

# **AMIT SPINNING INDUSTRIES LIMITED**

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**14<sup>th</sup> Annual Report**

**CLC**

**BOARD OF DIRECTORS**

Bharat P Shah (Chairman & Managing Director)  
K R Choksey  
Tushar Jani  
Pravin Shah  
R Sampath  
Y R Shah

**SECRETARY**

Rajesh Tripathi

**REGISTERED OFFICE**

Gat No. 47 & 48, Sangavade Village  
Kolhapur – Hupari Road  
Taluka Karveer  
Dist. Kolhapur 416 005  
Ph. : 0231 – 2676106, 2676108  
Fax : 0231 – 2676164

**CORPORATE OFFICE**

A-60, Okhla Industrial Area  
Phase-II, New Delhi-110020  
Ph. : 011-26387738, 4161 4999  
Fax : 011-26385181  
Email : [info@clcindia.com](mailto:info@clcindia.com)

**AUDIT COMMITTEE**

Pravin Shah  
K R Choksey  
Tushar Jani

**REMUNERATION COMMITTEE**

K R Choksey  
Tushar Jani  
Y R Shah

**SHAREHOLDERS' GRIEVANCE COMMITTEE**

Pravin Shah  
Bharat P Shah  
Tushar Jani

**PLANT**

Gat No. 47 & 48, Sangavade Village  
Kolhapur – Hupari Road  
Taluka Karveer  
Dist. Kolhapur 416 005

**AUDITORS**

B S MEHTA & CO.

**BANKERS**

UTI Bank Ltd.

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● **14th AGM**

Date : July 29, 2006 At 03.00 P.M.

Venue : Gat No. 47 & 48, Sangavade Village, Kolhapur – Hupari Road,  
Taluka Karveer, Dist. Kolhapur 416 005

● Book Closure : From Monday, July 24, 2006 To Friday, July 28, 2006.

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

● Registrars & Transfer Agents : Intime Spectrum Registry Limited

**ANNUAL REPORT AS ON 31<sup>ST</sup> MARCH 2006****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report together with Audited Statements of Accounts of the Company for the 18 months ended March 31, 2006.

**FINANCIAL RESULTS:**

	31/03/2006	(Rs. in Lakhs) 30/09/2004
Net Sales	7132.96	9385.99
Other Income	3132.22	51.50
Profit Before Interest, Depreciation & write-off	2802.08	(377.47)
Interest & Financial Charges	938.67	839.95
Depreciation	762.44	784.94
Misc. Expenses written off	19.70	28.35
Profit/ (Loss) Before Tax	1404.67	( 2305.71)
Deferred Tax Assets/(Liability)	636.90	(708.97)
Fringe Benefit Tax	3.30	—
Provision for Taxation	—	—
Profit / (Loss) After Tax	764.46	(1596.74)

**OPERATIONS:**

The Company continued to face severe cash flow problems and could not buy cotton at opportunistic rates also the fuel prices remained very high. It therefore continued to incur losses till the third quarter. It even had to resort to conversion contracts to generate funds to meet operational expenses from time to time.

The interest expressed by M/s. Spentex Industries Ltd. through its Managing Director Shri Mukund Choudhary to acquire the controlling stake in the Company was an important event. This enabled the company to purchase raw material at competitive rates. This also brought up the morale of the employees and the operational scenario changed in the last quarter of the year. Adequate cotton stock was provided. Also the captive power was becoming costly because of higher fuel cost. Your company is now reconnected with MSEB, thus bringing the power cost lower. Also under the aegis of CDR, one time settlement was done and all the banks and financial institutions were paid their dues in full and final settlement except Bank of Rajasthan. This provided tremendous relief in terms of working capital management and your company came back to full operations from the month of March 2006.

Also now the marketing restructuring is going on as your company is in a position to give assured deliveries to customers at competitive rates.

