

AMIT SPINNING INDUSTRIES LIMITED



19th Annual Report
2010 - 2011

CLC

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Annu Chaudhary

AUDITORS

Sunil Jain & Co.
Chartered Accountants
New Delhi

AUDIT COMMITTEE

S P Setia (Chairman)
I M Aggrawala
Ranjan Mangtani

REMUNERATION COMMITTEE

S P Setia (Chairman)
Ranjan Mangtani
K Sankaramani

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

S P Setia (Chairman)
Ranjan Mangtani
K Sankaramani

REGISTERED & CORPORATE OFFICE

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

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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● 19th AGM

Date : September 19, 2011 Time: 10.30 A.M.

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

● Book Closure : From Thursday, September, 15, 2011 to Saturday, September 17, 2011.

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 19th Annual General Meeting of the Members of Amit Spinning Industries Limited will be held on **Monday the 19th day of September, 2011 at 10.30 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, 2011 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. Inder Mohan Aggrawala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution, as an **Ordinary Resolution** :
“**RESOLVED THAT** pursuant to the provisions of section 255,198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to requisite approvals as may be required from time to time, the consent of the Company be and is hereby accorded for appointment of Shri I B Maner as Managing Director of the company for a period of 5 years with effect from 1st September, 2011 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting and with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration, subject to maximum limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

Place: New Delhi

Date : August 08, 2011

ANNU CHAUDHARY
COMPANY SECRETARY

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED WITH THE COMPANY AT IT'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. **Explanatory Statement setting out all material facts regarding Special Business contained in Item Nos. 4 as required under Section 173 (2) of the Companies Act, 1956, is annexed hereto.**
- C. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 15th day of September, 2011 to Saturday the 17th day of September, 2011 (both days inclusive).
- D. 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 upto the date of Annual General Meeting and also at the meeting.
- E. Members are requested to intimate the change, if any, to Registrars & Transfer Agents in their registered address immediately.
- F. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of their folios and send relevant share certificates to the Company.
- G. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
- H. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Corporate Office of the company ten days in advance of the meeting so that the information may be made readily available.
- I. 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.
- J. For any queries on the Depository System, members may contact any depository participant or the Share Department at the Registered Office of the Company.
- K. In terms of Clause 49 of the Listing Agreement, a brief resume of directors who retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointed are given in Report on Corporate Governance forming part of Annual report.
- L. 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.
- M. Members are requested to send queries to E-mail ID **secretarial@clcindia.com** which is being used exclusively for the purpose of redressing the complaint(s) of the investors.

N. 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.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

ITEM NO. 4

It is to inform to the Members of the Company that the Board of Directors have appointed Shri Ibrahim Balechand Maner, as Additional Director of the Company w.e.f. 22nd August, 2011 in terms of Section 260 of the Companies Act, 1956. Shri I B Maner holds office as Director until this Annual General Meeting and he is eligible for re-appointment. Notice have been received from member as required under Section 257 of the Companies Act, 1956, proposing his candidature as a non retiring Director of the Company.

Subject to requisite approvals as may be required from time to time, Shri I B Maner is also appointed as Managing Director of the Company for a period of 5 years with effect from 1st September, 2011 in place of Shri R Sampath who has resigned as Managing Director of the Company.

Shri Ibrahim Balechand Maner, s/o. Balechand Mohoddin Maner born on 17th December, 1957, has completed LTM in first division and is having 29 years rich experience across multiple functions in operations in Textile Spinning Manufacturing Sector. He is working with CLC family since 2006 and acting as unit head of the Company.

Terms & condition of appointment and remuneration payable to Shri I B Maner

OVERALL REMUNERATION

Subject to the provision of Section 198,269, & 309 and other applicable provisions, if any, of the Companies Act, 1956, remuneration payable to Chairman, Managing Director and Directors. in a financial year shall not exceed 10 % (ten percent) of the net profit of the company.

Wherein in any financial year, during the tenure of Shri I B Maner, if the Company has no profit or its profit are inadequate, the remuneration payable to Shri I B Maner will be according to Schedule XIII of the Companies Act, 1956.

Within the aforesaid ceiling, remuneration payable to I B Maner shall be as follows:

- I. Salary: Rs. 1,83,333/- (Rupees One lac Eighty Three thousand Three hundred and Thirty Three only) per month with an annual increase upto 40%.
- II. Perquisites:
 - a) Vehicle Maintenance charges upto 37500/- per month.
 - b) Medical Benefits: Reimbursement of medical expenses for himself and his family actually incurred during the continuance of his employment as per rules of the Company up to a limit of 15000 in a year.
 - c) Leave: 37 working days (Travelling time included) once in every year of service, with encashment of un-availed leave (PL) at the end of his tenure as per rules of the Company.
 - d) Leave Travel Assistance: once in every year of Service or as per rules of the Company up to 1,50,000 in a year.
 - e) Telephone connection at residence with STD & ISD facility and post paid mobile connection.
 - f) Company's contribution towards Provident Fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - g) Bonus, if any as per rules of the Company
 - h) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of service.
 - i) No sitting fees shall be paid to them for attending meetings of Board of Directors/Committee of the Board.
 - j) He will not retires by rotation.

The Board/Committee of Directors, is further authorized to alter or vary the remuneration of Shri I B Maner for normal increments as per policy of the Company

In compliance with the provisions of sections 198,269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the terms of remuneration of Shri I B Maner as specified above are now being placed before the members for their approval.

None of Directors of the Company except for Shri I B Maner are interested in the resolution placed before the meeting directly or indirectly.

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

Place: New Delhi
Date : August 08, 2011

ANNU CHAUDHARY
COMPANY SECRETARY

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 19th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2011.

Financial Results:

(Rs. in Lakhs)

	2010-2011	2009-2010
Net Sales (Turnover)	12549.64	7277.77
Other Income	76.39	19.50
EBIDTA		325.43
Financial Charges	761.18	754.44
Depreciation	459.48	458.32
Misc. Expenses written off	8.49	12.60
Profit/(Loss) before tax (PBT)	(22.59)	(899.93)
Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
Fringe Benefit Tax	-	-
Short Provision of Tax	0.00	(0.09)
Net Profit/(Loss)	(22.59)	(899.84)

FINANCIAL ANALYSIS AND PERFORMANCE REVIEW :

Fiscal 2010-11 witnessed a significant improvement in operations and there has been increase in sales volume. Its turnover has increased from Rs. 7277.77 lakhs to Rs.12549.65 lakhs, year on year basis which reflects an growth of 72.44%. With the improved working, it has been able to reduce its losses considerably from 899.84 lacs during the previous year to Rs. 22.59 Lacs during the last year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Global textile industry has witnessed the growth of an astounding 25% during the last year and it is expected that it will continue to spearhead the growth in the coming years. Asian markets also continued to register positive growth in the fiscal 2010-11. Due to the demand from western countries, the exports crossed \$25 m. billion in 2010-11 and the trend was likely to continue for another 5 to 6 years.

