

# **AMIT SPINNING INDUSTRIES LIMITED**



**25<sup>th</sup> Annual Report**  
**//// 2016 - 2017**

**CLC**

**BOARD OF DIRECTORS**

S P Setia (Non-Executive / Independent Chairman)  
I. D. Desai (Manager)  
Shivani Gupta (Non-Executive / Independent Woman Director)  
K Sankaramani (Non-Executive Director)  
Vijay Bhan Singh (Non-Executive Director)

**AUDITORS**

Sunil Jain & Co.  
Chartered Accountants  
New Delhi

**AUDIT COMMITTEE**

S P Setia (Chairman)  
K. Sankaramani  
Shivani Gupta

**NOMINATION AND REMUNERATION COMMITTEE**

S P Setia (Chairman)  
K. Sankaramani  
Shivani Gupta

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

S P Setia (Chairman)  
K. Sankaramani  
Shivani Gupta

**REGISTERED & CORPORATE OFFICE**

A-60, Okhla Industrial Area,  
Phase - II, New Delhi - 110020  
Tel : 011-2638 7738  
Fax : 011-26385181

**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

**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 / ARC**

AXIS Bank Limited  
JM Financial Asset Reconstruction  
Company Pvt. Ltd.

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**25th AGM**

- Date : September 25, 2017 Time 11:30 A.M.  
Venue : Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi - 110 019
- Book Closure : From Thursday September 21, 2017 to Monday, September 25, 2017 (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 25th Annual General Meeting of the Members of **Amit Spinning Industries Limited** will be held on **Monday the 25th day of September, 2017 at 11.30 A.M at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019** to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 including Balance Sheet of the Company as at 31st March, 2017, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To ratify appointment of the Statutory Auditors of the Company for the financial year 2017-18 and to fix their remuneration.

**SPECIAL BUSINESS:**

3. 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 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) , Mr. Vijay Bhan Singh (DIN 07764296), who was appointed as an Additional Director by the Board of Directors of the Company pursuant to section 161(1) of the Companies Act, 2013 and Article 85 of the Article of Association of the company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member alongwith the requisite fee proposing his candidature for the office of director, be and is hereby appointed as Non Executive Director of the Company and who shall be liable to retire by rotation".

**For & on behalf of the Board**  
**Sd/-**  
**Director**

**(Signed under the authority of Parveen Bansal, who has been appointed as Interim Resolution Professional by order of Principal Bench, National Company Law Tribunal dated August 1, 2017 under the provisions of Insolvency and Bankruptcy Code, 2016)**

**Place : New Delhi**

**Date : 17th August, 2017**

**NOTES:**

- A. Explanatory Statement setting out all material facts regarding Special Business contained in Item Nos. 3 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 Thursday, the 21st day of September, 2017 to Monday, the 25th day of September, 2017 (both days inclusive) for the purpose of this Annual General Meeting.
- E. All documents referred in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 10.00 A.M. to 1.00 P.M. upto 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a brief resume of directors who are proposed to be appointed at this meeting is provided in Corporate Governance Report, forming part of the Annual

Report.

- L. Securities and Exchange Board of India (SEBI) made it mandatory for the transferees to furnish copy of PAN card to the Company/RTA for registration of shares held in Physical Form.
- M. Members are requested to send queries, if any, at E-mail ID [secretarial@clcindia.com](mailto:secretarial@clcindia.com) which is being used exclusively for the purpose of redressing the complaint(s) of the investors.

**N. VOTING THROUGH ELECTRONIC MEANS**

In accordance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company intends to provide 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. However, the company has not paid the Annual Custodian Fee to the CDSL due to financial difficulties, the CDSL/NSDL have blocked the benpos and not provided the shareholders list, and the company is not in a position to conduct the e-voting process for the said meeting. Company has requested and assured the CDSL that the dues will be cleared, inspite of our request, CDSL has not provided the benpos.

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**ANNEXURE TO THE NOTICE**

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

**ITEM NO. 3:**

Mr. Vijay Bhan Singh was appointed as an Additional Director on the position of Non-Executive Director of the Company on 27th March, 2017 by the Board of Directors of the Company and holds office upto the date of this Annual General Meeting. Mr. Singh (52 years) is Commerce Graduate and having rich experience in Accounts, finance and related matters.

The Company has received a notice in terms of Section 160 of the Companies Act, 2013 alongwith the amount of requisite deposit from a member signifying his intention to propose the appointment of Mr. Vijay Bhan Singh as a Director of the Company.

As required under Section 152 of the Companies Act, 2013, the Company has received a declaration from Mr. Vijay Bhan Singh that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief resume of Mr. Vijay Bhan Singh, nature of his expertise in specific functional areas are provided in the Corporate governance Report forming part of the Annual Report.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, except Mr. Vijay Bhan Singh is concerned or interested in the resolution set out in Item No. 3.

Board/ Interim Resolution Professional recommends the resolution in relation to appointment of Mr. Vijay Bhan Singh as a Director, for the approval by the shareholders of the Company.

**For & on behalf of the Board**

**Sd/-**

**Director**

**(Signed under the authority of Parveen Bansal, who has been appointed as Interim Resolution Professional by order of Principal Bench, National Company Law Tribunal dated August 1, 2017 under the provisions of Insolvency and Bankruptcy Code, 2016)**

**Place : New Delhi**

**Date : 17th August, 2017**

**BOARD'S REPORT**

Dear Members,

Your Directors have great pleasure in presenting the 25th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2017.

**FINANCIAL RESULTS:**

The summarized financial results for the year ended March 31, 2017 as compared to the previous year are as follows:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Revenue from Operation	15.85	38.98
Other Income	0.76	1.63
Profit before depreciation, interest finance charges and tax (PBDIT)	(1023.75)	(847.18)
Less: Interest and Finance Charges	1.86	309.38
Less: Depreciation	296.82	346.61
<b>Profit/(Loss) before Tax (PBT)</b>	<b>(1322.43)</b>	<b>(1503.17)</b>
Less : Tax Expense/Deferred Tax	0	0
<b>Profit/(Loss) after Tax (PAT)</b>	<b>(1322.43)</b>	<b>(1503.17)</b>

**FINANCIAL ANALYSIS AND PERFORMANCE REVIEW**

During the financial year 2016-17 under review, due to financial constraints and shortage of working capital the Company operations have remained suspended since 11th August, 2015 resulting in revenue from operations decreased in the current financial year ended 31st March, 2017 to Rs. 15.85 Lakhs as compared to Rs. 38.98 Lakhs during previous year ended 31st March, 2016.

Further, the manufacturing unit situated at Kolhapur, Maharashtra stand closed with effect from 1st July, 2017 in accordance with applicable legal provisions.

The Company was declared as a Sick Company under Section 3(1)(o) of SICA 1985., SICA has been repealed w.e.f. 1st December, 2016, and such companies were allowed to approach (NCLT) within 180 days. Accordingly, the Company has filed its petition before NCLT for resolution of default of payments to banks and other creditors and approval of Resolution Plan and NCLT has pronounced the commencement of a corporate insolvency resolution process, effective August 1, 2017 and Mr. Parveen Bansal, has been appointed as Interim Resolution Professional in accordance with applicable regulations under Insolvency and Bankruptcy Code, 2016.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Indian textiles industry is one of the oldest industries in India having evolved impressively from a domestic small scale industry to becoming a major employment and GDP contributor with a massive manufacturing base. It is also one of the largest and most important sectors of the Indian economy in terms of output, foreign exchange earnings thus contributing greatly to the exchequer. The Textile sector occupies a unique position as a self-reliant industry, with substantial value-addition at each stage of processing. It has vast potential for creation of employment opportunities in the agricultural, industrial, organized & decentralized sectors and 5.8 million cotton farmers, 40 to 50 million people engaged in textile related activities in rural and urban areas, particularly for un-educated, women & unskilled labour. Thus, the growth and all round development of this sector has a direct bearing on the development of the economy.

Amit Spinning has capacity to produce Cotton Yarn with 30672 spindles. During the period under review, the operations of Amit Spinning were badly affected due to shortage of Working Capital. Due to the financial constraints the Company operations have been suspended since 11th August, 2015 resulting in revenue from operations decreased in the current financial year ended 31st March, 2017 to Rs. 15.85 Lakhs as compared to Rs. 38.98 Lakhs during previous year ended 31st March, 2016.

As members of Amit Spinning are aware that the Company was declared as a Sick Company under Section 3(1)(o) of SICA 1985, from 1st December, 2016, SICA has been repealed and such companies were allowed to approach National Company Law Tribunal (NCLT) within 180 days. Accordingly, the Company has filed its petition before NCLT for resolution of its debts and approval of resolution plan

In addition to the above, the manufacturing unit situated at Kolhapur, Maharashtra stand closed with effect from 1st July, 2017 in accordance with applicable legal provisions due to shortage of working capital and closing of unit is a major jolt to the Company.

However, with due strategic focus on Company by the management towards arrangement of funds through various options, Amit Spinning is confident to re-start its manufacturing unit in near future.

**MANAGEMENT PERCEPTION ON OPPORTUNITIES, RISKS, CONCERN & OUTLOOK**

The Indian government has come up with the Revised Restructured Technology Up gradation Fund Scheme (RRTUFS), 10% capital subsidy to the specified technical textile machinery, allowing 100% FDI in the Indian textiles sector under the automatic route may increase the profits in the coming years, the future of the Indian textile industry looks promising,

buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players. Further, the Textile Ministry has also introduced a new textile policy to promote value additions which sets a target of doubling textile exports in next 10 years.

The major factors hindering progress of the textiles industry are increase in the power costs, higher transaction costs, high cost of labour and general increase in input costs, thus the industry has to concentrate on cost reduction exercises and improvement in efficiency. Another key challenge presently is the Fiber/Raw Material cost, which is increasing abruptly and increase is not fully absorbed in the yarn prices and accordingly yarn spinners are hit the most in the entire textile chain.

Due to fluctuating prices and uncertainties in the foreign exchange market, increase in power cost, introduction of GST and lack of adequate working capital, the EBITA levels may remain stagnant during the year.

Further, to overcome the losses promptly in this challenging scenario, the Management is keeping a close watch on various threats/risks facing the company and taking all appropriate steps to restart of manufacturing unit.

With much awaited / impending approval of rehabilitation scheme of the Company by NCLT and with the continued support and co-operation of company's bankers, management believes that your Company would again resume production, optimally utilize capacities, and generate increasing sales volumes, margins in due course and the management is confident of a turnaround of the company 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 not manufactured yarn due to suspension of operations of manufacturing unit.

#### **SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As there are no subsidiaries/ associates / joint ventures of the Company, the provisions contained in Companies Act, 2013/SEBI (LODR) Regulations relating to subsidiaries are not applicable.

#### **DIVIDEND**

During the year under review, the Company has no distributable profits hence directors regret their inability to recommend any dividend for financial period 2016-17.

#### **TRANSFER OF RESERVES**

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

#### **SHARE CAPITAL**

The Company's Authorized Share Capital as on 31st March, 2017 stands at Rs. 25,00,00,000/- and issued & paid up capital as on 31st March, 2017 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.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **(a) Change in Directors and Key Managerial Personnel**

**Mr. Vijay Bhan Singh** has been appointed as an Additional Non-Executive Director on the Board of the Company with effect from 27th March, 2017.

Mr. Ranjan Mangtani, Non-Executive Director has tendered his resignation w.e.f. closing hours of 10th November, 2016. During the year, the term of I.B. Maner as Managing Director has expired on closing hours of 31st August, 2016 and has resigned from directorship w.e.f. 10th November, 2016 keeping in view of financial difficulties of the Company, members of the Company have appointed Mr. I D Desai as Manager for a period of 3 years w.e.f. 1st September, 2016.

Further, during the year, under review, Ms. Priya Lohani, Company Secretary has resigned w.e.f. 22nd June, 2016 and Company has appointed Mr. Deepanshu Arora as Compliance Officer to the Company w.e.f. 9th August, 2016, he has also tendered his resignation and subsequently, Mr. Bharat Kapoor has been appointed as Compliance Officer of the Company w.e.f. 31st December, 2016 in place of Mr. Deepanshu Arora.

Mr. K. Sankaramani, Non Executive Director and Mr. Malpeddi Nagnath S, CFO have resigned w.e.f. 1st August, 2017.

Brief resume of the Director(s) 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 SEBI (LODR) Regulations entered into 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**

Five 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 SEBI (LODR) Regulations.