**FUTURE OUTLOOK:**

The company is taking steps to technologically upgrade its machines so as to improve on quality and productivity. It is also taking efforts to reduce cost at all levels of activity including reduction in borrowing costs so as to achieve reasonable levels of profitability unlike the loss situation in the recent past. In addition to the above your company will also source cotton strategically and leverage the price advantage to meet customer requirements.

**SHIFTING OF REGISTERED OFFICE:**

Pursuant to Section 146 (2), 192A and other applicable provisions, if any, of the Companies Act, 1956 read with The Companies (passing of the resolution by Postal Ballot) Rules, 2001 the Company has dispatched the Special Resolution alongwith explanatory statement to the members for shifting of Registered Office of the Company from Lotus House, 5<sup>th</sup> Floor, 33A, New Marine Lines, Mumbai 400 020 to Gat No. 47 & 48, Sangavade Village, Kolhapur – Hupari Road, Taluka Karveer, Dist. Kolhapur 416 005 Maharashtra.

The Board of Directors has appointed Shri Rajesh Kumar Moondra, Practising Company Secretary, aged about 39 years as Scrutinizer for the Postal Ballot in accordance with the said rules. The Scrutinizer submitted his report to the Chairman thereafter Chairman announced the result of Postal Ballot on 8<sup>th</sup> May, 2006. The Regional Director, Western Region has approved the shifting of Registered Office from Mumbai to Kolhapur vide letter dated 19-06-2006.

**Directors:**

Mr. Y R Shah and Mr. Pravin Shah retires by rotation and are eligible for re-appointment. IDBI vide its letter dated 31.03.2006 has withdrawn its nominee on the Board w.e.f. 31.03.2006. Board of Directors appreciated the services provided by Mrs. N. J. Shetty, Nominee of IDBI during her tenure.

**Auditors :**

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

**Reduction of Share Capital and Face value of Equity Share:**

During the past 18 months under review, the Hon'ble High Court, Bombay vide its order dated 18<sup>th</sup> March, 2005 approved the Scheme of reduction of Paid up, Issued and Subscribed Share Capital of the Company extent by 50% wherein the face value of the equity share of Rs. 10/- was reduced to Rs. 5/- per equity share.

In compliance of the CDR Scheme and pursuant to the provisions of Section 100 of the Companies Act, 1956 and consent of

## AMIT SPINNING INDUSTRIES LIMITED

members and shareholders in the Extra Ordinary General Meeting of the Company held on September 10<sup>th</sup>, 2004, The Bombay High Court has confirmed vide its order dated April 19, 2005 the reduction of Equity Share capital of the Company from Rs.18, 09,00,000 (Rupees Eighteen Crores Nine Lacs Only) divided into 1,80,90,000 (One Crore Eighty Lacs Ninety Thousand) fully paid up equity shares of Rs.10/- each to Rs.9,04,50,000 (Rupees Nine Crores Four Lacs Fifty Thousand only) divided into 1,80,90,000 (One Crore Eighty Lacs Ninety Thousand) fully paid up equity shares of Rs. 5/- each by cancelling 50% (Rs.9,04,50,000) of the existing paid up equity share capital of the company. Accordingly issued, subscribed and paid up share capital of the company stands reduced.

Further, as a part of the requirement of the CDR Scheme, the Promoters have brought in Rs.2.00 Crores and 3,00,000/- 12% Redeemable Cumulative Preference Shares of Rs.100 each held by the promoters are converted into 60,00,000 Equity Shares of Rs.5/- each. The Company has allotted 100,00,000 equity shares of Rs.5 each on preferential basis to the promoters. As a part of the scheme, promoters were to be paid accrued unpaid dividend on the preference shares at the end of the scheme. The paid up capital of the Company was increased from Rs. 9,04,50,000 to 14,04,50,000.

As a part of restructuring and one time settlement with secured lenders read with the CDR cell vide its letter dated 27<sup>th</sup> December, 2005 the Company has issued 1,18,90,606 equity shares of Rs. 5/- each to strategic investor (M/s. Spentex Industries Ltd.) under preferential basis also converted 1,00,000 preference shares (11,89,061 equity shares) on 26<sup>th</sup> February, 2006. At present the Share Capital of your Company gone from Rs. 14,04,50,000/- to 20,58,48,335/-.

