572</b>	<b>2,55,14,572</b>

<b>Note 13 Inventories</b>		
a. Raw Materials (Valued at Cost)	30,52,556	5,83,50,915
b. Work-in-progress (Valued at Cost)	1,50,67,962	1,67,54,319
c. Finished goods (Valued at Cost or NRV whichever is lower)		
Manufactured	63,46,670	4,39,32,493
Waste	14,40,969	96,65,051
	77,87,639	5,35,97,544
d. Stock-in-trade (Valued at Cost or NRV whichever is lower)	16,08,682	-
e. Stores and spares (Valued at Cost)	54,03,882	45,15,797
<b>Total</b>	<b>3,29,20,721</b>	<b>13,32,18,575</b>

	<u>As at 31 March 2012</u>	<u>As at 31 March 2011</u>
<b>(Figures in `)</b>		
<b>Note 14 Trade Receivable</b>		
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
<b>Unsecured, considered good</b>		
Due from Spentex Industries Limited	80,63,653	68,63,727
Others	<u>3,70,61,404</u>	<u>3,31,03,836</u>
	<b>4,51,25,057</b>	<b>3,99,67,563</b>
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	80,90,008	7,31,43,628
Unsecured, considered doubtful	10,27,38,232	3,98,61,373
Less: Provision for doubtful debts	<u>10,27,38,232</u>	<u>3,98,61,373</u>
	<u>80,90,008</u>	<u>7,31,43,628</u>
<b>Total</b>	<b><u>5,32,15,065</u></b>	<b><u>11,31,11,191</u></b>
<b>Note 15 Cash and cash equivalents</b>		
<b>a. Balances with banks:</b>		
In current accounts	69,584	1,46,09,379
In margin accounts	23,03,610	35,28,361
<b>b. Cash on hand</b>	1,71,264	1,17,426
	<u>25,44,458</u>	<u>1,82,55,166</u>
<b>Note 16 Short-term loans and advances</b>		
<b>Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Advance to Spentex Industries Limited	-	9,98,538
Security Deposits	1,01,84,236	13,040
Loans and Advances to Employees	48,018	30,720
Prepaid Expenses	10,21,873	9,13,279
Balance with Customs and Excise Authorities	84,70,794	1,02,72,694
Balance with Sales Tax Authorities	2,07,73,905	2,80,59,927
Balance with Income Tax Authorities	32,46,130	42,44,693
Inter-corporate deposits (unsecured)	19,63,83,235	10,60,67,488
Others	<u>19,54,677</u>	<u>17,36,744</u>
	<b><u>24,20,82,868</u></b>	<b><u>15,23,37,123</u></b>
<b>Note 17 Revenue from Operations</b>	<b><u>For the year ended</u></b>	<b><u>For the year ended</u></b>
	<b>31 March 2012</b>	<b>31 March 2011</b>
Sale of products	57,50,42,606	1,25,02,83,527
Sale of services	-	2,42,097
Other operating revenues	14,32,545	57,76,031
Less:		
Excise duty	-	-
<b>Total</b>	<b><u>57,64,75,151</u></b>	<b><u>1,25,63,01,654</u></b>

(Figures in `)