The Indian Textile Industry plays very important role in our Country's Economy and it was earliest to come into existence in India. It accounts for 14 per cent of the total industrial production, contributes to nearly 12 per cent of the total exports and is the second largest employment generator after agriculture which provides employment of 35 million people. The Indian textile industry is one of the largest in the world with a massive raw material and textile-manufacturing base and also currently India has the second highest spindle age in the world after China. India has a share of 22 per cent in world cotton production, touching 312 lakh bales in 2010-11.

Introduction of Technical Textile to promote indigenous manufacture of technical textile to leverage global opportunities and cater to the domestic demand will play an important role in textile industry in the Eleventh Five Year Plan which has estimated the market size upto US\$ 10.6 billion in 2011-12. The Indian Government was also in process of setting up research centers to improve the growth of textile industry.

Amit has utilized the opportunity offered by the global recession for introspection to identify areas of improvement. It is a great satisfaction that such initiatives have paid us more and strengthened the company accordingly expecting such events in future also. Amit is expecting bright future for Indian textile industry.

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 identified two segments i.e. exports and domestic.

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

Erratic demand, uncertain raw materials prices, foreign currency fluctuations vis a vis Indian rupee would certainly affect growth and profitability of the sector in short and long term. Another important issue is availability of quality cotton and the price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to the input cost pressure in the industry. We hope that power situation will improve in the coming year. The differentiated treatment for different sectors of textile industry in government policy needs correction. Raw Material security and demand creation in the domestic sector is a must. The integrated approach is required for the growth of the industry in the country. We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements and improved customer services to address reducing margin and working capital pressures.

Since third quarter of fiscal 2010-11, overseas buyers are said to be turning to India more and more to meet their requirements and statistics support substantial growth in exports of textiles and clothing. Besides, textile industry is collaborating more frequently with international companies. Meanwhile, Indian government is making an effort to boost its textile industry.

The Indian textile sector is growing at an estimated rate of 10% per annum and it is expected to reach \$ 110 billion by the year 2015 with an export of \$ 45 billion. To sustain its growth, Indian textile industry requires an investment of \$ 24 billion by 2015.

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 in 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. Inder Mohan Agrawala 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 his expertise in specific functional areas, names of companies in which he 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 is provided in the Report on Corporate Governance.

Auditors

The Auditors of the Company M/s. Sunil Jain & Co., Chartered Accountants retire 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. 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. The Company believes that the reorganization plan, considering improvement in the global textile market, will turn around this subsidiary, so as to make good its losses in a foreseeable period of time and will also place this subsidiary in a position to repay the liabilities in due course. Accounts and other receivables amounting to Rs. 6,01,84,142 are due from SLKS as at March 31, 2011. Accordingly, provision against these Accounts and other receivables is not considered necessary at this stage.

In view of developments company believes in future with the financial viability of SLKS such amounts would be realized within a reasonable period of time.

2. 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. In view of recent Government gazette notification restoring duty draw back, tax refunds on cotton yarn exports are expected to be realized in due course.

3. As on March 31, 2011, 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 23(1) of Sick Industrial Companies (Special Provisions) Act, 1985. However, based on recent performance and trends of the company and overall industry outlook, there is an increase in average selling prices of yarn, stability in production levels and reduction in procurement costs of raw materials. The company has started earning cash profits and 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.

In view of current physical turnover, management believes to improve the company's performance such as introducing various cost measures and reorganization of business and restructuring of loan facilities.

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, 2011 for the product "Textile".

Dividend

Your directors have not recommended any dividend for the year ended 31-03-2011 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, 2012.

Corporate Governance

As stipulated under Clause 49 of the Listing Agreement entered into with Stock Exchanges, a report on Corporate Governance is attached separately as a part of the Annual Report and the Management Discussion and Analysis (MD & A) is included in this report so that duplication and overlap between Directors' Report and a 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 2011 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 2011,
- 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 at unit 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 stands at the cusp of the next phase of growth. We will continue to make investment and progress to further consolidate our leadership 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 8, 2011

**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, 2011.

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 / Rs. in Lakhs)

Electricity	Current year	Previous year
Purchased		
Total Units consumed	210.04	213.66
Total Amount	1080.93	1044.05
Rate per Unit (Rs.)	5.15	4.89
Own Generation through Furnace Oil Generator Set		
Units (in lakhs)	NIL	NIL
Units per liter of Diesel Oil	N.A.	N.A.
Furnace Oil		
Consumed (Ltrs. in thousand)	NIL	NIL
Total Amount (Rs. In lakhs)	NIL	NIL
Rate per Ltr.	0.00	0.00
Cost/Unit (Rs.)	0.00	0.00
Electricity Consumption (Units) per Kg. of Production of Yarn	3.95	3.66

B. TECHNOLOGY ABSORPTION :

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

RESEARCH & DEVELOPMENT (R&D) :

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Current year	Previous year
Earnings	4852.38	1686.02
Outgo	46.42	15.10

On behalf of the BOARD OF DIRECTORS,

Place New Delhi
Date : August 08, 2011

**S P SETIA
CHAIRMAN**

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

(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 5 Directors, out of which 2 are Independent Directors, 2 are 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 11th May, 2010, 9th August, 2010, 29th October, 2010 and 31st January, 2011. 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 held on 30-09-2010
		Held	Attended	Directorship#	Member##	Chairperson	Yes/No
Mr. S P Setia (Chairman)	Independent, Non-executive	4	4	1	-	-	Yes
Mr. I M Aggrawala	- do -	4	3	1	-	-	No
Mr. Ranjan Mangtani	Non-executive	4	4	1	-	-	Yes
Mr. Krishnan Sankaramani	- do -	4	-	-	-	-	No
Mr. R Sampath *** (Managing Director)	Executive	4	-	-	-	-	Yes

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.

*** Mr. R Sampath resigned as Managing Director with effect from 01-04-2011.

Details of shares held by the Non-Executive/Independent Directors as on 31st March, 2011

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, Mr. I.M. Aggrawala will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring Director(s) in the ensuing Annual General Meeting; the brief details of aforesaid directors are as under :

Mr. I. M. Aggrawala (64) is Director of the Company since January 29, 2009. He holds degree in B. Tech Textiles and has rich experience in textile industry and providing consultancy services to textile industry since 1967. He is Managing Director of M/s Techno Textiles (P) Ltd, M/s ASK India (P) Ltd, M/s Technolinks Textfab (P) Ltd. He is Director in M/s Ashnoor Textiles Mills Limited and M/s Patanjali Natural Colorama (P) Limited.

Mr. Aggrawala is Member of Audit Committee of the Company and does not hold any share of the Company as on 31st March, 2011.