### Dividend:

Your directors have not recommended any dividend for the 18 months ended 31-03-2006 under review..

### Fixed Deposits:

As on March 31, 2006 the fixed deposits stood Rs. 18.29 Lacs. During the year 2004-2005, deposits worth of Rs. 14.07 Lacs were renewed and after 31<sup>st</sup> December, 2004 no new deposits were accepted or renewed.

### Listing of Shares :

Presently the Company shares are listed and traded at the Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE) and the Listing Fee has been paid till 31<sup>st</sup> March, 2007.

### Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement, (a) Report of the Directors on the Practices prevalent on Corporate Governance in the Company, (b) Management Discussion and Analysis Report and (c) Auditors' Certificate on compliance of mandatory requirements of Corporate Governance are given in the annexure to this report.

### Statutory particulars:

The particulars under Section 217(1) (e) of the Companies Act, 1956, to the extent applicable to the Company have been given in Annexure – I and there are no employees whose remuneration exceeds the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence information required to be given under the said section read with Companies (Particulars of Employees) Rules, 1975 as amended, w.e.f. 17-4-2002 has not provided in this report.

### Auditors Report:

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

### Opening of Corporate Office:

Board of Directors at their meeting held on 26<sup>th</sup> February, 2006 approved to open Corporate Office of the Company at A-60, Okhla Industrial Area, Phase II, New Delhi 110 020.

### Directors' Responsibility Statement :

As stipulated under Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm

- that the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

### Share Transfers & Dematerialization:

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

As the members are aware that the Company has appointed M/s. Intime Spectrum Registry Ltd. C-13, Panalal Silk Mills Compound L B S Marg, Mumbai 400 078 as Registrars and Transfer Agents (R & T Agents) and members requested to contact R & T Agents for future correspondence or at Corporate Office of the company at A-60, Okhla Industrial Area, Phase II, New Delhi 110 020.

**ANNUAL REPORT AS ON 31<sup>ST</sup> MARCH 2006****Acknowledgements:**

The Directors take this opportunity to express their grateful appreciation for the whole hearted and sincere cooperation 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 of 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,

**BHARAT P SHAH**  
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Date : 22<sup>nd</sup> June, 2006

**ANNEXURE TO THE DIRECTORS' REPORT**

Information Under Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Forming part of the Directors' Report for the 18 months ended March 31, 2006.

**A. CONSERVATION OF ENERGY :**

The Company constantly endeavours to keep track of developemtns in the modern technologies and takes every possible step within permissible financial resources. Relevant data in respect of energy consumption is as under :

Electricity	Current year 18 months ended 31-03-2006	Previous year 18 months ended 30-09-2004
<b>Purchased</b>		
Total Units consumed	—	47.12
Total Amount	—	225.08
Rate per Unit (Rs.)	—	4.78
<b>Own Generation through Generator Set</b>		
Units ( in lacs)	0.56	3.13
Units per liter of Diesel Oil	3.84	2.80
Cost/Unit (Rs.)	9.90	5.76
<b>Own Generation through Furance Oil Generator Set</b>		
Units ( in lacs)	319.48	257.21
Units per liter of Diesel Oil	4.04	4.18
Cost/Unit (Rs.)	3.89	2.42
Furnace Oil		
Consumed (Ltrs in thousand)	7882.11	6153.95
Total Amount (Rs. In lakhs)	1166.13	574.50
Rate per Ltr.	14.81	9.34

**B. TECHNOLOGY ABSORPTION :**

Your Company has been absorbing latest Technology introduced in the Industry. In this direction we have already augmented production capacity by way of adding Ring Frames. The same has been stabilised during the period under review.

