

# AMIT SPINNING INDUSTRIES LIMITED



23<sup>rd</sup> Annual Report  
2014 - 2015

**CLC**

**BOARD OF DIRECTORS**

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

**SECRETARY**

Priya Lohani

**AUDITORS**

Sunil Jain & Co.  
 Chartered Accountants  
 New Delhi

**AUDIT COMMITTEE**

S P Setia (Chairman)  
 Ranjan Mangtani  
 K Sankaramani

**NOMINATION AND REMUNERATION COMMITTEE**

S P Setia (Chairman)  
 Ranjan Mangtani  
 K Sankaramani

**STAKEHOLDERS RELATIONSHIP 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

**REGISTRAR & TRANSFER AGENTS**

M/s. RCMC Share Registry Pvt. Ltd.  
 B-25/1, Okhla Industrial Area, Phase-II,  
 Near Rana Motor, New Delhi - 110020  
 Tel.: 011-26387320 Fax : 011-26387322  
 E-mail : investor.services@rcmcdelhi.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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- **23rd AGM**

Date : September 30, 2015 Time: 4.30 P.M.

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

- Book Closure : From Monday, September 28, 2015 to Wednesday, September 30, 2015 (both days inclusive).

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

## NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of **Amit Spinning Industries Limited** will be held on **Wednesday the 30th day of September, 2015 at 04.30 P.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019** to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2015, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Krishnan Sankaramani (DIN: 01098785) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of the Statutory Auditors of the Company for the year 2015-16 and fixation of their remuneration.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act and Clause 49 of the Listing Agreement, Ms. Priya Lohani (having DIN 07143928), an additional Director of the Company, who was appointed by the board of directors at their meeting under the provision of the Sections 149 & 161(1) of the companies act,2013 and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing for proposing her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, who shall be retire by rotation."

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

Sd/-

**PRIYA LOHANI**  
**Company Secretary**

Place: New Delhi

Date : August 11, 2015

**NOTES:**

- A. Explanatory Statement setting out all material facts regarding Special Business contained in Item No. 4 as required under Section 102 (1) of the Companies Act, 2013, is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- C. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- D. The Register of Members and Share Transfer Books of the Company will be closed from Monday, the 28th day of September, 2015 to Wednesday the 30th day of September, 2015 (both days inclusive) for the purpose of this Annual General Meeting.
- E. All documents referred in the accompanying notice are available for inspection at the Registered Office of the Company during working days between 10.00 A.M. to 1.00 P.M. till the date of Annual General Meeting and also at the meeting.
- F. Members are requested to intimate the change, if any, in their registered address immediately.
- G. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- H. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
- I. As per provisions of the Companies Act, facility of nomination is available to the members in respect of the shares held by them.
- J. For any query 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 are proposed to be appointed/re-appointed at this meeting are provided in Corporate Governance Report, forming part of the 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, if any, at E-mail ID [secretarial@clcindia.com](mailto:secretarial@clcindia.com) which is being used exclusively for the purpose of redressing the complaint(s) of the investors.

**N. VOTING THROUGH ELECTRONIC MEANS**

In accordance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

**The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on Saturday, the September 26, 2015 (9:00 AM) and ends on Tuesday, September 29, 2015 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday the September 23, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| PAN*  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details#<br><b>OR</b><br>Date of Birth (DOB)        | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>   |

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant AMIT SPINNING INDUSTRIES LIMITED on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - xxi) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

Ms. Priya Lohani was appointed as an Additional Director on the position of Woman Director of the Company on 31st March, 2015 by the Board of Directors of the Company.

In terms of Section 161(1) of the Companies Act, 2013, Ms. Priya Lohani holds office as an additional director upto the date of the ensuing Annual General Meeting. In this regard, the Company has received a notice in writing from a member alongwith deposit of requisite amount required under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Woman Director of the Company.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Ms. Priya Lohani is proposed to be appointed as a Woman Director of the Company, shall be liable to retire by rotation.

As required under Section 152 of the Companies Act, 2013, the Company has received a declaration from Ms. Priya Lohani that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. In the opinion of the Board, Ms. Priya Lohani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as a Woman Director of the Company.

Brief resume of Ms. Priya Lohani, nature of her expertise in specific functional areas are provided in the Corporate governance Report forming part of the Annual Report.

The Board feels that presence of Ms. Priya Lohani on the Board is desirable and would be beneficial to the company. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Priya Lohani as a Woman Director, for the approval by the shareholders of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, except Ms. Priya Lohani, are concerned or interested in the resolution set out in Item No. 4.

Your Directors recommend the ordinary resolutions set out at Item No. 4 of the Notice for your approval.

**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting the 23rd Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2015.

**Financial Results**

(` in Lakhs)

|                                       | <b>2014-2015</b> | <b>2013-2014</b> |
|---------------------------------------|------------------|------------------|
| Net Sales (Turnover)                  | 3205.52          | 2,638.57         |
| Other Income                          | 4.06             | 8.95             |
| Financial Charges                     | 347.29           | 396.52           |
| Depreciation                          | 343.59           | 410.33           |
| Misc. Expenses written off            | 0                | 0                |
| <b>Profit/(Loss) before tax (PBT)</b> | <b>(1533.46)</b> | <b>(962.02)</b>  |
| Deferred Tax                          | 878.25           | 0                |
| <b>Net Profit/(Loss)</b>              | <b>(2411.71)</b> | <b>(962.02)</b>  |

**FINANCIAL ANALYSIS AND PERFORMANCE REVIEW**

During the fiscal 2014-15, the turnover of the Company increased to Rs. 3,205.52 Lakhs as compared to Rs. 2,638.57 Lakhs in the previous year. However due to sluggish market, increase in labour, power and other operational costs, and financial constraints, Company could not optimally utilize its capacities and its lossess increased to Rs. 2,411.71 Lakhs as compared to Rs. 962.02 Lakhs in the previous year. Further, over the period the company has eroded its net worth completely and it has been declared as a Sick Company under Sick Industrial Companies (Special Provisions) Act'1985 by the Board for industrial and financial restructuring (BIFR) vide its order dated 18th July'2012.

**Management Discussion and Analysis**

Indian Textile Industry is one of the leading textile Industries in the world. The textile sector has always been an important part of people's lives in India. The textile sector is highly diverse and has hand-spun and hand woven segments at one end of the spectrum, and capital-intensive, sophisticated and modern mills at the other. India's Textile Industry is largely dependent on textile manufacturing and export and India earns about 17% of its foreign exchange through Indian textile exports. The Indian Textile Industry also contributes 5% of the GDP and employs more than 35 million people, the second largest employment only after agriculture, and 14% of the industrial production of the country.

However, for Amit Spinning the last fiscal was very difficult and challenging mainly due to sluggish market demand and rapid & significant increase in labour, power and other operating costs and shortage of working capital .which lead to fall in EBITDA levels.

M/s Amit Spinning Industries Limited has already been declared as a Sick Company under SICA by BIFR and the UCO Bank has been appointed as the Operating Agency. However, with an attempt to safeguard the interests of the stakeholders particularly employees, unit has been engaged in carrying out under job work.

Management is confident that once the rehabilitation scheme is approved by the BIFR, Company will turn around and recover from the current difficult phase and accordingly it is in process of reviewing its strategic plans and looking at means to find a way to increase its turnover, reduce its costs and achieve a higher value addition so that it could achieve positive result in the near future.

**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.

During the year under review, Company has manufactured 1281.64 MT of yarn on its own resources and 1112.65 MT of yarn on job work basis.

**Subsidiary Companies**

As there are no subsidiaries/ associates / joint ventures of the Company, the provisions contained in Companies Act, 2013/Listing Agreements relating to subsidiaries are not applicable.

**Share Capital**

The Company's issued and paid up capital as on 31st March, 2015 stands at Rs. 20,58,48,335/- divided into 4,11,69,667 fully paid up equity shares of Rs. 5/- each. During the year, under review, the Company has not issued any share(s). Further the Company has not issued any share with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year.

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

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

The potential size of the Indian textile industry is expected to reach US\$220 billion by 2020. Government has allowed 100% FDI in the Indian textiles sector under the automatic route. Further, the Government has proposed the establishment of Centres of Excellence for training the workforce in the textile sector and also to establish institutes under the public-private partnership (PPP) model to encourage private sector participation in the development of the industry. However due to change in China policy, Indian exports have been affected and showed down by 50% in the graph of financial year 2014-15, but could recover partially in the year 2015-16 to 1.2 million tones.

Further, Government has approved a debt restructuring package to help loss making textile mills to be administered on case by case basis by the banks within the prudential norms of the Reserve Bank of India. Also, BIFR has decided on reliefs / concessions etc. to be given to units / companies on the revival packages which will prove to be beneficial for Amit Spinning Industries Limited, as well.

Further, with focus on Make in India, the Indian Textile industry is expected to become resilient and robust through various support measures likely to be announced by the government. The future outlook for the Indian Textile Industry looks promising, buoyed by both strong domestic consumption and increase in export turnover.

Slow but potentially promising increase in demand of cotton yarn in domestic market and talk of economic reforms by the new government as well as encouraging export promotion policy for textile sector have already improved market sentiments to some extent. With the awaited approval of rehabilitation scheme by BIFR and with the continued support and co-operation of company's bankers, management believes that your Company would again initiate its own production, optimally utilize capacities, increase sales volumes, and consequently margins are also expected to be strengthened in due course.

#### Directors

##### (a) Change in Directors or Key Managerial Personnel

In terms of provisions of the Companies Act, 2013 read with Clause 49 of Listing Agreement, during the year, Ms. Priya Lohani has been appointed as Additional Director in the position of Woman Director on the Board of the Company w.e.f. 31st March, 2015 and holds office upto ensuing Annual General Meeting. She however being eligible for reappointment, company has received an application from the member for consideration of her appointment as women director on the board in the ensuing Annual General Meeting itself.

During the period under review, Mr. Shreyas S Alatkhar, Manager Accounts has been entrusted with responsibility to discharge the functions of CFO (Chief Financial Officer) along with other functions of the Company w.e.f 13th February, 2015 in place of Mr. Mahesh Anand Raut, who was appointed as CFO on 11th August, 2014.

Mr. K Sankaramani is retiring by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of the companies in which they hold directorship and membership/chairmanships of the Board or its Committees, as stipulated under Clause 49 of the listing agreement entered by the Company with stock exchanges in India, is provided in the Report of Corporate Governance forming part of the Annual Report.

##### (b) Number of Meetings of the Board

Four meetings of the Board were held during the year. The detailed information regarding meetings of the Board held during the year is mentioned in the Corporate Governance Report which forms part to this report.

##### (c) Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

##### (d) Annual Evaluation by the Board

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

##### (e) Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. During the year, neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.

#### Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them 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 March 31, 2015 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Company has entered into a material transaction with one related party i.e. its holding Company M/s Spentex Industries Limited according to the policy framed for the related party transactions and the same has been disclosed in the note to financial statements. However there were no other materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Prior omnibus approval of the Audit Committee was obtained for Related Party Transactions for a period upto 31st March, 2015 and for the financial year 2015-16. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions were placed before the Audit Committee for its review on a quarterly basis.

The Company has framed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company. All related party transactions entered into by the Company were in ordinary course of business and were on an arm's length basis, however for the transaction entered with its holding company fall under material transaction and details of the same is mentioned in form AOC - 2 attached herewith as Annexure-1.

**Significant and Material Orders passed by the Regulators or Courts**

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**Auditors****(a) Statutory Auditors**

M/s. Sunil Jain & Co., Chartered Accountants, (Registration No. 003855N) have been appointed as Statutory Auditors of the Company at 22nd Annual General Meeting held on 11th September, 2014 to hold office until conclusion of 26th Annual General Meeting for a period of four years, as provided in Section 139 of the Companies Act, 2013, the said appointment is being placed for ratification at the forthcoming Annual General Meeting.

The Company has received a confirmation from M/s. Sunil Jain & Co., Chartered Accountants to the effect that their appointment, if made, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made there under and that they are not disqualified for re-appointment.

**Auditors Report**

The Auditors' Report read with the Notes to Accounts is self-explanatory and do not call for any further explanation under Section 134 of the Companies Act, 2013, except for the responses in respect of some observations as mentioned here in below.

**Directors' view on Auditor's Observations**

Directors' response to the various observations of the auditors made in their report, has been explained wherever necessary through appropriate notes to accounts, however pertinent notes are reproduced hereunder in compliance with the relevant legal requirements and wherever required further explanation is furnished:

**Note No. 30 of the Financial Statement qualified by Auditors**

"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 earlier filed an application with the office of DGFT for the claim and made significant efforts for receiving the claim. The Company has also filed claim against Jak Traders Private Ltd. for recovery of the claims."

**Note No. 31 of the Financial Statement without qualifying, Auditors have drawn attention**

"As on March 31, 2015, the accumulated losses of the Company have far exceeded its net worth. In the opinion of the management, the Company's operations are affected by global business downturn which has resulted in reduction in demand, increase in input costs and shortage of working capital. The Company has also filed a reference with Board for Industrial and Financial Restructuring (BIFR) under Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 for determination of sickness and measures to be adopted for rehabilitation. The BIFR, vide its order, dated 18.07.2012 declared the Company as sick under section 3(1)(o) of SICA, 1985 and appointed UCO Bank as Operating Agency (OA) under section 17(3) to prepare Rehabilitation Scheme for the Company. However, on the strength of management's plan of revival including reorganization of business, these financial statements are prepared on a going concern basis."

**(b) Cost Auditor**

Pursuant to recent amendment to the Companies (Cost Records and Audit) Rules, 2014, the provision relating to carry out cost audit is not applicable to the Company for financial year 2015-16.

**(c) Secretarial Auditor & Audit Report**

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. Lovneet Handa & Associates, Practicing Company Secretary (having CP No. 10753 & Membership No. 25973) as Secretarial Auditor to carry out the secretarial audit for the financial year 2014-2015.

The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure 2 to this Report.

There are no qualifications or observations or remarks made by the Secretarial Auditors in their Report.

**(d) Internal Auditors**

Pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, the Company has appointed Dr. Sunil Kumar Gupta as the Internal Auditor of the Company.

**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.

**Extract of the Annual Return**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure-3 to this Report.

**Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo**

Company has implemented energy conservation methods and such action has resulted into major savings in energy consumption as well as in cost control. The information as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014 is set out in the Annexure – 4 to this Report.

**Particulars of Employees**

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Particulars of Employees) Rules, 1975, as amended, hence no particulars are required to be given herein.

**Deposits**

The Company has not accepted or renewed any deposit during the year and there are no outstanding and/or overdue deposits as at 31st March, 2015.



**Particulars of Loans, Guarantees or Investments**

Details of loans, Guarantees and Investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Risk Management**

A Risk Management Committee has been constituted to oversee the risk management process in the Company as required under the Companies Act, 2013 and Clause 49 of the Listing Agreement. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy has also been hosted on the website of the company

**Vigil Mechanism**

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also posted on the website of the Company.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Dividend**

During the year under review, the Company has no distributable profits hence your Directors do not recommend payment of any dividend.

**Transfer To Reserves**

During the year, the Company has not transferred any amount to reserves.

**Material changes between the date of the Board Report and end of financial year**

Due to market and financial constraints, the Company was not able to fully utilize and leverage its production capacity and the Rehabilitation Plan filed by the Company with BIFR is yet to be considered and approved, resultantly management was left with no option but to keep the manufacturing unit situated at Kolhapur, Maharashtra inoperative.