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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 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 enumerated in the Corporate Governance Report. During the year, neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2017 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**RELATED PARTY TRANSACTIONS**

None of the transactions with related parties falls under the scope of section 188(1) of the Act. 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. There were no materially significant related parties transactions entered into by the Company with Holding Company/ 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 the year ended 31st March, 2017 and for transactions proposed to be entered into with related parties for the financial year 2017-18 were placed before the said committee and consent of the said committee was obtained.

The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website [www.spentex.net](http://www.spentex.net). None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company. Since all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length basis, form AOC - 2 is not applicable to the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR**

The operations of manufacturing unit situated at Kolhapur, Maharashtra remains closed with effect from 1st July, 2017 after completion of applicable legal formalities.

As the Company was declared as a Sick Company under Section 3(1)(o) of SICA 1985 and SICA has been repealed w.e.f 1st December, 2016, accordingly, the Company had filed its petition before NCLT under Insolvency and Bankruptcy Code, 2016 and NCLT has pronounced the order admitting the petition of the Company, and appointing Mr. Parveen Bansal, as an Interim Resolution Professional in accordance with applicable regulations under Insolvency and Bankruptcy Code, 2016. With this, corporate insolvency resolution process, against the Company Commences w.e.f 1st August, 2017.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS.**

NCLT has, vide its order dated 1st August, 2017, admitted Company's petition under Insolvency and Bankruptcy Code, 2016 and has appointed Interim Resolution Professional and with that Corporate Insolvency Resolution Process in respect of the Company under IBC, 2016, commences.



**AUDITORS AND AUDITORS REPORT****(a) Statutory Auditors**

At the 22nd Annual General Meeting held on 11.09.2014, M/s Sunil Jain & Co., Chartered Accountants, (Firm Registration No. 003855N) was appointed as Statutory Auditor of the Company to hold office till the conclusion of the 26th Annual General Meeting to be held in the Calendar Year 2018. In terms of the proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Therefore, the appointment of M/s. Sunil Jain & Co., Chartered Accountants, as statutory auditors of the Company is placed for ratification by the shareholders. 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.

Further, the Statutory Auditors have submitted Auditors' Report on the accounts of the Company for the period ended 31st March 2017.

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

Directors' response to the various observations of the auditors made in their report, have 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 Company has not charged interest amounting to Rs.6,98,32,251. Further the company has not charged penal interest and other charges, if any, in respect of delay in repayment of borrowings from banks to the statement of profit and loss account from the date of declaration of account as Non Performing Assets.

The management is of the opinion that since the lenders have categorized their outstanding debts from the Company and stopped charging interest on their debt, the management has decided not to provide interest on such loans for the current year and also reversed interest provided earlier years from the date of NPA.

**Note No. 28 of the Financial Statement without qualifying, Auditors have drawn attention:**

The outstanding balances of parties under the head trade payables and loans & advances and Banks and other deposits are subject to confirmation, reconciliation and consequential adjustments arising there from if any. The management, however, does not expect any material variations.

**Note No. 29 of the Financial Statement without qualifying, Auditors have drawn attention:**

As on March 31, 2017, the accumulated losses of the Company have far exceeded its net worth. In the opinion of the management, the Company's operations were in the earlier years affected by global business downturn which has resulted in reduction in demand, increase in input costs and shortage of working capital. Due to these factors, the Company had 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. The Company's accounts have become Non Performing Assets (NPA) with all the dealing banks and the company is also in receipt of NPA cum recall notice. Pending approval of DRS by OA/ BIFR, SICA has been repealed w.e.f 1/12/2016, and 6 months window has been provided to the Company to approach to National Company Law Tribunal (NCLT), as per section 4(b) of the SICA repeal act read with Sec. 252 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Resolution Process under the code. Company is in the process of moving NCLT for resolution of its liabilities. In the meanwhile, Axis Bank has initiated recovery proceedings before DRT against the Company, however the same is being contested by the company. The company has submitted restructuring proposal proposing various alternative to the banks which is currently under discussion. With strong management focus on strategic initiatives on cost rationalization, optimum product mix and efficient plant operations, the management believes that accumulated losses would reasonably be paired in due course. Thus, on the strength of management's plan of revival including reorganization of business, these financial statements are prepared on a going concern basis.

As per management, the company has filed its petition before NCLT for resolution of its debts and approval of rehabilitation scheme and NCLT has pronounced the commencement of a corporate insolvency resolution process, against the Company w.e.f 1st August, 2017 in accordance with applicable regulations under Insolvency and Bankruptcy Code, 2016.

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

The company has advanced an amount of Rs.27,77,23,608/- as Inter Corporate Deposit and Capital Advances without any repayment schedule and interest free. The management is however hopeful of recovering the same in full. Auditors have relied upon the assertions given by the management as to the recoverability of the said amounts.

**(b) Cost Auditor:**

The Company having been declared as a sick company under repealed SICA and having not produced any yarn in the year 2016-17, the Companies (Cost Records and Audit Rules), 2014 is not applicable to the Company.

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

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. Lovneet Handa & Associate, Practising Company Secretary (having CP No. 10753 & Membership No. F-9055) as Secretarial Auditor



to carry out the secretarial audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 in Form MR-3 is annexed herewith as Annexure I to this Report in compliance with the provisions of Section 204 of the Companies Act, 2013.

The qualifications/observations/remarks made by the Secretarial Auditors and management's view thereon are given in their Report attached hereto.

**(d) Internal Auditors**

During the year, Dr. Sunil Kumar Gupta is Internal Auditor of the Company pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014. However he has tendered his resignation w.e.f. 25th July, 2017.

**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.

**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-2 to this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

As there is no operation/production during the year under review, 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 not applicable.

**PARTICULARS OF EMPLOYEES**

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) & 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, shall be made available to any shareholder on a specific request made by him in writing on or before 25th September, 2017.

**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, 2017.

**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 SEBI (LODR) Regulations. 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 hosted 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.

**HUMAN RESOURCES/INDUSTRIAL RELATIONS**

A fundamental concept embodied in the company's code of conduct is to provide working environment that motivate employees to be productive and innovative and provide opportunities for employee training and development to maximize personal potential and develop careers within the Company. The Company values the involvement of its employees and keep them informed on matters affecting them as employees and factors relevant to the company's performance and other employee related issues on a non discriminatory basis.

The Board of Directors place on record the active, dedicated and valuable contribution made by employees of the Company at all levels with regard to the affairs of the Company. The Industrial relations remained cordial within the Company.

**FRAUD REPORTING**

During the year no fraud has been reported to the Audit Committee / Board.

**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 SEBI (LODR) Regulations 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 closure of the manufacturing unit situated at Kolhapur and non approval of Rehabilitation Scheme by concerned authority the company has not paid the Annual Listing Fee for the last three financial year to BSE & NSE and company would be in a position to pay the same only after infusion of funds pursuant and subsequent to approval of Rehabilitation Scheme.

#### **CONCLUSION**

Your company is presently going through challenging and difficult period due to market and financial constraints. NCLT has pronounced to initiate the commencement of a corporate insolvency resolution process w.e.f 1st August, 2017 pursuant to an application filed by the Company for resolution of its debts and approval of rehabilitation scheme and Mr. Parveen Bansal, has been appointed as Interim Resolution Professional, who shall be exercising management powers of the Company, in accordance with applicable regulations under Insolvency and Bankruptcy Code, 2016. It is however expected, that on approval of rehabilitation scheme by NCLT, It would be in a better position to augment its production and sales by utilizing its capacities optimally.

#### **Acknowledgements**

Your Directors place on record their sincere thanks to bankers, financial institutions business associates, consultants, customers, suppliers, contractors and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

**For & on behalf of the Board**

**Sd/-**

**DIRECTOR**

**(Signed under the authority of Parveen Bansal, who has been appointed as Interim Resolution Professional by order of Principal Bench, National Company Law Tribunal dated August 1, 2017 under the provisions of Insolvency and Bankruptcy Code, 2016)**

**Place : New Delhi**

**Date : 17th August, 2017**

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

**Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

**(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 **M/s 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, 2017, 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 **M/s Amit Spinning Industries Limited** as given in Annexure I for the financial year ended on 31st March, 2017 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (N.A)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014); (N.A.)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; (N.A.)
  - (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; (N.A.) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (N.A.)

**(vi) OTHER APPLICABLE ACTS**

- (a) Factories Act, 1948
- (b) Payment Of Wages Act, 1936, and rules made there under,
- (c) The Minimum Wages Act, 1948, and rules made there under,
- (d) Employees' State Insurance Act, 1948, and rules made there under,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (f) The Payment of Bonus Act, 1965, and rules made there under,
- (g) Payment of Gratuity Act, 1972, and rules made there under.
- (h) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975,
- (i) Food Safety and Standards Act, 2006, and rules made there under.
- (j) Environment (Protection) Act, 1986

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
3. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**We further report that:**

1. The Board of Directors of the Company was not constituted with proper balance of Executive Directors and Non-Executive Directors. There is no Executive Director on the Board of the Company and due to the Financial Constraints; the Company is unable to appoint any other Director. However, the composition of Independent Directors on the Board of Directors of the Company is in conformity with the requirements as stipulated under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules framed there under.
2. The Company is required to appoint a Whole Time Company Secretary as per the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (LODR) Regulations, 2015, however, there is no Whole Time Company Secretary of the Company, as on date and as per the Company's management representation, no person is willing to join the Company as Whole Time Company Secretary, due to the Financial Constraints of the Company.
3. Mr. Bharat Kapoor has been appointed as Compliance Officer of the Company w.e.f. December 31, 2016 in place of Mr. Deepanshu Arora. Further, Mr. Bharat Kapoor is not a Qualified Company Secretary which is pre-requisite for being a Compliance Officer under Regulation 6 of the SEBI (LODR) Regulations, 2015, however he has rich experience in the area of Secretarial Compliance and Corporate Governance matters as he is employed in the Secretarial Department of the Company since last 15 years.
4. The company was unable to pay off the Listing Fees of National Stock Exchange (NSE) and Bombay Stock Exchange

(BSE) for the Financial Year 2016-2017 due to financial constraints. The Company has received Letters, Reminders, E mails from the NSE & BSE for the payment of unpaid listing fees and it is informed by the Company Management that the listing fees will be paid on the availability of Working Capital Facility/ Approval of Rehabilitation Scheme by NCLT as BIFR is dissolved.

5. The Company is not regular in payment of Statutory Dues such as Employees Provident Fund (EPF) dues, Employee State Insurance (ESI) dues, Tax Deducted at Source (TDS) during the Financial Year 2016-2017 and Statutory Returns in respect of dues has also not been filed, regularly. As per the Company's management representation, the Company is inoperative and shut down its manufacturing units, therefore, not able to pay off the same, timely.
6. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
7. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
8. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. The Company has well maintained all the Statutory Registers i.e. Register of Members, Register of Charges, Register of Directors Shareholding etc. mandatory to be maintained under Companies Act, 2013.
10. As per provisions of Companies Act, 2013 and Company rules 2014 read with various clauses of Agreement/SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee, Stakeholders Relationship Committee, Audit Committee Nomination & Remuneration Committee and uploaded applicable policies at Company's website.
11. The Company was declared as a Sick Company under Section 3(1) (0) of SICA 1985, however SICA has since been repealed w.e.f 1st December, 2016. Accordingly, the Company has filed its petition NCLT under Insolvency and Bankruptcy Code, 2016. NCLT has since pronounced the order admitting the petition of the Company, and appointing Mr. Parveen Bansal, as an Interim Resolution Professional, who shall be exercising management before powers of the Company, in accordance with applicable regulations under insolvency and Bankruptcy Code, 2016. With this, corporate insolvency resolution process, against the Company Commences w.e.f. 1st August, 2017.