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

Research & Development is a continuous process in ASIL. Through development of new value added products, the company is getting a competitive edge on the competitors and also Continuing to Identify improvements to processes through properly documented systems to strengthen yarn quality, improve productivity and effective maintenance.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

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

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

	Current year 18 months ended 31-03-2006	Previous year 18 months ended 30-09-2004
Earnings	723.57	2818.87
Outgo	9.85	178.98

On behalf of the BOARD OF DIRECTORS

**BHARAT P SHAH**  
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Date : 22<sup>nd</sup> June, 2006

**AMIT SPINNING INDUSTRIES LIMITED****CORPORATE GOVERNANCE****1. Philosophy**

Your Company believes that Corporate Governance is a powerful medium to sub serve the long term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long term partnership that helps in fulfilling our quest for achieving significant growth and profits.

Your Company is committed to benchmark itself with good governance and operates with transparency, professionalism, good conduct and value based systems. In addition to compliance with regulatory requirements, Amit Spinning endeavors to achieve highest standards of ethical and responsible conduct.

**2. Board of Directors**

Composition of Board, Category of Directors, Committee Memberships and details of attendance in Board from 1<sup>st</sup> October, 2004 to 31<sup>st</sup> March, 2006 (18 months), Annual General Meeting is given below :

Directors	Category	No. of Board Meetings		No. of Other Directorships/ Member Chairperson of Board Committees			Last AGM Attended
		Held	Attended	Directorship	Member	Chairperson	Yes/No
Mr. Bharat P Shah	Executive	12	12	-	-	-	Yes
Mr. R Sampath	- do -	12	08	-	-	-	Yes
Mr. K R Choksey	Non-Executive/ Independent	12	09	2	-	1	Yes
Mr. Y R Shah	- do -	12	07	9	6	-	Yes
Mr. Pravin Shah	- do -	12	11	4	1	-	Yes
Mr. Tushar Jani	- do -	12	02	6	1	1	Yes
Mrs. N J Shetty *	- do - (IDBI Nominee)	12	08	-	-	-	Yes

\* Resigned from the Board w.e.f. 31-03-2006.

**Re-Appointment of Directors at the Annual General Meeting**

Mr. Y R Shah and Mr. Praveen Shah retire by rotation and are eligible for re-appointment.

Mr. Yeshwant R Shah born on 31<sup>st</sup> August, 1942 and an ex-Managing Director of Forbes Gokak Ltd., he is advisor for textile mills and partner of Y R Associates a textile consultancy firm which is providing services to leading textile mills.

Mr. Pravin Shah born on 05<sup>th</sup> October, 1945 and an engineer, one of the leading social worker and President of Gujarati Kelvani Mandal which runs schools and also he is one of the trustees of SNOT College, Matunga.

**3. Audit Committee**

Pursuant to Clause 49 of the Listing Agreement the Audit Committee comprising three non-executive and independent directors, viz. Mr. K R Choksey, Mr. Tushar Jani and Mr. Pravin Shah. During the past 18 months seven meetings of the Committee were held on 23-12-2004, 31-01-2005, 31-03-2005, 29-04-2005, 29-07-2005 31-10-2005 and 31-01-2006. Mr. K R Choksey chaired all the meetings. The details of attendance of the Committee are given herein below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. K R Choksey	7	7
Mr. Tushar Jani	7	1
Mr. Pravin Shah	7	7

The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. These include oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible, review of annual and quarterly financial statements before submission to the Board; review of the adequacy of internal control systems, review of the company's financial risk and management policies. Statutory auditors and other related company executives have also participated in such Committee meetings.

**4. Remuneration Committee**

A remuneration committee has been constituted to recommend/review the remuneration package of the Managing Director/ Director, based on performance and defined criteria. The Remuneration Committee comprising three Non-executive and Independent Directors, viz. Mr. K R Choksey, Mr. Tushar Jani and Mr. Y R Shah. No Remuneration meeting was held during the 18 months period (1<sup>st</sup> October, 2004 to 31<sup>st</sup> March, 2006).

