

AMIT SPINNING INDUSTRIES LIMITED



21st Annual Report
■■■■ 2012 - 2013

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
 K Sankaramani

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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● **21st AGM**

Date : September 30, 2013 Time: 3.30 P.M.

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

● Book Closure : From Wednesday, September 25, 2013 to Monday, September 30, 2013.

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 21st Annual General Meeting of the Members of Amit Spinning Industries Limited will be held on Monday the **30th day of September, 2013 at 3.30 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, 2013, 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 Mr. K. Sankaramani, 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 06, 2013

Sd/-
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 25th day of September, 2013 to Monday, the 30th day of September, 2013 (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 re-appointed at this meeting is given in Corporate Governance.
- J. 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.
- K. 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.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 21st Annual Report together with Audited Statements of Accounts of the Company for the year ended 31st March 2013.

Financial Results:

(` in Lakhs)

	2012-2013	2011-2012
Net Sales (Turnover)	3,432.43	5764.75
Other Income	50.34	15.04
Financial Charges	202.36	628.50
Depreciation	454.17	462.99
Misc. Expenses written off	0	0
Profit/(Loss) before tax (PBT)	(305.20)	(3001.74)
Provision for Taxation	0	0
Net Profit/(Loss)	(305.20)	(3001.74)

FINANCIAL ANALYSIS AND PERFORMANCE REVIEW:

During the fiscal 2012-13 the turnover of the Company has decreased to Rs. 3,432.43 lakhs as compared to Rs. 5,764.75 lakhs in the previous year. Decline in turnover, has been primarily due to financial constraints including shortage in working capital and lacking of other financial support from its lenders. Consequently Company could not utilize its entire capacities; however despite difficulties, it has been able to reduce its net losses from Rs. 3001.74 lacs in the previous year to Rs. 305.20 lacs during the year under review, by handling operations efficiently and by taking job work. However, over the period it has eroded its net worth completely and it has been declared as a Sick Company under Sick Industrial Companies (Special Provisions) Act'1985 by Board for industrial and financial restructuring (BIFR) vide its order dated 18th July'2012.

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian Textile Industry plays a major role in the economy of the Country and has become one of the largest in the world. According to industry estimates, the textile industry contributes about 14% to industrial production and 4% to the gross domestic product and 17% to the country's export earnings. The Textile Industry is a second largest employment provider and has been directly employing over 45 million people. Indian Textile Industry has emerged as a preferred sourcing destination for global buyers and is globally ranked as the fifth largest exporter of textile and its related products.

During the fiscal 2012-13 under review, due to lack of international demand the Indian Textile Industry saw lower export growth and further with volatility in rupee depreciation the textile industry had suffered a lot for the first two quarters. However from 3rd quarter onwards the cotton yarn prices started picking up and further with the Government of India allowing 100% FDI under automatic route and decrease in raw cotton prices facilitated the Indian Textile manufactures for increasing of its capacity of output and improvement in their strained margins to some extent.

Due to shortage in working capital Amit Spinning Industries Limited has suffered a lot and has not been able to run unit on its own. To meet current challenges which included fixed cost, overhead expenses, payment of lenders dues and to safe guard the employees interest, the unit has undertaken job work from middle of April, 2012, so as to save its inventory and transport cost, besides assuring constant minimum cash flow to meet above expenses.

The prevailing business scene still remains tough, however the Company has initiated a process of reviewing system and processes across the businesses with the objective of identifying scope of improvement of 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 relatively a sustained performance in 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 174455 MT of yarn on its own resources and 4983010 MT of yarn on job work basis.

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

Shortage in working capital due to lack of support from lenders, slump in yarn products demand, decline in cotton prices coincided with peak inventory season, has taken its toll on the Company. In such a difficult situation it has further been facing challenges like increase in labour cost, power tariff & fuel charges, increase in transportation and inventory carrying charges and running unit on job work basis, which are likely to impact its margins, unless due support is received from its lenders. Further, the Company has filed a Draft Rehabilitation Scheme (DRS) with Board for Industrial and Financial Restructuring (BIFR) for restructuring of its loans and outstanding; further it has been requesting its lenders for providing additional working capital facility, with that in place, your directors, believe that the unit will be in position to run on its own and consequently margins are also expected to be improved. Devaluation of Indian Rupee, as compared to U.S dollar, has also offered an opportunity to Amit Spinning to optimize its sales values and margins respectively on its exports to such countries.

