AMIT SPINNING INDUSTRIES LIMITED

17th Annual Report
2008 - 2009

CLC

BOARD OF DIRECTORS

S P Setia (Chairman)
R Sampath (Managing Director)
I M Agrawala
Ranjan Mangtani
K Shankarmani

COMPANY SECRETARY

Rajesh Tripathi

AUDITORS

Sunil Jain & Co.
Chartered Accountants
New Delhi

AUDIT COMMITTEE

S P Setia (Chairman)
I M Agrawala
Ranjan Mangtani

REMUNERATION COMMITTEE

S P Setia (Chairman)
Ranjan Mangtani
K Shankarmani

SHAREHOLDERS' GRIEVANCE COMMITTEE

S P Setia (Chairman)
Ranjan Mangtani
K Shankarmani

REGISTERED & CORPORATE OFFICE

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

PLANT

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

BANKERS

AXIS Bank Limited
UCO Bank

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- **17th AGM**

  Date : September 30, 2009 Time: 12.00 Noon.

  Venue : Lok Kala Munch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003

- Book Closure : From Saturday, September, 26, 2009 To Tuesday, September 29, 2009.

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 17th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2009.

Financial Results: (Rs. in Lakhs)

	March 31, 2009	March 31, 2008
Net Sales	3076.84	7873.24
Other Income	367.67	506.99
Profit before Interest, Depreciation & write-off	(260.95)	634.87
Interest & Financial Charges	694.69	708.58
Depreciation	503.08	515.69
Misc. Expenses written off	12.60	12.55
Prior Period Adjustment	0.00	(16.49)
Profit/ (Loss) Before Tax	(1471.31)	(618.44)
Deferred Tax Assets/(Liability)	49.49	226.81
Fringe Benefit Tax	1.30	1.40
Short Provision of tax	6.89	1.62
Profit / (Loss) After Tax	(1430.01)	(394.65)

Operations

During the year, under review, the production of yarn has been decreased to 60.92% because of the production of the Company has been suspended from 14th August, 2008 to 15th March, 2009 due to non-availability of raw cotton at reasonable price. Accordingly the sales turnover has been decreased to 66.66%.

Performance

The performance of the Company adversely affected due to non viability of raw material at prevailing prices and steep fluctuation in foreign Currency. Global slowdown was also one of the major factor for decrease of yarn exports of the Company. In view of recent performance and trends, there is an increase in average selling prices of yarn, consistent increase in production level and reduction in procurement costs of raw materials, the management is believes the Company would start cash profits within a reasonable period of time.

Future Outlook

Re-structuring of working capital facilities and term loan and support coming in from the Government to the textile sector to face global competitiveness and the measures taken by the company in improving its performance in all operation fronts in the form of technological up-gradation of machines, cost reduction measures, strategic procurement of cotton, enhancement of productivity and quality, the Company is expected to continue to perform better, fulfilling the needs of the customer and further improving its profitability in current fiscal year 2009-10.

Directors

In terms of Article 100 of the Articles of Association of the Company, Mr. K Sankaramani retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. During the year Mr. I M Agrawala and Mr. S P Setia have been appointed as independent directors' w.e.f. 29th January, 2009 and 17th March, 2009 respectively. Mr. Ashok K Jani, Mr. Pravin Shah and Mr. Ripin Shome resigned from the Board. Board of directors appreciated the services tendered to the Company during their tenure as Director(s). Brief resume of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorship(s) and membership(s)/ chairmanship(s) of Board Committees, shareholding and relationships between directors, inter-se, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges are provided in the Report on Corporate Governance.

Auditors

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

Cost Auditor

The Cost Audit Branch vide its letter dated 24th April, 2009 granted the exemption from Cost Audit for the financial year 2008-09 for the product Textiles. Accordingly the cost audit for aforesaid year need not to submitted to the department.

Pursuant to the directions of the Central Government, Mr. Rajesh Goyal, Cost Accountant of M/s. K G Goyal & Associates, Cost Accountants appointed as Cost Auditor to conduct the audit of the Cost Accounts of the Company for the financial year ending 31st March, 2010 (year 2009-10) for the product "Textile".