3. Audit Committee

The Audit Committee of the Board consists of two Independent Directors and one non-executive director, namely Shri S P Setia (Chairman) Shri I M Aggrawala (member) and Shri Ranjan Mangtani (member). 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 11th May, 2010, 9th August, 2010, 29th October, 2010 and 31st January, 2011. The details of attendance of the each member at the Audit Committee are given herein below:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Shri S P Setia	4	4
Shri I M Aggrawala	4	3
Shri Ranjan Mangtani	4	4

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 one committee meeting was held on 11th May, 2010 in which all members of the Committee were present.

Details of remuneration paid to Directors for the financial year 2010-11 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. R Sampath	Executive	NIL	NIL	NIL	11,90,542	11,90,542
Mr. Ranjan Mangtani	Non-Executive	NIL	NIL	NIL	N.A.	NIL
Mr. Krishnan Sankaramani	- Do -	NIL	NIL	NIL	N.A.	NIL
Mr. S P Setia	Non-Exec. Chairman	8,400	NIL	NIL	N.A.	8,400
Mr. I M Aggrawala	Ind. Director	6,300	NIL	NIL	N.A.	6,300

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 5 complaints from the investors and has responded to their fullest satisfaction. There was no complaint outstanding as on 31st March 2011. Ms. Annu Chaudhary, Company Secretary 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 2nd April, 2010, 2nd July, 2010, 4th October, 2010 and 04th January, 2011. The details of Attendance of each Member at the Share Transfer and Shareholders/Investors Grievance Committee are given below :

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 passes thereat are as under:

AGM	LOCATION	DATE & TIME	Special Resolution passed
16TH AGM	Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003	12th August 2008 11.00 A.M.	No Special Resolution has been passed, however, through ordinary resolution M/s. Sunil Jain & Co., Chartered Accountants, New Delhi has been appointment as Statutory Auditors in place of retiring auditors of the Company.
17TH AGM	- do -	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

(B) Special Resolution passed through Postal Ballot:

No special resolution was passed through postal Ballot during year (2010-11)

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, 2011 in terms of Clause 49 I (D) (ii) of the Listing Agreement entered into with the Stock Exchange.

Place : New Delhi
Date : August 8, 2011

K Sankaramani
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 a new E-mail ID **secretarial@clcindia.com** for the purpose of registering complaints by investors.
- 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 them 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 19th Annual General Meeting will be held at Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110019 on 19th September, 2011 at 10.30 A.M.
- **Financial Calendar (Tentative) :**
 Financial reporting for the Quarter ending June 30, 2011 : August 8, 2011
 Financial reporting for the Quarter ending September 30, 2011 : before 15th November, 2011
 Financial reporting for the Quarter ending December 31, 2011 : before 15th February, 2012
 Financial reporting for the Quarter ending March 31, 2012 : before 15th May, 2012
 Alternatively
 Annual Results for the Year ending March 31, 2012 : before 31st May, 2012
- Date of Book closure : From Thursday the 15th September, 2011 to Saturday the 17th September, 2011 (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 (script code = 521076) and National Stock Exchange of India Ltd. Mumbai (script code = ASILEQ).
- ISIN No. INE988A01026.
- The Annual Listing Fee has been paid till 31st March, 2012.
- Market Price Data : High/Low during each month in last financial year 2009-10 : on BSE & NSE

Month	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
The Bombay Stock Exchange Ltd. (BSE)												
High	2.38	3.47	2.77	3.45	5.19	7.67	7.28	7.20	5.64	5.35	4.89	3.64
Low	2.00	2.28	2.29	2.64	3.00	4.22	5.20	4.52	4.00	4.14	3.31	2.55
National Stock Exchange of India Ltd. (NSE)												
High	2.40	3.70	2.70	3.30	5.40	7.85	7.20	7.15	5.55	5.35	5.00	3.65
Low	1.95	2.40	2.15	2.55	3.10	4.35	5.25	4.50	4.00	4.45	3.50	2.60

- The Registrars and Transfer Agents of the Company: M/s. Link Intime India Pvt. Ltd. (formerly known as Intime Spectrum Registry Ltd.), C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400 078, Tel. No. 022 – 2594 6970 to 78 and Fax No. 022 – 2594 6969. 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 **31.03.2011** :

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
1 to 500	15,929	88.85	25,93,149	6.30
501 to 1000	1,032	5.76	8,94,464	2.17
1001 to 2000	423	2.36	6,89,259	1.68
2001 to 3000	168	0.94	4,40,881	1.07
3001 to 4000	78	0.43	2,81,528	0.68
4001 to 5000	90	0.50	4,31,699	1.05
5001 to 10000	89	0.50	6,83,873	1.66
10001 and above	119	0.66	3,51,54,814	85.39
TOTAL	17,928	100.00	4,11,69,667	100.00

➤ Category of Shareholders as on : **31.03.2011**

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	3,58,516	0.87
Body Corporate(s)	10,38,812	2.52
Public and Others	1,81,13,020	44.00
Total	4,11,69,667	100.00

- Dematerialization of shares: As on 31st March, 2011 the shares in demat form were 3,90,53,627 representing 94.86% of the total paid up capital.
- Due to erosion of 50% of peak net worth, the Company has filed reference with BIFR under Section 23(1) of Sick Industrial Companies (Special Provisions) Act, 1985.
- 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 – 2594 6970 - 78 and Fax No. 022 – 2594 6969.
Shri Sharad Patkar, E-mail sharad.patkar@linkintime.co.in
mt.helpdesk@linkintime.co.in
 3. Compliance Officer
Ms. Annu Chaudhary, Company Secretary
Ph. 011 - 2638 7738, 4161 4999, Fax: 011 – 2638 5181.
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, K Sankaramani Director and S A Sutar, 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, 2011 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 8, 2011

sd/-
K Sankaramani
Director

sd/-
S.A. Sutar
Asstt. 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, 2011, 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.

As per the records maintained by the Company and noted by the Board of Directors/Share Transfer & Shareholders/Investors Grievance Committee, we state that during the year ended 31-03-2011 no investor grievance(s) is pending for a period exceeding one month against the Company.