**Human Resources/Industrial Relations**

The Company and its management value the talent, commitment and dedication of its employees and acknowledge their contribution. All employees in the Company work as a team and integral part of the family, sharing their ideas and concerns through discussions, Town Hall meetings and intranet network installed across the units.

Industrial Relations scenario at the continues to be healthy and enthusiastic.

**Information Technology**

Information Technology continues to be an integral part of your company's business strategy. The Company is working on SAP platform integrating its business processes, financial parameters, customer transactions and people, effectively on real time basis.

**Change in the nature of Business**

There is no change in the nature of the business of the company.

**Corporate Governance and Management Discussion and Analysis**

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.

**Listing of Shares**

Presently Company's shares are listed and traded at the BSE Limited, Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE). Due to financial crises and running the manufacturing unit on job work basis, the Annual Listing Fee for the financial year 2015-16 is yet to be paid to BSE & NSE and Company is in process of making payment there for in due course.

**Conclusion**

Your company is presently going through challenging and difficult period due to market and financial constraints. It has already been declared as a Sick Company under Sick Industrial Companies (Special Provisions) Act, 1985 by BIFR vide its order dated 18th July/2012, and UCO Bank has been appointed as an Operating Agency to work out DRS for the Company in consultation with lenders. It is however expected, on Company receiving BIFR approval for its DRS, it would be in a better position to augment its production and sales, by utilizing its capacities optimally. In the meanwhile to meet its day to day expenses, fixed expenses and expenses relating to Employees/workers, it is undertaking job work from other yarn manufacturers.

**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 11, 2015

Sd/-  
S P SETIA  
CHAIRMAN

**Annexure - 1 to the Director's Report**

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis – N.A.**
2. **Details of material contracts or arrangements or transactions at Arm's length basis.**

| SL. No. | Particulars   | Details  |
|---------|---|--|
| 1       | Name (s) of the related party & nature of relationship                                    | Spentex Industries Ltd. (Holding Company)  |
| 2       | Nature of contracts/arrangements/transaction  | Sale/Purchase of godds/services  |
| 3       | Duration of the contracts/arrangements/transaction  | 01.04.2014 – 31.03.2015  |
| 4       | Salient terms of the contracts or arrangements or transaction including the value, if any | Ongoing transactions on normal business terms. Value of all transactions is Rs. 114,502,038.00/- |
| 5       | Date of approval by the Board   | 13.02.2015   |
| 6       | Amount paid as advances, if any   | -  |

**Annexure-2 to the Director's Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,

**Amit Spinning Industries Limited**

(CIN NO: L17100DL1991PLC171468)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Amit Spinning Industries Limited (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Amit Spinning Industries Limited** as given in Annexure I for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

**(vi) OTHER APPLICABLE ACTS**

- (a) Factories Act, 1948
- (b) Payment Of Wages Act, 1936, and rules made there under,
- (c) The Minimum Wages Act, 1948, and rules made there under,
- (d) Employees' State Insurance Act, 1948, and rules made there under,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (f) The Payment of Bonus Act, 1965, and rules made there under,
- (g) Payment of Gratuity Act, 1972, and rules made there under.
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (i) Food Safety and Standards Act, 2006, and rules made there under.

**We have also examined compliance with the applicable clauses of the following:**

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. Documents are examined/verified while conducting secretarial audit

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**On July 18, 2012 Board for Industrial & Financial Reconstruction declared the Company (Case No. 72/2011) as Sick u/s 3(1)(o) of SICA and appointed UCO Bank as the Operating Agency.****We hereby certify that as on March 31, 2015, there has been due compliances with all the Laws, Orders, Regulations and other legal requirements of the Central, State and other Government and Local Authorities Concerning the business and affairs of the company.**

- (a) That all sums to be deducted in accordance with the provisions of the Income Tax Act, 1961 have been properly deducted and further certified that all sums so deducted have been paid or will be paid with the prescribed time to the credit of the Central Government in pursuance to Section 200 of the Income Tax Act, 1961.
- (b) That there has been no breach by the company of any of the provisions of the Industrial Disputes Act, Industrial Relation(s) Act, Payment of Bonus Act, Contract Labour (Regulations and Abolition) Act and other Labour Legislations governing the Company and its Establishment.
- (c) That all the requirements of the Air (Prevention and Control of pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Environment Protection Act, 1986 and the Rules made there under have been complied with and the requisitions, if any made by the authorities under that Act, have been met with and satisfied.
- (d) That all the applicable accounting standards have been followed in the preparation of the financial statement of the Company and also all such accounting policies have been adopted to give a true and fair view of the state of affairs of the Company.
- (e) That no Show cause, demand, penalty, or prosecution which is materially important, has been received from any statutory authority and no fine or penalty or any other punishment has been imposed on the Company.
- (f) That there has been no labour strike, lock-out or any other significant labour problem or notice for strike received by the Company during the period
- (g) That there has been no closure of operation due to unprecedented power-cut.
- (h) That no fatal or serious accident occurred nor did any material effluent or pollution problem arise during the year.
- (i) That there is no delay in payment of service tax except for the month of September 2014, January 2015 and March 2015, which have been paid later on with interest.

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there were no specific events / actions having a major bearing on the company's affairs.**

**For Loveneet Handa & Associates**  
(Practicing Company Secretary)

Place: New Delhi  
Dated: August 11, 2015

Sd/-  
**Loveneet Handa**  
ACS NO: 25973  
C.P No: 10753

**Documents examined/verified while conducting secretarial audit:**

- (a) Books ,Papers, as per Section 2 (12) of Companies Act, 2013, "book and paper" and "book or paper" include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form. (Registers Maintained by RTA)
- (b) Memorandum of association
- (c) Articles of association
- (d) Certificate of Incorporation
- (e) Audited balance sheet(s)
- (f) Statutory Registers maintained by the Company i.e, Register of Members/ Register of Charges/ Register of Directors Shareholding/ Register of Contract/ Register of Investment, Register of Director Shareholdings, Register of Contracts of the Co. and firms in which directors etc are interested, Common Seal Register etc.
- (g) Minutes of the Board meetings, Annual General Meeting, Investor Grievances Committee, and Audit Committee Meeting.
- (h) As per provisions of Companies Act, 2013 and Company rules 2014 read with various clauses of Listing Agreement, the Company has constituted the Risk Management Committee, Stakeholders Relationship Committee, Audit Committee, Nomination & Remuneration Committee and uploaded applicable policies at Company's website.
- (i) Notice of calling Annual General Meeting along with the explanatory statement.
- (j) Copy of documents related to the appointment/Resignation of Statutory Auditor of the company
- (k) Copy of Internal Audit Report given by Internal Auditor appointed u/s 138 of Companies Act, 2013.

**Annexure - 3 to the Director's Report**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

**I. REGISTRATION AND OTHER DETAILS:**

|  |  |
|--|--|
| i) CIN   | L17100DL1991PLC171468  |
| ii) Registration Date  | 18.11.1991   |
| iii) Name of the Company   | Amit Spinning Industries Limited   |
| iv) Category/Sub-category of the Company                                       | Public Limited Company   |
| v) Address of the Registered office & contact details                          | A - 60, Okhla Industrial Area, Phase - II, New Delhi - 110020;<br>Tel: 011-26387738                        |
| vi) Whether listed company   | Yes  |
| vii) Name, Address & contact details of the Registrar & Transfer Agent, if any | RCCM Share Registry Pvt. Ltd., B-25/1, Okhla Industrial Area, Phase 2, New Delhi-110020; Tel: 011-26387320 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Yarn   | 171                              | 100                                |

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

| Sr. No. | NAME AND ADDRESS OF THE COMPANY  | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1       | <b>Spentex Industries Limited</b><br>A - 60, Okhla Industrial Area, Phase - II, New Delhi - 110020 | L74899DL1991PLC138153 | Holding                        | 50.96%           | 2 (46)             |

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**i) Category wise shareholding**

| Category of Shareholders   | No. of Shares held at the beginning of the year |            |                   |                   | No. of Shares held at the end of the year |            |                   |                  | %change during the year |
|--|---|------------|-------------------|-------------------|---|------------|-------------------|------------------|-------------------------|
|  | Demat   | Physical   | Total             | % of Total Shares | Demat                                     | Physical   | Total             | % of Total Share |                         |
| <b>A. Promoters</b>  |   |            |                   |                   |   |            |                   |                  |                         |
| <b>(1) Indian</b>  |   |            |                   |                   |   |            |                   |                  |                         |
| a) Individual/HUF  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| b) Central Govt. or State Govt.  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| c) Bodies Corporates   | 20,981,077                                      | -          | 20,981,077        | 50.96             | 20,981,077                                | -          | 20,981,077        | 50.96            | 0.00                    |
| d) Bank/FI   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| e) Any other   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| <b>SUB TOTAL:(A) (1)</b>   | <b>20,981,077</b>                               |            | <b>20,981,077</b> | <b>50.96</b>      | <b>20,981,077</b>                         |            | <b>20,981,077</b> | <b>50.96</b>     | <b>0.00</b>             |
| <b>(2) Foreign</b>   |   |            |                   |                   |   |            |                   |                  |                         |
| a) NRI- Individuals  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| b) Other Individuals   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| c) Bodies Corporates   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| d) Banks/FI  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| e) Any other   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| <b>SUB TOTAL (A) (2)</b>   | <b>-</b>  | <b>-</b>   | <b>-</b>          | <b>0.00</b>       | <b>-</b>                                  | <b>-</b>   | <b>-</b>          | <b>0.00</b>      | <b>0.00</b>             |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                 | <b>20,981,077</b>                               | <b>-</b>   | <b>20,981,077</b> | <b>50.96</b>      | <b>20,981,077</b>                         | <b>-</b>   | <b>20,981,077</b> | <b>50.96</b>     | <b>0.00</b>             |
| <b>B. PUBLIC SHAREHOLDING</b>  |   |            |                   |                   |   |            |                   |                  |                         |
| <b>(1) Institutions</b>  |   |            |                   |                   |   |            |                   |                  |                         |
| a) Mutual Funds  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| b) Banks/FI  | -   | 100        | 100               | 0.00              | -   | 100        | 100               | 0.00             | 0.00                    |
| c) Central Govt  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| d) State Govt.   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| e) Venture Capital Fund  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| f) Insurance Companies   | 2,000   | -          | 2,000             | 0.00              | 2,000                                     | -          | 2,000             | 0.00             | 0.00                    |
| g) FIIS  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| h) Foreign Venture Capital Funds   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| i) Others (specify Foreign Bank  | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| <b>SUB TOTAL (B)(1):</b>   | <b>2,000</b>                                    | <b>100</b> | <b>2,100</b>      | <b>0.01</b>       | <b>2,000</b>                              | <b>100</b> | <b>2,100</b>      | <b>0.01</b>      | <b>0.00</b>             |
| <b>(2) Non Institutions</b>  |   |            |                   |                   |   |            |                   |                  |                         |
| a) Bodies Corporates   |   |            |                   |                   |   |            |                   |                  |                         |
| i) Indian  | 821,368   | 7,900      | 829,268           | 2.01              | 860,293                                   | 7,900      | 868,193           | 2.11             | 0.09                    |
| ii) Overseas   | -   | -          | -                 | 0.00              | -   | -          | -                 | 0.00             | 0.00                    |
| b) Individuals   |   |            |                   |                   |   |            |                   |                  |                         |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 4,425,469                                       | 1,754,140  | 6,179,609         | 15.01             | 4,343,826                                 | 1,748,240  | 6,092,066         | 14.80            | -0.21                   |

| Category of Shareholders   | No. of Shares held at the beginning of the year |                  |                   |                   | No. of Shares held at the end of the year |                  |                   |                  | %change during the year |
|--|---|------------------|-------------------|-------------------|---|------------------|-------------------|------------------|-------------------------|
|  | Demat   | Physical         | Total             | % of Total Shares | Demat                                     | Physical         | Total             | % of Total Share |                         |
| ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs | 12,083,077                                      | 47,300           | 12,130,377        | 29.46             | 12,094,882                                | 47,300           | 12,142,182        | 29.49            | 0.03                    |
| c) Others (specify)  |   |                  |                   |                   |   |                  |                   |                  |                         |
| i) Directors other than Promoters  | -   | -                | -                 | 0.00              | -   | -                | -                 | 0.00             | 0.00                    |
| ii) Trust  | 676,142   | -                | 676,142           | 1.64              | 676,142                                   | -                | 676,142           | 1.64             | 0.00                    |
| iii) Clearing Member   | 17,298  | -                | 17,298            | 0.04              | 56,311                                    | -                | 56,311            | 0.14             | 0.09                    |
| iv) Hindu Undivided Families   | -   | -                | -                 | 0.00              | -   | -                | -                 | 0.00             | 0.00                    |
| v) NRI   | 80,596  | 273,200          | 353,796           | 0.86              | 78,891                                    | 272,705          | 351,596           | 0.85             | -0.01                   |
| <b>SUB TOTAL (B)(2):</b>   | <b>18,103,950</b>                               | <b>2,082,540</b> | <b>20,186,490</b> | <b>49.03</b>      | <b>18,110,345</b>                         | <b>2,076,145</b> | <b>20,186,490</b> | <b>49.03</b>     | <b>0.00</b>             |
| <b>Total Public Shareholding (B)= (B)(1) (B)(2)</b>                                | <b>18,105,950</b>                               | <b>2,082,640</b> | <b>20,188,590</b> | <b>49.04</b>      | <b>18,112,345</b>                         | <b>2,076,245</b> | <b>20,188,590</b> | <b>49.04</b>     | <b>0.00</b>             |
| C. Shares held by Custodian for GDRs & ADRs  | -   | -                | -                 | 0.00              | -   | -                | -                 | 0.00             | 0.00                    |
| <b>Grand Total (A+B+C)</b>   | <b>39,087,027</b>                               | <b>2,082,640</b> | <b>41,169,667</b> | <b>100.00</b>     | <b>39,093,422</b>                         | <b>2,076,245</b> | <b>41,169,667</b> | <b>100.00</b>    | <b>0.00</b>             |

**ii) Share Holding of Promoters**

| Sl No. | Shareholders Name          | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|--------|----------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|        |                            | No. of shares                             | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares                        | % of total shares of the company | % of shares pledged encumbered to total shares |   |
| 1      | Spentex Industries Limited | 20,981,077                                | 50.96                            | 20.00  | 20,981,077                          | 50.96                            | 20.00  | 0.00                                      |
|        | <b>Total</b>               | <b>20,981,077</b>                         | <b>50.96</b>                     | <b>20.00</b>                                   | <b>20,981,077</b>                   | <b>50.96</b>                     | <b>20.00</b>                                   | <b>0.00</b>                               |

**iii) Change in Promoters' Shareholding ( Specify if there is no change)**

| Sl. No. |  | Share holding at the beginning of the Year |                                  | Cumulative Share holding during the year |                                  |
|---------|--|--|----------------------------------|--|----------------------------------|
|         |  | No. of Shares                              | % of total shares of the company | No of shares                             | % of total shares of the company |
|         | At the beginning of the year   | 20,981,077                                 | 50.96                            | -  | -                                |
|         | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) | NIL  | NIL                              | -  | -                                |
|         | At the end of the year   | 20,981,077                                 | 50.96                            | -  | -                                |