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

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

Sd/-

**Loveneet Handa**

**FCS NO: 9055**

**C.P No: 10753**

**New Delhi**

**August 8, 2017**

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#### **Annexure - I**

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

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

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**

**'ANNEXURE A'**

To, The Members,

**AM IT SPINNING INDUSTRIES LIMITED**

A-60 Okhla Industrial Area, Phase II, New Delhi-110020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
8. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
9. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**NOTE: It is stated that compliance of all the applicable provisions of the companies act 2013, is the responsibility of the management our examination of test check basis was limited to the procedures followed by the company for ensuring the compliance with the provision. We state that such compliance is neither an assurance as to the viability of the company nor the efficiency of effectiveness with which the management has conducted its affairs.**

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

**Sd/-**

**Loveneet Handa**

**FCS NO: 9055**

**C.P No: 10753**

**New Delhi**

**August. 8, 2017**

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

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L17100DL1991PLC171468
ii)	Registration Date	18.11.1991
iii)	Name of the Company	Amit Spinning Industries Limited
iv)	Category/Sub-category of the Company	Public Limited Company
v)	Address of the Registered office & contact details	A - 60, Okhla Industrial Area, Phase - II, New Delhi - 110020; Tel: 011-46598900; Fax : 011-26385181; Web.: www.spentex.net; Email: secretarial@clcindia.com
vi)	Whether listed company	Yes
vii)	Name , Address & contact details of the Registrar & Transfer Agent, if any	RCCM Share Registry Pvt. Ltd., B-25/1, Okhla Industrial Area, Phase 2, New Delhi-110020; Tel: 011-26387320; Fax : 011-26387322; Fax: 011-26387322, Email: mdnair@rcmcdelhi.com Website: www.rcmcdelhi.com

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

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Yarn	131	100

## AMIT SPINNING INDUSTRIES LIMITED

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

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

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

#### (i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	0.00	-	-	-	0.00	0.00
b) Central Govt. or State Govt.	-	-	-	0.00	-	-	-	0.00	0.00
c) Bodies Corporates	20,981,077	-	20,981,077	50.96	20,981,077	-	20,981,077	50.96	0.00
d) Bank/FI	-	-	-	0.00	-	-	-	0.00	0.00
e) Any other	-	-	-	0.00	-	-	-	0.00	0.00
<b>SUB TOTAL: (A) (1)</b>	<b>20,981,077</b>	<b>-</b>	<b>20,981,077</b>	<b>50.96</b>	<b>20,981,077</b>	<b>-</b>	<b>20,981,077</b>	<b>50.96</b>	<b>0.00</b>
(2) Foreign									
a) NRI- Individuals	-	-	-	0.00	-	-	-	0.00	0.00
b) Other Individuals	-	-	-	0.00	-	-	-	0.00	0.00
c) Bodies Corp.	-	-	-	0.00	-	-	-	0.00	0.00
d) Banks/FI	-	-	-	0.00	-	-	-	0.00	0.00
e) Any other...	-	-	-	0.00	-	-	-	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>20,981,077</b>	<b>-</b>	<b>20,981,077</b>	<b>50.96</b>	<b>20,981,077</b>	<b>-</b>	<b>20,981,077</b>	<b>50.96</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	0.00	-	-	-	0.00	0.00
b) Banks/FI	-	100	100	0.00	-	100	100	0.00	0.00
c) Central gov't	-	-	-	0.00	-	-	-	0.00	0.00
d) State Govt.	-	-	-	0.00	-	-	-	0.00	0.00
e) Venture Capital Fund	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	2,000	-	2,000	0.00	2,000	-	2,000	0.00	0.00
g) FIIS	-	-	-	0.00	-	-	-	0.00	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Others (specify) -	-	-	0.00	-	-	-	0.00	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>2,000</b>	<b>100</b>	<b>2,100</b>	<b>0.01</b>	<b>2,000</b>	<b>100</b>	<b>2,100</b>	<b>0.01</b>	<b>0.00</b>
(2) Non Institutions									
a) Bodies corporates									
i) Indian	799,811	7,900	807,711	1.96	800,711	6,500	807,211	1.96	0.00
ii) Overseas	-	-	-	0.00	-	-	-	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	4,926,157	1,792,840	6,718,997	16.32	4,930,007	1,789,240	6,719,247	16.32	0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	11,609,292	-	11,609,292	28.20	11,609,542	-	11,609,542	28.20	0.00
c) Others (specify)									
i) Directors other than Promoters	-	-	-	0.00	-	-	-	0.00	0.00
ii) Trust	676,142	-	676,142	1.64	676,142	-	676,142	1.64	0.00
iii) Clearing Member	21,354	-	21,354	0.05	21,354	-	21,354	0.05	0.00
iv) Hindu Undivided Families	-	-	-	0.00	-	-	-	0.00	0.00
v) NRI	81,289	271,705	352,994	0.86	81,489	271,705	353,194	0.86	0.00
<b>SUB TOTAL (B)(2):</b>	<b>18,114,045</b>	<b>2,072,445</b>	<b>20,186,490</b>	<b>49.03</b>	<b>18,119,245</b>	<b>2,067,445</b>	<b>20,186,690</b>	<b>49.03</b>	<b>0.00</b>
<b>Total Public Shareholding</b>									
<b>(B)= (B)(1)+(B)(2)</b>	<b>18,116,045</b>	<b>2,072,545</b>	<b>20,188,590</b>	<b>49.04</b>	<b>18,121,245</b>	<b>2,067,545</b>	<b>20,188,790</b>	<b>49.04</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00	-	-	-	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>39,097,122</b>	<b>2,072,545</b>	<b>41,169,667</b>	<b>100.00</b>	<b>39,102,322</b>	<b>2,067,545</b>	<b>41,169,867</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sr No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Spentex Industries Limited	20,981,077	50.96	20.00	20,981,077	50.96	20.00	0.00

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

There has been no change in shareholding of Promoter during the year.

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

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

**(v) Shareholding of Directors & KMP**

None of the directors/KMP was holding any share in the Company at the beginning of the year i.e. as on 01.04.2016 and nor there is any transaction made by the director in the shares of the Company during the year 2016-17.

**V. INDEBTEDNESS**

(Figures in ₹)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	295,895,798	320,128,019	360,411	616,384,228
ii) Interest due but not paid	44,053,841	-	-	44,053,841
iii) Interest accrued but not due	-	95,950,583	-	95,950,583
<b>Total (i+ii+iii)</b>	<b>339,949,639</b>	<b>416,078,602</b>	<b>360,411</b>	<b>756,388,652</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	7,000	7,000
Reduction	-45,647,435	-	-	-45,647,435
<b>Net Change</b>	<b>-45,647,435</b>	<b>-</b>	<b>7,000</b>	<b>-45,640,435</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	294,302,204	320,128,019	367,411	614,797,634
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	95,950,583	-	95,950,583
<b>Total (i+ii+iii)</b>	<b>294,302,204</b>	<b>416,078,602</b>	<b>367,411</b>	<b>710,748,217</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager: (Figures in ₹)**

Sl. No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Name of the MD/WTD/ Manager	Total Amount
1	<b>Gross salary</b>	<b>Mr. I B Maner</b>	<b>Mr. I.D.Desai</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	22,27,467	3,90,817	26,18,284
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	3,28,531	22,750	3,51,281
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>25,55,998</b>	<b>4,13,567</b>	<b>29,69,565</b>
	<b>Ceiling as per the Act</b>	<b>36,84,192</b>	<b>35,00,000</b>	<b>71,82,192</b>

**B. Remuneration to other directors: (Figures in ₹)**

Sr. No	Particulars of Remuneration	Name of the Directors				Total Amount
		Mr. S P Setia	Mr. Ranjan Mangtani	Mr. K Sankaramani	Mrs. Shivani Gupta	
1	<b>Independent Directors</b>					
	(a) Fee for attending board committee meetings	40,000	-	-	20,000	60,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>60,000</b>
2	<b>Other Non Executive Directors</b>					
	(a) Fee for attending Board Committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>60,000</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,29,565</b>
	<b>Overall Ceiling as per the Act.</b>	Rupees One Lac per meeting of the Board or Committee thereof				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD (Figures in ₹)**

Sr. No	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary (Ms. Priya Lohani)	Manager * (Mr. I D Desai)	CFO (Mr. Nagesh Malpeddi S)	
1	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A.	95,000	4,13,574	3,73,097	8,81,671
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N.A.	-	-	31,905	31,905
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.	-	-	-	-
2	Stock Option	N.A.	-	-	-	-
3	Sweat Equity	N.A.	-	-	-	-
4	Commission	N.A.	-	-	-	-
	as % of profit	N.A.	-	-	-	-
	others, specify	N.A.	-	-	-	-
5	Others, please specify	N.A.	-	-	-	-
	<b>Total</b>		<b>95,000</b>	<b>4,13,574</b>	<b>4,05,003</b>	<b>9,13,576</b>

\*Mr. I D Desai has been Appointed as manager of the Company w.e.f. 1st September, 2016.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17**

(As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

The Company's philosophy on Corporate Governance encompasses to have a set of system and practices to ensure that the affairs of the Company are being managed in a manner which ensures accountability, transparency and fairness in all transaction in widest sense. This is ensured by carefully balancing the complex inter-relationship of Board of Directors and various departments such as Internal Audit, Finance, and Compliance and by conducting business with a firm commitment to values to enhance long term shareholders values.

**2. Board of Directors**

The Board of Directors of the Company comprises of 4 Directors with a Non Executive and Independent Chairman. Out of the 4 Directors two are non executive and independent Directors (including Women Director) and remaining two are non-executive Directors. The composition of the Board is in conformity with requirements as stipulated under Regulation 17 of SEBI (LODR) Regulations 2015.

During the year under review, five meetings of the Board of Directors were held and the gap between two meetings did not exceed 120 days (as stipulated by law in force). The respective dates on which the Board Meetings were held are 25th May, 2016, 9th August, 2016, 9th November, 2016, 10th November, 2016 and 10th February, 2017. 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 Meeting Attended	No. of Directorships and Chairmanship(s)/ Membership(s) of Board/Committees of other companies			Attendance at the last AGM
			Directorship #	Member ##	Chairperson	Yes/No
Mr. S P Setia (Chairman)	Independent, Non-executive	5	5	1	1	Yes
Mr. I.B. Maner* (Managing Director)	Executive	1	-	-	-	Yes
Mr. Ranjan Mangtani*	Non-executive	4	-	-	-	Yes
Mr. Krishnan Sankaramani	- do -	2	-	-	-	No
Mr. Vijay Bhan Singh**	Non Executive	-	-	-	-	No
Mrs Shivani Gupta**	Woman Independent	2	1	-	-	Yes
Ms Priya Lohani*	Woman	1	-	-	-	No
Mr. I D Desai**	Manager	1	-	-	-	No

# The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Private Limited Companies, Section 8 Companies.

## In accordance with Regulation 26 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Listed Companies (excluding Amit Spinning Industries Limited) have been considered.

\* Ms. Priya Lohani has resigned as Women Director w.e.f. 10th May, 2016. Mr. I.B Maner's term as Managing Director expired on 31.08.2016 and Mr. I.B Maner and Mr. Ranjan Mangtani also tendered their resignation as Director with effect from 10.11.2016.

\*\* Mrs. Shivani Gupta has been appointed as a Woman Independent Director on the Board of the Company w.e.f. 30.06.2016 and Mr. I D Desai has been appointed as Manager to the Company on 1st September, 2016. Mr. Vijay Bhan Singh has been appointed as the Non Executive Director on the Board of the Company w.e.f. 27.03.2017.

**Details of shares held by the Non-Executive/Independent Directors/Manager as on 31st March, 2017**

Name	No. of Shares held	Name	No. of Shares held
Mr. S P Setia	Nil	Mr. K Sankaramani	Nil
Mrs. Shivani Gupta	Nil	Mr. Vijay Bhan Singh	Nil
Mr. I D Desai, Manager	Nil		

**Information supplied to the Board**

1. Annual operating plans, budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the Board of Directors.
5. The information on recruitment and remuneration of senior officers just below the level of board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems.
8. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
10. Details of joint venture or collaboration agreements.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

**Post-meeting follow-up mechanism**

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for decisions taken / pending decisions of the Board and Committees. The draft minutes of the Board and its Committees are circulated to the members for their comments and then the minutes are entered in the minutes book within 30 days from the conclusion of the meeting. Directors suggestions if any, towards minutes of the previous meeting(s) being placed at the succeeding meeting of the Board for noting.

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

According to the Articles of Association, one-third of the directors shall retire by rotation and, if eligible, they can seek re-appointment at the Annual General Meeting of Shareholders. Due to resignation of Mr. Krishnan Sankaramani (w.e.f. 1st August, 2017) no director is retiring by rotation in the ensuing Annual General Meeting. During the year Mr. I B Maner term as Managing Director has been expired on 31st August, 2016 and has resigned from the Board w.e.f. 10th November, 2016. In view of financial difficulties in terms of payment of remuneration to Managing Director, the Board of Directors have appointed Mr. I D Desai as Manager to the Company w.e.f. 1st September, 2016. The Board also appointed Mr. Vijay Bhan Singh as an Additional Director of the Company w.e.f. 27th March, 2017.