Dividend

Your directors have not recommended any dividend for the year ended 31-03-2009 under review.

Fixed Deposits

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

Listing of Shares

Presently the Company shares are listed and traded at the Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE) and the Listing Fee has been paid till 31st March, 2010.

Corporate Governance

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

Statutory particulars

The particulars under Section 217(1) (e) of the Companies Act, 1956, to the extent applicable to the Company have been given in Annexure – I and there are no employees whose remuneration exceeds the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence, information required to be given under the said section read with Companies (Particulars of Employees) Rules, 1975 as

amended, w.e.f. 17-4-2002 are not applicable to the Company during the year.

Auditors Report

The Auditors' Report read together with the Notes to Accounts is self- Director's Responsibility Statement, it is hereby confirmed that: explanatory and do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to

a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

d) the Directors have prepared the annual accounts on a going concern basis.

Acknowledgments

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

On behalf of the BOARD OF DIRECTORS,

Place New Delhi
Date : July 27, 2009

S P SETIA
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2009.

A. CONSERVATION OF ENERGY:

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

(Unit / Rs. in Lakhs)

Electricity	Current year	Previous year
Purchased		
Total Units consumed	98.50	231.72
Total Amount	422.66	907.97
Rate per Unit (Rs.)	4.29	3.92
Own Generation through Furnace Oil Generator Set		
Units (in lakhs)	0.21	2.23
Units per liter of Diesel Oil	0.06	3.57
Furnace Oil		
Consumed (Ltrs. in thousand)	4.61	55.19
Total Amount (Rs. In lakhs)	3.58	13.69
Rate per Ltr.	77.81	24.82
Cost/Unit (Rs.)	16.83	8.55

B. TECHNOLOGY ABSORPTION :

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

RESEARCH & DEVELOPMENT (R&D) :

Research & Development is a continuous process in the Company. Through development of new value added products, the company is getting a competitive edge over its competitors. The Company is also continuing to identify improvements to processes through properly documented systems to strengthen yarn quality and improve productivity.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

a) Efforts : Upgrading machines with technologically advanced accessories and spares.

b) Benefits : Higher output and improved quality of product

c) Technology imported during the last 5 years: Technologically advance machinery for improved quality and productivity.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

	Current year	Previous year
Earnings	2061.16	2476.05
Outgo	16.39	5.95

On behalf of the BOARD OF DIRECTORS,

Place New Delhi
Date : July 27, 2009

S P SETIA
CHAIRMAN

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

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

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 5 Directors, out of which 2 are Independent Directors, 2 are Non-Executive Directors and one Executive Director. The Chairman of the Company is Non-Executive & Independent Director. The composition of the Board is in conformity with clause 49 of the listing agreement entered into stock exchange(s) and fulfilled the percentages in the said agreement.

During the year, six meetings of the Board of Directors were held and the gap between two meetings did not exceed four months (as stipulated by law in force). The respective dates on which the Board Meetings were held are 30th April, 2008, 27th June, 2008, 28th July, 2008, 24th October, 2008, 22nd December, 2008 and 29th January, 2009. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below:

Directors	Category	No. of Board Meetings		No. of Directorships and Chairmanship(s) / Membership(s) of Board Committees of other companies			Attendance at last AGM
		Held	Attended	Directorship#	Member##	Chairperson	Yes/No
Mr. R Sampath (Managing Director)	Executive	6	1	-	-	-	Yes
Mr. S P Setia * (Chairman)	Independent, Non-executive	-	-	2	3	-	-
Mr. Pravin Shah **	- do -	6	-	2	-	-	No
Mr. Ashok K Jani **	- do -	6	-	1	2	1	No
Mr. I M Aggrawala ***	- do -	-	-	1	-	-	-
Mr. Ranjan Mangtani	Non-executive	6	6	1	-	-	Yes
Mr. Krishnan Sankaramani	- do -	6	1	-	-	-	No
Mr. Ripin Shome **	- do -	6	6	1	-	-	Yes

* Appointed as Director & Non-executive Chairman w.e.f. 17-03-2009.