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| Sl. No |                                     | Shareholding at the beginning of the year |                                  | Date wise increase/decrease in Share holding during the years specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.) |        | Cumulative Shareholding during the year |                                  | Shareholding at the end of the year |                                  |
|--------|-------------------------------------|---|----------------------------------|---|--------|---|----------------------------------|-------------------------------------|----------------------------------|
|        |                                     | No. of shares                             | % of total shares of the company | Date  | Reason | No. of shares                           | % of total shares of the company | No. of shares                       | % of total shares of the company |
|        | For Each of the Top 10 Shareholders |   |                                  |   |        |   |                                  |                                     |                                  |
| 1      | Aparna Bharat Shah                  | 18,85,500                                 | 4.58                             | No change during the year   | -      | -                                       | 18,85,500                        | 4.58                                |                                  |
| 2      | Bharat Punamchand Shah HUF          | 17,55,899                                 | 4.27                             | No change during the year   | -      | -                                       | 17,55,899                        | 4.27                                |                                  |
| 3      | Smita Bharat Shah                   | 15,25,159                                 | 3.70                             | No change during the year   | -      | -                                       | 15,25,159                        | 3.70                                |                                  |
| 4      | Smita Bharat Shah                   | 11,13,626                                 | 2.70                             | No change during the year   | -      | -                                       | 11,13,626                        | 2.70                                |                                  |
| 5      | Amit B Shah                         | 10,76,500                                 | 2.61                             | No change during the year   | -      | -                                       | 10,76,500                        | 2.61                                |                                  |
| 6      | Smita Bharat Shah                   | 10,48,850                                 | 2.55                             | No change during the year   | -      | -                                       | 10,48,850                        | 2.55                                |                                  |
| 7      | Ashita Seth Family Trust            | 6,76,142                                  | 1.64                             | No change during the year   | -      | -                                       | 6,76,142                         | 1.64                                |                                  |
| 8      | Vinit Sethi                         | 4,45,021                                  | 1.08                             | No change during the year   | -      | -                                       | 4,45,021                         | 1.08                                |                                  |
| 9      | Ashish Choudhary                    | 3,61,036                                  | 0.88                             | No change during the year   | -      | -                                       | 3,61,036                         | 0.88                                |                                  |
| 10     | Abhishek Kayan                      | 3,58,488                                  | 0.87                             | No change during the year   | -      | -                                       | 3,58,488                         | 0.87                                |                                  |

**v) Shareholding of Directors & KMP**

| Sl. No |   | Shareholding at the end of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|-------------------------------------|----------------------------------|---|----------------------------------|
|        |   | No. of shares                       | % of total shares of the company | No. of shares                           | % of total shares of the company |
|        | For Each of the Directors & KMP   |                                     |                                  |   |                                  |
|        | At the end beginning of the year  | -                                   | -                                | -                                       | -                                |
|        | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) | -                                   | -                                | -                                       | -                                |
|        | At the end of the year  | -                                   | -                                | -                                       | -                                |

**v) Indebtedness**

(Figures in `)

| <b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b> |  |                       |                 |                           |  |
|---|--|-----------------------|-----------------|---------------------------|--|
|   | <b>Secured Loan excluding Deposits</b> | <b>Unsecured Loan</b> | <b>Deposits</b> | <b>Total Indebtedness</b> |  |
| <b>Indebtedness At the beginning of the FY</b>  |  |                       |                 |                           |  |
| i) Principal Amount   | 29,69,85,487                           | 32,01,28,019          | 99,930          | 61,72,13,436              |  |
| ii) Interest due but not paid   | 2,20,64,653                            | -                     | -               | 2,20,64,653               |  |
| iii) Interest accrued but not due   | -                                      | 9,59,50,583           | -               | 9,59,50,583               |  |
| <b>Total (i+ii+iii)</b>   | <b>3,19,05,0140</b>                    | <b>41,60,78,602</b>   | <b>99,930</b>   | <b>73,52,28,672</b>       |  |
| <b>Change in Indebtedness during the FY</b>   |  |                       |                 |                           |  |
| Addition  | 3,64,01,828                            | -                     | 2,64,548        | 3,66,66,376               |  |
| Reduction   | 3,84,50,000                            | -                     | -               | 3,84,50,000               |  |
| Net Change  | -20,48,172                             | -                     | 2,64,548        | -17,83,624                |  |
| <b>Indebtedness at the end of the FY</b>  |  |                       |                 |                           |  |
| i) Principal Amount   | 29,56,58,478                           | 32,01,28,019          | 3,64,478        | 61,61,50,975              |  |
| ii) Interest due but not paid   | 3,18,45,000                            | -                     | -               | 3,18,45,000               |  |
| iii) Interest accrued but not due   | -                                      | 9,59,50,583           | -               | 9,59,50,583               |  |
| <b>Total (i+ii+iii)</b>   | <b>32,75,03,478</b>                    | <b>41,60,78,602</b>   | <b>3,64,478</b> | <b>74,39,46,558</b>       |  |

**vi. Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

(Figures in `)

| Sl. No. | Particulars of Remuneration  | Name of the MD/ WTD/Manager | Total Amount     |
|---------|--|-----------------------------|------------------|
| 1       | <b>Gross salary</b>  | <b>Mr. I B maner</b>        |                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 30,05,196                   | 30,05,196        |
|         | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | 5,61,000                    | 5,61,000         |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | -                           | -                |
| 2       | Stock option   | -                           | -                |
| 3       | Sweat Equity   | -                           | -                |
| 4       | Commission   | -                           | -                |
|         | as % of profit   | -                           | -                |
|         | others (specify)   | -                           | -                |
| 5       | Others, please specify   | 4,62,444                    | 4,62,444         |
|         | <b>Total (A)</b>   | <b>40,28,640</b>            | <b>40,28,640</b> |
|         | <b>Ceiling as per the Act</b>  | <b>60,00,000</b>            | <b>60,00,000</b> |

**B. Remuneration to other directors:**

(Figures in `)

| Sl. No. | Particulars of Remuneration                    | Name of the Directors |                   |                     | Total Amount     |
|---------|--|-----------------------|-------------------|---------------------|------------------|
|         |  | Mr. S P Setia         | Mr. K Sankaramani | Mr. Ranjan Mangtani |                  |
| 1       | <b>Independent Directors</b>                   |                       |                   |                     |                  |
|         | (a) Fee for attending board committee meetings | 40,000                | -                 | -                   | 40,000           |
|         | (b) Commission                                 | -                     | -                 | -                   | -                |
|         | (c) Others, please specify                     | -                     | -                 | -                   | -                |
|         | <b>Total (1)</b>                               | <b>40,000</b>         | <b>-</b>          | <b>-</b>            | <b>40,000</b>    |
| 2       | <b>Other Non Executive Directors</b>           |                       |                   |                     |                  |
|         | (a) Fee for attending Board Committee meetings | -                     | -                 | -                   | -                |
|         | (b) Commission                                 | -                     | -                 | -                   | -                |
|         | (c) Others, please specify                     | -                     | -                 | -                   | -                |
|         | <b>Total (2)</b>                               | <b>-</b>              | <b>-</b>          | <b>-</b>            | <b>-</b>         |
|         | <b>Total (B)=(1+2)</b>                         | <b>40,000</b>         | <b>-</b>          | <b>-</b>            | <b>40,000</b>    |
|         | <b>Total Managerial Remuneration</b>           |                       |                   |                     | <b>40,28,640</b> |
|         | <b>Overall Ceiling as per the Act.</b>         | <b>-</b>              | <b>-</b>          | <b>-</b>            | <b>60,00,000</b> |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Figures in `)

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                                |                                |          |
|---------|--|--------------------------|--------------------------------|--------------------------------|----------|
|         |  | CEO                      | Co. Sec.<br>(Ms. Priya Lohani) | CFO*<br>(Mr. Shreyas Alatkhar) | Total    |
| 1       | <b>Gross Salary</b>  |                          |                                |                                |          |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | N.A.                     | 2,17,980                       | 2,15,051                       | 4,33,031 |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | N.A.                     | 45,216                         | 17,904                         | 63,120   |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | N.A.                     | 0                              | 0                              | 0        |
| 2       | Stock Option   | N.A.                     | 0                              | 0                              | 0        |
| 3       | Sweat Equity   | N.A.                     | 0                              | 0                              | 0        |



|   |                        |      |                 |                 |                 |
|---|------------------------|------|-----------------|-----------------|-----------------|
| 4 | Commission             | N.A. | 0               | 0               | 0               |
|   | as % of profit         | N.A. | 0               | 0               | 0               |
|   | others, specify        | N.A. | 0               | 0               | 0               |
| 5 | Others, please specify | N.A. | 0               | 0               | 0               |
|   | <b>Total</b>           |      | <b>2,63,196</b> | <b>2,32,955</b> | <b>4,96,151</b> |

\*Mr. Mahesh Anand Raut, during his tenure for discharging CFO functions, has been paid Rs. 1,06,028

**vii) Penalties/punishment/compounding of Offences**

|           | Type                              | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|-----------|-----------------------------------|------------------------------|-------------------|---|----------------------------|-----------------------------------|
| <b>A.</b> | <b>COMPANY</b>                    |                              |                   |   |                            |                                   |
|           | Penalty / Punishment /Compounding | NONE                         | NONE              | NONE  | NONE                       | NONE                              |
| <b>B.</b> | <b>DIRECTORS</b>                  |                              |                   |   |                            |                                   |
|           | Penalty / Punishment /Compounding | NONE                         | NONE              | NONE  | NONE                       | NONE                              |
| <b>C.</b> | <b>OTHER OFFICERS IN DEFAULT</b>  |                              |                   |   |                            |                                   |
|           | Penalty / Punishment /Compounding | NONE                         | NONE              | NONE  | NONE                       | NON                               |

**Annexure – 4 to the Director's Report**

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

**A. CONSERVATION OF ENERGY**

During the year under review continuous efforts were being made to ensure optimum utilization of fuel and electricity and reduction in energy costs.

**a. Energy conservation measures taken**

Continuous installation and development of fuel efficient equipment and accessories, resulting in lower consumption of power.

**b. Relevant data in respect of energy consumption is as below**

|   | Current year<br>2014-15 | Previous year<br>2013-14 |
|---|-------------------------|--------------------------|
| <b>A. Power and Fuel Consumption</b>      |                         |                          |
| <b>Electricity</b>                        |                         |                          |
| a. Purchased                              |                         |                          |
| - Total Units consumed (KWH)              | 100.21                  | 180.09                   |
| - Total Amount (Rs. in Lacs)              | 813.40                  | 1296.59                  |
| - Rate/unit (Rs.)                         | 8.12                    | 7.20                     |
| b. Own Generation (Through Genset)        |                         |                          |
| - Units (KWH)                             | Nil                     | Nil                      |
| - Units per litre of Diesel/Furnace Oil   | N.A.                    | N.A                      |
| - Cost/Unit (Rs)*                         | Nil                     | Nil                      |
| <b>B. Electricity Consumption (Units)</b> |                         |                          |
| Per Kg. of Production of yarn             | 4.19                    | 3.52                     |

**B. TECHNOLOGY ABSORPTION**

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.
- |  |     |
|--|-----|
| a. Capital   | Nil |
| b. Revenue   | Nil |
| c. Total   | Nil |
| d. Total R & D Expenditure as percentage of total turnover | Nil |

**Technology Absorption, Adaptation and Innovation**

- a) **Efforts:** upgrading machines with technologically advanced accessories and spares.  
 b) **Benefits:**, Higher output and improved quality of product  
 c) Technology imported during the last 5 years: None

**C. Foreign Exchange Earnings and Outgo**

1. **Efforts:** Significant exports to various countries round the globe on very competitive prices have brought in foreign exchange to the National Ex-chequer.  
 2. **Earnings and Outgo:** Particulars with regard to foreign exchange earnings and outgo appears in Note No. 38 in Annual Accounts.

On behalf of the BOARD OF DIRECTORS

Place New Delhi  
Date : August 11, 2015

Sd/-  
**S P SETIA**  
CHAIRMAN

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15**

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

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

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. The Company's Corporate Governance philosophy is based on the tenets of accountability, fairness, and transparency. This is ensured by an effective system of risk management, Internal Audit, structured business planning process and taking ethical business decisions and conducting business with a firm commitment to values to enhance long term shareholders values.

**2. Board of Directors**

As on 31st March, 2015 the Board of Directors of the Company comprises of 5 Directors out of which three are Independent/ Non-executive Directors and two Executive Directors including one Woman 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 has complied with the requisite percentages of the independent/non-executive directors as per the said agreement.

**Number of Board Meetings**

During the year under review, four meetings of the Board of Directors were held and the gap between two meetings did not exceed 120 days (as stipulated by law in force). The respective dates on which the Board Meetings were held are 26th May, 2014, 11th August, 2014, 12th November, 2014 and 13th February, 2015. 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 Attended | No. of Directorship(s) and Chairmanship(s)/Membership(s) of Board / Committees of other companies |                      |             | Attendance at last AGM |
|------------------------------------|----------------------------|--------------------------------|---|----------------------|-------------|------------------------|
|                                    |                            |                                | Directorship <sup>#</sup>   | Member <sup>##</sup> | Chairperson |                        |
| Mr. S P Setia (Chairman)           | Independent, Non-executive | 4                              | 2   | 1                    | -           | Yes                    |
| Mr. I.B. Maner (Managing Director) | Executive                  | 1                              | -   | -                    | -           | No                     |
| Mr. Ranjan Mangtani                | Non-executive              | 4                              | -   | -                    | -           | Yes                    |
| Mr. Krishnan Sankaramani           | - do -                     | 1                              | -   | -                    | -           | No                     |
| Miss Priya Lohani                  | Executive                  | -*                             | -   | -                    | -           | No                     |

# 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 of the listing agreement, Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies (excluding Amit Spinning Industries Limited) have been considered.

- \* Ms. Priya Lohani has been appointed as Additional Woman Director on 31st March, 2015 on the Board of the Company.
- \*\* Video/Tele Conferencing facilities were used for all meetings except 26th May, 2014 to facilitate the director(s) participation in the said meetings who otherwise were present at other locations.

**Details of shares held by the Non-Executive/Independent Directors as on 31st March, 2015**

| Name                | No. of shares held | Name              | No. of shares held |
|---------------------|--------------------|-------------------|--------------------|
| Mr. S P Setia       | Nil                | Mr. K Sankaramani | Nil                |
| Mr. Ranjan Mangtani | 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.
- 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 retire by rotation and, if eligible, they can seek re-appointment at the Annual General Meeting of Shareholders. Accordingly, Mr. K Sankaramani will retire in the ensuing Annual General Meeting and being eligible he has given his consent for re-appointment.

During the year, Ms. Priya Lohani has been appointed as Additional Director on the position of Woman Director of the Company w.e.f 31st March, 2015 and holds office upto ensuing Annual General Meeting and given her consent for re-appointment.

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

Mr. K Sankaramani (52) S/o of Late Mr. Sankara Anantha Krishnan, is a director of the Company since 25th August, 2006. He is a Chartered Accountant with a proven track record of handling accounts, financial matters and plant operations of large and medium scale manufacturing units. Mr. K Sankaramani has been appointed as member of Audit Committee of the Company with effect 2nd April, 2012. He is also a member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company and does not hold any shares of the Company as on 31st March, 2015.

Ms. Priya Lohani (24) d/o of Mr. Awdhesh Lohani, has been appointed as a Woman Director in the Company on 31st March, 2015 but she has been associated with this Company since 2nd January, 2014 as an Assistant Company Secretary. She is an Associate Member of The Institute of Company Secretaries of India and completed her B.com Honors from St. Xaviers College, Ranchi. She is having a good knowledge in the field of Corporate Governance and having experience in the secretarial functions.