The Board has recommended the appointment/re-appointment of aforesaid director(s)/manager in the ensuing Annual General Meeting. The brief details of the aforesaid directors are indicated herein below

**Mr. Vijay Bhan Singh** (52) S/o Shri Purender Singh Chauhan, is a director of the Company w.e.f 27th March, 2017. He is a Graduate in Commerce and having rich experience in Accounts & Finance and other related subjects and does not hold any shares of the Company as on 31st March, 2017.

**Mr. Ishwar Dhondiba Desai** (59) S/o. Shri Dhondiba Appa Desai is a Manager of the Company w.e.f. 1st September, 2016. He is a Graduate and having Master degree in Social Work, he is having rich experience in Administration and related subjects and does not hold any shares of the Company as on 31st March, 2017.

**Independent Directors' Meeting**

In compliance with Regulation 25 of Listing Regulations, 2015 during the year under review, the Independent Directors met on 10.02.2017 inter alia to discuss:

1. The performance of Non-Independent Directors and the Board of Directors as a whole.
2. Review the performance of key managerial personnel.
3. Review the performance of the chairperson of the listed entity, taking into account the views of executive directors, Manager and non-executive directors;
4. Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

**Code of Conduct for Independent Directors**

Pursuant to the provisions of sub section (6) of section 149 read with schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a "Code of Conduct" has been framed for Independent Directors reflecting underlying core values, commitment towards personal integrity, respect for the individual, transparency, fairness, accountability, etc being some of the key elements for achieving desired excellence. The code is available on the website of its holding Company i.e. [www.spentex.net](http://www.spentex.net)

### **Familiarization Programme for Independent Directors**

Pursuant to Regulation 25 of SEBI (LODR) Regulation, 2015, the Company has put in place a system to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the business and the on-going events relating to the Company. The Company has formulated a policy on familiarization programme for Independent Directors. The Policy is available on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net)

At the time of appointing a Director, a formal letter of appointment is given to him, inter alia explaining the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013 and Listing Regulations, 2015 and affirmation taken with respect to the same.

### **3. Audit Committee**

The Audit Committee consisted of two Non-Executive Independent Directors and one Non Executive Director, namely Mr. S P Setia (Non-Executive/Independent Chairman), Mr. Krishnan Sankaramani (Non Executive Member) and Mrs. Shivani Gupta (Non-Executive Independent Member). The members have the requisite accounting and related financial management expertise. Statutory Auditors and Internal Auditors are invited to the meetings of Audit Committee for presenting their periodical reports.

During the year under review, Mr. Ranjan Mangtani, Non Executive Director and member of Audit Committee resigned as the member of the Audit Committee on the conclusion of business hours of 10th November, 2016. The Board of Directors at their meeting held on 10th November, 2016 re-constituted the Audit Committee and appointed Mr. Krishnan Sankaramani, Non Executive Director, as the member of the Audit Committee.

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. To review the function of the Whistle Blower Mechanism.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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 25th May, 2016, 09th August, 2016, 9th November, 2016 and 10th February, 2017. The details of attendance of the each member at the Audit Committee are given herein below:

Name of the Director	No. of Meetings Attended
Mr. S P Setia	4
#Mr. Ranjan Mangtani	3
#Mr. K Sankaramani	1
Mrs. Shivani Gupta	2

# Mr.Ranjan Mangtani has resigned as a member of the Audit committee as well as Board of the Company on closing of business hours of 10th November, 2016 and Mr. Krishnan Sankaramani has joined as the member of the Audit Committee from 10th November, 2016.

#### 4. Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board has been constituted to review/recommend the remuneration package of the Managing Director/Whole Time Director(s)/Managers based on performance and defined criteria. The Nomination & Remuneration Committee of the Board comprises of Independent/Non-Executive Directors, namely Mr. S P Setia (Chairman- Independent Director), Mr. Krishnan Sankaramani (Member Non Executive Director) and Mrs. Shivani Gupta (Member-Independent Director). During the year, one meeting of the Nomination & Remuneration Committee was held on 9th August 2016 thereafter the Committee has passed a resolution for appointment of Manager to the Company.

During the year under review, Mr. Ranjan Mangtani, Non Executive Director and member of Nomination and Remuneration Committee resigned as the member of the Nomination and Remuneration Committee on 10th November, 2016. The Board of Directors at their meeting held on 10th November, 2016 re-constituted the Nomination and Remuneration Committee and appointed Mr. Krishnan Sankaramani, Non Executive Director, as the member of the Nomination and Remuneration Committee.

Details of remuneration paid to Directors for the financial year 2016-17 are as under:

Name of Director	Category	Sitting Fee for Board Meetings (₹)	Sitting Fee for Remuneration Committee Meetings (₹)	Sitting Fee for Audit Committee Meetings (₹)	Salaries and Perquisites p.a. (₹)	Total (₹)
Mr. S P Setia	Non-Exec. Chairman	40,000	NIL	NIL	N.A.	40,000
Mr. I.B. Maner	Executive	NIL	NIL	NIL	25,55,998	25,55,998
Mr. Ranjan Mangtani*	Non Executive	NIL	NIL	NIL	NIL	NIL
Mr. Krishnan Sankaramani*	- Do -	NIL	NIL	NIL	NIL	NIL
Mrs.Shivani Gupta	Non Executive	20,000	NIL	NIL	N.A.	20,000
Ms. Priya Lohani	Executive	NIL	NIL	NIL	NIL	NIL
Mr. Vijay Bhan Singh	Non Executive	NIL	NIL	NIL	NIL	NIL
Mr. I D Desai	Manager	NIL	NIL	NIL	4,13,567	4,13,567

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

#### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the annual evaluation has been made by the Board of its own performance, evaluation of the working of its Board Committees and of the Directors individually. The evaluation has been conducted as per manner mentioned in the policy formulated by the Company for Selection and remuneration of Directors, KMP & Senior Management, recommended by the Nomination and Remuneration Committee and forms the part of Annual Report. The Policy is available on the website of the holding's Company i.e. www.spentex.net.

#### 5. Stakeholders Relationship Committee:

Stakeholders Relationship Committee of the Board comprises of three members, namely Mr. S P Setia, as Chairman - Independent Director, Mr. Krishnan Sankaramani, Member - Non Executive Director and Mrs. Shivani Gupta, Members - Independent Director of the Committee.

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

The committee also reviews all investors' complaints and grievances. During the year the Company has not received any complaint from the investors and SEBI/Stock Exchanges/MCA. There was no complaint outstanding as on 31st March

2017. Mr. Bharat Kapoor is Compliance officer of the Company for complying in accordance with the requirements of SEBI (LODR) Regulations, 2015 with the Stock Exchanges in India.

During the year under review, Mr. Ranjan Mangtani, Non Executive Director and member of Stakeholders Relationship Committee resigned as the member of the Stakeholders Relationship Committee on the conclusion of business hours of 10th November, 2016. The Board of Directors at their meeting held on 10th November, 2016 re-constituted the Stakeholders Relationship Committee and appointed Mrs. Shivani Gupta, Independent Woman Director, as the member of the Stakeholders Relationship Committee.

During the year, four meetings of the Committee were held on 5th April, 2016, 5th July, 2016, 5th October, 2016, and 5th January, 2017. The details of Attendance of each Member at the Stakeholders Relationship Committee:

Name of the Director	No. of Meetings Attended
Mr. S P Setia	4
Mr. Ranjan Mangtani	3
Mr. Krishnan Sankaramani	NIL
Mrs. Shivani Gupta	1

**6. Risk Management Committee**

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

**7. Related Party Transactions**

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on materiality of Related Party Transactions. The Policy is available on the website of the holding Company [www.spentex.net](http://www.spentex.net).

Pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015 read with Section 188 of the Companies Act, 2013, all material Related Party Transactions are placed before the Audit Committee on quarterly basis and as per nature of the transactions there was no need to seek approval of the shareholders of the Company as such related party transactions are under the limit/exempted from such approval(s). The Audit Committee has granted omnibus approval for Related Party Transactions on yearly basis as per the particulars placed before the Committee.

**8. Subsidiary Companies**

The SEBI (LODR) Regulations, 2015 defines a "material subsidiary" as an subsidiary, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have a 'material subsidiary'. However the Company has formulated a policy for determining "Material Subsidiary" policy which is disclosed on the website of the holding Company i.e. [www.spentex.net](http://www.spentex.net)

**9. Whistle Blower Policy**

The Company has devised a Vigil mechanism pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, all directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics.

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

**10. Code for prevention of insider-trading practices**

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

Mr. Bharat Kapoor, Compliance officer of the Company is monitoring the various stipulated compliances.

**11. 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
22nd AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	11th September, 2014 11:30 A.M.	<ol style="list-style-type: none"> <li>1. To approve the ratification of resolution authorizing Board of Directors to borrow up to the limit of Rs. 100 crs.</li> <li>2. To approve the ratification of resolution authorizing Board of Directors to mortgage/charge/lease/sell/dispose off the immovable/movable properties of the Company for an amount not exceeding Rs. 200 Crs.</li> <li>3. To approve the ratification of resolution authorizing Board of Directors to make loans/investment and/or to give Guarantees/Securities for an amount not exceeding Rs. 100 crs.</li> <li>4. To approve and adopt the substitution/alteration and the entire exclusion of the regulations in the existing Articles of Association of the company.</li> </ol>
23rd AGM	-do-	30th September, 2015 04:30 P.M.	None
24th AGM	-do-	27th September, 2016 12:00 Noon	None

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

No special resolution was passed through postal Ballot during the year 2016-17.

**8. Code of Conduct**

The Board of Directors has adopted the Code of Conduct and ethics for Directors, Senior Management and designated employees. The Code has also been posted on its holding company's website [www.spentex.net](http://www.spentex.net). The declaration in compliance with Clause (D) of Schedule V of the SEBI (LODR) Regulations, 2015 is given below:

To The Shareholders of Amit Spinning Industries Limited

**Sub: Declaration on Compliance with Code of Conduct as required under Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015**

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, 2017 in terms of Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

**Sd/-**  
**I D DESAI**  
**MANAGER**

**Place: New Delhi**  
**Date: 17th August, 2017**

**9. Compliance**

**a. Mandatory Requirements:**

The Company is fully compliant with the applicable mandatory requirements of the Regulation 27 of SEBI (LODR) Regulation, 2015.

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

Details of all the above mentioned committees i.e. Risk Management Committee, have been provided in this report.

**10. Disclosures**

- The disclosure relating to transactions of material nature with the related parties are disclosed in the financial statements.
- Company has fulfilled all Statutory Compliances and there were no penalties, stricture imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- Company has issued circular in connection with Visual Mechanism/Whistle Blower Policy and no employee was denied the access to the Audit Committee.
- Pursuant to Regulation 6 (2) (d) of the Listing Regulation, 2015, the Company has created E-mail ID



secretarial@clcindia.com exclusively for the purpose of registering complaints/queries by investors. Pursuant to Circular No CIR/OIAE/2/2011 dated June 3, 2011 issued by SEBI, the investors' complaints are processed in a centralized web based complaints redress system 'SCORES'.

- As per Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate e-mail address to facilitate to send Annual Reports and other reports/notices through e-mail.
- The Management Discussions and Analysis is communicated as a part of Annual Report.