** Resigned from the Board w.e.f. 29-01-2009.

*** Appointed as Director w.e.f. 29-01-2009.

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

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

Information supplied to the Board

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

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

According to the Articles of Association, one-third of the directors retires by rotation and, if eligible, seeks re-appointment at the Annual General Meeting of Shareholders. As per Article 100 of the Articles of Association, Shri K Sankaramani will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring director. During the year, the Company has appointed two Independent Directors namely, Mr. I M Agrawala and Mr. S P Setia on 29-01-2009 and 17-03-2009, respectively. The Board has recommended the appointment of Directors in the ensuing Annual General Meeting, the brief details of aforesaid directors are as under:

Mr. Krishnan Sankaramani (47) is a director of the Company since 25th August, 2006. He is a Chartered Accountant with proven track record of handling accounts and financial matters of big industrial undertakings. Mr. K Sankaramani is member of Remuneration Committee and Share Transfer/Investor Grievance Committee of the Company and does not hold any shares of the Company.

Mr. I M Agrawala (62) is a director of the Company since 29th January, 2009. He holds degree in B.Tech Textiles, he has rich experience in textile industry and providing consultancy to textile industry since 1967. Mr. Agrawala is a member in Audit Committee of the Company and does not hold any shares in the Company.

Mr. Suraj Parkash Setia (67) is a director of the Company since 17th March, 2009. He is Science graduate and Gold Medalist in Textiles. Mr. Setia having rich experience in textile industry and providing consultancy to textile industry since 1962. Mr. Setia is a Chairman of the Company and also Chairman of Audit Committee, Remuneration Committee and Share Transfer/investor grievance committee and Mr. Setia does not holding any shares in the Company

3. Audit Committee

The Audit Committee was re-constituted on 17th March, 2009 due to resignation of Mr. Ashok Jani and Mr. Pravin Shah. The Audit Committee of the Board consists of two Independent Non-Executive Directors and one non-executive director, namely Shri S P Setia, Chairman, Shri I M Agrawala and Shri Ranjan Mangtani members of the Committee. The members have the requisite accounting and related financial management expertise. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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

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

During the year, six meetings of the Audit Committee were held on 30th April, 2008, 27th June, 2008, 28th July, 2008, 24th October, 2008, 22nd December, 2008 and 29th January, 2009. The details of attendance of the each member at the Audit Committee are given below:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Shri Ranjan Mangtani	6	6
Shri Pravin Shah ***	6	0
Shri Ashok K Jani ***	6	0
Shri Ripin Shome ***	6	6
Shri S P Setia *	-	-
Shri I M Agrawala **	-	-

* Appointed as Chairman of Audit Committee w.e.f. 17-03-2009

** Appointed as member of Audit Committee w.e.f. 29-01-2009

*** Ceased as member of Audit Committee w.e.f. 29-01-2009

4. Remuneration Committee

A Remuneration Committee of the Board has been constituted to review/recommend the remuneration package of the Managing Director/Director based on performance and defined criteria. The Remuneration Committee was reconstituted on 17th March, 2009 due to resignation of Mr. Ripin Shome. The Remuneration Committee of the Board comprises Independent and Non-executive Directors, namely Shri S P Setia, Chairman, Shri Ranjan Mangtani, and Shri Krishnan Sankaramani members of the Committee.

The Remuneration of Managing Director is in compliance with the provisions of Schedule XIII of the Companies Act, 1956 and approved by members of the Company.