**Independent Directors' Meeting**

In compliance with Clause 49 of Listing Agreement, during the year under review, the Independent Directors met on February 13, 2015, inter alia to discuss:

- The performance of Non- Independent Directors and the Board of Directors as a whole.
- Status of Corporate Governance Practices being followed.
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board for the effective functioning of the Board.
- Noting of whether the financials of the Company are accurately presented and whether corrective steps are taken, wherever necessary.
- Review on level of use of it as a management tool for decision making.

**Code of Conduct for Independent Directors**

Pursuant to the provisions of sub section (6) of section 149 read with schedule IV of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges, a "Code of Conduct" has been framed for Independent Directors reflecting underlying core values, commitment to personal integrity, respect for the individual, transparency, fairness, accountability, etc being some of the pursuits for achieving desired excellence. The code is available on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net).

**Familiarization Programme for Independent Directors**

Pursuant to Clause 49 of Listing Agreement, the Company has put in place a system to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the business and the on-going events relating to the Company. The Company has formulated a policy on familiarization programme for Independent Directors. The Policy is available on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net)

At the time of appointing a Director, a formal letter of appointment is given to him, inter alia explaining the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same.

### 3. Audit Committee

The Audit Committee of the Board consists of three members Mr. S P Setia (Non-Executive/Independent Chairman), Mr. Ranjan Mangtani (Member) and Mr. Krishnan Sankaramani (Member). The members have the requisite accounting and related financial management expertise. Statutory Auditors and Internal Auditors are invited to the meetings of Audit Committee for presenting their periodical reports. The Composition of the Audit Committee meets all the requirements of provisions of the Companies Act, as well as 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 as per provisions of 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 26th May, 2014, 11th August, 2014, 12th November, 2014 and 13th February, 2015. The details of attendance of the each member at the Audit Committee are given herein below:

| Name of the Director | No. of Board Meetings Attended |
|----------------------|--------------------------------|
| Mr. S P Setia        | 4                              |
| Mr. Ranjan Mangtani  | 4                              |
| Mr. K Sankaramani    | 1                              |

\* Video/Tele Conferencing facilities are used for all meetings except for meeting held on 26th May, 2014 to facilitate the director(s) to participate in the meetings who were otherwise present at other locations.

### 4. Nomination and Remuneration Committee

A Nomination and Remuneration Committee of the Board has been constituted to review/recommend the remuneration package of the Managing Director/Whole Time Director(s) based on performance and defined criteria. The Remuneration Committee of the Board comprises of Independent/Non-Executive Directors, namely Mr. S P Setia (Chairman), Mr. Ranjan Mangtani (Member) and Mr. Krishnan Sankaramani (member) of the Committee. No Remuneration Committee Meeting was held during the year.

Details of remuneration paid to Directors for the financial year 2014-15 are as under:

(` in lacs)

| Name of Director         | Category           | Sitting Fee for Board Meetings (`) | Sitting Fee for Remuneration Committee Meetings (`) | Sitting Fee for Audit Committee Meetings (`) | Salaries and Perquisites p.a. (`) | Total (`) |
|--------------------------|--------------------|------------------------------------|---|--|-----------------------------------|-----------|
| Mr. S P Setia            | Non-Exec. Chairman | 10,000                             | NIL   | NIL  | N.A.                              | 40,000    |
| Mr. I.B. Maner           | Executive          | NIL                                | NIL   | NIL  | 40,28,640                         | 40,28,640 |
| Mr. Ranjan Mangtani      | Non-Executive      | NIL                                | NIL   | NIL  | NIL                               | NIL       |
| Mr. Krishnan Sankaramani | - Do -             | NIL                                | NIL   | NIL  | NIL                               | NIL       |
| Ms. Priya Lohani*        | Executive          | NIL                                | NIL   | NIL  | N.A.                              | NIL       |

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

\*Ms. Priya Lohani was appointed as Woman Director on the Board w.e.f. 31-3-2015.

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing agreement, the annual evaluation has been made by the Board of its own performance, evaluation of the working of its Board Committees and of the Directors individually. The manner in which the evaluation has been conducted is mentioned in the policy formulated by the Company for Selection and remuneration of

Directors, KMP & Senior Management, recommended by the Nomination and Remuneration Committee and forms the part of Annual Report. Policy is available on the website of the holding company i.e. [www.spentex.net](http://www.spentex.net).

#### 5. Stakeholders Relationship Committee

Stakeholders Relationship Committee of the Board comprises of three members, namely Mr. S P Setia, as Chairman, Mr. Ranjan Mangtani and Mr. Krishnan Sankaramani as Members of the Committee.

The Committee members meet from time to time, inter alia, to approve issue of duplicate share certificates and oversea 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 not received any complaint from the investors and SEBI/Stock Exchanges/MCA. There was no complaint outstanding as on 31st March 2015. Ms. Priya Lohani, Asst. Company Secretary/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 4th April, 2014, 6th July, 2014, 4th October, 2014, and 5th January, 2015. The details of Attendance of each Member at the Stakeholders Relationship Committee:

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

#### 6. Risk Management Committee

Pursuant to sub clause VI of Clause 49 of Listing Agreement and other applicable provisions, if any, of the Companies Act, 2013, a Risk Management Committee of the Board has been constituted on 13th February, 2015. The Committee comprises of 3 members viz, Mr I.B.Maner, Mr. M.R. Attri and Mr. Shreyas SAlatkar.

No Risk Management Committee meeting was held during the year.

The Company has framed Risk Management Policy to inform the Board about the Risk Management and Minimization procedures. Policy is disclosed and is available on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net)

#### Related Party Transactions

Clause 49 of Listing Agreement, all Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the conditions mentioned in the applicable provisions of the Companies Act, 2013 and Listing agreement. However, all material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Policy is available on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net).

#### Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have a 'material non-listed Indian subsidiary. However as required under Clause 49, the Company has formulated a policy for determining "Material Subsidiary" policy which is disclosed on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net)

#### Whistle Blower Policy

The Company has devised a Vigil mechanism pursuant to Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics.

This mechanism provides for adequate safeguards against victimization of director(s) / employee(s) who use such mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee. The policy is uploaded on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net)

#### Code for prevention of insider-trading practices

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted a comprehensive code of conduct for its Directors, management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Ms. Priya Lohani, Asst. Company Secretary of the Company is also the Compliance Officer of the Company and is monitoring the various stipulated compliances.

#### 7. General Body Meetings

##### (A) Annual General Meetings

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

| AGM      | LOCATION   | DATE & TIME                           | SPECIAL RESOLUTIONS PASSED   |
|----------|--|---------------------------------------|--|
| 20th AGM | Bipin Chandra Pal Memorial Bhavan, A – 81, Chittaranjan Park, New Delhi - 110019 | 28th September, 2012<br>at 11:30 A.M  | None   |
| 21st AGM | Bipin Chandra Pal Memorial Bhavan, A – 81, Chittaranjan Park, New Delhi - 110019 | 30th September, 2013<br>at 3:30 P.M.  | None   |
| 22nd AGM | Bipin Chandra Pal Memorial Bhavan, A – 81, Chittaranjan Park, New Delhi - 110019 | 11th September, 2014.<br>at 11:30 A.M | <ol style="list-style-type: none"> <li>1. To approve the ratification of resolution authorizing Board of Directors to borrow up to the limit of Rs. 100 crs.</li> <li>2. To approve the ratification of resolution authorizing Board of Directors to mortgage/charge/lease/sell/ dispose off the immovable/movable properties of the Company for an amount not exceeding Rs. 200 Crs.</li> <li>3. To approve the ratification of resolution authorizing Board of Directors to make loans/investment and/or to give Guarantees/ Securities for an amount not exceeding Rs. 100 crs.</li> <li>4. To approve and adopt the substitution/alteration and the entire exclusion of the regulations in the existing Articles of Association of the company.</li> </ol> |

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

No special resolution was passed through postal Ballot during the year 2014-15.

**8. 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](http://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 II (E) 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, 2015 in terms of Clause 49 II (E) of the Listing Agreement entered into with the Stock Exchange.

**Place : New Delhi**  
**Date : August 11, 2015**

Sd/-  
**I.B. Maner**  
**Managing Director**

**9. Compliance**

**a. Mandatory Requirements**

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

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

Details of all the above mentioned committees have been provided in this report.

**10. 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 the access to the Audit Committee.
- Pursuant to Clause 47(f) of the Listing Agreement, the Company has created E-mail ID [secretarial@clcindia.com](mailto:secretarial@clcindia.com) exclusively for the purpose of registering complaints/queries by investors. Pursuant to circular no CIR/OIAE/2/2011 dated June 3, 2011 issued by SEBI, the investors' complaints are processed in a centralized web based complaints redress system 'SCORES'.
- As per Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate e-mail address to facilitate to send Annual Reports and other reports/notices through e-mail.
- The Management Discussions and Analysis is communicated as a part of Annual Report.

**11. Means of Communication**

- Information on quarterly/half yearly/annual financial results and press releases on significant developments in the Company, are submitted to the Stock Exchanges immediately after Board approves the same to enable stock exchanges to put the results on their websites and communicate to their members.

- The quarterly/half-yearly/annual financial results are published in English (The Pioneer) and in Hindi (The Pioneer and Hari Bhumi) newspapers and the same are also displayed on its holding company's website www.spentex.net

**12. General Shareholder information**

- The 23rd Annual General Meeting will be held at Bipin Chandra Pal Memorial Bhavan, A – 81, Chittaranjan Park, New Delhi - 110019 on 30th September, 2015 at 4:30 P.M.
- Financial Calendar (Tentative) :
  - Financial reporting for the Quarter ending June 30, 2015 : on 11th August, 2015
  - Financial reporting for the Quarter ending September 30, 2015 : on or before 15th November, 2015
  - Financial reporting for the Quarter ending December 31, 2015 : on or before 15th February, 2016
  - Annual Results for the Year ending March 31, 2016 : on or before 30th May, 2016
- Date of Book closure : Monday the 28th September, 2015 to Wednesday the 30th September, 2015 (both days inclusive)
- Dividend Payment Date : Not Applicable.
- Unclaimed/Unpaid Dividend Not Applicable.
- Listing of Equity Shares on Stock Exchanges: The BSE Ltd., Mumbai (scrip code = 521076) and National Stock Exchange of India Ltd. Mumbai (scrip code = ASIL).
- ISIN No. INE988A01026.
- Due to financial crises and running the manufacturing unit on job work basis, the Annual Listing Fee for the financial year 2015-16 yet to paid to BSE & NSE and Company is in process to clear the same in due course.
- Market Price Data : High/Low during each month in last financial year 2014-15 : on BSE & NSE

| Month  | April | May  | Jun  | July | Aug  | Sep  | Oct  | Nov  | Dec  | Jan  | Feb  | Mar  |
|--|-------|------|------|------|------|------|------|------|------|------|------|------|
| <b>The Bombay Stock Exchange Ltd. (BSE)</b>        |       |      |      |      |      |      |      |      |      |      |      |      |
| High   | 0.61  | 1.02 | 1.32 | 1.92 | 1.74 | 1.48 | 1.38 | 1.27 | 1.27 | 1.38 | 1.26 | 1.14 |
| Low  | 0.39  | 0.64 | 0.95 | 1.30 | 1.33 | 1.19 | 1.19 | 1.18 | 1.27 | 1.27 | 1.20 | 0.95 |
| <b>National Stock Exchange of India Ltd. (NSE)</b> |       |      |      |      |      |      |      |      |      |      |      |      |
| High   | 0.40  | 0.70 | 0.95 | 1.60 | 1.55 | 1.20 | 1.00 | 0.85 | 0.90 | 0.80 | 1.05 | 1.10 |
| Low  | 0.35  | 0.40 | 0.75 | 1.00 | 1.10 | 1.00 | 0.85 | 0.80 | 0.85 | 0.70 | 0.75 | 1.05 |

- Company has executed an RTA agreement with RCMC Share Registry and appointed them as Registrars and Transfer Agents in place of M/s. Link Intime India (P) Ltd. w.e.f. 1st July, 2015. The new RTA address is RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Near Rana Motors, Okhla Industrial Area Phase 2, New Delhi-110020. Tel. No. 011-26387320 / 011-26387321 and Fax No.011-26387322. E-mail ID investor.services@rcmcdelhi.com.
- Contact person: Mr. Rajesh Kumar, Email : rajesh.a@rcmcdelhi.com
- Share Transfer System: The Company's shares are traded under compulsorily D-mat mode. Shares in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time.

**Distribution of shareholding as on 31.03.2015 :**

| No. of Shares   | No. of Shareholders | Percentage    | No. of Shares      | Percentage    |
|-----------------|---------------------|---------------|--------------------|---------------|
| 1 to 500        | 15417               | 88.91         | 2495093            | 6.06          |
| 501 to 1000     | 975                 | 5.62          | 844354             | 2.05          |
| 1001 to 2000    | 405                 | 2.34          | 655894             | 1.59          |
| 2001 to 3000    | 149                 | 0.86          | 387511             | 0.94          |
| 3001 to 4000    | 78                  | 0.45          | 282258             | 0.69          |
| 4001 to 5000    | 94                  | 0.54          | 450479             | 1.09          |
| 5001 to 10000   | 101                 | 0.58          | 763567             | 1.86          |
| 10001 and above | 121                 | 0.70          | 35290511           | 85.72         |
| <b>TOTAL</b>    | <b>17,340</b>       | <b>100.00</b> | <b>4,11,69,667</b> | <b>100.00</b> |

**➤ Category of Shareholders as on : 31.03.2015**

| 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  | 3,51,596           | 0.85          |
| Body Corporate(s)  | 8,68,193           | 2.12          |
| Public and Others  | 1,82,90,559        | 44.42         |
| <b>Total</b>   | <b>4,11,69,667</b> | <b>100.00</b> |

- Dematerialization of shares: As on 31st March, 2015 the shares in demat form were 3,90,93,422 representing 94.95% of the total paid up capital.
- The Company has been declared as Sick Company under Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 on 18th July, 2012.
- There are no outstanding GDR/ADR/Warrant/any convertible instruments, conversion date and likely impact on equity of the Company.
- The equity shares of the Company are frequently traded on BSE 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<br>Ph. 011 - 2638 7738, 4161 4999, Fax: 011 – 2638 5181.<br>Email: secretarial@clcindia.com; priya@clcindia.com  |
| 2. Registrars & Transfer Agents  | RCMC Share Registry Private Ltd.<br>B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors, New Delhi- 110020.<br>Ph. No. 011-26387320 / 011-26387321 & Fax No. 011-26387322.<br>Mr. Rajesh Kumar,<br>Email: rajesh.a@rcmcdelhi.com & investor.services@rcmcdelhi.com |
| 3. Compliance Officer            | Ms. Priya Lohani<br>Ph. 011 - 26387738, 41614999, Fax: 011 – 26385181.<br>Email: priya@clcindia.com, secretarial@clcindia.com   |

13. **CEO/CFO Certification**

To  
The Board of Directors of Amit Spinning Industries Limited

**Sub: CEO/CFO Certificate**

We, I.B. Maner, Managing Director and Shreyas S Alatar, 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, 2015 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: May 27, 2015

Sd/-  
**I.B. Maner**  
Managing Director

Sd/-  
**Shreyas S Alatar**  
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 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

Place: New Delhi  
Date: August 11, 2015

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



## INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of Amit Spinning Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

**Management's Responsibility for the Financial Statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion**

We draw attention to:

- a. *Note No. 30 with respect to recoverability of amount of 1,93,46,572 in respect of duty drawbacks.*

*We report that had the Company decided to write off the sums as mentioned above, the loss for the year would have been greater by Rs.1,93,46,572 and would have amounted to Rs.26,05,17,316 (as against the reported figure of Rs.24,11,70,744), with a consequential effect on Accumulated losses and Loans and Advances.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its loss and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

Note 31 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 31, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; as such the question of delay in transferring such sums does not arise.