	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>17.1 Other Operating Income comprises of:</b>		
Export Incentives	12,11,714	52,50,546
Sundry Balances Written back	1,65,938	27,518
Sale of old material/ testing charges	54,893	4,97,967
	<b>14,32,545</b>	<b>57,76,031</b>
<b>Note 18 Other Income</b>		
Interest Income	7,00,441	7,69,951
Dividend Income	4,260	3,960
Foreign Exchange Fluctuation Gain (net)	7,99,672	54,97,359
Profit on sale of assets	-	31,111
<b>Total</b>	<b>15,04,372</b>	<b>63,02,381</b>
<b>Note 19 Cost of Materials Consumed</b>		
Opening Stock	5,83,50,915	2,64,21,802
Add : Purchases	40,02,25,171	72,73,14,483
Less : Closing Stock	30,52,556	5,83,50,915
<b>Total</b>	<b>45,55,23,530</b>	<b>69,53,85,370</b>
<b>Note 20 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Opening Stock :</b>		
Finished goods	4,39,32,493	26,39,967
Work in process	1,67,54,319	79,40,469
Cotton Waste	96,65,051	6,88,569
	<b>7,03,51,863</b>	<b>1,12,69,005</b>
<b>Closing Stock :</b>		
Finished goods	79,55,352	4,39,32,493
Work in process	1,50,67,962	1,67,54,319
Cotton Waste	14,40,969	96,65,051
<b>Sub-Total</b>	<b>2,44,64,283</b>	<b>7,03,51,863</b>
<b>(Increase) / Decrease in Stock</b>	<b>4,58,87,580</b>	<b>(5,90,82,858)</b>
<b>Note 21 Employee Benefit Expenses</b>		
(a) Wages & Salaries	4,99,72,109	6,08,98,050
(b) Contributions to Provident Fund & Other Funds	53,45,783	63,88,260
(c) Staff welfare expenses	24,78,174	30,68,878
<b>Total</b>	<b>5,77,96,067</b>	<b>7,03,55,188</b>
<b>Note 22 Finance Expenses</b>		
<b>Interest expense:</b>		
(i) Term Loans	2,81,76,946	3,03,74,264
(ii) Others	5,12,95,079	5,69,25,990
Other borrowing costs	9,63,229	31,38,567
	<b>8,04,35,254</b>	<b>9,04,38,821</b>
Less : Interest Income	1,75,85,730	1,43,19,924
<b>Total</b>	<b>6,28,49,524</b>	<b>7,61,18,897</b>



(Figures in `)

<b>Note 23 Other Expenses</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Stores and Spares Consumption	1,30,82,653	1,57,92,034
Packing Material	71,84,191	1,31,21,881
Sub-Contracting Charges	26,96,103	61,35,040
Power, Fuel & Water	7,92,44,959	10,85,91,754
Rent	7,33,506	1,05,867
Repairs & Maintenance - Buildings	2,62,648	1,84,967
Repairs & Maintenance - Machinery	18,63,628	33,53,859
Repairs & Maintenance -Others	1,35,559	1,89,393
Insurance	8,20,918	6,56,562
Rates & Taxes	6,69,336	5,35,111
Communication Expenses	5,17,953	5,30,096
Travelling and Conveyance	15,30,861	6,08,881
Auditor's Remuneration:		
As Auditors	2,45,660	2,45,660
Legal and Professional charges	18,53,381	34,46,914
Selling & Other Expenses	9,42,582	26,09,188
Commission on sales	3,62,465	82,31,235
Freight Outward and Clearing Charges (net of recoveries)	52,38,469	1,53,65,240
Loss on Assets Sold / Discarded	61,474	-
Miscellaneous Balances Written off	-	8,49,372
Directors Sitting Fees	68,200	14,700
Provision for Bad Debts	84,53,244	84,53,245
Printing and Stationary Expenses	2,25,078	2,81,277
Other Expenses	31,27,032	13,30,756
<b>Total</b>	<b>12,93,19,899</b>	<b>19,06,33,032</b>

**Note No. 24: Contingent Liabilities**

Contingent Liabilities not provided for in respect of –

**a.** The following guarantees provided by the company: Nil

The Company has provided corporate guarantee for jointly with Spentex Industries Limited for the loan given to Spentex (Netherlands), B.V. by Lehman and SBI. The company believes that guarantee given to Lehman is no longer valid as Lehman did not comply with the terms and conditions of the loan agreement based on which guarantee was given. Accordingly, the figures for current and previous year do not include the portion of the guarantee relating to the loan from Lehman Brothers.