Details of remuneration paid to Directors for the financial year 2007-08 are as under:

Name of Director	Category	Sitting Fee for Board Meetings(Rs.)	Sitting Fee for Remuneration Committee Meetings (Rs.)	Sitting Fee for Audit Committee Meetings (Rs.)	Salaries and Perquisites p.a. (Rs.)	Total (Rs.)
Mr. R Sampath	Executive	NIL	NIL	NIL	10,62,379	10,62,379
Mr. Pravin Shah	Independent Director	NIL	NIL	NIL	N.A.	NIL
Mr. Ashok K Jani	- Do -	NIL	NIL	NIL	N.A.	NIL
Mr. Ranjan Mangtani	Non-Executive	NIL	NIL	NIL	N.A.	NIL
Mr. Krishnan Sankaramani	- Do -	NIL	NIL	NIL	N.A.	NIL
Mr. Ripin Shome	-Do-	NIL	NIL	NIL	N.A.	NIL
Mr. S P Setia	Non-Exec. Chairman	NIL	NIL	NIL	N.A.	NIL
Mr. I M Agrawala	Ind. Director	NIL	NIL	NIL	N.A.	NIL

Mr. I M Agrawala and Mr. S P Setia have been appointed as Director of the Company w.e.f. 29-01-2009 and 17-03-2009, respectively.

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

Details of shares of the Company held by the Directors as on 31st March 2009

Name	No. of Shares Held	Name	No. of Shares Held
Mr. S P Setia	NIL	Mr. R Sampath	NIL
Mr. Ranjan Mangtani	NIL	Mr. I M Agrawala	NIL
Mr. Krishnan Sankaramani	NIL		

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

Share Transfer and Shareholders' / Investors Grievance Committee of the Board re-constituted on 17th March, 2009 comprises of three members, namely Mr. S P Setia, Chairman, Shri Ranjan Mangtani and Shri Krishnan Sankaramani Members of the Committee.

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

The committee also reviews all investors' complaints and grievances of the Company. During the year, the Company has received 26 complaints from the investors and has responded to the investors to their fullest satisfaction. There were no complaints outstanding as on 31st March 2009. Shri Rajesh Tripathi is the Compliance officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

During the year, seven meetings of the Committee were held on 15th April, 2008, 30th April, 2008, 15th May, 2008, 31st May, 2008, 16th June, 2008, 01st October, 2008 and 02nd January, 2009. The details of Attendance of each Member at the Share Transfer and Shareholders/Investors Grievance Committee:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Ranjan Mangtani	7	7
Mr. Ripin Shome *	7	7
Mr. Krishnan Sankaramani	7	NIL
Mr. S P Setia **	-	-

* Ceased as member of Share Transfer and Shareholders/Investors Grievance Committee w.e.f. 29-01-2009

** Appointed as Chairman of Share Transfer and Shareholders/Investors Grievance Committee w.e.f. 17-03-2009

6. General Body Meetings

(A) Annual General Meetings;

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

AGM	LOCATION	DATE & TIME	Special Resolution passed
14 TH AGM	Gat. No. 47 & 48, Village Sangawade, Taluka Karveer, Kolhapur – Hupari Road, Dist. Kolhapur 416 005	29th July 2006 03.00 P.M.	None
15 TH AGM	Gat. No. 47 & 48, Village Sangawade, Taluka Karveer, Kolhapur – Hupari Road, Dist. Kolhapur 416 005	11th August 2007 11.00 A.M.	None
16TH AGM	Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi 110 003	12th August 2008 11.00 A.M.	No Special Resolution has been passed, however through ordinary resolution M/s. Sunil Jain & Co., Chartered Accountants, New Delhi appointment as Statutory Auditors in place of retiring auditors of the Company

(B) Special Resolution passed through Postal Ballot:

No special resolution was passed through postal Ballot during year (2008-09)

7. Code of Conduct

The Board of Directors has adopted the Code of Conduct and ethics for Directors, Senior Management and designated employees. The Code of Conduct has been communicated to the directors and designated employees of the Company and confirmed compliance with the said code.

8. Compliance

a. Mandatory Requirements:

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

b. Adoption of Non-Mandatory Requirements:

Although it is not mandatory, a Remuneration Committee of the Board is in place. Details of Remuneration Committee have been provided under section "Remuneration Committee".