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

Place New Delhi  
Date : May 27, 2015

**Annexure referred to in paragraph 7 of our report of even date to the members of  
Amit Spinning Industries Limited on the accounts of the company for the year ended 31st March, 2015**

**On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, the fixed assets are physically verified by the management according to a phased programmed designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets; as informed to us no material discrepancies were noticed on such verification.
- (ii) (a) The company has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.  
(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) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. As the Company has not granted any such loans, provisions of clause 3(iii)(a) and (iii)(b) 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 adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) 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 (1) of Section 148 of the Companies

Act, 2013 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.

- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities and there are no arrears of undisputed outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of following government dues, which have not been deposited on account of any dispute are given below:

| SI No. | Name of the statute         | Nature of dues        | Amount (Rs.)  | Period to which the amount relates | Forum where the dispute is pending |
|--------|-----------------------------|-----------------------|---|------------------------------------|------------------------------------|
| 1      | Maharashtra Value Added Tax | Sales Tax and penalty | 10,44,000<br>(net of payment of Rs. 2,00,000 under protest)                 | 2004-05                            | First Appellate Authority          |
| 2      | Maharashtra Value Added Tax | Sales Tax and penalty | 9,64,390<br>(net of payment of Rs.16,90,614 by way of adjustment of refund) | 2009-10                            | First Appellate Authority          |

(c) As there has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund, the question of reporting delay in transferring such sums does not arise.

- (viii) The accumulated losses at end of financial year are more than 50% of its net worth. The Company incurred cash loss before working capital changes amounting to Rs. 8,78,79,614 in the year under audit whereas it was Rs. 1,35,91,753 during the preceding financial year.
- (ix) According to the information and explanations given to us and records examined by us, we are of the opinion that the Company has defaulted in repayment of the dues to a bank as infra. The Company did not have outstanding dues to any financial institution and did not have outstanding debentures during the year under audit.

| Bankers            | Type of Loan         | Out Standing as on 31.3.2015 | Overdue Interest | Overdue Principal  | Default status  |
|--------------------|----------------------|------------------------------|------------------|--------------------|---|
| Axis Bank          | Term Loan (10% p.a.) | 12,61,67,234                 | 11,78,660        | 89,88,574          | The overdue principal as on 31.03.2015 has not been paid till balance sheet date. |
| Axis Bank          | FITL (10% p.a.)      | 63,26,521                    | 59,022           | 4,47,499           |   |
| Axis Bank          | WCTL (10% p.a.)      | 55,31,701                    | 51,701           | 3,80,000           |   |
| UCO Bank           | WCTL                 | 94,60,163                    | 46,35,000        | 10,75,163          | The Account has become NPA and the matter is before BIFR for restructuring.       |
| <b>Grand Total</b> |                      | <b>14,74,85,619</b>          | <b>59,24,383</b> | <b>1,08,91,236</b> |   |

Further, as informed to us, the loan facilities availed from UCO Bank as working capital term loan (outstanding balance as on 31.3.2015 amounting to Rs.1,40,95,163) and cash credit facilities (outstanding balance as on 31.3.2015 amounting to Rs. 9,14,95,976) have become non-performing asset (NPA) for the lender as the company has not paid the dues within 90 days of payments being falling due.

- (x) 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 under audit, are not prejudicial to the interest of the Company.
- (xi) 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.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

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

Place New Delhi  
Date : May 27, 2015

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Figures in `)

| Particulars  | Note No. | AS AT<br>31st March 2015 | AS AT<br>31st March 2014 |
|--|----------|--------------------------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                   |          |                          |                          |
| <b>1 Shareholders' funds</b>                       |          |                          |                          |
| (a) Share capital                                  | 2        | 20,58,48,335             | 20,58,48,335             |
| (b) Reserves and surplus                           | 3        | -77,44,90,720            | -72,02,95,252            |
| (c) Money received against share warrants          |          | -                        | -                        |
|  |          | <b>-56,86,42,385</b>     | <b>-51,44,46,917</b>     |
| <b>2 Share application money pending allotment</b> |          |                          |                          |
|  |          | -                        | -                        |
| <b>3 Non-current liabilities</b>                   |          |                          |                          |
| (a) Long-term borrowings                           | 4        | 40,72,08,019             | 45,07,98,019             |
| (b) Deferred tax liabilities (Net)                 |          | -                        | -                        |
| (c) Other Long term liabilities                    | 5        | 13,19,36,646             | 13,19,36,646             |
| (d) Long-term provisions                           | 6        | 1,57,75,887              | 1,37,05,273              |
|  |          | <b>55,49,20,552</b>      | <b>59,64,39,938</b>      |
| <b>4 Current liabilities</b>                       |          |                          |                          |
| (a) Short-term borrowings                          | 7        | 14,95,26,122             | 11,30,60,414             |
| (b) Trade payables                                 |          | 49,76,68,099             | 33,66,68,941             |
| (c) Other current liabilities                      | 8        | 13,60,87,269             | 9,70,61,703              |
| (d) Short-term provisions                          | 9        | 40,58,695                | 52,68,945                |
|  |          | <b>78,73,40,185</b>      | <b>55,20,60,002</b>      |
| <b>TOTAL</b>                                       |          |                          |                          |
|  |          | <b>77,36,18,352</b>      | <b>63,40,53,023</b>      |
| <b>II. ASSETS</b>                                  |          |                          |                          |
| <b>Non-current assets</b>                          |          |                          |                          |
| <b>1 (a) Fixed assets</b>                          |          |                          |                          |
| (i) Tangible assets                                | 10       | 41,72,25,804             | 25,70,39,749             |
| (b) Non-current investments                        | 11       | 23,231                   | 23,231                   |
| (c) Deferred tax assets (net)                      |          | -                        | 8,78,24,766              |
| (d) Long-term loans and advances                   | 12       | 88,07,835                | 88,17,652                |
| (e) Other non-current assets                       | 13       | 2,66,41,833              | 2,66,41,833              |
|  |          | <b>45,26,98,703</b>      | <b>38,03,47,231</b>      |
| <b>2 Current assets</b>                            |          |                          |                          |
| (a) Current investments                            |          | -                        | -                        |
| (b) Inventories                                    | 14       | 1,00,68,682              | 59,03,374                |
| (c) Trade receivables                              | 15       | 80,03,562                | 66,51,213                |
| (d) Cash and cash equivalents                      | 16       | 17,21,526                | 16,35,805                |
| (e) Short-term loans and advances                  | 17       | 29,16,23,880             | 23,95,15,399             |
| (f) Other current assets                           | 18       | 95,02,000                | -                        |
|  |          | <b>32,09,19,650</b>      | <b>25,37,05,792</b>      |
| <b>TOTAL</b>                                       |          |                          |                          |
|  |          | <b>77,36,18,352</b>      | <b>63,40,53,023</b>      |

See accompanying notes forming part of the financial statements

As per our report of even date

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

Sd/-  
**Sanchit Jain**  
Partner  
Membership No. 511714  
Place New Delhi  
Date : May 27, 2015

For and on behalf of Board of Directors

|   |  |   |  |
|---|--|---|--|
| Sd/-<br><b>S P Setia</b><br>Chairman      | Sd/-<br><b>I.B. Maner</b><br>Managing Director | Sd/-<br><b>Ranjan Mangtani</b><br>Director        |  |
| Sd/-<br><b>K. Sankaramani</b><br>Director | Sd/-<br><b>Priya Lohani</b><br>Secretary       | Sd/-<br><b>Shreyas Alatkar</b><br>Account Manager |  |

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

| Particulars   | Refer Note<br>No. | Year ending<br>31st March 2015 | Year ending<br>31st March 2014 |
|---|-------------------|--------------------------------|--------------------------------|
| I. Revenue from operations  | 19                | 32,05,51,896                   | 26,38,57,017                   |
| II. Other income  | 20                | 4,06,045                       | 8,95,157                       |
| <b>III. Total Revenue (I + II)</b>  |                   | <b>32,09,57,941</b>            | <b>26,47,52,174</b>            |
| <b>IV. Expenses:</b>  |                   |                                |                                |
| Cost of materials consumed  | 21                | 18,84,59,321                   | -                              |
| Purchases of Stock-in-Trade   |                   |                                |                                |
| Changes in inventories of finished goods<br>work-in-progress and Stock-in-Trade | 22                | -20,69,053                     | 1,66,011                       |
| Employee benefits expense   | 23                | 10,04,67,696                   | 9,62,06,735                    |
| Finance costs   | 24                | 3,47,28,640                    | 3,96,52,199                    |
| Depreciation and amortization expense   | 10                | 3,43,58,757                    | 4,10,33,147                    |
| Other expenses  | 25                | 11,83,58,557                   | 18,38,95,951                   |
| <b>Total expenses</b>   |                   | <b>47,43,03,919</b>            | <b>36,09,54,043</b>            |
| <b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>    |                   | -15,33,45,978                  | -9,62,01,869                   |
| VI. Exceptional items   |                   |                                | -                              |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>                  |                   | -15,33,45,978                  | -9,62,01,869                   |
| VIII. Extraordinary Items   |                   |                                |                                |
| <b>IX. Profit before tax (VII- VIII)</b>  |                   | -15,33,45,978                  | -9,62,01,869                   |
| X Tax expense:  |                   |                                |                                |
| (1) Current tax   |                   | -                              | -                              |
| (2) Deferred tax  |                   | 8,78,24,766                    | -                              |
| <b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>    |                   | -24,11,70,744                  | -9,62,01,869                   |
| XII Profit/(loss) from discontinuing operations                                 |                   |                                |                                |
| XIII Tax expense of discontinuing operations                                    |                   |                                |                                |
| <b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>   |                   | -24,11,70,744                  | -9,62,01,869                   |
| <b>XV Profit (Loss) for the period (XI + XIV)</b>                               |                   | -24,11,70,744                  | -9,62,01,869                   |
| XVI Earnings per equity share:  |                   |                                |                                |
| (1) Basic   |                   | -5.86                          | -2.34                          |
| (2) Diluted   |                   | -5.86                          | -2.34                          |

See accompanying notes forming part of the financial statements.

As per our report of even date

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

Sd/-  
**Sanchit Jain**  
Partner  
Membership No. 511714

Place New Delhi  
Date : May 27, 2015

For and on behalf of Board of Directors

|   |  |  |
|---|--|--|
| Sd/-<br><b>S P Setia</b><br>Chairman      | Sd/-<br><b>I.B. Maner</b><br>Managing Director | Sd/-<br><b>Ranjan Mangtani</b><br>Director         |
| Sd/-<br><b>K. Sankaramani</b><br>Director | Sd/-<br><b>Priya Lohani</b><br>Secretary       | Sd/-<br><b>Shreyas Alatkari</b><br>Account Manager |

**CASH FLOW STATEMENT FOR YEAR ENDED 31st March 2015**

(Figures in `)

|  | For the year ending<br>31st March, 2015 | For the year ending<br>31st March, 2014 |
|--|---|---|
| <b>A. Cash flow from operating activities:</b>                         |   |   |
| Net (loss)/profit before tax but after exceptional/extraordinary items | -15,33,45,978                           | -9,62,01,869                            |
| <b>Adjustments for:</b>  |   |   |
| Depreciation   | 3,43,58,757                             | 4,10,33,147                             |
| Interest Expense   | 3,47,28,640                             | 3,96,52,199                             |
| Interest Income  | -3,51,797                               | -8,28,412                               |
| Income from Investment - Dividends                                     | -2,280                                  | -1,980                                  |
| Provision/ (Reversal) for Gratuity                                     | -26,95,864                              | 28,55,558                               |
| Provision for Leave Encashment   | 5,64,812                                | 3,36,684                                |
| Miscellaneous balances written Back                                    | -10,93,754                              | -3,15,465                               |
| VAT Set-Off Reduction  | 9,817                                   | -                                       |
| Unrealised Foreign Exchange loss/ (gain)                               | -51,968                                 | -                                       |
| Exceptional/ Extraordinary items Expenses/(Income)                     | 6,54,66,363                             | -1,21,614                               |
| <b>Operating profit before working capital changes</b>                 | <b>-8,78,79,614</b>                     | <b>-1,35,91,753</b>                     |
| <b>Adjustments for changes in working capital :</b>                    |   |   |
| (INCREASE)/DECREASE in Sundry Debtors                                  | -13,00,380                              | 74,59,520                               |
| (INCREASE)/DECREASE in Other Receivables                               | -6,40,54,682                            | 1,77,59,100                             |
| (INCREASE)/DECREASE in Inventories                                     | -41,65,308                              | 56,52,114                               |
| INCREASE/(DECREASE) in Trade and Other Payables                        | 18,71,79,001                            | 6,22,37,250                             |
| <b>Cash generated from/ (used in) operations</b>                       | <b>2,97,79,017</b>                      | <b>7,95,16,232</b>                      |
| Direct Taxes (Paid) / Received (net)                                   | 24,44,201                               | 14,63,464                               |
| <b>Net cash from / (used in) operating activities</b>                  | <b>3,22,23,219</b>                      | <b>8,09,79,696</b>                      |
| <b>B. Cash flow from Investing activities:</b>                         |   |   |
| Purchase of fixed assets   | -75,69,535                              | -63,32,193                              |
| Interest Received  | 3,51,797                                | 8,28,412                                |
| Dividend Received  | 2,280                                   | 1,980                                   |
| <b>Net cash from/ (used in) investing activities</b>                   | <b>-72,15,458</b>                       | <b>-55,01,801</b>                       |
| <b>C. Cash flow from financing activities:</b>                         |   |   |
| Proceeds/ (Repayment) of term loans (net)                              | -3,64,39,454                            | -3,82,78,849                            |
| Proceeds/ (Repayment) of short term borrowings (net)                   | 3,64,65,708                             | 57,06,354                               |
| Interest Paid  | -2,49,48,293                            | -4,20,15,033                            |
| <b>Net cash used in financing activities</b>                           | <b>-2,49,22,039</b>                     | <b>-7,45,87,528</b>                     |
| <b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>         | <b>85,721</b>                           | <b>8,90,368</b>                         |
| Cash and Cash Equivalents at the Beginning of the Year                 | 16,35,805                               | 7,45,437                                |
| Cash and Cash Equivalents at the End of the Year                       | 17,21,526                               | 16,35,805                               |
| Increase/(Decrease) in Cash/Cash Equivalents                           | 85,721                                  | 8,90,368                                |
| Cash and cash equivalents comprise:                                    |   |   |
| Cash in hand   | 91,123                                  | 1,12,939                                |
| Balance in Current Accounts  | 66,463                                  | 61,873                                  |
| Balance in Fixed Deposit Accounts                                      | 15,63,940                               | 14,60,993                               |
|  | <b>17,21,526</b>                        | <b>16,35,805</b>                        |

See accompanying notes forming part of the financial statements

As per our report of even date

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

For and on behalf of Board of Directors

Sd/-  
**Sanchit Jain**  
Partner  
Membership No. 511714

Sd/-  
**S P Setia**  
Chairman

Sd/-  
**I.B. Maner**  
Managing Director

Sd/-  
**Ranjan Mangtani**  
Director

Place New Delhi  
Date : May 27, 2015

Sd/-  
**K. Sankaramani**  
Director

Sd/-  
**Priya Lohani**  
Secretary

Sd/-  
**Shreyas Alatkhar**  
Account Manager

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 1 : SIGNIFICANT ACCOUNTING POLICIES****(a) SYSTEM OF ACCOUNTING**

The Company follows the accrual system of accounting.