Your directors further believe, with the increased customer satisfaction, increase in existing customer loyalty, constant offering by the Company of its value added products, constantly improving its product mix with an increase in awareness of Amit products and with the greater impetus on its exports, Sales volumes and margins are likely to be strengthened in due course.

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 an integral part of a family, sharing their ideas through Town Hall meeting, using intranet across the units and are instrumental in making your Company, a globally admired company. Management of your Company believes that it is the integration of human resources and business strategy that has culminated in its success. High performance orientation is the pivot of the HR philosophy of the Company and all the HR policies and strategies are centered on the same.

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

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

Directors

Your directors have not recommended any dividend for the year ended 31-03-2013 under review.

Corporate Governance

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

Directors

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

Auditors

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

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, except for the responses in respect of some observations as mentioned herein below.

Directors' view on Auditors 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. 29 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 filed claim against Jak Traders Private Ltd. for recovery of the claims." Company had availed the professional services of M/s Jak Traders Pvt Ltd to assist it in realizing aforesaid claims within the agreed time period, and had provided them advances for its services, failing which it has become liable to refund such advances. Since it failed to refund the same, Company has initiated legal proceedings against M/s Jak Traders Pvt. Ltd.

Note No. 33 of the Financial Statement qualified by Auditors

"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."

Note No. 30 of the Financial Statement without qualifying Auditors, have drawn attention:

"As on 31st March 2013, the accumulated losses of the Company have exceeded its net worth. In the opinion of the management, the Company's operations are affected by global business downturn which has resulted in reduction in demand, increase in input costs and shortage of working capital. The Company has also filed a reference with Board for Industrial and Financial Restructuring (BIFR) under Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 for determination of sickness and measures to be adopted for rehabilitation. The BIFR, vide its order, 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. Further, due to shortage of capital, the Company has worked on job-work basis only during the current year. However, on the strength of an undertaking from Board of Directors to turn around the financial position of the Company, these financial statements are prepared on a going concern basis."

Cost Auditor

The Central Government had directed for 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, 2014 for the product "Textile".

Fixed Deposits

During the year, your Company has not accepted any deposit 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, 2014.

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 2013 all the applicable Accounting Standards have been followed,
- ii) accounting policies were adopted and applied consistently and made judgements 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 2013,
- 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.

Particulars of Employees

Since none of the employee of the Company was getting remuneration, as prescribed in terms of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, no particulars were required to be given herein.

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 is presently going through financial difficulties and has been facing many challenges due to shortage of working capital and lacking of other financial support from its lenders. 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 the Company and other lenders. It is however expected, no sooner Company gets BIFR approval for its DRS, it would be in 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 : May 27, 2013

Sd/-
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 31st March 2013.

A. CONSERVATION OF ENERGY:

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

- Energy conservation measures taken
Continuous installation and development of fuel efficient equipment and accessories, resulting in lower consumption of power.
- Relevant data in respect of energy consumption is as below:

	(Unit / ` in Lakhs)	
Electricity	Current year	Previous year
Purchased		
Total Units consumed	201.79	115.23
Total Amount	1459.74	781.23
Rate per Unit (Rs.)	7.23	6.78
Own Generation through Furnace Oil Generator Set		
Units (in lakhs)	NIL	NIL
Units per liter of Diesel Oil	N.A.	N.A.
Furnace Oil		
Consumed (Ltrs. in thousand)	NIL	NIL
Total Amount (Rs. In lakhs)	0.00	0.00
Rate per Ltr.	0.00	0.00
Cost/Unit (Rs.)		
Electricity Consumption (Units) per Kg. of Production of Yarn	3.91	4.26

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 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 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:

- Efforts: Significant exports to various countries round the globe on very competitive prices have brought in foreign exchange to the National Ex-chequer.
- Earnings and Outgo : Particulars with regard to foreign exchange earnings and outgo appear in Schedule XXI Notes to accounts.