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 08, 2011

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, 2011 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 5 of Schedule XXII (Notes to the accounts) with respect to recoverability of amount of Rs. 6,01,84,142 from Schoeller Litvinov k.s.
 - (b) Note 6 of Schedule XXII (Notes to the accounts) with respect to recoverability of amount of 1,93,46,572 in respect of duty drawbacks.
 - (c) Note 14 of Schedule XXII (Notes to the accounts) with respect to realizability of amount of 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 Rs.16,96,14,612 (as against the reported figure of Rs.22,59,132), Accumulated losses would have been Rs.50,83,59,952 (as against the reported figure of Rs.34,10,04,472), Sundry Debtors, Loans and Advances and Deferred Tax Asset would have been Rs.5,29,27,049; Rs.15,86,15,439 and Rs.Nil respectively (as against the reported figures of Rs.11,31,11,191; Rs.17,79,73,011 and Rs.8,78,24,766 respectively).
5. Without qualifying our opinion, attention is also drawn to Note 7 on Schedule XXII (Notes to the accounts) 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, 2011 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, 2011;
 - 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)

Place New Delhi
Date : August 8, 2011

Sanchit Jain
Partner
Membership No. 511714

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, 2011, 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

- x) The accumulated losses at end of financial year are more than 50% of its net worth. The Company has not incurred cash loss before working capital changes during the financial year covered by our audit as well as the immediately preceeding 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 not defaulted in repayment of the dues to a financial institution or bank.
- 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/ mutula 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)

Place New Delhi
Date : May 10, 2011

Sanchit Jain
Partner
Membership No. 511714

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	AS AT March 31, 2011 Rupees	AS AT March 31, 2010 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	205,848,335	205,848,335
Reserves & Surplus	II	47,601,665	47,601,665
		253,450,000	253,450,000
Loan Funds			
Secured loan	III	399,799,476	428,568,149
Unsecured loan	IV	349,826,019	440,528,019
TOTAL		1,003,075,495	1,122,546,168
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	V	993,111,816	993,530,145
Less: Depreciation		612,436,671	567,462,499
Net Block		380,675,145	426,067,646
Investments	VI	23,231	23,231
Deferred Tax Asset (Refer note 9 to Schedule XXII)		87,824,766	87,824,766
Current Assets, Loans & Advances			
Inventories	VII	133,218,575	42,543,129
Sundry Debtors	VIII	113,111,191	147,264,560
Cash and Bank Balances	IX	18,255,166	5,019,228
Loans and Advances	X	177,973,011	310,030,997
		442,557,943	504,857,914
Less: Current liabilities and Provisions			
Liabilities	XI	240,894,577	229,884,365
Provisions	XII	8,115,485	6,835,444
		249,010,062	236,719,809
Net Current Assets		193,547,882	268,138,105
Miscellaneous Expenditure (To the extent not written off or adjusted)	XIII	-	1,747,230
Profit and Loss Account (Dr.)		341,004,472	338,745,190
TOTAL		1,003,075,495	1,122,546,168
Statement on Significant Accounting Policies	XXI		
Notes to Accounts	XXII		

The Schedules referred to above form an integral part of the Balance Sheet.

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 : May 10, 2011

For and on behalf of Board of Directors

S P Setia
Chairman

K. Sankaramani
Director

Ranjan Mangtani
Director

Annu Chaudhary
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	2010-2011 Rupees	2009-2010 Rupees
INCOME			
Sales	XIV	1,254,964,375	727,777,005
Other Income	XV	7,639,661	1,950,442
Increase/(Decrease) in Stocks	XVI	59,082,858	5,909,795
		<u>1,321,686,893</u>	<u>735,637,242</u>
EXPENDITURE			
Consumption Of Raw Materials	XVII	695,385,370	461,690,485
Cost of traded goods sold		245,505,443	3,887,744
Salaries, Wages & Benefits	XVIII	70,355,188	63,195,623
Manufacturing and Other Costs	XIX	190,633,032	175,580,044
Depreciation / Amortisation		45,948,096	45,832,078
Financial Charges	XX	76,118,897	75,444,298
		<u>1,323,946,026</u>	<u>825,630,272</u>
Profit / (Loss) Before Tax		(2,259,132)	(89,993,030)
Tax Expense			
Current Tax		-	-
Deferred Tax (net)		-	-
(Excess)/ Short Provision for Tax		150	(9,015)
		<u>150</u>	<u>(9,015)</u>
Profit / (Loss) After Tax		(2,259,282)	(89,984,015)
Balance Brought forward from Previous Year		(338,745,190)	(248,761,175)
Balance carried to Balance Sheet		<u>(341,004,472)</u>	<u>(338,745,190)</u>
Basic / Diluted Earnings per Share of Rs. 5/- each (Refer note 8 of schedule XXII)		(0.05)	(2.19)
Statement on Significant Accounting Policies	XXI		
Notes to Accounts	XXII		

The Schedules referred to above form an integral part of the Profit & Loss account.

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 : May 10, 2011

For and on behalf of Board of Directors

S P Setia
Chairman

K. Sankaramani
Director

Ranjan Mangtani
Director

Annu Chaudhary
Company Secretary

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2011

	For the year ended 31st Mach, 2011 (Rs.)	For the year ended 31st Mach, 2010 (Rs.)
A. Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	(2,259,132)	(89,993,030)
Adjustments for:		
Depreciation	45,948,096	45,832,078
Interest Expense	76,118,897	75,444,298
Interest Income	(769,951)	(552,157)
Income from Investment - Dividends	(3,960)	(4,335)
(Profit)/ Loss on sale of fixed assets	(31,111)	57,638
Miscellaneous Expenditure written off	849,372	1,260,000
Provision for Gratuity	1,886,606	1,115,982
Provision for Leave Encashment	443,867	98,992
Miscellaneous balances written Back	(27,518)	(491,371)
Provision for Bad Debts	8,453,245	-
Unrealised Foreign Exchange loss/ (gain)	(3,021,118)	7,884,227
	129,846,425	130,645,352
Operating profit before working capital changes	127,587,293	40,652,322
Adjustments for changes in working capital :		
(INCREASE)/DECREASE in Sundry Debtors	28,721,242	(68,977,570)
(INCREASE)/DECREASE in Other Receivables	128,522,305	(30,471,445)
(INCREASE)/DECREASE in Inventories	(90,675,446)	(29,011,156)
INCREASE/(DECREASE) in Trade and Other Payables	8,538,269	89,065,167
	202,693,662	1,257,318
Cash generated from/ (used in) operations		
Direct Taxes (Paid) / Received (net)	3,382,957	1,672,810
Extraordinary /exceptional Item (Expense)/ Income	-	-
	3,382,957	1,672,810
Net cash from / (used in) operating activities	206,076,619	2,930,128
B. Cash flow from Investing activities:		
Purchase of fixed assets	(555,595)	(4,524,167)
Proceeds from Sale of fixed assets	31,111	1,589,000
Interest Received	769,951	415,144
Dividend Received	3,960	4,335
	249,427	(2,515,688)
Net cash from/ (used in) investing activities	249,427	(2,515,688)
C. Cash flow from financing activities:		
Proceeds/ (Repayment) of term loans (net)	(27,550,173)	35,973,433
Proceeds/ (Repayment) of short term borrowings (net)	(980,774)	(5,057,703)
Proceeds/ (Repayment) of Unsecured Loans	(90,702,000)	(5,746,668)
Interest Paid	(73,857,161)	(22,494,842)
	(193,090,109)	2,674,220
Net cash used in financing activities	(193,090,109)	2,674,220
Net Increase/ (Decrease) in Cash & Cash Equivalents	13,235,938	3,088,660
Cash and Cash Equivalents at the Beginning of the Year	5,019,228	1,930,567
Cash and Cash Equivalents at the End of the Year	18,255,166	5,019,228
Increase/(Decrease) in Cash/Cash Equivalents	13,235,938	3,088,660
Cash and cash equivalents comprise:		
Cash in hand	117,426	336,577
Balance in Current Accounts	14,609,379	1,319,328
Balance in Fixed Deposit Accounts	3,528,361	3,363,323
	18,255,166	5,019,228