**(b) OVERALL VALUATION POLICY**

The accounts have been prepared under the historical cost convention.

**(c) REVENUE RECOGNITION**

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

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

**(d) VALUATION OF INVENTORY**

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

The cost in respect of raw materials, store and spares and packing material is determined under the Specific Identification of cost method. Cost is 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.

The cost in respect of the inventory produced (whether own production or on job work basis) is valued on the basis of labour and a proportion of manufacturing overheads based on normal operating capacity.

Waste is valued at estimated net realisable value.

**(e) FIXED ASSETS**

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

**(f) DEPRECIATION**

Depreciation has been provided on written down value method in accordance with the rates prescribed under Schedule II to the Companies Act, 2013. On the basis of technical advice, the Company has treated its spinning Process Plant as a Continuous Process Plant and has provided depreciation accordingly.

**(g) FOREIGN CURRENCY TRANSACTIONS**

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

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

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

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

**ii. Defined Benefit Plan**

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

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

**(i) INVESTMENTS**

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

**(j) BORROWING COST**

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

**(k) LEASES**

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

**(l) TAXES ON INCOME**

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

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

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

**(m) IMPAIRMENT OF ASSETS**

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

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

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

Recoverable amount is determined

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

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

**(n) GOVERNMENT GRANT**

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

**(o) PROVISIONS AND CONTINGENCIES**

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

**Note 2 Share Capital**

| Share Capital                                 | As at 31st March 2015 |                     | As at 31st March 2014 |                     |
|---|-----------------------|---------------------|-----------------------|---------------------|
|   | Number                | ₹                   | Number                | ₹                   |
| <b>Authorised</b>                             |                       |                     |                       |                     |
| Equity Shares of Rs 5 each with voting rights | 5,00,00,000           | 25,00,00,000        | 5,00,00,000           | 25,00,00,000        |
| <b>Issued</b>                                 |                       |                     |                       |                     |
| Equity Shares of Rs 5 each with voting rights | 4,11,69,667           | 20,58,48,335        | 4,11,69,667           | 20,58,48,335        |
| <b>Subscribed &amp; fully Paid up</b>         |                       |                     |                       |                     |
| Equity Shares of Rs 5 each with voting rights | 4,11,69,667           | 20,58,48,335        | 4,11,69,667           | 20,58,48,335        |
| <b>Total</b>                                  | <b>4,11,69,667</b>    | <b>20,58,48,335</b> | <b>4,11,69,667</b>    | <b>20,58,48,335</b> |

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

| Particulars  | Equity Shares<br>Year ending 31.03.2015 |              | Equity Shares<br>Year ending 31.03.2014 |              |
|--|---|--------------|---|--------------|
|  | Number                                  | ₹            | Number                                  | ₹            |
| Equity Shares outstanding at the beginning of the year | 4,11,69,667                             | 20,58,48,335 | 4,11,69,667                             | 20,58,48,335 |
| Equity Shares Issued during the year                   | -                                       | -            | -                                       | -            |
| Equity Shares bought back during the year              | -                                       | -            | -                                       | -            |
| Equity Shares outstanding at the end of the year       | 4,11,69,667                             | 20,58,48,335 | 4,11,69,667                             | 20,58,48,335 |

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

| Name of Shareholder        | As at 31st March 2015 |              | As at 31st March 2014 |              |
|----------------------------|-----------------------|--------------|-----------------------|--------------|
|                            | No. of Shares held    | % of Holding | No. of Shares held    | % of Holding |
| Spentex Industries Limited | 2,09,81,077           | 50.96        | 2,09,81,077           | 50.96        |
| Smita Bharat Shah          | 34,82,009             | 8.46         | 34,82,009             | 8.46         |



(Figures in `)

| <b>Note 3 Reserves &amp; Surplus</b>                         | <b>As at 31st March 2015</b> | <b>As at 31st March 2014</b> |
|--|------------------------------|------------------------------|
| <b>a. Capital Reserves</b>                                   |                              |                              |
| Opening Balance  | 30,00,000                    | 30,00,000                    |
| (+) Current Year Transfer                                    | -                            | -                            |
| (-) Written Back in Current Year                             | -                            | -                            |
| Closing Balance  | 30,00,000                    | 30,00,000                    |
| <b>b. Securities Premium Account</b>                         |                              |                              |
| Opening Balance  | 4,46,01,665                  | 4,46,01,665                  |
| Add : Securities premium credited on Share issue             | -                            | -                            |
| Less : Premium Utilised for various reasons                  | -                            | -                            |
| Closing Balance  | 4,46,01,665                  | 4,46,01,665                  |
| <b>c. Surplus/ (Deficit) in Statement of Profit and Loss</b> |                              |                              |
| Opening balance  | (76,78,96,917)               | (67,16,95,048)               |
| (+) Depreciation adjustment on account of Companies Act,2013 | 18,69,75,276                 | -                            |
| (+) Net Profit/(Net Loss) For the current year               | (24,11,70,744)               | (9,62,01,869)                |
| Closing Balance  | (77,44,90,720)               | (76,78,96,917)               |
| <b>Total</b>   | <b>(77,44,90,720)</b>        | <b>(72,02,95,252)</b>        |

**Note 4 Long Term Borrowings**

**Secured - Term loans**

|  |                    |                     |
|--|--------------------|---------------------|
| From banks   | 14,74,85,619       | 18,39,25,073        |
| Less - Amount disclosed as 'other current liabilities' | 6,04,05,619        | 5,32,55,073         |
|  | <b>8,70,80,000</b> | <b>13,06,70,000</b> |

**Unsecured**

|   |              |              |
|---|--------------|--------------|
| Loans and advances from related parties | 32,01,28,019 | 32,01,28,019 |
|   | 32,01,28,019 | 32,01,28,019 |

|              |                     |                     |
|--------------|---------------------|---------------------|
| <b>Total</b> | <b>40,72,08,019</b> | <b>45,07,98,019</b> |
|--------------|---------------------|---------------------|

**4.1 Term Loans are secured by first pari passu charge by on fixed assets of the company, both present and future. The loans are further secured by Corporate Guarantee of its holding company, Spentex Industries Limited**

**4.2 Maturity Profile**

| Bankers            | Type of Loan         | Out Standing as on 31.3.2015 | Overdue Interest | Overdue Principal | Installment |             |             | Default status  |
|--------------------|----------------------|------------------------------|------------------|-------------------|-------------|-------------|-------------|---|
|                    |                      |                              |                  |                   | F.Y. 15-16  | F.Y. 16-17  | F.Y. 17-18  |   |
| Axis Bank          | Term Loan (10% p.a.) | 12,61,67,234                 | 11,78,660        | 89,88,574         | 3,87,00,000 | 4,27,00,000 | 3,46,00,000 | The overdue principal as on 31.03.2015 has not been paid till balance sheet date. |
| Axis Bank          | FITL (10% p.a.)      | 63,26,521                    | 59,022           | 4,47,499          | 19,40,000   | 21,40,000   | 17,40,000   |   |
| Axis Bank          | WCTL (10% p.a.)      | 55,31,701                    | 51,701           | 3,80,000          | 17,00,000   | 19,00,000   | 15,00,000   |   |
| UCO Bank           | WCTL                 | 94,60,163                    | 46,35,000        | 10,75,163         | 12,50,000   | 12,50,000   | 12,50,000   |   |
| <b>Grand Total</b> |                      | 14,74,85,619                 | 59,24,383        | 1,08,91,236       | 4,35,90,000 | 4,79,90,000 | 3,90,90,000 | The Account has become NPA and the matter is before BIFR for restructuring.       |

**Note 5 Other Long Term Liabilities**

|   | <b>As at 31st March 2015</b> | <b>As at 31st March 2014</b> |
|---|------------------------------|------------------------------|
| (i) Contractually reimbursable expenses         | 3,59,86,063                  | 3,59,86,063                  |
| (ii) Interest accrued but not due on borrowings | 9,59,50,583                  | 9,59,50,583                  |
| <b>Total</b>                                    | <b>13,19,36,646</b>          | <b>13,19,36,646</b>          |

(Figures in `)

|  | <u>As at 31st March 2015</u> | <u>As at 31st March 2014</u> |
|--|------------------------------|------------------------------|
| <b>Note 6 Long Term Provisions</b>     |                              |                              |
| <b>Provision for employee benefits</b> |                              |                              |
| Gratuity (funded)                      | 1,45,12,863                  | 1,18,47,780                  |
| Leave Encashment (unfunded)            | 12,63,024                    | 18,57,493                    |
| <b>Total</b>                           | <u><u>1,57,75,887</u></u>    | <u><u>1,37,05,273</u></u>    |

**Note 7 Short Term Borrowings**

**Repayable on demand:**

**Secured**

**Working Capital Borrowings**

|            |              |              |
|------------|--------------|--------------|
| From banks | 11,46,62,242 | 11,30,60,414 |
|------------|--------------|--------------|

**Other Short Term Loan**

|            |             |   |
|------------|-------------|---|
| From banks | 3,48,63,880 | - |
|------------|-------------|---|

|              |                            |                            |
|--------------|----------------------------|----------------------------|
| <b>Total</b> | <u><u>14,95,26,122</u></u> | <u><u>11,30,60,414</u></u> |
|--------------|----------------------------|----------------------------|

7.1 Working Capital borrowings are secured by first charge on all current assets (both present and future) of the company and second pari-passu charge on fixed assets. The loans are further secured by Corporate Guarantee of its holding company, Spentex Industries Limited.

7.2 Short Term Loan from Bank is secured by subservient charge on all current assets (both present and future) and movable fixed assets of the company. The loans are further secured by Corporate Guarantee of its holding company, Spentex Industries Limited and personal Guarantee of Shri Mukund Choudhary & Kapil Choudhary. Loan is repayable within 6 months from date of disbursement. Interest is payable monthly @ 13.40 % p.a.

**Note 8 Other Current Liabilities**

|  |             |             |
|--|-------------|-------------|
| Current Maturities of Long Term debt   | 6,04,05,619 | 5,32,55,073 |
| Interest accrued and due on borrowings | 3,18,45,000 | 2,20,64,653 |
| Credit Balance with Banks              | 6,18,449    | 7,75,477    |

**Other payables :**

|  |             |             |
|--|-------------|-------------|
| (i) Statutory remittances              | 34,68,295   | 11,71,882   |
| (ii) Trade /security deposits received | 3,64,478    | 99,930      |
| (iii) Advances from customers          | 8,65,200    | 3,69,712    |
| (iv) Others                            | 3,85,20,227 | 1,93,24,976 |

|              |                            |                           |
|--------------|----------------------------|---------------------------|
| <b>Total</b> | <u><u>13,60,87,269</u></u> | <u><u>9,70,61,703</u></u> |
|--------------|----------------------------|---------------------------|

**Note 9 Short Term Provisions**

**Provision for employee benefits:**

|                             |           |           |
|-----------------------------|-----------|-----------|
| Bonus and Ex-gratia         | 33,40,484 | 46,11,172 |
| Gratuity (Funded)           | 5,98,571  | 5,67,790  |
| Leave Encashment (unfunded) | 1,19,640  | 89,983    |

|              |                         |                         |
|--------------|-------------------------|-------------------------|
| <b>Total</b> | <u><u>40,58,695</u></u> | <u><u>52,68,945</u></u> |
|--------------|-------------------------|-------------------------|

**Note 10 Fixed Assets**

(Figures in `)

| Fixed Assets         | Gross Block                  |                  |            |                               | Accumulated Depreciation     |  |                                  |               | Net Block                     |                              |                               |
|----------------------|------------------------------|------------------|------------|-------------------------------|------------------------------|--|----------------------------------|---------------|-------------------------------|------------------------------|-------------------------------|
|                      | Balance as at 1st April 2014 | Additions        | Dis-posals | Balance as at 31st March 2015 | Balance as at 1st April 2014 | Depreciation Adjusted to Opening Reserve | Depreciation charge for the year | On dis-posals | Balance as at 31st March 2015 | Balance as at 1st April 2015 | Balance as at 31st March 2014 |
| Tangible Assets      |                              |                  |            |                               |                              |  |                                  |               |                               |                              |                               |
| Freehold Land        | 50,17,299                    | -                | -          | 50,17,299                     | -                            | -  | -                                | -             | -                             | 50,17,299                    | 50,17,299                     |
| Buildings:           |                              |                  |            |                               |                              |  |                                  |               |                               |                              |                               |
| Factory Building     | 4,01,88,302                  | 35,92,845        | -          | 4,37,81,147                   | 2,52,91,107                  | -13,15,089                               | 13,19,698                        | -             | 2,52,95,716                   | 1,84,85,431                  | 1,48,97,195                   |
| Non Factory Building | 11,57,30,572                 | -                | -          | 11,57,30,572                  | 2,81,84,886                  | -4,52,399                                | 18,50,637                        | -             | 2,95,83,124                   | 8,61,47,448                  | 8,75,45,686                   |
| Plant & Equipment    | 80,60,26,228                 | 39,76,690        | -          | 81,00,02,918                  | 65,95,87,212                 | -18,60,27,656                            | 3,08,49,480                      | -             | 50,44,09,036                  | 30,55,93,882                 | 14,64,39,016                  |
| Furniture & Fixtures | 80,26,614                    | -                | -          | 80,26,614                     | 69,11,624                    | 8,09,239                                 | 17,200                           | -             | 77,38,063                     | 2,88,551                     | 11,14,990                     |
| Vehicles             | 17,27,172                    | -                | -          | 17,27,172                     | 17,27,172                    | -86,110                                  | -                                | -             | 16,41,062                     | 86,110                       | -                             |
| Office Equipment     | 2,51,47,005                  | -                | -          | 2,51,47,005                   | 2,31,21,442                  | 96,739                                   | 3,21,742                         | -             | 2,35,39,923                   | 16,07,082                    | 20,25,563                     |
| <b>Total</b>         | <u>1,00,18,63,192</u>        | <u>75,69,535</u> | <u>-</u>   | <u>1,00,94,32,728</u>         | <u>74,48,23,443</u>          | <u>-18,69,75,276</u>                     | <u>3,43,58,757</u>               | <u>-</u>      | <u>59,22,06,924</u>           | <u>41,72,25,804</u>          | <u>25,70,39,749</u>           |
| Previous Year        | 99,55,30,998                 | 63,32,193        | -          | 1,00,18,63,191                | 70,37,90,295                 | -  | 4,10,33,147                      | -             | 74,48,23,442                  | 25,70,39,749                 | 29,17,40,703                  |

Note: During the current financial year 2014-15, the company has revised the Depreciation rates based on the useful lives of its various fixed assets as per Part-C of Schedule-II to the Companies Act-2013 based on written down value method. As a result, opening accumulated depreciation reserve as on 01.04.2014 is higher by Rs.18.70 crore which has been adjusted against the opening reserves and surplus.