**11. Means of Communication**

- Information on quarterly/ half yearly/ annual financial results and press releases on significant developments in the Company, are submitted to the Stock Exchanges immediately after Board approves the same to enable stock exchanges to put the results on their websites and communicate to their members.
- The quarterly/half-yearly/annual financial results are published in The Pioneer (English & Hindi) newspaper and the same are also displayed on its holding company's website www.spentex.net

**12. General Shareholder information**

- The 25th Annual General Meeting will be held at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019 on Monday the 25th September, 2017 at 11.30 A.M.
- Financial Calendar (Tentative) :
  - Financial reporting for the Quarter ending June 30, 2017 : on or before 14th September, 2017\*
  - Financial reporting for the Quarter ending September 30, 2017 : on or before 14th December, 2017
  - Financial reporting for the Quarter ending December 31, 2017 : on or before 15th February, 2018
  - Annual Results for the Year ending March 31, 2018 : on or before 30th May, 2018
  - SEBI has given extension for one month in view of implementation of INDAS
- Date of Book closure : Thursday the 21st September, 2017 to Monday the 25th September, 2017 (Both days inclusive)
- Dividend Payment Date : Not Applicable.
- Unclaimed/Unpaid Dividend : Not Applicable.
- Listing of Equity Shares on Stock Exchanges: BSE Limited, Mumbai (scrip code = 521076) and National Stock Exchange of India Ltd., Mumbai (scrip code = ASIL).
- ISIN No. INE988A01026.
- Due to financial crises and closure of the manufacturing unit situated in Kolhapur, the Annual Listing Fee for the financial year 2017-18 yet to be paid to BSE & NSE and Custodian Fee to NSDL & CDSL (last 2 years also not paid) and Company is in process to clear the said dues on approval of Rehabilitation scheme filed with NCLT and/or available of working capital facility/infusion of funds.
- Market Price Data : High/Low during each month in last financial year 2016-17 : at **BSE & NSE**

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>BSE</b>												
<b>High</b>	0.85	0.89	0.85	0.96	1.00	1.03	1.03	1.18	1.29	1.15	1.13	1.10
<b>Low</b>	0.85	0.81	0.78	0.74	0.85	0.95	0.87	0.95	1.21	0.82	0.90	0.94
<b>NSE</b>												
<b>High</b>	Not Traded		1.45	1.30	1.10	0.70	0.55	0.75	0.80	0.80	0.80	1.00
<b>Low</b>	Not Traded		1.35	1.05	0.70	0.60	0.50	0.55	0.65	0.65	0.60	0.65

- The Registrars and Transfer Agents of the Company: RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Near Rana Motors, Okhla Industrial Area Phase 2, New Delhi-110020. Tel. No. 011-26387320 / 011-26387321 and Fax No.011-26387322. E-mail ID investor.services@rcmcdelhi.com.
- Contact person: Mr. Rakesh Kumar, Email : mdnair@rcmcdelhi.com Share Transfer System: The Company's shares are traded under compulsorily D-mat mode. Shares in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time.
- Distribution of shareholding as on **31.03.2017**:

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
1 to 5000	16396	94.50	3346257	8.13
5001 to 10000	406	2.34	656417	1.59
10001 to 20000	228	1.31	671332	1.63
20001 to 30000	130	0.75	650303	1.58
30001 to 40000	35	0.20	244300	0.59
40001 to 50000	36	0.21	343539	0.84
50001 to 100000	54	0.31	772887	1.88
100001 and above	66	0.38	34484236	83.76
<b>TOTAL</b>	<b>17,351</b>	<b>100.00</b>	<b>4,11,69,667</b>	<b>100.00</b>

➤ Category of Shareholders as on : **31.03.2017**

Category	Shares held	%age
Promoters	2,09,81,077	50.96
Financial Institutions/Insurance Companies/ Banks/Mutual Funds/Trust	678,242	1.65
NRIs/OCBs/Foreign Nationals	352,994	0.86
Body Corporate(s)	807,211	1.96
Public and Others	1,83,50,143	44.57
<b>Total</b>	<b>4,11,69,667</b>	<b>100.00</b>

- Dematerialization of shares: As on 31st March, 2017 the shares in demat mode were 3,91,02,322 representing 94.98% of the total paid up capital.
  - There are no outstanding GDR/ADR/Warrant or any convertible instruments, conversion date and likely impact on equity of the Company.
  - The equity shares of the Company are frequently traded at BSE Limited and at National Stock Exchange of India Ltd., Mumbai.
  - Plant: Gat. No. 47 & 48, Village Sangawade, Taluka Karveer, Kolhapur - Hupari Road, Dist. Kolhapur 416005.
  - Address for Correspondence :
1. Registered & Corporate Office
 

A-60, Okhla Industrial Area, Phase II, New Delhi 110020  
Ph. 011 - 26387738, 46598900, Fax: 011 - 26385181.  
Email: secretarial@clcindia.com;
  2. Registrars & Transfer Agents
 

RCMC Share Registry Private Ltd.  
B-25/1, Okhla Industrial Area, Phase-2,  
New Delhi- 110020. Ph. No. 011-26387320 / 011-26387321  
& Fax No. 011-26387322.

Contact person  
Mr. Rakesh Kumar  
Email:mdnair@rcmcdelhi.com & investor.services@rcmcdelhi.com
  3. Compliance Officer
 

Mr. Bharat Kapoor  
A-60, Okhla Industrial Area, Phase II, New Delhi 110020  
Ph. 011 - 26387738, 41598900, Fax: 011 - 26385181.  
Email : secretarial@clcindia.com; bharatk@clcindia.com

**13. CEO/CFO Certification**

To,

The Board of Directors

Amit Spinning Industries Limited

Sub: **CEO/CFO Certificate**

We, Vijay Bhan Singh, Director and Nagnath S Malpeddi, Chief Financial Officer to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
  - (i) Significant changes in internal controls over financial reporting, during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - (iii) Instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: New Delhi  
Date: 27.05.2017

Sd/-  
Vijay Bhan Singh  
Director

Sd/-  
Nagnath S Malpeddi  
Manager Accounts/ CFO

**Certificate on Corporate Governance**

(Pursuant to Clause E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of **Amit Spinning Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Amit Spinning Industries Limited ('the Company'), for the financial year ended March 31, 2017, as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended March 31, 2017.

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

For Sunil Jain & Co.  
Chartered Accountants  
(Registration No. 003855N)

**Sd/-**  
**Sanchit Jain**  
**Partner**

**New Delhi**  
**August 17, 2017**

**Membership No. 511714**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Amit Spinning Industries Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Amit Spinning Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and

fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion**

We draw attention to:

- (a) Note No. 30 of the financial statements wherein, the company has not charged interest amounting to Rs.6,98,32,251. Further, the company has also not charged penal interest and other charges, if any, in respect of delay in repayment of borrowings from banks to the statement of profit and loss account from the date of declaration of accounts as non performing assets (NPA). Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of profit & loss.

We report that had the Company decided to provide the amount as mentioned above, the loss for the year would have been greater by Rs.6,98,32,251 and would have amounted to Rs.20,20,75,593 (as against the reported figure of Rs.13,22,43,342), with a consequential effect on Accumulated losses and Loans from Banks.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, its loss and its cash flows for the year ended on that date

#### **Emphasis of Matters**

Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial statements:

- (a) Note No. 29 of the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. Further majority of the banks have categorized borrowing of the company as Non performing Assets (NPA) and have sent recall notices u/s 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002 to the company. Pending approval of DRS by OA/ BIFR, SICA has been repealed w.e.f 1/12/2016, and 6 months window has been provided to the Company to approach to National Company Law Tribunal (NCLT), as per section 4(b) of the SICA repeal act read with Sec252 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Resolution Process under the code. Company is in the process of moving NCLT for resolution of its liabilities. In the meanwhile, Axis Bank has initiated recovery proceedings before DRT against the Company, however the same is being contested by the company. These conditions, along with other matters set forth in Note 30, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
- (b) Note No. 28 of the financial statements regarding balances of parties under the head trade payables and loans & advances which are subject to confirmation, reconciliation and consequential adjustments, if any.
- (c) Note No.31 of the financial statements regarding an amount of Rs.27,77,23,608 under the head "Long Term Loans and Advances" which has been considered good by the management in view of the reasons stated therein. We have relied upon the assertions given by the management as to the recoverability of the said amounts.

Our opinion is not modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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

- a. we have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. The going concern matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

- f. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the financial statements;
  - (ii) the Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
  - (iii) there has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; as such the question of delay in transferring such sums does not arise.
  - (iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 39 to the financial statements.

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

**Place: New Delhi**  
**Date : May 27, 2017**

**Annexure A of our report of even date to the members of Amit Spinning Industries Limited  
on the accounts of the company for the year ended 31st March, 2017**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets are physically verified by the management according to a phased programmed designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets; as informed to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:

Particulars of Land and Building	Gross Block as on 31.03.2017 (₹)	Net Block as on 31.03.2017 (₹)	Remarks
Office at Mumbai	22,173,678	12,439,663	The title deeds in respect of this property could not be provided.

- (ii) (a) The company has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The discrepancies noticed have been properly dealt with in the books account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. As the Company has not granted any such loans, provisions of clause 3(iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees given.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013

- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under (1) of Section 148 of the Companies Act, 2013 and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities. The arrears of undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable are as under:

Name of Statute	Nature of Dues	Period to which it relates	Amount (₹)	Remarks
Provident Fund Act	Provident Fund	March, 2015 to August, 2016	10,561,594	Still Not paid as on date of our report
Income Tax Act, 1961	TDS	July, 2015 to August, 2016	55,521	
Finance Act, 1994	Service Tax	April, 2015 to August, 2016	245,058	
MVAT Act	MVAT	August, 2014 to December, 2015	2,039,286	
MVAT Act	CST	September, 2014 to June, 2016	1,646,283	
MVAT Act	TDS	October, 2014	3,691	
Professional Tax	Professional Tax	January, 2015 to July, 2016	866,250	
			<b>15,417,684</b>	

- (b) According to the information and explanations given to us, details of following government dues, which have not been deposited on account of any dispute are given below:

S. No.	Name of the Statute	Nature of the dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute pending
1.	Maharashtra Value Added Tax, 2005	Sales Tax and penalty	10,44,000 (net of payment of Rs.2,00,000 under protest)	2004-05	First Appellate Authority
2.	Maharashtra Value Added Tax, 2005	Sales Tax and penalty	9,64,390 (net of payment of Rs.16,90,614 by way of adjustment of refund)	2009-10	First Appellate Authority

- (viii) According to the information and explanations given to us and records examined by us, we are of the opinion that the Company has defaulted in repayment of loans or borrowing to a bank as infra. The Company did not have outstanding dues to any financial institution and debentures during the year under audit. The loan facilities as mentioned below have become non-performing asset (NPA) for the lender as the company has not paid the dues within 90 days of payments being falling due:

(Figures in ₹)

Bankers	Type of Loan	Out Standing as on 31.3.2017	Period of Default
Axis Bank	Term Loan	11,19,52,183	More than 90 days
Axis Bank	FITL	56,17,448	
Axis Bank	WCTL	49,01,529	
Axis Bank	Short Term Loan	4,82,77,044	
Axis Bank	Cash Credit	4,98,07,861	
UCO Bank	WCTL	94,60,163	
UCO Bank	Cash Credit	6,42,85,976	
<b>Grand Total</b>		<b>29,43,02,205</b>	



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sunil Jain & Co.**  
Chartered Accountants  
(Registration No. 003855N)

Sd/-  
**Sanchit Jain**

Partner

Membership No. 511714

Place: New Delhi

Date : May 27, 2017

**Annexure B to the Independent Auditor's Report of Even Date**

**on the Standalone Financial Statements of Amit Spinning Industries Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Amit Spinning Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

*According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017.*

*The company did not have an appropriate internal control system for obtaining confirmation from certain parties included under the head trade payables, loans & advances and other current liabilities and its reconciliation/consequential adjustments, if any. Further, the company's internal financial controls over recovery of certain long outstanding claim receivables and advance balances are not adequate.*

*The company's internal financial controls were not operating effectively in respect of the above which may potentially impact the results of the company.*

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have accordingly issued a qualified opinion on the standalone financial statements.