Notes :

1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

Statement on Significant Accounting Policies

XXI

Notes to Accounts

XXII

The Schedules referred to above form an integral part of the Cash Flow Statement

As per our report of even date

For **SUNIL JAIN & CO.**

Chartered Accountants

(Registration No. 003855N)

For and on behalf of Board of Directors

Sanchit Jain

Partner

Membership No. 511714

Place New Delhi

Date : May 10, 2011

S P Setia
Chairman

K. Sankaramani
Director

Ranjan Mangtani
Director

Annu Chaudhary
Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET

	AS AT March 31, 2011 Rupees	AS AT March 31, 2010 Rupees
SCHEDULE I : SHARE CAPITAL		
Authorised		
5,00,00,000 Equity Shares of Rs. 5 each	250,000,000	250,000,000
	250,000,000	250,000,000
Issued Subscribed and paid up		
(4,11,69,667 Equity Shares of Rs. 5 each, fully paid up (Previous Year 4,11,69,667))	205,848,335	205,848,335
TOTAL	205,848,335	205,848,335

SCHEDULE II : RESERVES AND SURPLUS

Capital Reserve :

State Subsidy 3,000,000 3,000,000

Securities Premium Account :

Security Premium - opening balance 44,601,665 44,601,665

TOTAL

47,601,665

47,601,665

SCHEDULE III : SECURED LOANS

(a) From Banks (Scheduled) :

— Term Loan* 285,921,383 313,709,282
(Includes Interest Accrued & due Rs.24.53 Lacs, Previous Year Rs 26.91 Lacs)

— Working Capital Borrowings

Cash Credit Facilities 94,699,629 95,144,571

Letter of Credit Facilities 19,178,464 19,714,296

399,799,476

428,568,149

* Payable within one year Rs.413.30 Lacs (Previous year 317.20 lacs)

Note : 1. Term Loans are secured by first pari passu charge by on fixed assets of the company.

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

SCHEDULE IV : UNSECURED LOANS

From Bodies Corporate

- Spentex Industries Limited 349,826,019 440,528,019

349,826,019

440,528,019

SCHEDULE V - FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	Cost as at 01.04.2010	Additions for the year	Deletions/ Adjustments	Cost as at 31.03.2011	As on 31.03.2010	For the year	Deletions/ Adjustments	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land - - Freehold Land	5,017,299	-	-	5,017,299	-	-	-	-	5,017,299	5,017,299
Building - - Factory Building - Non Factory Building	40,188,303 115,730,572	- -	- -	40,188,303 115,730,572	19,921,947 20,550,354	1,342,290 1,886,161	- -	21,264,237 22,436,515	18,924,066 93,294,057	20,266,356 95,180,218
Plant & Machinery	789,849,762	37,000	-	789,886,762	489,585,962	41,552,570	-	531,138,532	258,748,230	300,263,799
Furniture, Fixtures & Equipments	39,585,916	518,595	-	40,104,511	34,520,403	1,051,839	-	35,572,242	4,532,269	5,065,513
Vehicle	3,158,293	-	973,924	2,184,369	2,883,833	115,236	973,924	2,025,145	159,224	274,460
Total	993,530,145	555,595	973,924	993,111,816	567,462,499	45,948,096	973,924	612,436,671	380,675,145	426,067,645
Previous year	991,940,396	4,524,167	2,934,418	993,530,145	523,392,201	45,832,078	1,761,780	567,462,499	426,067,645	-

	<u>AS AT</u> <u>March 31, 2011</u> <u>Rupees</u>	<u>AS AT</u> <u>March 31, 2010</u> <u>Rupees</u>
SCHEDULE VI : INVESTMENTS		
Non-Trade		
Long Term		
Unquoted (Equity Shares)		
250 share of Shamrao Vitthal Co-Op Bank Ltd of Rs. 10/- each fully paid up	2,500	2,500
1 share of United Yarn of Rs. 31 each	31	31
Share of Lotus House Prem.Co-Op Hsg.Soc.	1,500	1,500
500 Share of Datta Nagari Patsanstha	5,000	5,000
1,420 shares of Saraswat Co-Op Bank Ltd of Rs. 10/- each fully paid up	14,200	14,200
	<u>23,231</u>	<u>23,231</u>
SCHEDULE VII : INVENTORIES		
(As certified by the management)		
Raw Materials	58,350,915	26,421,801
(Including Goods in Transit of Rs. 58,10,589, previous year Rs.NIL)		
Stores, Spares & Packing Materials	4,515,797	4,852,323
Work-in-process	16,754,319	7,940,469
Finished goods:		
Manufactured	43,932,493	2,639,967
Cotton Waste	9,665,051	688,569
	<u>133,218,575</u>	<u>42,543,129</u>
SCHEDULE VIII : SUNDRY DEBTORS -		
Unsecured		
Outstanding for over six months		
Considered Good		
Company under the same management		
- Scholler Litinov K.S.	60,184,142	72,788,857
Others	12,959,486	897,400
Considered doubtful		
Company under the same management:		
- Scholler Litinov K.S.	8,453,245	-
Others	31,408,128	31,408,128
	<u>113,005,001</u>	<u>105,094,385</u>
Others		
Considered Good		
Company under the same management:		
- Spentex Industries Limited	6,863,727	32,564,454
Others	33,103,836	41,013,849
Considered doubtful	-	-
	<u>152,972,564</u>	<u>178,672,688</u>
Less: Provision for doubtful debts (Refer note 3 of schedule XII)	31,408,128	31,408,128
Less: Provision for bad debts (Refer note 5 of schedule XII)	8,453,245	-
	<u>113,111,191</u>	<u>147,264,560</u>
SCHEDULE IX : CASH & BANK BALANCES		
Cash in Hand	117,426	336,577
Balances with Scheduled Banks :		
In Current Account	14,609,379	1,319,328
In Margin Account *	3,528,361	3,363,323
	<u>18,255,166</u>	<u>5,019,228</u>