|  | As at 31st March 2015 | As at 31st March 2014 |
|--|-----------------------|-----------------------|
| <b>(Figures in `)</b>                    |                       |                       |
| <b>Note 11 Non-Current Investments</b>   |                       |                       |
| <b>Non-Trade Investments</b>             |                       |                       |
| Investment in Equity instruments         | 23,231                | 23,231                |
| <b>Total</b>                             | <b>23,231</b>         | <b>23,231</b>         |
| Aggregate amount of quoted investments   | -                     | -                     |
| Aggregate amount of unquoted investments | 23,231                | 23,231                |

| Name of the Body Corporate                         | No. of Shares / Units |       | Quoted / Unquoted | Partly Paid / Fully paid | Amount ( ` )  |               | Whether stated at Cost Yes/No |
|--|-----------------------|-------|-------------------|--------------------------|---------------|---------------|-------------------------------|
|  | 2015                  | 2014  |                   |                          | 2015          | 2014          |                               |
| <b>Investment in Equity Instruments</b>            |                       |       |                   |                          |               |               |                               |
| Shares of Shamrao Vitthal Co-Op Bank of Rs 10 each | 250                   | 250   | Unquoted          | Fully paid-up            | 2,500         | 2,500         | Yes                           |
| Share of United Yarn of Rs 31 each                 | 1                     | 1     | Unquoted          | Fully paid-up            | 31            | 31            | Yes                           |
| Share of Lotus House Prem Co-op Soc. of Rs 10 each | 1                     | 1     | Unquoted          | Fully paid-up            | 1,500         | 1,500         | Yes                           |
| Shares of Datta Nagari Patsanstha of Rs 10 each    | 500                   | 500   | Unquoted          | Fully paid-up            | 5,000         | 5,000         | Yes                           |
| Shares of Saraswat Co-op Bank Ltd of Rs 10 each    | 1,420                 | 1,420 | Unquoted          | Fully paid-up            | 14,200        | 14,200        | Yes                           |
| <b>Total</b>                                       |                       |       |                   |                          | <b>23,231</b> | <b>23,231</b> |                               |

|  | As at 31st March 2015 | As at 31st March 2014 |
|--|-----------------------|-----------------------|
| <b>(Figures in `)</b>  |                       |                       |
| <b>Note 12 Long Term Loans and Advances</b>                  |                       |                       |
| <b>Unsecured, considered good</b>                            |                       |                       |
| <b>a. Security Deposits</b>                                  | 3,93,856              | 3,93,856              |
| <b>b. Other loans and advances</b>                           |                       |                       |
| Balance with Sales Tax Authorities                           | 84,13,979             | 84,23,796             |
| Doubtful Loans and advances                                  | 92,35,000             | 92,35,000             |
| Less: Provision for doubtful loans and advances              | 92,35,000             | 92,35,000             |
| <b>Total</b>   | <b>88,07,835</b>      | <b>88,17,652</b>      |
| <b>Note 13 Other Non Current Assets</b>                      |                       |                       |
| Claims Receivable with Excise & Custom Authorities           | 2,08,67,689           | 2,08,67,689           |
| Other Claims Receivable                                      | 57,74,144             | 57,74,144             |
| <b>Total</b>   | <b>2,66,41,833</b>    | <b>2,66,41,833</b>    |
| <b>Note 14 Inventories</b>                                   |                       |                       |
| a. Raw Materials (Valued at Cost)                            | 35,10,019             | 2,37,620              |
| b. Work-in-progress (Valued at Cost)                         | -                     | 8,08,400              |
| c. Finished goods (Valued at Cost or NRV whichever is lower) |                       |                       |
| Manufactured   | 31,04,922             | -                     |
| Waste  | 66,333                | 2,93,802              |
|  | <b>66,81,274</b>      | <b>13,39,822</b>      |
| d. Stores and spares (Valued at Cost)                        | 3387408               | 45,63,552             |
| <b>Total</b>   | <b>1,00,68,682</b>    | <b>59,03,374</b>      |

|   | <u>As at 31st March 2015</u> | <u>As at 31st March 2014</u> |
|---|------------------------------|------------------------------|
| (Figures in `)  |                              |                              |
| <b>Note 15 Trade Receivable</b>   |                              |                              |
| <b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b> |                              |                              |
| <b>Unsecured, considered good</b>   |                              |                              |
| Due from Spentex Industries Limited   | 24,11,510                    | 2,45,546                     |
| Others  | 31,18,700                    | 36,48,693                    |
|   | <u>55,30,210</u>             | <u>38,94,239</u>             |
| <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b> |                              |                              |
| <b>Unsecured, considered good</b>   | 24,73,352                    | 27,56,974                    |
| Unsecured, considered doubtful  | 10,27,38,232                 | 10,27,38,232                 |
| Less: Provision for doubtful debts  | 10,27,38,232                 | 10,27,38,232                 |
|   | <u>24,73,352</u>             | <u>27,56,974</u>             |
| <b>Total</b>  | <u><b>80,03,562</b></u>      | <u><b>66,51,213</b></u>      |
| <b>Note 16 Cash and cash equivalents</b>  |                              |                              |
| <b>a. Balances with banks:</b>  |                              |                              |
| In current accounts   | 66,463                       | 61,873                       |
| In margin accounts  | 15,63,940                    | 14,60,993                    |
| <b>b. Cash on hand</b>  | 91,123                       | 1,12,939                     |
|   | <u>17,21,526</u>             | <u>16,35,805</u>             |
| <b>Note 17 Short-term loans and advances</b>  |                              |                              |
| <b>Loans and Advances</b>   |                              |                              |
| <b>Unsecured, considered good</b>   |                              |                              |
| Security Deposits   | 19,53,951                    | 19,53,951                    |
| Prepaid Expenses  | 11,83,611                    | 12,28,674                    |
| Balance with Customs and Excise Authorities   | 5,04,051                     | 68,32,689                    |
| Balance with Sales Tax Authorities  | 80,07,797                    | 68,11,266                    |
| Balance with Income Tax Authorities   | 1,17,550                     | 25,61,751                    |
| Inter-corporate deposits (unsecured)  | 21,75,66,863                 | 21,75,66,863                 |
| Others  | 6,22,90,057                  | 25,60,205                    |
|   | <u>29,16,23,880</u>          | <u>23,95,15,399</u>          |
| <b>Note 18 Other Current Assets</b>   |                              |                              |
| Other Claims Receivable   | 95,02,000                    | -                            |
| <b>Total</b>  | <u>95,02,000</u>             | <u>-</u>                     |
|   | <b>For the year ended</b>    | <b>For the year ended</b>    |
|   | <b>31st March 2015</b>       | <b>31st March 2014</b>       |
| <b>Note 19 Revenue from Operations</b>  |                              |                              |
| Sale of products  | 25,34,02,558                 | 4,74,079                     |
| Sale of services  | 5,47,72,071                  | 26,29,77,208                 |
| Other operating revenues  | 1,23,77,267                  | 4,05,730                     |
| <b>Total</b>  | <u><b>32,05,51,896</b></u>   | <u><b>26,38,57,017</b></u>   |
| <b>19.1 Other Operating Income comprises of:</b>  |                              |                              |
| Sundry Balances Written back  | 10,93,754                    | 3,15,465                     |
| Sale of old material/ testing charges   | 17,22,706                    | 90,265                       |
| Power and Fuel incentive  | 95,02,000                    | -                            |
| Cash Discount Received  | 58,807                       | -                            |
|   | <u>1,23,77,267</u>           | <u>4,05,730</u>              |
| <b>Note 20 Other Income</b>   |                              |                              |
| Interest Income   | 3,51,797                     | 8,28,412                     |
| Dividend Income   | 2,280                        | 1,980                        |
| Foreign Exchange Fluctuation Gain (net)   | 51,968                       | 64,765                       |
| <b>Total</b>  | <u><b>4,06,045</b></u>       | <u><b>8,95,157</b></u>       |

(Figures in `)

|  | For the year ended<br>31st March 2015 | For the year ended<br>31st March 2014 |
|--|---------------------------------------|---------------------------------------|
| <b>Note 21 Cost of Materials Consumed</b>  |                                       |                                       |
| Opening Stock  | 2,37,620                              | 2,37,620                              |
| Add : Purchases  | 19,17,31,721                          | -                                     |
| Less : Closing Stock   | 35,10,019                             | 2,37,620                              |
| <b>Total</b>   | <b>18,84,59,321</b>                   | <b>-</b>                              |
| <b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b> |                                       |                                       |
| <b>Opening Stock :</b>   |                                       |                                       |
| Finished goods   | -                                     | 9,163                                 |
| Work in process  | 8,08,400                              | 9,65,248                              |
| Cotton Waste   | 2,93,802                              | 2,93,802                              |
|  | <b>11,02,202</b>                      | <b>12,68,213</b>                      |
| <b>Closing Stock :</b>   |                                       |                                       |
| Finished goods   | 31,04,922                             | -                                     |
| Work in process  | -                                     | 8,08,400                              |
| Cotton Waste   | 66,333                                | 2,93,802                              |
|  | <b>31,71,255</b>                      | <b>11,02,202</b>                      |
| <b>Sub-Total</b>   | <b>31,71,255</b>                      | <b>11,02,202</b>                      |
| <b>Increase/ (Decrease) in Stock</b>   | <b>-20,69,053</b>                     | <b>1,66,011</b>                       |
| <b>Note 23 Employee Benefit Expenses</b>   |                                       |                                       |
| (a) Wages & Salaries   | 8,61,57,646                           | 8,40,22,385                           |
| (b) Contributions to Provident Fund & Other Funds  | 98,20,688                             | 90,71,574                             |
| (c) Staff welfare expenses   | 44,89,362                             | 31,12,776                             |
| <b>Total</b>   | <b>10,04,67,696</b>                   | <b>9,62,06,735</b>                    |
| <b>Note 24 Finance Expenses</b>  |                                       |                                       |
| <b>Interest expense:</b>   |                                       |                                       |
| (i) Term Loans   | 1,86,80,629                           | 2,18,65,218                           |
| (ii) Others  | 1,57,21,375                           | 1,72,11,737                           |
| Other borrowing costs  | 3,26,636                              | 5,75,244                              |
| <b>Total</b>   | <b>3,47,28,640</b>                    | <b>3,96,52,199</b>                    |
| <b>Note 25 Other Expenses</b>  |                                       |                                       |
| Stores and Spares Consumption  | 95,56,051                             | 2,77,52,674                           |
| Packing Material   | 31,40,254                             | -55,048                               |
| Sub-Contracting Charges  | 96,94,300                             | 1,14,89,494                           |
| Power, Fuel & Water  | 8,23,34,362                           | 13,08,99,754                          |
| Rent   | 2,43,940                              | 6,14,000                              |
| Repairs & Maintenance - Buildings  | 1,54,435                              | 2,38,932                              |
| Repairs & Maintenance - Machinery  | 11,84,222                             | 27,51,592                             |
| Repairs & Maintenance -Others  | 1,03,187                              | 1,76,742                              |
| Insurance  | 7,34,302                              | 5,10,760                              |
| Rates & Taxes  | 3,75,649                              | 15,75,244                             |
| Communication Expenses   | 5,61,484                              | 4,50,074                              |
| Travelling and Conveyance  | 14,04,014                             | 19,17,152                             |
| <b>Auditor's Remuneration:</b>   |                                       |                                       |
| As Auditors  | 2,69,664                              | 2,69,664                              |
| Legal and Professional charges   | 19,23,893                             | 22,84,094                             |
| Selling & Other Expenses   | 28,19,280                             | 9,81,051                              |
| Commission on sales  | 11,64,564                             | -                                     |
| Freight Outward and Clearing Charges (net of recoveries)                                     | 7,04,424                              | 8,530                                 |
| Directors Sitting Fees   | 44,944                                | 44,944                                |
| Printing and Stationary Expenses   | 4,08,581                              | 4,57,712                              |
| Other Expenses   | 15,37,007                             | 15,28,587                             |
| <b>Total</b>   | <b>11,83,58,557</b>                   | <b>18,38,95,951</b>                   |

**Note No. 26: Contingent Liabilities**

Contingent Liabilities not provided for in respect of –

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

(Figures in ` )

| Particulars   | As at 31.03.15      | As at 31.03.14      |
|---|---------------------|---------------------|
| Corporate guarantee given to 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) | 67,76,45,000        | 64,82,01,000        |
| <b>Total</b>  | <b>67,76,45,000</b> | <b>64,82,01,000</b> |

The Company had provided corporate guarantee for jointly with Spentex Industries Limited for the loan given to Spentex (Netherlands), B.V. by Lehman Brothers and SBI for assets of its subsidiary Spentex Tashkent Toyepa LLC (STTL). In accordance with the decision of the Tashkent Economic Court, dated 25.09.2013, the assets of STTL were transferred in settlement of the loan availed from Lehman Brothers and SBI. In view of these developments, the management of the opinion that guarantee is longer enforceable as the loan availed is completely settled.

b. Claims against company not acknowledged as debts

(Figures in ` )

| S.No. | Description   | As at 31.03.15     | As at 31.03.14     |
|-------|---|--------------------|--------------------|
| 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.3,82,53,158, previous year Rs. 3,15,27,267)  | 7,90,15,566        | 7,44,57,939        |
| 3.    | Demands from Maharashtra Sales Tax Authorities under appeal for FY 2004-05 not provided for.  | 12,44,000          | 12,44,000          |
| 4.    | Demands from Maharashtra Sales Tax Authorities under appeal for FY 2009-10 not provided for.  | 26,55,004          | 26,55,004          |
|       | <b>Total</b>  | <b>9,72,69,570</b> | <b>9,27,11,943</b> |

**Note No.27**

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

(Figures in ` )

| S.No. | Particulars  | As at 31st March 2015 | As at 31st March 2014 |
|-------|--|-----------------------|-----------------------|
| a.    | Principal amount remaining and paid and interest due thereon | 3,26,317              | 8,53,161              |
| b.    | Interest paid in terms of section 16                         | NIL                   | NIL                   |
| c.    | Interest due and payable for the period of delay in payment  | NIL                   | NIL                   |
| d.    | Interest accrued and remaining unpaid                        | NIL                   | NIL                   |
| e.    | Interest due and payable even in succeeding years            | NIL                   | NIL                   |

As certified by the management based on the available information.

**Note No.28**

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

**Note No.29**

The outstanding balance as on March 31, 2015 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 therefrom, if any. The management, however, does not expect any material variations.

**Note No.30**

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 earlier filed an application with the office of DGFT for the claim and made significant efforts for receiving the claim. The company has also filed claim against Jak Traders Private Limited for recovery of the claims.

**Note No.31**

As on March 31, 2015, the accumulated losses of the Company have far exceeded its net worth. In the opinion of the management, the Company's operations are affected by global business downturn which has resulted in reduction in demand, increase in input costs and shortage of working capital. The Company has also filed a reference with Board for Industrial and Financial Restructuring (BIFR) under

section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 for determination of sickness and measures to be adopted for rehabilitation. The BIFR, vide its order, dated 18.07.2012 declared the Company as sick under section 3(1)(o) of SICA, 1985 and appointed UCO Bank as Operating Agency (OA) under section 17(3) to prepare Rehabilitation Scheme for the Company. However, on the strength of management's plan of revival including reorganization of business, these financial statements are prepared on a going concern basis.