**For Sunil Jain & Co.**

Chartered Accountants  
(Registration No. 003855N)

Sd/-

**Sanchit Jain**

Partner

Membership No. 511714

Place: New Delhi

Date : May 27, 2017

**BALANCE SHEET AS AT MARCH 31, 2017**

(Figures in ₹)

	Particulars	Note No.	AS AT March 31, 2017	AS AT March 31, 2016
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	205,848,335	205,848,335
	(b) Reserves and surplus	3	-1,057,051,001	-924,807,659
	(c) Money received against share warrants		-	-
			-851,202,666	-718,959,324
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	320,128,019	359,218,019
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	5	131,936,646	131,936,646
	(d) Long-term provisions	6	12,227,253	11,855,298
			464,291,918	503,009,963
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	162,370,881	163,964,475
	(b) Trade payables		651,459,058	562,502,019
	(c) Other current liabilities	8	216,526,402	196,438,964
	(d) Short-term provisions	9	5,401,468	3,450,541
			1,035,757,809	926,355,999
	<b>TOTAL</b>		<b>648,847,062</b>	<b>710,406,638</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	(a) Fixed assets		-	-
	(i) Tangible assets	10	352,882,958	382,565,198
	(b) Non-current investments	11	23,200	23,231
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	12	286,776,308	72,846,995
	(e) Other non-current assets	13	2,161,743	7,295,261
			641,844,209	462,730,685
<b>2</b>	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories	14	2,887,387	2,828,225
	(c) Trade receivables	15	252	8,313,766
	(d) Cash and cash equivalents	16	454,798	2,175,475
	(e) Short-term loans and advances	17	3,660,416	224,856,488
	(f) Other current assets	18	-	9,502,000
			7,002,853	247,675,953
	<b>TOTAL</b>		<b>648,847,062</b>	<b>710,406,638</b>

See accompanying notes forming part of the financial statements  
As per our report of even date

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

Sd/-  
Sanchit Jain  
Partner  
Membership No. 511714  
Place : New Delhi  
Date : May 27, 2017

**For and on behalf of Board of Directors**

Sd/-  
S P Setia  
Chairman

Sd/-  
Vijay Bhan Singh  
Director

Sd/-  
K. Sankaramani  
Director

Sd/-  
Malpeddi Nagnath S  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(Figures in ₹ )

	Particulars	Refer Note No.	Year ending March 31, 2017	Year ending March 31, 2016
I.	Revenue from operations	19	1,584,539	3,898,103
II.	Other income	20	75,988	163,308
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>1,660,527</b>	<b>4,061,411</b>
IV.	Expenses:			
	Cost of materials consumed	21	-	1,419,985
	Purchases of Stock-in-Trade		1,471,722	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	-	3,171,255
	Employee benefits expense	23	40,121,844	56,971,912
	Finance costs	24	186,398	30,938,158
	Depreciation and amortization expense	10	29,682,240	34,660,606
	Other expenses	25	19,300,129	27,216,434
	<b>Total expenses</b>		<b>90,762,332</b>	<b>154,378,350</b>
<b>V.</b>	<b>Profit before exceptional, Prior Period and extraordinary items and tax (III-IV)</b>		-89,101,805	-150,316,939
VI.	Prior Period Items		87,195,378	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		-176,297,183	-150,316,939
VIII.	Extraordinary Items		-44,053,841	-
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		-132,243,342	-150,316,939
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		-132,243,342	-150,316,939
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
<b>XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-132,243,342	-150,316,939
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>-132,243,342</b>	<b>-150,316,939</b>
XVI	Earnings per equity share:			
	(a) Before Extraordinary Items			
	(1) Basic		-4.28	-3.65
	(2) Diluted		-4.28	-3.65
	(b) After Extraordinary Items			
	(1) Basic		-3.21	-3.65
	(2) Diluted		-3.21	-3.65

See accompanying notes forming part of the financial statements  
As per our report of even date

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

**For and on behalf of Board of Directors**

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

**Sd/-**  
**S P Setia**  
Chairman

**Sd/-**  
**K. Sankaramani**  
Director

Place : New Delhi  
Date : May 27, 2017

**Sd/-**  
**Vijay Bhan Singh**  
Director

**Sd/-**  
**Malpeddi Nagnath S**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2017**

(Figures in ₹)

	For the year ending 31.03.2017	For the year ending 31.03.2016
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	(132,243,342)	(150,316,939)
<b>Adjustments for:</b>		
Depreciation	29,682,240	34,660,606
Interest Expense	186,398	30,938,158
Interest Income	(75,988)	(134,273)
Extraordinary items (Net)	(44,053,841)	-
Provision/ (Reversal) for Gratuity	406,306	(3,105,331)
Provision for Leave Encashment	(47,923)	(719,963)
Miscellaneous balances written off	12,448,611	19,346,572
Unrealised Foreign Exchange loss/ (gain)	-	(29,035)
	<u>(1,454,197)</u>	<u>80,956,734</u>
<b>Operating profit before working capital changes</b>	<b>(133,697,539)</b>	<b>(69,360,205)</b>
<b>Adjustments for changes in working capital :</b>		
(INCREASE)/DECREASE in Sundry Debtors	8,313,513	(281,169)
- (Increase)/Decrease in Loans and Advances and other assets	9,457,642	6,254,563
(INCREASE)/DECREASE in Inventories	(59,163)	7,240,458
- Increase/(Decrease) in Trade Payable	88,957,039	64,833,920
- Increase/(Decrease) in Other Current Liabilities	20,087,438	12,074,734
- Increase/(Decrease) in Provisions	1,964,499	(703,449)
	<u>128,720,968</u>	<u>89,419,057</u>
<b>Cash generated from/ (used in) operations</b>	<b>(4,976,571)</b>	<b>20,058,852</b>
<b>Direct Taxes (Paid) / Received (net)</b>	<b>(3,975)</b>	<b>106,084</b>
Extraordinary items (Net)	44,053,841	-
	<u>44,049,866</u>	<u>106,084</u>
<b>Net cash from / (used in) operating activities</b>	<b>39,073,295</b>	<b>20,164,936</b>
<b>B. Cash flow from Investing activities:</b>		
Interest Received	75,988	134,273
	<u>75,988</u>	<u>134,273</u>
<b>Net cash from/ (used in) investing activities</b>	<b>75,988</b>	<b>134,273</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds/ (Repayment)/ (Reversal) of term loans (net)	-39,089,969	-15,554,296
Proceeds/ (Repayment)/ (Reversal) of short term borrowings (net)	-1,593,594	14,438,353
Interest Paid	-186,398	-18,729,317
<b>Net cash used in financing activities</b>	<b>(40,869,960)</b>	<b>(19,845,260)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,720,678)</b>	<b>453,949</b>
Cash and Cash Equivalents at the Beginning of the Year	2,175,475	1,721,526
Cash and Cash Equivalents at the End of the Year	454,798	2,175,475
Increase/(Decrease) in Cash/Cash Equivalents	(1,720,677)	453,949
<b>Cash and cash equivalents comprise:</b>		
Cash in hand	20,851	69,223
Balance in Current Accounts	-	430,776
Balance in Fixed Deposit Accounts	433,947	1,675,777
	<u>454,798</u>	<u>2,175,776</u>

See accompanying notes forming part of the financial statements  
As per our report of even date

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

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

**Place : New Delhi**  
**Date : May 27, 2017**

**For and on behalf of Board of Directors**

**Sd/-**  
**S P Setia**  
**Chairman**

**Sd/-**  
**Vijay Bhan Singh**  
**Director**

**Sd/-**  
**K. Sankaramani**  
**Director**

**Sd/-**  
**Malpeddi Nagnath S**  
**Chief Financial Officer**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1 : SIGNIFICANT ACCOUNTING POLICIES**

**(a) SYSTEM OF ACCOUNTING**

The Company follows the accrual system of accounting.

**(b) OVERALL VALUATION POLICY**

The accounts have been prepared under the historical cost convention.

**(c) REVENUE RECOGNITION**

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

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

**(d) VALUATION OF INVENTORY**

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

The cost in respect of raw materials, store and spares and packing material is determined under the Specific Identification of cost method. Cost is net of credit under CENVAT scheme, wherever applicable.

The cost in respect of work-in-progress and finished goods is determined using the weighted average cost method and includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

Waste is valued at estimated net realisable value.

**(e) FIXED ASSETS**

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

**(f) DEPRECIATION**

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

**(g) FOREIGN CURRENCY TRANSACTIONS**

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

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

**(h) EMPLOYEE BENEFITS**

**i. Defined Contribution Plan**

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

**ii. Defined Benefit Plan**

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

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

**(i) INVESTMENTS**

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

**(j) BORROWING COST**

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

**(k) LEASES**

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

**(l) TAXES ON INCOME**

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

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

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

**(m) IMPAIRMENT OF ASSETS**

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

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

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

Recoverable amount is determined

- a) In the case of an individual asset, on the higher of the net selling price and the value in use.
  - b) In the case of a cash-generating unit, on the higher of the cash generating units net selling price and value in use.
- (Value in use is determined on the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life)

**(n) GOVERNMENT GRANT**

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

**(o) PROVISIONS AND CONTINGENCIES**

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

**Note 2 Share Capital**

Share Capital	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of Rs 5 each with voting rights	50,000,000	250,000,000	50,000,000	250,000,000
<b>Issued</b>				
Equity Shares of Rs 5 each with voting rights	41,169,667	205,848,335	41,169,667	205,848,335
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs 5 each with voting rights	41,169,667	205,848,335	41,169,667	205,848,335
<b>Total</b>	<b>41,169,667</b>	<b>205,848,335</b>	<b>41,169,667</b>	<b>205,848,335</b>

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

Particulars	Equity Shares		Equity Shares	
	Year ending 31.03.2017		Year ending 31.03.2016	
	Number	₹	Number	₹
Equity Shares outstanding at the beginning of the year	41,169,667	205,848,335	41,169,667	205,848,335
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	41,169,667	205,848,335	41,169,667	205,848,335

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Spentex Industries Limited	20,981,077	50.96	20,981,077	50.96
Smita Bharat Shah	3,482,009	8.46	3,482,009	8.46

(Figures in ₹ )

	As at <u>31st March, 2017</u>	As at <u>31st March, 2016</u>
<b>Note 3 Reserve &amp; Surplus</b>		
<b>a. Capital Reserves</b>		
Opening Balance	3,000,000	3,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,000,000	3,000,000
<b>b. Securities Premium Account</b>		
Opening Balance	44,601,665	44,601,665
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	44,601,665	44,601,665
<b>c. Surplus/ (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(972,409,324)	(822,092,385)
(+) Net Profit/(Net Loss) For the current year	(132,243,342)	(150,316,939)
<b>Closing Balance</b>	<b>(1,104,652,666)</b>	<b>(972,409,324)</b>
<b>Total</b>	<b>(1,057,051,001)</b>	<b>(924,807,659)</b>

**Note 4 Long Term Borrowings**

**Secured**

**Term loans**

From banks	131,931,323	131,931,323
Less - Amount disclosed as 'other current liabilities'	131,931,323	92,841,323
	-	39,090,000

**Unsecured**

Loans and advances from related parties	320,128,019	320,128,019
	320,128,019	320,128,019
<b>Total</b>	<b>320,128,019</b>	<b>359,218,019</b>



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

4.2 Maturity Profile

Bankers	Type of Loan	Out Standing as on 31.3.2017	Installment FY-17-18	Default status
Axis Bank	Term Loan (10% p.a.)	111,952,183	34,600,000	All the loan Accounts have become NPA and the matter is before BIFR/ NCLT for restructuring.
Axis Bank	FITL (10% p.a.)	5,617,448	1,740,000	
Axis Bank	WCTL (10% p.a.)	4,901,529	1,500,000	
UCO Bank	WCTL	9,460,163	1,250,000	
<b>Grand Total</b>		<b>131,931,323</b>	<b>39,090,000</b>	

(Figures in ₹)

	As at <u>31st March, 2017</u>	As at <u>31st March, 2016</u>
<b>Note 5 Other Long Term Liabilities</b>		
(i) Contractually reimbursable expenses	35,986,063	35,986,063
(ii) Interest accrued but not due on borrowings	95,950,583	95,950,583
<b>Total</b>	<b><u>131,936,646</u></b>	<b><u>131,936,646</u></b>

**Note 6 Long Term Provisions**

**Provision for employee benefits**

Gratuity (funded)	11,700,886	11,295,592
Leave Encashment (unfunded)	526,367	559,706
<b>Total</b>	<b><u>12,227,253</u></b>	<b><u>11,855,298</u></b>

**Note 7 Short Term Borrowings**

**Repayable on demand:**

**Secured**

**Working Capital Borrowings**

From banks	114,093,837	115,687,431
------------	-------------	-------------

**Other Short Term Loans**

From banks	48,277,044	48,277,044
<b>Total</b>	<b><u>162,370,881</u></b>	<b><u>163,964,475</u></b>

7.1 Working Capital borrowings are secured by first charge on all current assets (both present and future) of the company and second pari passu charge on fixed assets. The loans are further secured by Corporate Guarantee of its holding company, Spentex Industries Limited. The account has been classified as NPA and is pending for restructuring before BIFR/ NCLT.