* Having a lien by Banks

	AS AT March 31, 2011 Rupees	AS AT March 31, 2010 Rupees
SCHEDULE X : LOANS AND ADVANCES (Unsecured, Considered Good)		
Loan given to employees	30,720	66,720
Advance to Holding Company	998,538	-
Advance Recoverable in Cash or Kind for value to be received	113,578,376	266,042,001
Considered doubtful	9,235,000	9,235,000
Less: Provision for Doubtful Advances	9,235,000	9,235,000
	<u>-</u>	<u>-</u>
Balance with Customs and Excise Authorities	29,619,266	19,776,567
Balance with Sales Tax Authorities	28,059,927	15,126,438
Advance Income Tax/Tax Deducted at Source	4,215,678	7,598,635
Advance Fringe Benefit Tax	150,331	303,055
Deposits	406,896	393,656
Prepaid Expenses	913,279	723,925
	<u>177,973,011</u>	<u>310,030,997</u>
SCHEDULE XI : CURRENT LIABILITIES		
Sundry Creditors		
- Dues of Micro, Small & Medium enterprises (Refer note no. 2 of Schedule XXII)	381,041	610,858
- Others	101,075,050	96,876,909
- Credit Balance of OBC Bank /AXIS Bank	11,519,590	2,623,953
Advance from customers	2,375,095	688,761
Other liabilities	125,543,801	129,083,884
	<u>240,894,577</u>	<u>229,884,365</u>
SCHEDULE XII : PROVISIONS		
Provision for Fringe Benefit Tax	121,316	273,890
Provision for Leave Encashment	1,635,933	1,192,066
Provision for Gratuity (Refer Note No.13 of Schedule XXII)	6,358,236	5,369,488
	<u>8,115,485</u>	<u>6,835,444</u>
SCHEDULE XIII : MISCELLANEOUS EXPENDITURE		
Deferred Revenue Expenses	849,372	2,109,372
Less : Written off for the year	849,372	1,260,000
Balance Carried Forward (Refer note 14 of schedule XXII)	-	849,372
Deferred Gratuity Expenses	-	897,858
Total	<u>-</u>	<u>1,747,230</u>
SCHEDULE XIV : SALES		
Sales -(Gross)	2010-2011 Rupees	2009-2010 Rupees
- Yarn	1,150,748,125	603,959,952
- Waste	99,169,902	75,344,920
- Knitted Fabric	365,500	161,500
- Licenses	4,438,751	12,388,040
Conversion Charges	242,097	35,922,593
	<u>1,254,964,375</u>	<u>727,777,005</u>
Less : Excise Duty	-	-
Net Sales	<u>1,254,964,375</u>	<u>727,777,005</u>
SCHEDULE XV : OTHER INCOME		
Dividend from long term investments	3,960	4,335
Foreign Exchange Fluctuation Gain (net)	5,497,359	-
Interest Income (gross) (Tax deducted at source Rs.16,798, previous year Rs.17,379)	769,951	552,157
Sundry Balances Written Back	27,518	491,371
Profit on Sale of Fixed Assets	31,111	-
Export Incentives	811,795	57,920
Miscellaneous Income	497,967	844,659
Total	<u>7,639,661</u>	<u>1,950,442</u>

	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE XVI : INCREASE / (DECREASE) IN STOCKS		
Opening Stock :		
Finished goods	2,639,967	1,902,101
Work in process	7,940,469	3,048,809
Cotton Waste	688,569	408,300
	11,269,005	5,359,210
Closing Stock :		
Finished goods	43,932,493	2,639,967
Work in process	16,754,319	7,940,469
Cotton Waste	9,665,051	688,569
	70,351,863	11,269,005
Sub-Total	70,351,863	11,269,005
Increase/ (Decrease) in Stock	59,082,858	5,909,795
 SCHEDULE XVII : CONSUMPTION OF RAW MATERIALS		
Opening Stock	26,421,802	1,842,421
Add : Purchases	727,314,483	486,269,865
Less : Closing Stock	58,350,915	26,421,802
	695,385,370	461,690,485
 SCHEDULE XVIII : SALARY, WAGES AND OTHER BENEFITS		
Salaries, Wages and Bonus	60,898,050	54,463,947
Contributions to Provident And Other Funds	6,388,260	5,543,294
Employees Welfare Expenses	3,068,878	3,188,382
	70,355,188	63,195,623
 SCHEDULE XIX : MANUFACTURING AND OTHER COSTS		
Stores and Spares Consumption	15,792,034	12,925,149
Packing Material	13,121,881	10,363,045
Sub-contracting charges	6,135,040	4,820,928
Power, Fuel & Water	108,591,754	104,727,913
Rent	105,867	120,000
Rates & Taxes	535,111	479,288
Repairs & Maintenance :		
Plant & Machinery	3,353,859	2,104,206
Building	184,967	273,413
Others	189,393	235,680
	3,728,219	2,613,299
Insurance	656,562	614,139
Auditor's Remuneration :		
As Auditors	245,660	251,510
For Other Services	-	30,000
	245,660	281,510
Communication Expenses	530,096	565,290
Travelling and Conveyance	608,881	10,741,868
Legal and Professional charges	3,446,914	3,083,808
Selling & Other Expenses	2,609,188	2,705,142
Commission on sales	8,231,235	3,860,169
Freight Outward and Clearing Charges (net of recoveries)	15,365,240	5,721,895
Loss on Assets Sold / Discarded	-	57,638
Directors Sitting Fees	14,700	11,200
Deferred Revenue Expenses charged off	849,372	1,260,000
Foreign Exchange Difference	-	9,113,757
Provision for Bad Debts	8,453,245	-
Printing and Stationary Expenses	281,277	259,920
Other Expenses	1,330,756	1,254,086
	190,633,032	175,580,044

SCHEDULE XX : FINANCIAL CHARGES	2010-2011 Rupees	2009-2010 Rupees
- Interest on Term Loan	30,374,264	31,476,961
- Others	56,925,990	65,696,405
Bank Charges	3,138,567	2,809,693
	90,438,821	99,983,059
Less : Interest Income (Gross)	14,319,924	24,538,761
(Tax deducted at source Rs.14,31,992, Previous year Rs.24,20,165)	76,118,897	75,444,298

SCHEDULE XXI

SIGNIFICANT ACCOUNTING POLICIES

1 SYSTEM OF ACCOUNTING

The Company follows the accrual system of accounting

2 OVERALL VALUATION POLICY

The accounts have been prepared under the historical cost convention.

3 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

4 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.

5 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.

6 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.

7 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.

8 EMPLOYEE BENEFITS

a 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.

b 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.

9 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.

10. 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.

11. LEASES

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

12. 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.

13. 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)

14. GOVERNMENT GRANT

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

15. 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.

SCHEDULE XXII : NOTES TO ACCOUNTS

1 Contingent Liabilities not provided for in respect of :

- a The following guarantees provided by/ on behalf of the company :

Serial No	Particulars	As at 31.03.2011	As at 31.03.2010
1	Bank Guarantee to MSEDCL by UCO Bank	1,08,00,000	1,00,00,000
2	Bank Guarantee to Delhi Sales Tax Department by AXIS Bank	-	12,00,000
3	Bank Guarantee to Excise Department by AXIS Bank	1,90,000	1,90,000
4*	Corporate guarantee given to Lehman Brothers Commercial Corporation Asia Limited, Hongkong (Lehman) and State Bank of India, Tokyo Branch (SBI) for loan extended to Spentex (Netherlands) B.V. USD 10.825 millions (previous year USD 10.825 millions)	48,26,86,750	48,59,34,250
	Total	49,36,76,750	49,73,24,250

*The Company has provided corporate guarantee for USD 42.50 million jointly with Spentex Industries Limited for the loan given to Spentex (Netherlands), B.V. by Lehman and SBI. The company has been legally advised 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.

