

AMIT SPINNING INDUSTRIES LIMITED



20th Annual Report
■■■■■ 2011 - 2012

CLC

BOARD OF DIRECTORS

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

REGISTERED & CORPORATE OFFICE

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

AUDITORS

Sunil Jain & Co.
 Chartered Accountants
 New Delhi

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

S P Setia (Chairman)
 Ranjan Mangtani
 K Sankaramani

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

S P Setia (Chairman)
 Ranjan Mangtani
 K Sankaramani

PLANT

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

BANKERS

AXIS Bank Limited
 UCO Bank

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● **20th AGM**

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

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

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

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

NOTICE

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

ORDINARY BUSINESS :

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

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

Place: New Delhi
Date : August 07, 2012

RANJAN MANGTANI
DIRECTOR

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 26th day of September, 2012 to Friday, the 28th day of September, 2012 (both days inclusive).**
- C. All documents referred in the notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on any working day till the date of Annual General Meeting and also at the meeting.
- D. Members are requested to intimate the change, if any, in their registered address immediately.
- E. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
- F. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
- G. As per provisions of the Companies Act, 1956, facility for making nomination is now available to the members in respect of the shares held by them.
- H. For any queries on the Depository System, members may contact any depository participant or the Share Department at the Registered Office of the Company.
- I. In terms of Clause 49 of the Listing Agreement, a brief resume of directors who are proposed to be appointed/re-appointed at this meeting is given in Corporate Governance.
- J. Securities and Exchange Board of India (SEBI) made it mandatory for the transferees to furnish copy of PAN card to the Company/RTA for registration of shares held in Physical Form.
- K. Members are requested to send queries to E-mail ID **secretarial@clcindia.com** which is being used exclusively for the purpose of redressing the compliant(s) of the investors.
- L. The Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate e-mail address to facilitate to send Annual Report and other reports/notices through e-mail.
- M. Members who are holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agent of the Company to enable the Company to consolidate their holdings in one folio.

DIRECTORS' REPORT

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

Financial Results:

(` in Lakhs)

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

Financial Analysis and Performance Review :

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

Management Discussion and Analysis

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

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

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

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

Financial Analysis and Performance Review :

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

Segment-wise Performance

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

Internal Control Systems and Adequacy

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

Management Perception on Opportunities, Risks, Concern & Outlook

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

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

Human Resources/Industrial Relations

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

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

Directors

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

Auditors

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

Directors' view on Auditors observations

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

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

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

Cost Auditor

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

Dividend

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

Fixed Deposits

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

Listing of Shares

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

Corporate Governance

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

Particulars of Employees

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

Auditors Report

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

Directors' Responsibility Statement

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

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

Industrial Relations

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure I to the Directors' Report.

Conclusion

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

Acknowledgments

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

On behalf of the BOARD OF DIRECTORS,

Place New Delhi
Date : August 7, 2012

S P SETIA
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY:

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

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

B. TECHNOLOGY ABSORPTION:

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

RESEARCH & DEVELOPMENT (R&D):

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(` in Lakhs)

	Current year	Previous year
Earnings	247.35	4852.38
Outgo	1.21	46.42

On behalf of the BOARD OF DIRECTORS,

Place New Delhi
Date : August 07, 2012

S P SETIA
CHAIRMAN

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12

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

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

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

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

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

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

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

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

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

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

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

Information supplied to the Board

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

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

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

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

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

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

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

3. Audit Committee

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

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

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

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

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

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

4. Remuneration Committee

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

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

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

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

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

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

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

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

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

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

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

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

6. General Body Meetings

A) Annual General Meetings;

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

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

(B) Special Resolution passed through Postal Ballot:

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

7. Code of Conduct

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

To The Shareholders of Amit Spinning Industries Limited

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

Dear Sirs,

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

Place : New Delhi

Date : August 7, 2012

I.B. Maner
Managing Director

8. Compliance

a. Mandatory Requirements:

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

b. Adoption of Non-Mandatory Requirements:

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

9. Disclosures

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