Sitting fee of Rs. 1000/- per person per meeting is being paid to all Non-Executive/ Independent Directors who are attending Board meeting. No sitting fee being paid for attending Audit Committee Meeting, Remuneration and Share Transfer & Investors Grievance Committee Meeting(s).

Remuneration of Managing Director is subject to ceiling Under Schedule - XIII to Companies Act, 1956 and as approved by Shareholders.

During the year the Committee has not proposed for enhancement in the remuneration of the Directors by way of Salary/Sitting



**ANNUAL REPORT AS ON 31<sup>ST</sup> MARCH 2006**

Fee. The details of remuneration of Directors are as under:

Name of Director	Category	Sitting Fee per Board Meeting (Rs.)	Sitting Fee per Audit Committee Meeting (Rs.)	Salaries and Perquisites per p.a. (Rs.)	Total (Rs.)
Mr. Bharat P Shah	Executive	N.A.	N.A.	2292256/-	2292256/-
Mr. R Sampath	- do -	N.A.	N.A.	1087850/-	1087850/-
Mr. K R Choksey	Non-Executive/Independent	9000/-	N.A.	N.A.	9000/-
Mr. Y R Shah	- do -	7000/-	NIL	N.A.	7000/-
Mr. Pravin Shah	- do -	11000/-	N.A.	NIL	11000/-
Mr. Tushar Jani	- do -	2000/-	N.A.	N.A.	2000/-
Mrs.N J Shetty	- do - (IDBI Nominee)	8000/-	N.A.	N.A.	8000/-

#### 5. Shareholders' / Investors Grievance Committee:

The Share Transfer / Shareholders' grievance Committee comprises of Mr. Pravin Shah, Mr. Bharat P Shah, Mr. Tushar Jani and Mrs. N J Shetty. The Committee members met from time to time, *inter alia* approves issue of duplicate share certificates, revalidation of dividend warrants and reviews all matters connected with the transfer of securities. The Committee also reviews the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investors' services. For the past 18 months five meetings of the Committee were held on 23-12-2004, 31-03-2005, 29-07-2005 31-10-2005 and 31-01-2006. Mr. Pravin Shah chaired all the meetings. The details of attendance of the Committee are given herein below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Pravin Shah	5	5
Mr. Bharat P Shah	5	5
Mr. Tushar Jani	5	1
Mrs. N J Shetty	5	2

The Compliance officer Mr. Darshan Majmudar who is Chief Finance Officer & Company Secretary till 31<sup>st</sup> March, 2006. Mr. Darshan Majmudar resigned from the company w.e.f. 31<sup>st</sup> March, 2006 and Company has appointed Mr. Rajesh Tripathi as Company Secretary w.e.f. 03<sup>rd</sup> April, 2006 who is also act as Compliance Officer of the Company.

The committee also reviews all investors' complaints and grievances of the Company. The Company has received 174 complaints from 1<sup>st</sup> October, 2004 to 31<sup>st</sup> March, 2006 and has responded to the shareholders to their full satisfaction. There were no complaints outstanding as on 31<sup>st</sup> March 2006.

#### 6. General Body Meetings

Details of last three Annual General Meetings are as under :

AGM	LOCATION	DATE & TIME
11TH AGM	The Residence Hotel, Saki Vihar Road, Before Nitie Powal, Mumbai 400 087	24-09-2002-04.00 P.M
12TH AGM	Havan Centre, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021	25-09-2003-04.30 P.M
EGM	Gat. No. 47 & 48, Village Sangawade, Taluka Karveer, Kolhapur - Hupari Road, Dist. Kolhpur 416 005	10-09-2004 -03.00 P.M.
13TH AGM	The Residence Hotel, Saki Vihar Road, Before Nitie Powal, Mumbai 400 087	31-01-2005-04.00 P.M.
EGM	Gat. No. 47 & 48, Village Sangawade, Taluka Karveer, Kolhapur - Hupari Road, Dist. Kolhpur 416 005	11-02-2006 - 03.00 P.M.