9. Disclosures

- The disclosure relating to transactions of material nature with the related parties are disclosed in the financial statements.
- Company has fulfilled all Statutory Compliances and there were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- Company has issued circular in connection with Whistle Blower Policy and no employee was denied to access to the Audit Committee.
- Pursuant to Clause 47(f) of the Listing Agreement, the Company has created a separate E-mail ID **secretarial@clcindia.com** exclusively for the purpose of registering complaints by investors and necessary follow up action by the company secretary/compliance officer.

10. Means of Communication

- Information on quarterly/half yearly/annual financial results and press releases on significant developments in the Company, have been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members.
- The quarterly/half-yearly/annual financial results are published in English (The Financial Express/The Poineer) and in Hindi (Jansatta/Veer Arjun/Hari Bhumi) newspapers.
- The Management Discussions and Analysis is a part of Annual Report.
- Pursuant to Clause 51 of the Listing Agreement (relating to Electronic Data Information filing and Retrieval EDIFAR), the Company regularly filing the specific documents/ statements on website **www.sebiedifar.nic.in**, The Bombay Stock Exchange Ltd. website www.bseindia.com and the National Stock Exchange of India Ltd. website **www.nseindia.com**.
- The financial results of the Company also posted on its holding company's website **www.spentexindustries.com**

12. General Shareholder information

- The 17th Annual General Meeting will be held at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003 on 30th September, 2009 at 12.00 Noon.
- Financial Calendar (Tentative) :

Financial reporting for the Quarter ending June 30, 2009	:	July, 2009
Financial reporting for the Quarter ending September 30, 2009	:	October, 2009
Financial reporting for the Quarter ending December 31, 2009	:	January, 2010
Financial reporting for the Quarter ending March 31, 2010	:	April, 2010
Alternatively		
Financial reporting for the Year ending March 31, 2010	:	May/June, 2010

- Date of Book closure : From Saturday the 26th September, 2009 to Tuesday the 29th September, 2009 (both days inclusive)
- Dividend Payment Date: Not Applicable.
- Unclaimed/Unpaid Dividend Not Applicable.
- Listing of Equity Shares on Stock Exchanges: The Bombay Stock Exchange Ltd., Mumbai (Script Code = 521076) and National Stock Exchange of India Ltd. Mumbai (Script Code = ASIL EQ).
- ISIN No. INE988A01026.
- The Annual Listing Fee has been paid till 31st March, 2010.
- Market Price Data : High/Low during each month in last financial year 2008-09 : on BSE & NSE

Month	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
The Bombay Stock Exchange Ltd. (BSE)												
High	5.42	5.00	4.63	3.54	3.64	4.03	3.59	2.91	2.00	2.05	1.98	1.69
Low	4.17	4.32	3.41	2.96	3.05	3.00	2.21	1.25	1.50	1.83	1.64	1.45
National Stock Exchange of India Ltd. (NSE)												
High	5.40	5.00	4.40	3.45	3.60	3.90	3.20	2.90	2.10	1.80	1.70	2.00
Low	4.05	4.50	3.40	2.90	3.05	2.85	2.40	1.50	1.50	1.60	1.70	1.90

- The Registrars and Transfer Agents of the Company: M/s. Link Intime India Pvt. Ltd. (formely known as Intime Spectrum Registry Ltd.), C-13, Panalal Silk Mills Compound, L B S Marg, Mumbai 400 078. Members are advised to contact M/s. Link Intime India Pvt. Ltd. for investor related issues. R & T Agents. Tel. No. 022–2594 6970 to 78 and Fax No. 022–2594 6969. E-mail ID **mt.helpdesk@linkintime.co.in** & **sharad.patkar@linkintime.co.in**. The Contact person Name is Mr. Sharad Patkar and Mobile No. 098217 54844.
- Share Transfer System: The Company's shares are traded under compulsorily Demat mode. Shares in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time. In the recent amendment of Clause 11 of Listing Agreement, transfer of shares in physical mode required to furnish the PAN details. Members are requested to provide/send the PAN details along-with transfer deed(s)/share certificate(s).