On behalf of the BOARD OF DIRECTORS,

Place New Delhi
Date : May 27, 2013

Sd/-
S P SETIA
CHAIRMAN

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

(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 12th May, 2012, 9th August, 2012, 5th November, 2012 and 11th February, 2013. 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	2	1	-	Yes
Mr. I.B. Maner (Managing Director)	Executive	-*	-	-	-	No
Mr. Ranjan Mangtani	Non-executive	4	-	-	-	Yes
Mr. Krishnan Sankaramani	- do -	-*	-	-	-	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, 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.

- Video/Tele Conferencing facilities are used to facilitate to the director(s) who are present at other locations to participate in the meetings

Details of shares held by the Non-Executive/Independent Directors as on 31st March, 2013

Name	No. of Shares held	Name	No. of Shares held
Shri S P Setia	Nil	Shri K Sankaramani	Nil
Shri 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.
- 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 K. Sankaramani 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 K. Sankaramani (50) s/o of Late Shri Sankara Anantha Krishnan is a director of the Company since 25th August, 2006. He is a Chartered Accountant with proven track record of handling accounts, financial matters and plant operations of large and medium scale manufacturing units. Shri K Sankaramani has been appointed as member of Audit Committee of the Company with effect from 2nd April, 2012. He is also member of Remuneration Committee and Share Transfer & Shareholders'/Investors' Grievance Committee of the Company and does not hold any share of the Company as on 31st March, 2013.

3. Audit Committee

The Audit Committee of the Board consists of three members Shri S P Setia (Non-Executive/Independent Chairman), Shri Ranjan Mangtani (Member) and Shri 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 and are presenting their periodical reports. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 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 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 12th May, 2012, 9th August, 2012, 5th November, 2012 and 11th February, 2013. 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 Ranjan Mangtani	4
Shri K Sankaramani	-*

* Video/Tele Conferencing facilities are used to facilitate to the director(s) who are present at other locations to participate in the meetings.

4. Remuneration Committee

A 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 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. No Remuneration Committee Meeting was held during the year.

Details of remuneration paid to Directors for the financial year 2012-13 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. S P Setia	Non-Exec. Chairman	10,000	NIL	NIL	N.A.	40,000
Mr. I.B. Maner	Executive	NIL	NIL	NIL	2,59,583	2,59,583
Mr. Ranjan Mangtani	Non-Executive	NIL	NIL	NIL	NIL	NIL
Mr. Krishnan Sankaramani	- Do -	NIL	NIL	NIL	NIL	NIL

Shri Ranjan Mangtani and Shri K Sankaramani 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.

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

Share Transfer and Shareholders' / Investors' Grievance Committee of the Board comprises of three members, namely Shri 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 not received any complaint from the investors and SEBI/Stock Exchanges/MCA. There was no complaint outstanding as on 31st March 2013. Shri 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, 2012, 5th July, 2012, 5th October, 2012 and 4th January, 2013. 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
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.
20TH AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	28th September 2012 11.30A.M.	None

(B) Special Resolution passed through Postal Ballot:

No special resolution was passed through postal Ballot during the year 2012-13.

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, 2013 in terms of Clause 49 I (D) (ii) of the Listing Agreement entered into with the Stock Exchange.

Place : New Delhi

Date : August 06, 2013

Sd/-

I.B. Maner

Managing Director

8. Compliance**a. Mandatory Requirements:**

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

b. Adoption of Non-Mandatory Requirements:

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

9. Disclosures

- The disclosure relating to transactions of material nature with the related parties are disclosed in the financial statements.
- Company has fulfilled all Statutory Compliances and there were no penalties, stricture imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- Company has issued circular in connection with Whistle Blower Policy and no employee was denied to access to the Audit Committee.