

AMIT SPINNING INDUSTRIES LIMITED



23rd Annual Report
■■■■ 2014 - 2015

CLC

BOARD OF DIRECTORS

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

SECRETARY

Priya Lohani

AUDITORS

Sunil Jain & Co.
Chartered Accountants
New Delhi

AUDIT COMMITTEE

S P Setia (Chairman)
Ranjan Mangtani
K Sankaramani

NOMINATION AND REMUNERATION COMMITTEE

S P Setia (Chairman)
Ranjan Mangtani
K Sankaramani

STAKEHOLDERS RELATIONSHIP COMMITTEE

S P Setia (Chairman)
Ranjan Mangtani
K Sankaramani

REGISTERED & CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

PLANT

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

BANKERS

AXIS Bank Limited
UCO Bank

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- **23rd AGM**

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

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

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

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

NOTICE

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

ORDINARY BUSINESS :

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

SPECIAL BUSINESS:

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

By Order of the Board
For AMIT SPINNING INDUSTRIES LIMITED

Place: New Delhi
 Date : August 11, 2015

Sd/-
PRIYA LOHANI
Company Secretary

NOTES:

- A. Explanatory Statement setting out all material facts regarding Special Business contained in Item No. 4 as required under Section 102 (1) of the Companies Act, 2013, is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- C. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- D. The Register of Members and Share Transfer Books of the Company will be closed from Monday, the 28th day of September, 2015 to Wednesday the 30th day of September, 2015 (both days inclusive) for the purpose of this Annual General Meeting.
- E. All documents referred in the accompanying notice are available for inspection at the Registered Office of the Company during working days between 10.00 A.M. to 1.00 P.M. till the date of Annual General Meeting and also at the meeting.
- F. Members are requested to intimate the change, if any, in their registered address immediately.
- G. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- H. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
- I. As per provisions of the Companies Act, facility of nomination is available to the members in respect of the shares held by them.
- J. For any query on the Depository System, members may contact any depository participant or the Share Department at the Registered Office of the Company.
- K. In terms of Clause 49 of the Listing Agreement, a brief resume of directors who are proposed to be appointed/re-appointed at this meeting are provided in Corporate Governance Report, forming part of the Annual Report.
- L. Securities and Exchange Board of India (SEBI) made it mandatory for the transferees to furnish copy of PAN card to the Company/RTA for registration of shares held in Physical Form.

M. Members are requested to send queries, if any, at E-mail ID secretarial@clcindia.com which is being used exclusively for the purpose of redressing the complaint(s) of the investors.

N. VOTING THROUGH ELECTRONIC MEANS

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

The instructions for shareholders voting electronically are as under:

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

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

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

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

xix) Note for Non – Individual Shareholders and Custodians

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

ANNEXURE TO THE NOTICE

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

ITEM NO. 4

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

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

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

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

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

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

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

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

DIRECTORS' REPORT

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

Financial Results

(` in Lakhs)

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

FINANCIAL ANALYSIS AND PERFORMANCE REVIEW

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

Management Discussion and Analysis

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

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

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

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

Segment-Wise Performance

Amit Spinning Industries Ltd. (ASIL) being a cotton yarn manufacturer has only one business segment. On the basis of geographical categorization of market, ASIL identified two segments i.e. exports and domestic.

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

Subsidiary Companies

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

Share Capital

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

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

Management Perception On Opportunities, Risks, Concern & Outlook

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

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

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

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

Directors

(a) Change in Directors or Key Managerial Personnel

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

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

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

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

(b) Number of Meetings of the Board

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

(c) Declaration by Independent Directors

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

(d) Annual Evaluation by the Board

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

(e) Remuneration Policy

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

Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

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

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

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

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

Significant and Material Orders passed by the Regulators or Courts

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

Auditors**(a) Statutory Auditors**

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

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

Auditors Report

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

Directors' view on Auditor's Observations

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

Note No. 30 of the Financial Statement qualified by Auditors

"The Loans and Advances of the Company include a sum of Rs.1,93,46,572, being an amount receivable from Customs Department as drawbacks against the export sale pertaining to the period 1993 to September, 2004 when the unit was 100% Export Oriented Unit (EOU). The Company has earlier filed an application with the office of DGFT for the claim and made significant efforts for receiving the claim. The Company has also filed claim against Jak Traders Private Ltd. for recovery of the claims."

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

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

(b) Cost Auditor

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

(c) Secretarial Auditor & Audit Report

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

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

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

(d) Internal Auditors

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

Internal Control Systems and Adequacy

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

Extract of the Annual Return

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

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

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

Particulars of Employees

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

Deposits

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

Particulars of Loans, Guarantees or Investments

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

Risk Management

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

Vigil Mechanism

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

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

Dividend

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

Transfer To Reserves

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

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

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

Human Resources/Industrial Relations

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

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

Information Technology

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

Change in the nature of Business

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

Corporate Governance and Management Discussion and Analysis

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

Listing of Shares

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

Conclusion

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

Acknowledgments

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

On behalf of the BOARD OF DIRECTORS

Place New Delhi
Date : August 11, 2015

Sd/-
S P SETIA
CHAIRMAN

Annexure - 1 to the Director's Report

FORM NO. AOC -2

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

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

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

2. Details of material contracts or arrangements or transactions at Arm's length basis.

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

Annexure-2 to the Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

To,
The Members,

Amit Spinning Industries Limited

(CIN NO: L17100DL1991PLC171468)

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

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

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

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