**b. Claims against company not acknowledged as debts:**

(Figures in `)

<b>S.No.</b>	<b>Description</b>	<b>As at 31.03.12</b>	<b>As at 31.03.11</b>
1.	Electricity duty by Maharashtra State Government on units generated through captive power plant between the period Apr-2000 to Apr-2005 (petition pending before the Supreme Court)	1,43,55,000	1,43,55,000
2.	Demands from MSEDCL under appeal (including interest of Rs.2,37,73,251, previous year Rs. 2,02,38,387)	5,82,32,830	5,24,63,369
3.	Demands from Excise Departments under appeal/ revision	64,09,046	80,408
4.	Demands from Maharashtra Sales Tax Authorities under appeal for FY 2004-05 not provided for.	10,44,000	-
5.	Demands from EPF Department for the period 02/2003 to 11/2006	15,94,349	-
	<b>Total</b>	<b>8,16,35,225</b>	<b>7,46,73,018</b>

**Note No.25**

Disclosure in accordance with section 22 of Micro, Small and Medium Enterprise Development Act, 2006:

(Figures in `)

S.No.	Particulars	As at March 31, 2012	As at March 31, 2011
a.	Principal amount remaining and paid and interest due thereon	2,61,728	3,81,041
b.	Interest paid in terms of section 16	NIL	NIL
c.	Interest due and payable for the period of delay in payment	NIL	NIL
d.	Interest accrued and remaining unpaid	NIL	NIL
e.	Interest due and payable even in succeeding years	NIL	NIL

As certified by the management based on the available information.

**Note No.26**

The Sundry Debtors include export receivables of Rs. 1027.38 lakhs and Loans and advances include advances of Rs.92.35 lacs, for which the Company has made a provision for Doubtful Debts for the aforesaid amounts. The Company has also sought the permission of the Reserve Bank of India (RBI) through its authorized dealer to write off these debts. However, pending approval from RBI, the management has decided not to write off the said amounts from books of account.

**Note No.27**

The outstanding balance as on March 31, 2012 in respect of certain Sundry debtors, Creditors, Loans & Advances and Bank and other deposits are subject to confirmation from the respective parties and consequential reconciliations/ adjustments arising there from, if any. The management, however, does not expect any material variations.

**Note No.28**

Schoeller Litvinov k.s (SLKS), a fellow subsidiary of the Company, had registered losses during the year and earlier financial years due to economic slowdown. This fellow subsidiary had submitted a re-organization plan, dated 13.11.2009, seeking deferment of payment to Secured Creditors, and proportionate waiver of unsecured liabilities which has now been approved by the court. Subsequently, in another reorganization plan, the court has ordered to substantially write off the unsecured creditors including the liability towards the company. Accordingly, the company has decided to write off Rs.5,44,23,615, due from SLKS as an exceptional item.

**Note No.29**

The Loans and Advances of the Company include a sum of Rs.1,93,46,572, being an amount receivable from Customs Department as drawbacks against the export sale pertaining to the period 1993 to September, 2004 when the unit was 100% Export Oriented Unit (EOU). The company has filed an application with the office of DGFT for the claim and on the basis of legal advice obtained, is sanguine of receiving the claim.

**Note No.30**

As on March 31, 2012, the accumulated losses of the Company have exceeded its net worth. In the opinion of the management, the Company's operations are affected by global business downturn which has resulted in reduction in demand, increase in input costs and shortage of working capital. The Company has also filed a reference with Board for Industrial and Financial Restructuring (BIFR) under section 15(1) and 15(2) of Sick Industrial Companies (Special Provisions) Act, 1985 for determination of sickness and measures to be adopted for rehabilitation.. However, based on recent performance and trends of the company and overall industry outlook, the management believes that losses incurred in past would be made good. The financial statements have been prepared on a going concern basis on the strength of management's plan of revival including reorganization of business and restructuring of loan facilities under Corporate Debt Restructuring scheme.