**Note No. 32: Segmental Reporting**

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

**A. Business Segment Reporting**

(Figures in `)

| DESCRIPTION  | TEXTILE-MANUFACTURING         | TEXTILE-TRADING          | TOTAL                         |
|--|-------------------------------|--------------------------|-------------------------------|
| <b>Segment Revenue</b>                                 |                               |                          |                               |
| Total Revenue  | 320,551,896<br>(263,857,017)  | -<br>(-)                 | 320,551,896<br>(263,857,017)  |
| <b>Segment Results</b>                                 | -114,797,327<br>(-54,323,649) | -<br>(-)                 | -114,797,327<br>(-54,323,649) |
| Unallocated corporate expense (Net)                    | -<br>(-)                      | -<br>(-)                 | 4,184,088<br>(3,056,414)      |
| <b>Operating Profit</b>                                | -<br>(-)                      | -<br>(-)                 | -118,971,415<br>(-57,380,063) |
| Finance Charges  | -<br>(-)                      | -<br>(-)                 | 34,728,640<br>(39,652,199)    |
| Interest income  | -<br>(-)                      | -<br>(-)                 | 351,797<br>(828,412)          |
| Dividend income  | -<br>(-)                      | -<br>(-)                 | 2,280<br>(1,980)              |
| <b>Profit/(Loss) before Prior period items and Tax</b> | -<br>(-)                      | -<br>(-)                 | -153,345,978<br>(-96,201,869) |
| Exceptional Items                                      | -<br>(-)                      | -<br>(-)                 | -<br>(-)                      |
| Tax Expense  | -<br>(-)                      | -<br>(-)                 | 87,824,766<br>(-)             |
| <b>Profit/(Loss) after tax and Exceptional Items</b>   | -<br>(-)                      | -<br>(-)                 | -241,170,744<br>(-96,201,869) |
| <b>OTHER INFORMATION</b>                               |                               |                          |                               |
| Segment Assets   | 490,704,348<br>(323,846,224)  | 1,352,364<br>(1,300,396) | 492,056,712<br>(324,626,081)  |
| <b>Unallocated corporate assets</b>                    | -<br>(-)                      | -<br>(-)                 | 281,561,640<br>(309,437,604)  |
| <b>Total Assets</b>                                    | -<br>(-)                      | -<br>c                   | 773,618,352<br>(634,063,685)  |
| Segment liabilities                                    | 693,198,841<br>(565,672,964)  | -<br>(-)                 | 693,198,841<br>(565,672,964)  |
| Unallocated corporate liabilities                      | -<br>(-)                      | -<br>(-)                 | 80,419,511<br>(68,390,720)    |
| <b>Total Liabilities</b>                               | -<br>(-)                      | -<br>(-)                 | 773,618,352<br>(634,063,685)  |
| Capital expenditure incurred during the year           | 7,569,535<br>(6,332,193)      | -<br>(-)                 | 7,569,535<br>(6,332,193)      |

**B) GEOGRAPHICAL SEGMENT REPORTING:**

(Figures in `)

| DESCRIPTION          | REVENUE              | ASSETS               |
|----------------------|----------------------|----------------------|
| Domestic             | 308,174,629          | 772,265,988          |
|                      | (263,451,287)        | (632,763,289)        |
| Outside India        | -                    | 1,352,364            |
|                      | (-)                  | (1,300,396)          |
| <b>Current Year</b>  | <b>308,174,629</b>   | <b>773,618,352</b>   |
| <b>Previous Year</b> | <b>(263,451,287)</b> | <b>(634,063,685)</b> |

**Note No. 33: Earnings per share**

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

| SI. No. | Particulars                          | Period ended   | Period ended  |
|---------|--------------------------------------|----------------|---------------|
|         |                                      | 31.03.2015     | 31.03.2014    |
| 1       | Net Profit / (Loss) For the year     | (24,11,70,744) | (9,62,01,869) |
| 2       | Number of Equity shares Outstanding  | 41,169,667     | 41,169,667    |
| 3       | Basic and Diluted earnings Per Share | (5.86)         | (2.34)        |
| 4       | Nominal value per share              | 5              | 5             |

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

**Note No. 34**

Break-up of deferred tax assets and deferred tax liabilities

(Figures in `)

|   | Current Year       | Previous Year      |
|---|--------------------|--------------------|
| Deferred tax liability recognised due to timing difference due to:        |                    |                    |
| Depreciation and other differences in block of fixed assets               | 104,173,745        | 53,087,193         |
| Total Deferred Tax liabilities  | 104,173,745        | 53,087,193         |
| <b>Deferred tax asset recognised due to timing difference due to:</b>     |                    |                    |
| Tax impact of provision for doubtful debts and other provisions           | 34,784,031         | 34,599,729         |
| Tax impact of disallowances under section 43B of the Income tax Act, 1961 | 17,558,048         | 11,940,411         |
| Realisation of tax impact of unabsorbed depreciation                      | 128,539,713        | 137,938,660        |
| Realisation of tax impact of carried forward losses                       | 33,868,105         | 39,919,158         |
| Total Deferred Tax Asset  | 214,749,897        | 224,397,958        |
| <b>Net Deferred Tax Asset/ (Deferred Tax Liability)</b>                   | <b>110,576,153</b> | <b>170,555,713</b> |
| (Credit)/ Charge to profit and loss account                               | 87,824,766         |                    |

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 on prudence consideration and has fully written off the same during the current year.

**Note No. 35 : 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        | Spentex (Netherlands), B.V. |
| c. Key Management Personnel | Mr. S.P. Setia- Chairman    |

(Figures in `)

| Particulars                       | Holding Company | Other related Parties where Control exists | Key Management Personnel |
|-----------------------------------|-----------------|--|--------------------------|
| Sale of goods/ services           | 9,07,49,302     | -  | -                        |
|                                   | (26,29,77,208)  | (-)  | (-)                      |
| Sale of Packing Material & Spares | 34,50,459       | -  | -                        |
|                                   | (1,28,95,601)   | (-)  | (-)                      |
| Purchase of Goods                 | 1,81,46,363     | -  | -                        |
|                                   | (-)             | (-)  | (-)                      |



| Particulars                            | Holding Company | Other related Parties where Control exists | Key Management Personnel |
|--|-----------------|--|--------------------------|
| Purchase of Spares                     | 8,96,381        | -  | -                        |
|  | (8,25,733)      | (-)  | (-)                      |
| Purchase of fixed assets               | 12,59,533       | -  | -                        |
|  | (37,63,904)     | (-)  | (-)                      |
| Directors sitting fees                 | -               | -  | 44,944                   |
|  | (-)             | (-)  | (42,472)                 |
| <b>Outstanding balance at year end</b> |                 |  |                          |
| Unsecured loans                        | 32,01,28,019    | -  | -                        |
|  | (32,01,28,019)  | (-)  | (-)                      |
| Trade and other debtors                | 24,11,510       | -  | -                        |
|  | (2,45,546)      | (-)  | (-)                      |
| Trade Payable                          | 32,84,57,148    | -  | -                        |
|  | (22,83,94,733)  | (-)  | (-)                      |
| Corporate Guarantees                   | -               | -  | -                        |
|  | (-)             | (64,82,01,000)                             | (-)                      |

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

**Note No. 36 Employee Benefits**

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

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

(Figures in `)

|  | Current Year       |                                 | Previous Year      |                                 |
|--|--------------------|---------------------------------|--------------------|---------------------------------|
|  | Gratuity (Funded)  | Compensated Absences (unfunded) | Gratuity (Funded)  | Compensated Absences (unfunded) |
| <b>Components of Employer Expense</b>  |                    |                                 |                    |                                 |
| Current service cost   | 11,00,991          | 2,11,410                        | 10,27,787          | 3,48,421                        |
| Interest Cost  | 10,59,312          | 1,55,798                        | 10,86,928          | 1,46,469                        |
| Expected return on Plan assets   | 32,058             | -                               | 1,05,327           | -                               |
| Actuarial (gain)/ Loss   | 6,59,704           | (9,32,020)                      | 9,14,825           | 1,21,753                        |
| <b>Total expense recognised in the Statement of Profit &amp; Loss Account</b>          | <b>27,87,949</b>   | <b>(5,64,812)</b>               | <b>29,24,213</b>   | <b>6,16,643</b>                 |
| <b>Change in Defined Benefit Obligation (DBO) during the year</b>                      |                    |                                 |                    |                                 |
| Obligation at period beginning   | 1,32,41,406        | 19,47,476                       | 1,19,44,268        | 16,09,550                       |
| Current service cost   | 11,00,991          | 2,11,410                        | 10,27,787          | 3,48,421                        |
| Interest Cost  | 10,59,312          | 1,55,798                        | 10,86,928          | 1,46,469                        |
| Actuarial (gain)/ Loss   | 6,59,704           | (9,32,020)                      | 9,14,825           | 1,21,753                        |
| Benefits Paid  | (8,57,319)         | (-)                             | (17,32,402)        | (2,78,717)                      |
| <b>Obligation at the Year end</b>  | <b>1,52,04,094</b> | <b>13,82,664</b>                | <b>1,32,41,406</b> | <b>19,47,476</b>                |
| <b>Change in Plan Assets</b>   |                    |                                 |                    |                                 |
| Plan assets at period beginning, at fair value   | 8,25,836           | Not Applicable                  | 23,62,519          | Not Applicable                  |
| Expected return on Plan assets   | 32,058             | -                               | 1,05,327           | -                               |
| Actuarial gain/ (Loss)   | -                  | -                               | -                  | -                               |
| Contributions  | 92,085             | -                               | 90,392             | -                               |
| Benefits paid  | (8,57,319)         | -                               | (17,32,402)        | -                               |
| <b>Plan assets at the year end, at fair value</b>                                      | <b>92,660</b>      | <b>-</b>                        | <b>8,25,836</b>    | <b>-</b>                        |
| <b>Reconciliation of Present Value of the Obligation and Fair value of plan assets</b> |                    |                                 |                    |                                 |
| Fair value of plan assets at the end of the year                                       | 92,660             | -                               | 8,25,836           | -                               |
| Present value of the defined benefit obligation at the end of year                     | 1,52,04,094        | 13,82,664                       | 1,32,41,406        | 19,47,476                       |
| <b>Liability/ (Asset) Recognized in the Balance Sheet Comprising of:</b>               | <b>1,51,11,434</b> | <b>13,82,664</b>                | <b>1,24,15,570</b> | <b>19,47,476</b>                |

|   | Current Year         |                                       | Previous Year        |                                       |
|---|----------------------|---------------------------------------|----------------------|---------------------------------------|
|   | Gratuity<br>(Funded) | Compensated<br>Absences<br>(unfunded) | Gratuity<br>(Funded) | Compensated<br>Absences<br>(unfunded) |
| Current Liability   | 5,98,571             | 1,19,640                              | 5,67,790             | 89,983                                |
| Non-Current Liability                                       | 1,45,12,863          | 12,63,024                             | 1,18,47,780          | 18,57,493                             |
| <b>Experience adjustment on plan assets and liabilities</b> |                      |                                       |                      |                                       |
| Experience adjustment on plan assets                        | 1,702                | -                                     | (51,381)             | -                                     |
| Experience adjustment on plan liabilities                   | (3,64,102)           | (10,21,482)                           | 18,55,468            | 2,42,918                              |
| <b>Assumptions used to determine the benefit obligation</b> |                      |                                       |                      |                                       |
| Discount Rate   | 8.00%                | 8.00%                                 | 9.10%                | 9.10%                                 |
| Estimated rate of Return on Plan Assets                     | 9.00%                | -                                     | 6.75%                | -                                     |
| Expected rate of Increase in salary                         | 2.50%                | 2.50%                                 | 3%                   | 3%                                    |
| Withdrawal rate (18 to 58 years)                            | 2%                   | 2%                                    | 2%                   | 2%                                    |

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

**Note No.37**

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

**Note No.38 Foreign Exchange Disclosures**

(Figures in `)

| CIF Value of Imports                                      | 2014-15         | 2013-14          |
|---|-----------------|------------------|
| Stores Spares & Components                                | 2,69,550        | 8,10,278         |
| <b>(A)</b>  | <b>2,69,550</b> | <b>8,10,278</b>  |
| <b>Expenditure in Foreign Currency (On Accrual Basis)</b> |                 |                  |
| Foreign Travel Expenses                                   | 53,059          | 2,51,220         |
| <b>(B)</b>  | <b>53,059</b>   | <b>2,51,220</b>  |
| <b>(A+B)</b>  | <b>3,22,609</b> | <b>10,61,498</b> |
| <b>Earnings in Foreign Currency (On Accrual Basis)</b>    |                 |                  |
| FOB Value of Exports                                      | -               | -                |

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

**a) Raw Materials**

|            | 2014-15        |                     | 2013-14 |           |
|------------|----------------|---------------------|---------|-----------|
|            | %              | Value (`)           | %       | Value (`) |
| Imported   | -              | -                   | -       | -         |
| Indigenous | 100.00%        | 18,84,59,321        | -       | -         |
|            | <b>100.00%</b> | <b>18,84,59,321</b> | -       | -         |

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

|            | 2014-15     |                    | 2013-14     |                    |
|------------|-------------|--------------------|-------------|--------------------|
|            | %           | Value (`)          | %           | Value (`)          |
| Imported   | 2.12%       | 2,69,550           | 2.93%       | 8,10,278           |
| Indigenous | 97.88%      | 1,24,26,756        | 97.07%      | 2,68,87,348        |
|            | <b>100%</b> | <b>1,26,96,306</b> | <b>100%</b> | <b>2,76,97,626</b> |

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

For and on behalf of Board of Directors

Sd/-  
**Sanchit Jain**  
Partner  
Membership No. 511714

Sd/-  
**S P Setia**  
Chairman

Sd/-  
**I.B. Maner**  
Managing Director

Sd/-  
**Ranjan Mangtani**  
Director

Place New Delhi  
Date : May 27, 2015

Sd/-  
**K. Sankaramani**  
Director

Sd/-  
**Priya Lohani**  
Secretary

Sd/-  
**Shreyas Alatkhar**  
Account Manager

**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 **23rd Annual General Meeting** of the Company on **Wednesday, the 30th day of September, 2015 at 4:30 P.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019**

.....  
 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

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014  
 CIN : L17100DL1991PLC171468  
 Name of the Company : **AMIT SPINNING INDUSTRIES LTD**  
 Registered office : A-60 OKHLA INDUSTRIAL AREA, PHASE II, NEW DELHI - 110020

|                          |       |
|--------------------------|-------|
| Name of the Member (s) : | ..... |
| Registered address :     | ..... |
| E-mail Id :              | ..... |
| Folio No. :              | ..... |
| DP ID - Client Id :      | ..... |

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

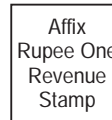
1. Name : ..... Address : .....  
 E-mail Id : ..... Signature : .....
2. Name : ..... Address : .....  
 E-mail Id : ..... Signature : .....
3. Name : ..... Address : .....  
 E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23rd Annual General Meeting** of the company, to be held on **Wednesday, the 30th day of September, 2015 at 04.30 P.M. at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019** in respect of such resolutions as are indicated below:

| Res No. | Resolutions  |
|---------|--|
|         | <b>Ordinary Business :</b>   |
| 1.      | Adoption of Financial Statements, Reports of Directors and Auditors of the Company for the financial year ended 31st March, 2015.  |
| 2.      | Re-appointment of Mr. K Sankaramani as a Director, who retires by rotation.  |
| 3.      | Ratification of the appointment of Statutory auditors of the Company for the financial year 2015-16 and to fix their remuneration. |
|         | <b>Special Business :</b>  |
| 4.      | Appointment of Ms. Priya Lohani as Woman Director of the Company.  |

Signed this ..... day of ..... 20.....

Signature of shareholder  
 Signature of Proxy holder(s)



**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of 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