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

(Figures in ₹)

	As at <u>31st March, 2017</u>	As at <u>31st March, 2016</u>
<b>Note 8 Other Current Liabilities</b>		
Current Maturities of Long Term debt	131,931,323	92,841,323
Interest accrued and due on borrowings	-	44,053,841
Credit Balance with Banks	52,140	-
Other payables :		
(i) Statutory remittances	17,351,024	14,925,188
(ii) Trade /security deposits received	367,411	360,411
(iii) Advances from customers	870,990	865,200
(iv) Others	65,953,515	43,393,001
<b>Total</b>	<b><u>216,526,402</u></b>	<b><u>196,438,964</u></b>

(Figures in ₹)

As at  
**31st March, 2017**                      **As at**  
**31st March, 2016**

**Note 9 Short Term Provisions**

(a) Provision for employee benefits:

Bonus and Ex-gratia	4,704,079	2,739,580
Gratuity (Funded)	608,978	607,966
Leave Encashment (unfunded)	88,411	102,995
<b>Total</b>	<b>5,401,468</b>	<b>3,450,541</b>

**Note 10 Fixed Assets**

Figures in ₹

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	On disposals	Balance as at 31 March 2017	Balance as at 31st March 2017	Balance as at 31 March 2016
<b>Tangible Assets</b>										
Freehold Land	5,017,299	-		5,017,299	-	-	-	-	5,017,299	5,017,299
Buildings	159,511,720	-		159,511,720	58,163,260	6,599,639	-	64,762,899	94,748,821	101,348,460
Plant and Machinery	810,002,918	-		810,002,918	535,135,499	22,825,381	-	557,960,880	252,042,038	274,867,419
Furniture and Fixtures	8,026,614	-		8,026,614	7,750,663	34,308	-	7,784,971	241,643	275,951
Vehicles	1,727,172	-		1,727,172	1,641,062	-	-	1,641,062	86,110	86,110
Office equipment	25,147,005	-		25,147,005	24,177,046	222,912	-	24,399,958	747,047	969,959
<b>Total</b>	<b>1,009,432,728</b>	-		<b>1,009,432,728</b>	<b>626,867,530</b>	<b>29,682,240</b>	-	<b>656,549,770</b>	<b>352,882,958</b>	<b>382,565,198</b>
<b>Previous Year</b>	<b>1,009,432,728</b>	-		<b>1,009,432,728</b>	<b>592,206,924</b>	<b>34,660,606</b>	-	<b>626,867,530</b>	<b>382,565,198</b>	

**Note 11 Non-Current Investments**

**Non-Trade Investments**

Investment in Equity instruments	23,200	23,231
<b>Total</b>	<b>23,200</b>	<b>23,231</b>

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	23,200	23,231

Name of Body Corporate	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount ( ₹ )		Whether stated at Cost Yes / No
	2017	2016			2017	2016	
<b>Investment in Equity Instruments</b>							
Shares of Shamrao Vitthal Co-Op Bank of Rs 10 each	250	250	Unquoted	Fully paid-up	2,500	2,500	Yes
Share of United Yarn of Rs 31 each	-	1	Unquoted	Fully paid-up	-	31	Yes
Share of Lotus House Prem Co-op Soc.	1	1	Unquoted	Fully paid-up	1,500	1,500	Yes
Shares of Datta Nagari Patsanstha of Rs 10 each	500	500	Unquoted	Fully paid-up	5,000	5,000	Yes
Shares of Saraswat Co-op Bank Ltd of Rs 10 each	1,420	1,420	Unquoted	Fully paid-up	14,200	14,200	Yes
<b>Total</b>					<b>23,200</b>	<b>23,231</b>	

(Figures in ₹)

As at  
**31st March, 2017**                      **As at**  
**31st March, 2016**

**Note 12 Long Term Loans and Advances**

**Unsecured, considered good**

a) Capital Advances	60,406,745	60,406,745
b) Security Deposits	393,856	393,856
c) Inter Corporate Deposit (Unsecured)	217,316,863	-

	As at <u>31st March, 2017</u>	(Figures in ₹) As at <u>31st March, 2016</u>
d) Other loans and advances		
Balance with Sales Tax Authorities	8,658,844	12,046,394
Doubtful Loans and advances	9,235,000	9,235,000
Less : Provision for doubtful loans and advances	9,235,000	9,235,000
<b>Total</b>	<b><u>286,776,308</u></b>	<b><u>72,846,995</u></b>
<b>Note 13 Other Non Current Assets</b>		
Claims Receivable with Excise & Custom Authorities	2,161,743	1,521,117
Other Claims Receivable	-	5,774,144
<b>Total</b>	<b><u>2,161,743</u></b>	<b><u>7,295,261</u></b>
<b>Note 14 Inventories</b>		
Stores and spares (Valued at Cost )	2,887,387	2,828,225
<b>Total</b>	<b><u>2,887,387</u></b>	<b><u>2,828,225</u></b>
<b>Note 15 Trade Receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	252	8,313,766
Unsecured, considered doubtful	102,738,232	102,738,232
Less: Provision for doubtful debts	102,738,232	102,738,232
	252	8,313,766
<b>Total</b>	<b><u>252</u></b>	<b><u>8,313,766</u></b>
<b>Note 16 Cash and cash equivalents</b>		
<b>a. Balances with banks:</b>		
In current accounts	-	430,476
In margin accounts	433,947	1,675,777
<b>b. Cash on hand</b>	20,851	69,223
	<b><u>454,798</u></b>	<b><u>2,175,475</u></b>
<b>Note 17 Short-term loans and advances</b>		
<b>Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Security Deposits	2,409,981	2,409,981
Prepaid Expenses	124,235	749,235
Balance with Customs and Excise Authorities	-	504,051
Balance with Income Tax Authorities	7,491	11,466
Inter-corporate deposits	-	217,566,863
Others	1,118,708	3,614,891
	<b><u>3,660,416</u></b>	<b><u>224,856,488</u></b>
<b>Note 18 Other Current Assets</b>		
Other Claims Receivable	-	9,502,000
	<b><u>-</u></b>	<b><u>9,502,000</u></b>

	For The Year Ended 31st March, 2017	(Figures in ₹) For The Year Ended 31st March, 2016
<b>Note 19 Revenue from Operations</b>		
Sale of products	1,584,539	3,623,353
Sale of services	-	-
Other operating revenues	-	274,750
<b>Total</b>	<b><u>1,584,539</u></b>	<b><u>3,898,103</u></b>
<b>19.1 Other Operating Income comprises of</b>		
Sundry Balances Written back	-	-
Sale of old material/ testing charges	-	274,750
	<u>-</u>	<u>274,750</u>
<b>Note 20 Other Income</b>		
Interest Income	75,988	134,273
Dividend Income	-	-
Foreign Exchange Fluctuation Gain (net)	-	29,035
<b>Total</b>	<b><u>75,988</u></b>	<b><u>163,308</u></b>
<b>Note 21 Cost of Materials Consumed</b>		
Opening Stock	-	1,291,942
Add : Purchases	-	128,044
Less : Closing Stock	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>1,419,985</u></b>
<b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Opening Stock :</b>		
Finished goods	-	3,104,922
Cotton Waste	-	66,333
	-	3,171,255
<b>Closing Stock :</b>		
Finished goods	-	-
Cotton Waste	-	-
<b>Sub-Total</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Increase/ (Decrease) in Stock</b>	<b><u>-</u></b>	<b><u>3,171,255</u></b>
<b>Note 23 Employee Benefit Expenses</b>		
(a) Wages & Salaries	33,053,922	48,768,047
(b) Contributions to Provident Fund & Other Funds	3,528,578	3,985,936
(c) Staff welfare expenses	993,304	867,083
(d) Directors remuneration	2,546,040	3,350,846
<b>Total</b>	<b><u>40,121,844</u></b>	<b><u>56,971,912</u></b>
<b>Note 24 Finance Expenses</b>		
Interest expense:		
(i) Term Loans	-	18,840,505
(ii) Others	130,963	11,509,276
Other borrowing costs	55,435	588,376
<b>Total</b>	<b><u>186,398</u></b>	<b><u>30,938,158</u></b>

(Figures in ₹)

	For The Year Ended 31st March, 2017	For The Year Ended 31st March, 2016
<b>Note 25 Other Expenses</b>		
Stores and Spares Consumption	1,390,579	827,297
Sub-Contracting Charges	1,457,044	1,362,279
Power, Fuel & Water	189,607	388,015
Rent	484,900	744,989
Repairs & Maintenance - Buildings	770	16,032
Repairs & Maintenance - Machinery	132,635	174,963
Repairs & Maintenance -Others	-	28,094
Insurance	625,000	637,371
Rates & Taxes	265,735	265,735
Communication Expenses	182,926	593,462
Miscellaneous Balances written off	12,448,611	19,346,572
Travelling and Conveyance	323,131	759,421
<b>Auditor's Remuneration:</b>		
As Auditors	276,000	274,800
Legal and Professional charges	344,302	442,572
Selling & Other Expenses	-	43,339
Directors Sitting Fees	68,950	45,486
Printing and Stationary Expenses	473,275	496,117
Other Expenses	636,664	769,891
<b>Total</b>	<b><u>19,300,129</u></b>	<b><u>27,216,434</u></b>

**Note No. 25 : Contingent Liabilities**

Contingent Liabilities not provided for in respect of -

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

(Figures in ₹)

Particulars	As at 31.03.17	As at 31.03.16
Corporate Guarantee given to State Bank of India, Tokyo Branch (SBI) for loan extended to Spentex (Netherlands), B.V. USD 10.825 Millions (previous year USD 10,825 millions)	70,16,15,880	71,71,56,250
<b>Total</b>	<b>70,16,15,880</b>	<b>71,71,56,250</b>

The Company had provided corporate guarantee for jointly with Spentex Industries Limited for the loan given to Spentex (Netherlands), B.V. by State Bank of India, Tokyo Branch.

**b. Claims against company not acknowledged as debts:**

(Figures in ₹)

S. No.	Description	As at 31.03.17	As at 31.03.16
1.	Electricity duty by Maharashtra State Government on units generated through captive power plant between the period Apr-2000 to Apr-2005 (petition pending before the Supreme Court)	1,43,55,000	1,43,55,000
2.	Demands from MSEDCL under appeal (including interest of Rs.3,82,53,158, previous year Rs. 3,82,53,158)	9,33,15,290	9,33,15,290
3.	Demands from Maharashtra Sales Tax Authorities under appeal for FY 2004-05 not provided for.	12,44,000	12,44,000
4.	Demands from Maharashtra Sales Tax Authorities under appeal for FY 2009-10 not provided for.	26,55,004	26,55,004
	<b>Total</b>	<b>11,15,69,294</b>	<b>11,15,69,294</b>

There is gross default of ₹ 6,53,030 on account of TDS defaults being shown on the income tax website. The company, however, believes that these demands are rectifiable and upon filing the necessary correction statements, the demand would be significantly reduced and as such no provision is required for the same at this stage.

**Note No.26**

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

(Figures in ₹)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
a.	Principal amount remaining and paid and interest due thereon	3,26,317	3,26,317
b.	Interest paid in terms of section 16	NIL	NIL
c.	Interest due and payable for the period of delay in payment	NIL	NIL
d.	Interest accrued and remaining unpaid	NIL	NIL
e.	Interest due and payable even in succeeding years	NIL	NIL

As certified by the management based on the available information.

**Note No.27**

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

**Note No.28**

The outstanding balance as on March 31, 2017 in respect of certain Sundry Creditors, Loans & Advances and Bank and other deposits are subject to confirmation from the respective parties and consequential reconciliations/ adjustments arising there from, if any. The management, however, does not expect any material variations.

**Note No.29**

As on March 31, 2017, the accumulated losses of the Company have far exceeded its net worth. In the opinion of the management, the Company's operations were in the earlier years affected by global business downturn which has resulted in reduction in demand, increase in input costs and shortage of working capital. Due to these factors, the Company had 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. The Company's accounts have become Non Performing Assets (NPA) with all the dealing banks and the company is also in receipt of NPA cum recall notice. Pending approval of DRS by OA/ BIFR, SICA has been repealed w.e.f 1/12/2016, and 6 months window has been provided to the Company to approach to National Company Law Tribunal (NCLT), as per section 4(b) of the SICA repeal act read with Sec252 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Resolution Process under the code. Company is in the process of moving NCLT for resolution of its liabilities. In the meanwhile, Axis Bank has initiated recovery proceedings before DRT against the Company, however the same is being contested by the company. The company has submitted restructuring proposal proposing various alternative to the banks which is currently under discussion. With strong management focus on strategic initiatives on cost rationalization, optimum product mix and efficient plant operations, the management believes that accumulated losses would reasonably be paired in due course. Thus, on the strength of management's plan of revival including reorganization of business, these financial statements are prepared on a going concern basis.