**Note No. 31: Segmental Reporting**

In accordance with Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India, the Company has identified two business segments viz. Textile Manufacturing and Textile Trading. Further, two geographical segments by location of customers have been considered as secondary segments viz, Within India and Outside India . The segment wise disclosure are as follows:

**A. Business Segment Reporting**

(Figures in `)

DESCRIPTION	TEXTILE-MANUFACTURING	TEXTILE-TRADING	TOTAL
<b>Segment Revenue</b>			
Total Revenue	552,649,549	24,625,274	577,274,822
Segment Results	(181,134,290) (72,450,147)	(75,514) (4,593,147)	(181,209,804) (77,043,294)
Unallocated corporate expense (Net)	- (-)	- (-)	56,815,934 (3,957,440)
Operating Profit	- (-)	- (-)	(238,025,737) (73,085,854)
Finance Charges	- (-)	- (-)	62,849,524 (76,118,897)
Interest income	- (-)	- (-)	700,441 (769,951)
Dividend income	- (-)	- (-)	4,260 (3,960)
<b>Profit/(Loss) before Prior period items and Tax</b>	- <b>(-)</b>	- <b>(-)</b>	<b>(300,170,561)</b> <b>(-2,259,132)</b>
Exceptional Items	- (-)	- (-)	(54,423,615) (-)
Income Tax	- (-)	- (-)	- (-)
Deferred Tax	- (-)	- (-)	- (-)
Short Provision for Tax	- (-)	- (-)	- (150)
<b>Profit/(Loss) after tax and Exceptional Items</b>	- <b>(-)</b>	- <b>(-)</b>	<b>(300,170,561)</b> <b>(-2,259,282)</b>
<b>OTHER INFORMATION</b>			
Segment Assets	481,330,488 (670,024,176)	8,255,398 (39,247,054)	489,585,886 (709,271,230)
Unallocated corporate assets	- (-)	- (-)	289,780,972 (201,688,539)
Total Assets	- (-)	- (-)	779,366,858 (910,959,769)
Segment liabilities	559,212,522 (248,558,851)	- (-)	559,212,522 (248,558,851)
Unallocated corporate liabilities	- (-)	- (-)	220,154,335 (662,400,918)
Total Liabilities	- (-)	- (-)	779,366,858 (910,959,769)
Capital expenditure incurred during the year	996,933 (555,595)	- (-)	996,933 (555,595)

**B) GEOGRAPHICAL SEGMENT REPORTING:**

(Figures in `)

DESCRIPTION	REVENUE	ASSETS
Domestic	549,730,100	707,778,187
	(760,717,880)	(809,396,950)
Outside India	25,312,506	71,588,671
	(494,246,495)	(101,562,819)
<b>Current Year</b>	<b>575,042,606</b>	<b>779,366,858</b>
<b>Previous Year</b>	<b>(1,254,964,375)</b>	<b>(910,959,769)</b>

**Note No. 32: Earnings per share**

Information on Earning Per Share as per Accounting Standard 20 on "Earnings Per Share" issued by the Institute of Chartered Accountants of India

Sl. No.	Particulars	Period ended	Period ended
		31.03.2012	31.03.2011
1	Net Profit / (Loss) For the year	(30,01,70,561)	(22,59,282)
2	Number of Equity shares Outstanding	41,169,667	41,169,667
3	Basic and Diluted earnings Per Share	(7.29)	(0.05)
4	Nominal value per share	5	5

**Note:**

As informed by the management, there are no Potential Dilutive Equity Shares.

**Note No. 33**

Deferred tax asset amounting to Rs.8,78,24,766 has been recognised upto 30th June, 2008. Afterwards, in view of brought forward losses, the Company has decided to not recognise any further deferred tax asset.

**Note No.34: Related Party Disclosures**

Related Party Disclosures in terms of Accounting Standard 'AS-18' Issued by the Institute of Chartered Accountants of India.