Special resolutions were duly passed at the respective Annual General Meetings and Extra Ordinary General Meetings. During the period (from 1<sup>st</sup> October, 2004 to 31<sup>st</sup> March, 2006), there was no resolution passed through the process of Postal Ballot procedure.

#### 7. Disclosures

- The disclosure relating to transactions of material nature with the related parties are disclosed in the financial statements. (The register of contracts containing the transactions in which the directors are interested is placed before the board regularly for their approval).
- Company has fulfilled all Statutory Compliances and there were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- Company has issued circular in connection with Whistle Blower Policy and no employee was denied to access to the Audit Committee.

#### 8. Means of Communication

- Information on quarterly/half yearly/annual financial results and press releases on significant developments in the

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Company, have been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members.

- SEBI has issued a notice to the company for non-compliance Regulation 6 and 8 under SEBI (SAST) Regulations, 1997 as regards to the non filing of holding statements for the year 1998, 1999, 2000 and 2001. The Company has suitably replied to the said notice and requested to condone for the lapses.
- The quarterly/half-yearly/annual financial results are published in English (The Free Press Journal) and in Marathi (Navshakti) newspapers.
- The Management Discussions and Analysis is a part of Annual Report.
- Pursuant to Clause 51 of the Listing Agreement (relating to Electronic Data Information filing and Retrieval EDIFAR), the Company regularly filing the specific documents/statements on website www.sebiedifar.nic.in and the Bombay Stock Exchange Ltd. website www.bseindia.com

**9. General Shareholder information**

- The 14<sup>th</sup> Annual General Meeting will be held on Saturday the 29<sup>th</sup> July, 2006 at 3.00 p.m.
- Financial Calendar (Tentative) :
 

Financial reporting for the Quarter ending June 30, 2006	:	July, 2006
Financial reporting for the Quarter ending September 30, 2005	:	October, 2006
Financial reporting for the Quarter ending December 31, 2005	:	January, 2006
Financial reporting for the Quarter ending March 31, 2006	:	April, 2007

Alternatively

Annual Results for the year ended 31-03-2007	:	June, 2007
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- Date of Book closure : From Monday the 24<sup>th</sup> July, 2006 To Friday 28<sup>th</sup> July, 2006
- Dividend Payment Date : Not Applicable
- Listing of Equity Shares on Stock Exchanges : The Bombay Stock Exchange Ltd., Mumbai (Script/Stock Code 521076) National Stock Exchange of India Ltd. (Script/Stock Code ASIL - EQ)
- ISIN No. : INE988A01018
- The Company shares are traded and listed at Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE) and the Annual Listing Fee has been paid till 31<sup>st</sup> March, 2007.
- Market Price Data : High/Low during each month in the last 18 months at BSE & NSE :

MONTH	BSE		NSE	
	HIGH (Rs.)	LOW (Rs.)	HIGH (Rs.)	LOW (Rs.)
October, 2004	5.65	4.30	5.75	4.40
November, 2004	10.34	3.70	10.80	4.30
December, 2004	11.49	6.90	11.85	6.90
January, 2005	10.50	7.10	10.60	7.15
February, 2005	11.41	7.65	10.50	7.20
March, 2005	10.00	6.50	9.75	6.65
April, 2005	8.50	6.70	8.80	6.85
May, 2005	10.50	6.65	9.90	6.90
June, 2005	8.95	8.12	8.80	8.10
July, 2005	Not traded *	Not traded	Not traded	Not traded
August, 2005	Not traded	Not traded	Not traded	Not traded
September, 2005	Not traded	Not traded	Not traded	Not traded
October, 2005	14.45	6.01	15.00	6.15
November, 2005	7.90	6.15	8.20	6.35
December, 2005	8.38	7.20	8.35	7.10
January, 2006	11.76	7.80	11.85	7.85
February, 2006	10.17	7.85	9.90	8.00
March, 2006	10.20	8.76	10.00	8.60

- \* Due to Reduction of Capital.
- The Registrars and Transfer Agents of the Company M/s. Intime Spectrum Registry Ltd. C-13, Panalal Silk Mills Compound, L B S Marg, Mumbai 400 078. Members are advised to contact M/s. Intime Spectrum Registry Ltd. for



**ANNUAL REPORT AS ON 31<sup>ST</sup> MARCH 2006**

investor related issues. R & T Agents Ph. No. 022 – 2596 3838 and Fax No. 022 – 2594 6969.