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

S. No.	Description	As at 31.03.2011	As at 31.03.2010
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.2,02,38,387, previous year Rs.1,74,08,127)	5,24,63,369	4,61,48,587
3.	Demands from Excise Departments under appeal	78,54,649	78,54,649
4.	Demands from Sales Tax Authorities under appeal for FY 2002-03 not provided for.	-	10,19,645
	Total	7,46,73,018	6,93,77,881

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

Serial No.	Particulars	As at March 31, 2011	As at March 31, 2010
a.	Principal amount remaining and paid and interest due thereon	3,81,041	6,10,858
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.

- The Sundry Debtors include export receivables of Rs. 314.09 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 through its authorized dealer to write off these debts.
- The outstanding balance as on March 31, 2011 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.
- 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. The Company believes that the reorganization plan, considering improvement in the global textile market, will turn around this subsidiary, so as to make good its losses in a foreseeable period of time and will also place this subsidiary in a position to repay the liabilities in due course. Accounts and other receivables amounting to Rs.6,01,84,142 is due from SLKS as at March 31, 2011. Accordingly, provision against these Accounts and other receivables is not considered necessary at this stage.
- 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 advise obtained, is sanguine of receiving the claim.
- As on March 31, 2011, 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 23(1) of Sick Industrial Companies (Special Provisions) Act, 1985. However, based on recent performance and trends of the company and overall industry outlook, there is an increase in average selling prices of yarn, stability in production levels and reduction in procurement costs of raw materials. The company has started earning cash profits and 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.

8. Directors Remuneration

Particulars	Current Year	Previous Year
	Rupees	Rupees
Salary	5,89,864	865,265
Employer's contribution to Provident Fund	61,278	93,600
Perquisites (including estimated value of benefits)	2,21,658	42,739
Professional Fees	3,17,742	-
Total	11,90,542	1,001,604
Director's sitting fees	14,700	11,200

Note:

The perquisites mentioned above include Rs.1,53,195 (previous year Rs.Nil) for leave encashment received by the directors.

9 Segment 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

(Amount in Rs.)

DESCRIPTION	TEXTILE-MANUFACTURING	TEXTILE-TRADING	TOTAL
Segment Revenue			
Total Revenue	1,005,827,994	255,971,019	1,261,799,013
Segment Results	72,450,147	4,593,147	77,043,294
Unallocated corporate expense (Net)			3,957,440
Operating Profit			73,085,854
Finance Charges			76,118,897

Interest income			769,951
Dividend income			3,960
Profit/(Loss) before Prior period items and Tax			(2,259,132)
Income Tax			-
Deferred Tax			-
Short Provision for Tax			150
Profit/(Loss) after tax			(2,259,282)
OTHER INFORMATION			
Segment Assets	670,024,176	39,247,054	709,271,230
Unallocated corporate assets			542,814,327
Total Assets			1,252,085,557
Segment liabilities	248,558,851	-	248,558,851
Unallocated corporate liabilities			1,003,526,706
Total Liabilities			1,252,085,557
Capital expenditure incurred during the year	555,595	-	555,595

B) GEOGRAPHICAL SEGMENT REPORTING:

DESCRIPTION		REVENUE	ASSETS
Domestic		760,717,880	1,150,522,738
Outside India		494,246,495	101,562,819
Current Year		1,254,964,375	1,252,085,557

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

Serial No.	Particulars	Period ended 31.03.2011	Period ended 31.03.2010
1	Net Profit / (Loss) For the year	(22,59,282)	(89,984,008)
2	Number of Equity shares Outstanding	41,169,667	41,169,667
3	Basic and Diluted earnings Per Share	(0.05)	(2.19)
4	Nominal value per share	5	5

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

11. Taxation

Break-up of deferred tax assets and deferred tax liabilities

Particulars	Current Year (Rupees)	Previous Year (Rupees)
Deferred tax liability recognised due to timing difference due to:		
Depreciation and other differences in block of fixed assets	82,895,203	92,287,945
Total Deferred Tax liabilities	82,895,203	92,287,945
Deferred tax asset recognised due to timing difference due to:		
Tax impact of provision for doubtful debts and advances	15,023,490	12,436,797
Tax impact of disallowances under section 43B of the Income tax Act, 1961	3,175,045	2,358,934
Realisation of tax impact of unabsorbed depreciation and brought forward losses	226,989,467	238,773,651
Total Deferred Tax Asset	245,188,003	253,569,382
Net Deferred Tax Asset/ (Deferred Tax Liability)	162,292,800	161,281,436
(Credit)/ Charge to profit and loss account	-	-

Notes :

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.

12 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 | Schoeller Litvinov, K.S., Spentex (Netherlands), B.V. |
| c. Key Management Personnel | Mr. R. Sampath- Managing Director |

Particulars	Holding Company	Other related Parties Where Control exists	Key Management Personnel
Sale of goods/ services	566,730,315	-	-
	(247,755,683)	(-)	-
Purchase of Goods	245,505,443	-	-
	(10,780,964)	(-)	(-)
Purchase of fixed assets	-	-	-
	(4,338,923)	(-)	(-)
Interest Paid	3,82,58,736	-	-
	(50,394,557)	(-)	(-)
Remunerations	-	-	11,90,542
	(-)	(-)	(1,001,604)
Loan taken	-	-	-
	(196,543,497)	-	-
Loan Repaid and Advances given	91,700,538	-	-
	(183,475,447)	(-)	(-)
Outstanding balance at year end			
Unsecured loans	349,826,019	-	-
	(440,528,019)	-	-
Corporate Guarantee Given	-	482,686,750	-
	-	(485,934,250)	-
Trade and other debtors	7,862,265	60,184,142	-
	(32,564,454)	(72,788,857)	-
Trade Payable	98,925,445	-	-
	(110,730,583)	-	-

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

13. 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

	Current Year		Previous Year	
	Gratuity (Funded)	Compensated Absences (unfunded)	Gratuity (Funded)	Compensated Absences (unfunded)
	Rupees	Rupees	Rupees	Rupees
Components of Employer Expense				
Current service cost	829,749	184,216	755,099	105,832
Interest Cost	735,847	98,076	706,242	87,206
Expected return on Plan assets	335,627	-	302,195	-
Actuarial (gain)/ Loss	671,344	558,327	(941,024)	(94,046)
Total expense recognised in the Statement of Profit & Loss Account	1,901,313	840,619	218,122	98,992
Change in Defined Benefit Obligation (DBO) during the year ended March 31, 2011				
Obligation at period beginning (April 1, 2010)	8,943,864	1,192,066	8,852,277	1,093,074
Current service cost	829,749	184,216	755,099	105,832
Interest Cost	735,847	98,076	706,242	87,206
Actuarial (gain)/ Loss	671,344	558,327	(941,024)	(94,046)
Benefits Paid	(896,440)	(396,752)	(428,730)	-
Obligation at the Year end (March 31, 2011)	10,284,364	1,635,933	8,943,864	1,192,066
Change in Plan Assets				
Plan assets at period beginning, at fair value	3,574,376	Not	3,700,911	Not
Expected return on Plan assets	335,627	Applicable	302,195	Applicable
Actuarial (gain)/ Loss	-	-	-	-