**Relationships:**

- |                             |   |
|-----------------------------|---|
| a. Holding Company          | Spentex Industries Limited                  |
| b. Fellow subsidiary        | Scholler Litinov, K.S.                      |
| c. Key Management Personnel | Mr. R. Sampath- erstwhile Managing Director |

(Figures in `)

Particulars	Holding Company	Other related Parties where Control exists	Key Management Personnel
Sale of goods/ services	46,20,67,527	-	-
	(56,67,30,315)	(-)	(-)
Purchase of Goods	1,12,55,871	-	-
	(24,55,05,443)	(-)	(-)
Purchase of fixed assets	2,25,675	-	-
	(-)	(-)	(-)
Interest Paid	3,37,05,533	-	-
	(3,82,58,736)	(-)	(-)
Remunerations	-	-	-
	(-)	(-)	(11,90,542)
Loan taken	-	-	-
	(-)	(-)	(-)
Loan Repaid and Advances given	-	-	-
	(9,17,00,538)	(-)	(-)
<b>Outstanding balance at year end</b>			
Unsecured loans	34,98,26,019	-	-
	(34,98,26,019)	(-)	(-)
Trade and other debtors	80,63,653	-	-
	(78,62,265)	(6,01,84,142)	(-)
Trade Payable	13,19,36,646	-	-
	(9,89,25,445)	(-)	(-)

Note :Related party relationship is as identified by the Company and relied upon by the auditors.

**Note No.35 Employee Benefits**

Consequent upon the adoption of Accounting Standard on Employee Benefits AS-15 (Revised) Issued by the Institute of Chartered Accountants of India, as required by the Standard the following disclosures are made:

Reconciliation of Opening and Closing balances of the Present Value of Defined Benefit Obligation

(Figures in `)

	Current Year		Previous Year	
	Gratuity (Funded)	Compensated Absences (unfunded)	Gratuity (Funded)	Compensated Absences (unfunded)
<b>Components of Employer Expense</b>				
Current service cost	8,27,114	2,20,221	8,29,749	1,84,216
Interest Cost	8,99,882	1,43,144	7,35,847	98,076
Expected return on Plan assets	3,11,438	-	3,35,627	-
Actuarial (gain)/ Loss	11,28,667	2,13,383	6,71,344	5,58,327
<b>Total expense recognised in the Statement of Profit &amp; Loss Account</b>	<b>25,44,234</b>	<b>5,76,648</b>	<b>19,01,313</b>	<b>8,40,619</b>
<b>Change in Defined Benefit Obligation (DBO) during the year ended March 31, 2011</b>				
Obligation at period beginning (April 1, 2011)	1,02,84,364	16,35,933	89,43,864	11,92,066
Current service cost	8,27,114	2,20,121	8,29,749	1,84,216
Interest Cost	8,99,882	1,43,144	7,35,847	98,076
Actuarial (gain)/ Loss	11,28,667	2,13,383	6,71,344	5,58,327
Benefits Paid	(26,50,124)	(7,30,415)	(8,96,440)	(3,96,752)
<b>Obligation at the Year end (March 31, 2012)</b>	<b>1,04,89,903</b>	<b>14,82,166</b>	<b>1,02,84,364</b>	<b>16,35,933</b>
<b>Change in Plan Assets</b>				
Plan assets at period beginning, at fair value	39,26,128	Not	35,74,376	Not
Expected return on Plan assets	3,11,438	Applicable	3,35,627	Applicable
Actuarial (gain)/ Loss	-		-	
Contributions	11,41,100		9,12,565	
Benefits paid	(26,50,124)		(8,96,440)	
<b>Plan assets at the year end, at fair value</b>	<b>27,28,534</b>	<b>-</b>	<b>3,926,128</b>	<b>-</b>
<b>Reconciliation of Present Value of the Obligation and Fair value of plan assets</b>				
Fair value of plan assets at the end of the year	27,28,534	-	39,26,128	-
Present value of the defined benefit obligation at the end of the year	1,04,89,903	14,82,166	1,02,84,364	16,35,933
<b>Liability/ (Asset) Recognized in the Balance Sheet</b>	<b>77,61,369</b>	<b>14,82,166</b>	<b>63,58,236</b>	<b>16,35,933</b>
Comprising of:				
Current Liability	-	68,839	-	-
Non-Current Liability	77,61,369	14,13,327	-	-
<b>Assumptions used to determine the benefit obligation</b>				
Discount Rate	8.75%	8.75%	8.25%	8.25%
Estimated rate of Return on Plan Assets	9.15%	-	8.95%	-
Expected rate of Increase in salary	3%	3%	3%	3%
Withdrawal rate (18 to 60 years)	2%	2%	2%	2%