- Share Transfer System: The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Share in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time.
- Distribution of shareholding as on 31.03.2006 :

No. of Shares	Shareholders	%	Shares	%
1 to 500	18375	88.37	3107380	7.55
501 to 1000	1227	5.90	1072543	2.61
1001 to 2000	551	2.65	919580	2.23
2001 to 3000	190	0.91	510783	1.24
3001 to 4000	83	0.40	301642	0.73
4001 to 5000	123	0.59	592468	1.44
5001 to 10000	103	0.49	822131	1.97
10001 to 999999999	143	0.69	33852140	82.23
<b>TOTAL</b>	<b>20795</b>	<b>100.00</b>	<b>41169667</b>	<b>100.00</b>

- Shareholding Pattern as on : 31.03.2006

Category	No. of Shares	%
<b>Promoters and Associates:</b>		
Indian	12790500	31.06
Foreign	NIL	NIL
Persons acting in concert	505915	1.22
<b>Public Financial Institution :</b>		
Mutual Funds/ Fin. Institutions	1844954	4.48
Banks	800	0.00
Private Bodies Corporate	16191834	39.32
Indian Public	9265673	22.50
NRIs & OCBs	459440	1.16
Clearing Members	110551	0.26
<b>TOTAL</b>	<b>41169667</b>	<b>100.00</b>

- The Hon'ble High Court, Bombay vide its order dated 18<sup>th</sup> March, 2005 approved the Scheme of reduction of Paid up, Issued and Subscribed Share Capital of the Company extent by 50% wherein the face value of the equity share of Rs. 10/- was reduced to Rs. 5/- per equity share.
- In compliance of the CDR Scheme and pursuant to the provisions of Section 100 of the Companies Act, 1956 and consent of members and shareholders in the Extra Ordinary General Meeting of the Company held on September 10<sup>th</sup>, 2004, The Bombay High Court has confirmed vide its order dated April 19, 2005 the reduction of Equity Share capital of the Company from Rs.18, 09,00,000 (Rupees Eighteen Crores Nine Lacs Only) divided into 1,80,90,000 (One Crore Eighty Lacs Ninety Thousand) fully paid up equity shares of Rs.10/- each to Rs.9,04,50,000(Rupees Nine Crores Four Lacs Fifty Thousand only) divided into 1,80,90,000 (One Crore Eighty Lacs Ninety Thousand) fully paid up equity shares of Rs. 5/- each by cancelling 50% (Rs.9,04,50,000) of the existing paid up equity share capital of the company. Accordingly issued, subscribed and paid up share capital of the company stands reduced.  
Further, as a part of the requirement of the CDR Scheme, the Promoters have brought in Rs.2.00 Crores and 3,00,000-12% Redeemable Cumulative Preference Shares of Rs.100 each held by the promoters are converted into 60,00,000 Equity Shares of Rs.5/- each. The Company has allotted 100,00,000 equity shares of Rs.5 each on preferential basis to the promoters. As a part of the scheme, promoters were to be paid accrued unpaid dividend on the preference shares at the end of the scheme. The paid up capital of the Company was increased from Rs. 9,04,50,000 to 14,04,50,000.
- As a part of restructuring and one time settlement with secured lenders read with the CDR cell vide its letter dated 27<sup>th</sup> December, 2005 the Company has issued 1,18,90,606 equity shares of Rs. 5/- each to strategic investor (M/s. Spentex Industries Ltd.) under preferential basis also converted 1,00,000 preference shares (11,89,061 equity shares) on 26<sup>th</sup> February, 2006. At present the Share Capital of your Company gone from Rs. 14,04,50,000/- to 20,58,48,335/- for 4,11,69,667 Equity Shares.
- Pursuant to Share Purchase Agreement dated 26-02-2006 executed between the outgoing promoters of the Company and M/s. Spentex Industries Ltd., the out going promoters have sold 50,91,000 equity shares of Rs. 5/- each to Spentex Industries Ltd. alongwith Management Control of Amit Spinning Industries Ltd. (on spot delivery of 50,91,000 equity shares).