- Distribution of shareholding as on **31.03.2009 :**

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
1 to 500	16,549	88.77	2739520	6.65
501 to 1000	1089	5.84	952101	2.31
1001 to 2000	474	2.54	759238	1.84
2001 to 3000	185	0.99	481498	1.17
3001 to 4000	77	0.41	278099	0.68
4001 to 5000	86	0.46	411991	1.00
5001 to 10000	78	0.42	594805	1.45
10001 and above	104	0.56	34952415	84.90
TOTAL	**18,642**	**100.00**	**41169667**	**100.00**

- Distribution of Shareholding as on : **31.03.2009**

Cate-gory Code	Category of Shareholders	Number of Share holders	Total Number Shares	Number of Shares Held in Dematerialized Form	Total Shareholding as a Percentage of Total Number of Shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a %tage
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX) =(VIII)/ (IV)*100**
(A)	Shareholding of Promoter and Promoter Group (Indian)							
	Bodies Corporate	1	20,981,077	20,981,077	50.96	50.96	8,233,934	39.24
	Sub Total (A-1)	**1**	**20,981,077**	**20,981,077**	**50.96**	**50.96**	**8,233,934**	**39.24**
(B)	Public Shareholding						N.A	N.A
(1)	Institutions						N.A	N.A
	Financial Institutions/Banks	2	1,343,765	1,343,665	3.26	3.26		
	Insurance Companies	1	2,000	2,000	0.00	0.00		
	Any Other - Trust	1	997,500	997,500	2.42	2.42		
	Sub-Total (B) (1)	**4**	**2,343,265**	**2,343,165**	**5.69**	**5.69**		
(2)	Non Institutions						N.A	N.A
	Bodies Corporate	194	766,847	763,047	1.86	1.86		
	Individuals i) Individuals shareholders holding nominal share capital upto Rs. 1 Lakhs	17,615	6,230,028	4,395,888	15.13	15.13		
	ii) Individuals shareholders holding nominal share capital in excess of Rs 1 Lakhs	37	10,400,019	10,352,719	25.26	25.26		
	Any Other -							
	Clearing Member	23	55,922	55,922	0.14	0.14		
	NRI	768	392,509	108,009	0.95	0.95		
	Sub-Total (B) (2)	**18,637**	**17,845,325**	**15,675,585**	**43.35**	**43.35**		
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**18,641**	**20,188,590**	**18,018,750**	**49.04**	**49.04**	**N.A**	**N.A**
	GRAND TOTAL (A) + (B)	**18,642**	**41,169,667**	**38,999,827**	**100.00**	**100.00**	**8,233,934**	**20.00**

- Dematerialization of shares: As on 31st March, 2009 the shares in demat form were 3,89,99,827 representing 94.73% of the total paid up capital.
- There were no outstanding DGRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity of the Company.
- The equity shares of the Company are frequently traded on The Bombay Stock Exchange Ltd., Mumbai and 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 110 020
   Ph. 011 - 2638 7738, 4161 4999, Fax: 011 – 2638 5181.
   Email: **secretarial@clcindia.com; murthy@clcindia.com**
2. Registrars & Transfer Agents — M/s. Link Intime India Pvt. Ltd.
   C-13, Panalal Silk Mills Compound, L B S Marg, Mumbai 400 078.
   Ph. No. 022 – 2594 6970 - 78 and Fax No. 022 – 2594 6969.

	Contact person	Shri Sharad Patkar, E-mail **sharad.patkar@intimespectrum.com** **mt.helpdesk@linkintime.co.in**
3.	Compliance Officer	Shri Rajesh Tripathi, Company Secretary Ph. 011 - 2638 7738, 4161 4999, Fax: 011 – 2638 5181. Email: **murthy@clcindia.com, secretarial@clcindia.com**