The estimates of future salary increase, considered in actuarial assumptions take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**Note No.36 Foreign Exchange Disclosures**

(Figures in `)

	2011-12	2010-11
<b>CIF Value of Imports</b>		
Raw Materials	-	-
Stores Spares & Components	95,823	9,80,159
Capital Goods	-	-
(A)	95,823	9,80,159
<b>Expenditure in Foreign Currency (On Accrual Basis)</b>		
Commission	-	46,41,927
Professional Fees	25,058	4,01,819
(B)	25,058	50,43,746
<b>(A+B)</b>	<b>1,20,881</b>	<b>60,23,905</b>
<b>Earnings in Foreign Currency (On Accrual Basis)</b>		
<b>FOB Value of Exports</b>	<b>2,47,34,778</b>	<b>48,52,38,123</b>

Value of Imported and Indigenous Raw Materials, Stores Spares and Packing Material Consumed

**a) Raw Materials**

	2011-12		2010-11	
	%	Value (`)	%	Value (`)
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	45,55,23,531	100.00%	69,53,85,370
	<b>100.00%</b>	<b>45,55,23,531</b>	<b>100.00%</b>	<b>69,53,85,370</b>

**b) Stores, Spares and Packing Materials**

	2011-12		2010-11	
	%	Value (`)	%	Value (`)
Imported	0.10%	19,390	3.39%	9,80,159
Indigenous	99.90%	2,02,47,454	96.61%	2,79,33,756
	<b>100.00%</b>	<b>2,02,66,844</b>	<b>100.00%</b>	<b>2,89,13,915</b>

**Note No.37**

Previous period figures given in brackets have been regrouped and restated wherever considered necessary.

For **SUNIL JAIN & CO.**  
Chartered Accountants  
(Registration No. 003855N)

**Sanchit Jain**  
Partner  
Membership No. 511714

Place New Delhi  
Date : August 7, 2012

For and on behalf of Board of Directors

**S P Setia**  
Chairman

**I.B. Maner**  
Managing Director

**Ranjan Mangtani**  
Director

**K. Sankaramani**  
Director

**AMIT SPINNING INDUSTRIES LIMITED**

Regd. Office : A-60, Okhla Industrial Area, Phase II, New Delhi 110 020

**ATTENDANCE SLIP**

DP ID .....

Regd. Folio No. ....

Client ID .....

No. of Shares held .....

I certify that I am a registered Member/Proxy for the registered member of the Company. I hereby record my presence at the 20th Annual General Meeting of the Company on Friday the 28th September, 2012 at 11.30 A.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019

.....  
Name of the Member/Proxy ( in BLOCK LETTERS)

.....  
Signature of Member/Proxy

Note : Please complete this attendance slip and hand it over at the **Entrance of the Meeting Hall**

-----  
**AMIT SPINNING INDUSTRIES LIMITED**

Regd. Office : A-60, Okhla Industrial Area, Phase II, New Delhi 110 020

**PROXY FORM**

I/We ..... of ..... being a member/members of the above named Company hereby appoint Mr./Mrs./Ms. .... or failing ..... of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Friday the 28th September, 2012 at 11.30 A..M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019.

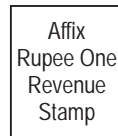
Signed this ..... day of ..... 2012.

Signature .....

DPID & Client ID No. ....

Folio No. ....

No. of Shares held .....



**Note** : THIS FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

## **Book - Post**

If undelivered, please return to :  
AMIT SPINNING INDUSTRIES LIMITED  
REGISTERED & CORPORATE OFFICE :  
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New Delhi - 110 020