**AMIT SPINNING INDUSTRIES LIMITED**

- Pursuant to Share Subscription Agreement executed between the Company and M/s. Spentex Industries Ltd. the Company has allotted 1,18,90,606 equity shares of Rs. 5/- each under preferential basis and 11,89,061 equity shares of Rs. 5/- each on conversion of 0.01% Redeemable Cumulative Preference Shares of Rs. 100/- each. After this allotment the holding of M/s. Spentex Industries Ltd. has increased to 44.14%.
- Pursuant to SEBI (SAST) Regulations, 1997, M/s. Spentex Industries Ltd. have filed an application through its manager to offer M/s. Chartered Capital & Investment Ltd. for acquiring 20.00% equity shares of Rs. 5/- Each @ 11/- per share of total paid up from Indian Public under Letter of Offer.
- Dematerialization of shares : As on 31st March, 2006 the shares in demat form were 2,55,07,685 representing 67.96% of the total subscribed capital.
- The equity shares of the Company are frequently traded on The Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd., Mumbai (NSE).
- The Board of Directors at their meeting held on 26<sup>th</sup> February, 2006 approved to open Corporate Office at A-60, Okhla Industrial Area, Phase II, New Delhi 110 020.
- As approved by members of the Company, the Registered Office has been shifted from Lotus House, 5<sup>th</sup> Floor, 33-A, New Marine Lines, Mumbai 400 020 to **Gat No. 47 & 48, Sangavade Village, Kolhapur – Hupari Road, Taluka Karveer, Dist. Kolhapur 416 005**. The Regional Director, Western Region, Mumbai vide its letter dated 19<sup>th</sup> June, 2006 approved the shifting of Registered Office from Mumbai to Kolhapur.
- Plant : Gat No. 47 & 48, Sangavade Village, Kolhapur – Hupari Road, Taluka Karveer, Dist. Kolhapur 416 005.
- Address for Correspondence :
  1. Registered Office Address : Gat No. 47 & 48, Sangavade Village, Kolhapur – Hupari Road, Taluka Karveer, Dist. Kolhapur 416 005  
Ph. No. : 0231-2676106, 2676108, Fax No. : 0231 – 2676164  
Email : klp\_asil@sancharnet.in
  2. Corporate Office : A-60, Okhla Industrial Area, Phase II, New Delhi 110 020  
Ph. 011 - 2638 7738, 4161 4999, Fax : 011 – 2638 5181.  
Email : info@clcindia.com
  3. Registrars & Transfer Agents : M/s. Intime Spectrum Registry Ltd.  
C-13, Panalal Silk Mills Compound, L B S Marg, Mumbai 400 078  
Ph. No. 022 – 2596 3838, Fax No. 022 – 2594 6969.

**10. CEO Certification**

To  
The Board of Directors,  
Amit Spinning Industries Ltd.  
Mumbai

Dear Sirs,

1. We have reviewed the financial statements together with notes to accounts and the cash flow statement for the 18 months ended 31<sup>st</sup> March, 2006 and certify 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 existing accounting standards, applicable laws and regulations.
2. We further certify that, 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee all information as may be required pursuant to Clause 49 of the Listing Agreement from time to time.

On behalf of the BOARD OF DIRECTORS

**BHARAT P SHAH**

**CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai  
Date : 22<sup>nd</sup> June, 2006