13. CEO/CFO Certification

We, R Sampath, Chief Executive Officer and Managing Director and B V Bingi, Manager Finance & Accounts, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, cash flow statement and all its schedules and notes to accounts and the Directors' Report for the financial year 2008-2009.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company, and we have;
   a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
   b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting; and,
   c) disclosed in this report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's auditors and the Audit Committee of the Company's Board of Directors;
   a) deficiencies in the design or operation on internal controls, if any, and steps taken / proposed to be taken to rectify these deficiencies;
   b) significant changes in internal controls over financial reporting, if any, during the year covered by this report.
   c) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements, and
   d) instances of significant fraud of which we are aware, if any, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

	sd/-	sd/-
Place: New Delhi	**R Sampath**	**B V Bingi**
Date: June 25, 2009	Chief Executive Officer & Managing Director	Manager– Finance & Accounts

Auditors' Certificate on Corporate Governance

To the Member of

AMIT SPINNING INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by **AMIT SPINNING INDUSTRIES LIMITED,** for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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, or ensuring the compliance of the conditions of the Corporate Governance It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Company and noted by the Board of Directors / Shareholders' Grievance Committee.

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

Sanchit Jain
Partner
Membership No. 511714

Place: New Delhi
Date: July 27, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

The fiscal 2008-2009 has seen unprecedented downtrend in textile industry due to global slowdown and the Rupee realization against US dollar. The Indian textile industry have been under tremendous pressure due to all time high prices of raw material and petroleum products which resulted into squeezing the margins.

India being one of the most preferred destinations for yarn and textile products, which is the single largest industry in India and accounts for 31.1 per cent of the total value of exports, is not able to meet its full potential because of fragmentation of the industry and the use of obsolete and old technologies. To make the textile industry the Government of India has taken various steps and also in the recent Presidential address to both the houses of Parliament, the textile industry has been given priority for allocation of funds for technology up-gradation, development of Integrated Textile Parks, SEZ and TUF to facilitate setting up of dedicated textile hubs and also for extending financial assistance to existing textile units in the form of increase in DEPB rates, reintroducing of duty draw back scheme and various stimulus packages.

OPPORTUNITIES, THREATS AND OUTLOOK

In view of various policy measures initiated by the Government in the recent past, the Indian textile industry is looking into better position than it was in the last few years. Also after re-introduction of duty draw back, increase in cotton production and abolition of quotas the textile industries seems to have better opportunities to compete in the global market.

Inspite of various stimulus packages introduced by the Government, the textile industry has to go a long way due to overall global slowdown and current recession worldwide which ultimately effected demand by the consumer. The all time high raw material prices and increase of production/employee cost, the margins of the Indian textile industry also dropped sharply which is also major concern for the growth of the industry.

The significant increase in the cotton production gives advantage to the domestic textiles industry to procure raw cotton at competitive prices which gives them a competitive edge in the global market. The reasons for increase in the production include increasing usage of BT cotton and implementation of the Technology Mission on Cotton which was affecting the viability of textiles mills, and on the persistent demand of the Industry, the Government abolished import duty on cotton and re-introduced drawback benefits on raw cotton. These measures will help to boost the moral Indian Textile Industry as well as textile exporters.

PERFORMANCE REVIEW OF THE COMPANY

Due to all time high prices of cotton and global slowdown Company suffered financial crunch and not able to procure raw material at reasonable prices, which has negative impact on the operations of the Company and operations in the plant has been suspended from 14th August, 2008 to 15th March, 2009. The total turnover has been decreased to 60.95% compared to previous year ended 31st March, 2008. After resuming the operations of the plant, all functional areas have shown improvement and Company is expected to achieve impressive results in current fiscal year 2009-10.

RISKS AND CONCERNS

The rupee dollar exchange rates, increase in raw cotton prices, non-availability of uninterrupted power supply and increase in power costs can affect the performance of the Company. Any business has risks associated with it however, the Company has taken various effective steps to mitigate the risks to safeguard itself to a large extent.

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.

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.

FINANCIAL REVIEW

The Company has incurred Loss of Rs. 1430.01 Lakhs during the fiscal year 2008-09.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

It is needless to state that the success of an organization mainly depends on the human capital employed by them. The Company strives to provide opportunities and an environment, coupled with education and training to its employees enabling them to contribute to their fullest extent and develop their career with the growth of the organization.