**Note No. 30**

The company's accounts have become Non performing assets (NPA) with all the dealing banks. The company has submitted restructuring proposal proposing various alternatives to the banks which is under discussions. The company has not provided interest on such loans for the current year and also reversed interest provided in earlier years.

**Note No. 31**

The company has advanced an amount of ₹ 27,77,23,608 as Inter Corporate Deposit and Capital Advances without any repayment schedule and interest free. The management is, however, hopeful of recovering the same in full.

**Note No. 32: Segmental Reporting**

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

(Figures in ₹)

**A) BUSINESS SEGMENT REPORTING:**

Particulars	TEXTILE- MANUFACTURING	TEXTILE- TRADING	TOTAL
<b>Segment Revenue</b>	-	1,584,539	1,584,539
	(3,927,138)	(-)	(3,927,138)
<b>Segment Results</b>	-87,934,771	112,817	-87,821,954
	(-98,131,942)	(-)	(-98,131,942)
Unallocated corporate expense (Net)	-	-	1,169,441
	(-)	(-)	(21,381,112)
<b>Operating Profit</b>	-	-	-88,991,395
	(-)	(-)	(-119,513,054)
Finance Charges	-	-	87,381,776
	(-)	(-)	(30,938,158)
Interest income	-	-	75,988
	(-)	(-)	(134,273)
<b>Profit/(Loss) before Prior period items and Tax</b>	-	-	<b>-176,297,183</b>
	(-)	(-)	<b>(-150,316,939)</b>
Exceptional Items	-	-	-44,053,841
	(-)	(-)	(-)
Tax Expense	-	-	-
	(-)	(-)	(-)
<b>Profit/(Loss) after tax and Exceptional Items</b>	-	-	<b>-132,243,342</b>
	(-)	(-)	<b>(-150,316,939)</b>
<b>OTHER INFORMATION</b>			
<b>Segment Assets</b>	370,658,816	-	370,658,816
	(425,755,301)	(1,352,364)	(427,107,665)
<b>Unallocated corporate assets</b>	-	-	278,188,246
	(-)	(-)	(283,298,974)
<b>Total Assets</b>	-	-	648,847,062
	(-)	(-)	(710,406,638)
Segment liabilities	619,845,922	-	619,845,922
	(637,305,640)	(-)	(637,305,640)
Unallocated corporate liabilities	-	-	29,001,140
	(-)	(-)	(73,100,998)
<b>Total Liabilities</b>	-	-	648,847,062
	(-)	(-)	(710,406,638)
Capital expenditure incurred during the year	-	-	-
	(-)	(-)	(-)

**B) GEOGRAPHICAL SEGMENT REPORTING:**

(Figures in ₹)

DESCRIPTION	REVENUE	ASSETS
Domestic	1,584,539	648,847,062
	(3,623,353)	(709,054,274)
Outside India	-	-
	(-)	(1,352,364)
Current Year	(1,584,539)	648,847,062
Previous Year	(3,623,353)	(710,406,638)



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

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

S. No.	Particulars	Period ended	Period ended
		31.03.2017	31.03.2016
1	Net Profit / (Loss) For the year Before Extraordinary Items ( ₹ )	(17,62,97,183)	(15,03,16,939)
2	Number of Equity shares Outstanding	41,169,667	41,169,667
3	Basic and Diluted earnings Per Share ( ₹ )	(4.28)	(3.65)
4	Net Profit / (Loss) For the year after Extraordinary Items ( ₹ )	(13,22,43,342)	(15,03,16,939)
5	Number of Equity shares Outstanding	41,169,667	41,169,667
6	Basic and Diluted earnings Per Share ( ₹ )	(3.21)	(3.65)
7	Nominal value per share ( ₹ )	5	5

**Note:**

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

**Note No. 34**

**Break-up of deferred tax assets and deferred tax liabilities**

	Current Year ( ₹ )	Previous Year ( ₹ )
<b>Deferred tax liability recognised due to timing difference due to:</b>		
Depreciation and other differences in block of fixed assets	79,563,823	96,350,599
Total Deferred Tax liabilities	79,563,823	96,350,599
<b>Deferred tax asset recognised due to timing difference due to:</b>		
Tax impact of provision for doubtful debts and other provisions	34,932,351	34,858,191
Tax impact of disallowances under section 43B of the Income tax Act, 1961	15,895,195	25,319,484
Realisation of tax impact of unabsorbed depreciation	184,272,067	181,765,755
Realisation of tax impact of carried forward losses	183,131,803	165,676,959
Total Deferred Tax Asset	418,231,417	407,620,389
Net Deferred Tax Asset/ (Deferred Tax Liability)	338,667,594	311,269,790
(Credit)/ Charge to profit and loss account	-	-

In view of brought forward losses, deferred tax asset is not being recognized on prudence consideration.

**Note No.35: Related Party Disclosures**

**Related Party Disclosures in terms of Accounting Standard 'AS-18' Issued by the Institute of Chartered Accountants of India.**

**Relationships:**

- |                             |  |
|-----------------------------|--|
| a. Holding Company          | Spentex Industries Limited                 |
| b. Fellow subsidiary        | Spentex (Netherlands), B.V.                |
| c. Key Management Personnel | Mr. I.B. Maner- Managing Director          |
|                             | Mr. Nagesh Malpeddi- Chief Finance Officer |
|                             | Mr. I.D. Desai-Manager                     |
|                             | Ms. Priya Lohani - Company Secretary       |

(Figures in ₹)

Particulars	Holding Company	Other related Parties where Control exists	Key Management Personnel
Sale of goods/ services	-	-	-
	(36,61,307)	(-)	(-)
Sale of Packing Material & Spares	-	-	-
	(13,67,638)	(-)	(-)
Purchase of Spares	-	-	-
	(42,156)	(-)	(-)
Directors sitting fees	-	-	33,54,192
	(-)	(-)	(33,50,846)
<b>Outstanding balance at year end</b>			
Unsecured loans	32,01,28,019	-	-
	(32,01,28,019)	(-)	(-)
Trade and other debtors	-	-	-
	(-)	(-)	(-)
Trade Payable	43,66,64,971	-	-
	( 41,20,72,004)	(-)	(-)
Corporate Guarantees	-	70,16,15,880	-
	(-)	(71,71,56,250)	(-)

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

**Note No.36 Employee Benefits**

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

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

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Compensated Absences (unfunded)	Gratuity (Funded)	Compensated Absences (unfunded)
	(₹)	(₹)	(₹)	(₹)
<b>Components of Employer Expense</b>				
Current service cost	6,51,417	43,245	6,91,452	81,096
Interest Cost	8,92,767	49,703	12,16,328	1,10,613
Expected return on Plan assets	-	-	-	-
Actuarial (gain)/ Loss	24,48,032	42,28,707	16,40,773	(34,164)
<b>Total expense recognised in the Statement of Profit &amp; Loss Account</b>	39,92,216	43,21,655	35,48,553	1,57,545
<b>Change in Defined Benefit Obligation (DBO) during the year</b>				
Obligation at period beginning	1,19,03,558	6,62,701	1,52,04,094	13,82,664
Current service cost	6,51,417	43,245	6,91,452	81,096
Interest Cost	8,92,767	49,703	12,16,328	1,10,613
Actuarial (gain)/ Loss	24,48,032	42,28,707	16,40,773	(34,164)
Benefits Paid	(35,85,910)	(43,69,578)	(68,49,086)	(8,77,508)
<b>Obligation at the Year end</b>	1,23,09,864	6,14,778	1,19,03,558	6,62,701
<b>Change in Plan Assets</b>				
Plan assets at period beginning, at fair value	-	Not Applicable	92,660	Not Applicable
Expected return on Plan assets	-	-	-	-
Actuarial gain/ (Loss)	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	(92,660)	-
<b>Plan assets at the year end, at fair value</b>	-	-	-	-
<b>Reconciliation of Present Value of the Obligation and Fair value of plan assets</b>				
Fair value of plan assets at the end of the year	-	-	-	-

Present value of the defined benefit obligation at the end of the year	1,23,09,864	6,14,778	1,19,03,558	6,62,701
<b>Liability/ (Asset) Recognized in the Balance Sheet</b>	1,23,09,864	6,14,778	1,19,03,558	6,62,701
Comprising of:				
Current Liability	6,08,978	88,411	6,07,966	1,02,995
Non-Current Liability	1,17,00,886	5,26,367	1,12,95,592	5,59,706
<b>Experience adjustment on plan assets and liabilities</b>				
Experience adjustment on plan assets	-	-	-	-
Experience adjustment on plan liabilities	17,86,078	41,98,001	16,40,773	(34,164)
<b>Assumptions used to determine the benefit obligation</b>				
Discount Rate	7.50%	7.50%	8.00%	8.00%
Estimated rate of Return on Plan Assets	-	-	-	-
Expected rate of Increase in salary	2.50%	2.50%	2.50%	2.50%
Withdrawal rate (18 to 58 years)	2%	2%	2%	2%

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

**Note No.37**

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

**Note No.38 Foreign Exchange Disclosures**

	2016-17 In ( ₹ )	2015-16 In ( ₹ )
Expenditure in Foreign Currency (On Accrual Basis)	-	-
Earnings in Foreign Currency (On Accrual Basis)		
FOB Value of Exports	-	-

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

**a) Raw Materials**

	2016-17		2015-16	
	%	Value ( ₹ )	%	Value ( ₹ )
Imported	-	-	-	-
Indigenous	-	-	100%	14,19,985
	-	-	<b>100%</b>	<b>14,19,985</b>

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

	2016-17		2015-16	
	%	Value ( ₹ )	%	Value ( ₹ )
Imported	-	-	-	-
Indigenous	100%	13,90,579	100%	8,27,297
	<b>100%</b>	<b>13,90,579</b>	<b>100%</b>	<b>8,27,297</b>

**Note No. 39**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	84,000	9,834	93,834
Add: Permitted Receipts	-	1,60,000	1,60,000
Less: Permitted Payments	-	67,097	67,097
Less: Amounts Deposited in Bank	84,000	-	84,000
Closing cash in hand as on 30.12.2016	-	1,02,737	1,02,737

**Note No. 40**

Extraordinary Item represents reversal of interest provided by the Company in earlier years on loans availed from banks which have become NPA's.

**AMIT SPINNING INDUSTRIES LIMITED**

Regd. Office: A-60, Okhla Industrial Area, Phase II, New Delhi 110 020

**ATTENDANCE SLIP**

DP ID ..... Regd. Folio No. ....  
Client ID ..... No. of Shares held .....

I certify that I am a registered Member/Proxy for the registered member of the Company. I hereby record my presence at the **25th Annual General Meeting** of the Company on **Monday, the 25th day of September, 2017 at 11:30 A.M at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019**

.....  
Name of the Member/Proxy (in BLOCK LETTERS) Signature of Member/Proxy

Note: Please complete this attendance slip and hand it over at the Entrance of the Meeting Hall

**Proxy Form**

Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014

CIN : L17100DL1991PLC171468  
Name of the company : **AMIT SPINNING INDUSTRIES LTD**  
Registered office : A-60 OKHLA INDUSTRIAL AREA, PHASE II, NEW DELHI, 110020

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25th Annual general meeting** of the company, to be held on **Monday, the 25th day of September, 2017 at 11:30 at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019** in respect of such resolutions as are indicated below:

Res No.	Resolutions
	<b>Ordinary Business :</b>
1.	Adoption of Financial Statements, Reports of Directors and Auditors of the Company for the financial year ended 31st March, 2017.
2.	Ratification of the appointment of Statutory auditors of the company for the financial year 2017-18 and fix their remuneration.
	<b>Special Business:</b>
3.	Appointment of Mr. Vijay Bhan Singh as a Non-Executive Director of the Company.

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

Signature of shareholder  
Signature of Proxy holder(s)

Affix One Rupee Revenue Stamp
--

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

If undelivered, please return to :

**AMIT SPINNING INDUSTRIES LIMITED**

REGISTERED & CORPORATE OFFICE :

A-60, Okhla Industrial Area, Phase-II,

New Delhi - 110 020