Contributions	912,565		-	
Benefits paid	(896,440)		(428,730)	
Plan assets at the year end, at fair value	3,926,128		3,574,376	
Reconciliation of Present Value of the Obligation and Fair value of plan assets				
Fair value of plan assets at the end of the year	3,926,128	-	3,574,376	-
Present value of the defined benefit obligation at the end of the year	10,284,364	1,635,933	8,943,864	1,192,066
Liability/ (Asset) Recognized in the Balance Sheet	6,358,236	1,635,933	5,369,488	1,192,066
Assumptions used to determine the benefit obligation				
Discount Rate	8.25%	8.25%	8%	8%
Estimated rate of Return on Plan Assets	8.95%	-	8.31%	-
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.

Notes :

As per Transitional Provisions as contained in AS-15 (Revised), the Company has decided to amortize the total gratuity expenses of Rs.44.89 Lacs arising due to first time adoption of the revised accounting standard over a period not exceeding five years beginning with the year of adoption of the standard, the same is being amortized on year to year basis as 8.97 lacs per year. During the current year, the Company has written off Rs.8,97,858 and no deferred gratuity expense remains to be written off.

14. Deferred Revenue Expenditure

The Company has incurred Rs. 109 lacs as deferment charges for the rescheduling of term loan during prior years; the same is being amortized over the period of nine years. Accordingly, during the year, the company has charged Rs.8.49 lacs (previous year Rs.12.60 lacs) to the statement of profit and loss account as current year charge and Rs.Nil (previous year Rs.8.49 lacs) has been carried forward to subsequent years.

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

ADDITIONAL INFORMATION PURSUENT TO PARAGRAPH 3 AND 4 OF PARA II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

1 Production Capacity

Product	Unit	This Year	Previous Year
		Installed	Installed
Cotton yarn	Spindles	30,672	30,672
Knitting Machines	Machines	4 Nos	4 Nos

- As Certified by the Management
- The Cotton yarn Spinning Industry has been delicensed

2 Particulars in respect of opening stock, sales & closing stock etc.:

a. Production, Sales and Stocks – Manufactured Goods

Product	Opening Stock		Production	Sales		Closing Stock	
	Kgs	Value (Rs.)		Kgs	Value (Rs.)	Kgs	Value (Rs.)
Cotton/ Polyester Yarn	23,025	2,639,967	5,316,598	5,112,802	911,220,400	226,821	43,932,493
Previous Year	17,438	1,902,101	5,090,209	5,084,622	610,884,253	23,025	2,639,967
Cotton Waste	16,558	688,569	1,939,010	1,827,213	83,843,349	128,355	9,665,051
Previous Year	16,892	408,300	1,962,829	1,963,163	75,344,924	16,558	688,569

b. Production, Sales and Stock- Traded Goods

Product	Opening Stock		Purchases		Sales		Closing Stock	
	Kgs	Value (Rs.)	Kgs	Value (Rs.)	Kgs	Value (Rs.)	Kgs	Value (Rs.)
Cotton Yarn	-	-	1,037,496	231,399,123	1,037,496	239,527,724	-	-
Previous Year	-	-	30,827	3,887,744	30,827	3,851,349	-	-
Cotton Waste	-	-	152,221	14,106,320	152,221	15,326,706	-	-
Previous Year	-	-	-	-	-	-	-	-

3		2010-11 In Rupees	2009-10 In Rupees
	a CIF Value of Imports		
	Raw Materials	-	-
	Stores Spares & Components	980,159	202,929
	Capital Goods	-	-
		(A) 980,159	202,929
	b Expenditure in Foreign Currency (On Accrual Basis)		
	Commission	4,641,927	1,510,628
	Professional Fees	401,819	-
		(B) 5,043,746	1,510,628
		(A+B) 6,023,905	1,713,557
	C Earnings in Foreign Currency (On Accrual Basis)		
	FOB Value of Exports	485,238,123	168,602,292

4 Raw Materials and Components Consumed :

Description	2010-11		2009-10	
	Kgs	Value (Rs.)	Kgs	Value (Rs.)
Cotton	6,696,463	621,762,214	7,104,008	459,784,832
Polyster	716,438	73,623,156	-	-

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

a) Raw Materials

Description	2010-11		2009-10	
	%	Value (Rs.)	%	Value (Rs.)
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	695,385,370	100.00%	461,690,485
	100.00%	695,385,370	100.00%	461,690,485

b) Stores, Spares and Packing Materials

Description	2010-11		2009-10	
	%	Value (Rs.)	%	Value (Rs.)
Imported	3.39%	980,159	0.87%	202,929
Indigenous	96.61%	27,933,756	99.13%	23,085,265
	100.00%	28,913,915	100.00%	23,288,194

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

Sanchit Jain
Partner
Membership No. 511714

Place New Delhi
Date : May 10, 2011

For and on behalf of Board of Directors

S P Setia Chairman	K. Sankaramani Director	Ranjan Mangtani Director
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Annu Chaudhary
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No. 171468 State Code 55
 CIN L17100DL1991PLC171468
 Balance Sheet Date 31-03-2011

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue Rights Issue
 NIL NIL
 Bonus Issue Private Placement
 NIL NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities Total Assets
 1003075 1003075

SOURCES OF FUNDS :

Paid up Capital Reserves and Surplus
 205848 47602
 Secured Loans Unsecured Loans
 399799 349826

APPLICATION OF FUNDS (Amount in Rs. Thousands)

Net Fixed Assets Investments
 380675 23
 Net Current Assets Miscellaneous Expenditure
 193548 NIL
 Accumulated Loss
 341004

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover (Including Other Income) Total Expenditure
 1321687 1323946
 Profit before tax Profit after tax
 -2259 -2259
 Earning per Share in Rs. Dividend rate
 -0.05 NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As Per Monetary Terms)

Item Code NO. (ITC Code) 520500
 Product Description COTTON YARN

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 19th Annual General Meeting of the Company on Monday the 19th September, 2011 at 10.30 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 19th Annual General Meeting of the Company to be held on Monday the 19th September, 2011 at 10.30 A.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019.

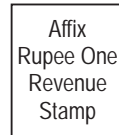
Signed this day of 2011.

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 :

A-60, Okhla Industrial Area, Phase-II,

New Delhi - 110 020