DISCLAIMER

Statement in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results may however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations includes economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments information or events.

AUDITOR'S REPORT

To the members of AMIT SPINING INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of AMIT SPINING INDUSTRIES LIMITED as at March 31, 2009 and also the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the auditing to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (ii) 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;
   (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   (v) On the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
      b) In the case Profit and Loss Account, of loss for the year ended on that date;
      c) In case of Cash Flow Statement, of the cash flows for the year ended on that date

For Sunil Jain & Co.
Chartered Accountants

Sanchit Jain
Partner
Membership No. 511714

Place New Delhi
Date : June 25, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

i) a) The Company has maintained proper records showing full particulars including quantitative details and the situation of its fixed assets.
   b) According to the information and explanations given to us, the Company has a procedure to carry out physical verification of fixed assets by the management, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books account.
   c) During the year, the Company has not disposed off substantial part of its fixed assets, so as to affect its going concern.

ii) a) The company has conducted physical verification of inventory at reasonable intervals during the year.
   b) In our opinion and according to information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable having regard to the size of the Company and nature of its business.
   c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books account.

iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
   b) As the Company has not granted any such loans, provisions of clause 4(iii)(b), (iii)(c) and (iii)(d) of the Order are not applicable to the Company.
   c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of 4(iii)(f) and (iii)(g) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing major weaknesses in such internal controls.

v) a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that particulars or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and

b) During the year, there are no such transactions that made in pursuance of need to be entered in the register maintained under section 301 of the companies Act, 1956 and hence, the provisions of clause 4(v)(b) of the Order are not applicable to the Company.

vi) In our opinion and according to the information and explanations given to us. the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.

vii) In our opnion, the Company has an internal audit system commensurate with its size and nature of its business

viii) According to the information and explanations given to us and records exained by us, the Central Government has exmpted the Company from maintenance of Cost Records as required under section 209(1)(d) of the Companies Act, 1956 in respect of the product "Textiles" for the year under reference. Further, it is explanied to us that the Company does not manufacture any other product for which the Central Government has prescribed Cost Records. Therefore, no Cost Records are maintained by the Company.

ix) (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and others material statutory dues with the appropriate authority.

(b) According to the information and explanations given to us, there are no arrears of undisputed statutory dues as on March 31, 2009, for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, details of dues of Excise Duty and Income Tax, 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 Rupees)	Period to which the amount relates	Forum where dispute pending
1	Central Excise Act, 1944	Excise duty and penalty	80,408	2001-02	Central Excise and Service Tax Appellate Tribunal
2	Central Excise Act, 1944	Excise duty	7,774,241	2004-05	Central Excise and Service Tax Appellate Tribunal

x) The accumulated losses at end of financial year are more than 50% of its net worth. The Company has incurred cash loss before working capital changes of Rs.1,87,58,956 during the financial year covered by our audit. However, no cash loss was incurred in the immediately preceding financial year.

xi) According to the information and explanations given to us and records examined by us, we are of the opinion that the Company has not defaulted in repayment of the dues to a financial institution or bank.

xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares debentures and other securities.

xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund or Nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the Company.

xiv) In our opinion and according to the information and explanations given to us the Company is not a dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the order are not applicable to the Company.

xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others and thus, the provisions of clause 4(xv) of the order are not applicable to the Company.

xvi) In our opinion and according to information and explanations given to us, the term loans have been applied for the purpose for which these were raised.

xvii) On the basis of overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long-term investment.

xviii) According to the information and explanations given to us, during the period under reference the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix) According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the order are not applicable to the Company.

xx) According to the information and explanations given to us, the Company has not raised any money by public issues during the year under reference. Therefore, the provisions of clause 4(xx) of the order are not applicable to the Company.

xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the year under reference.

For Sunil Jain & Co.
Chartered Accountants

Sanchit Jain
Partner
Membership No. 511714

Place New Delhi
Date : June 25, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	AS AT March 31, 2009 Rupees	AS AT March 31, 2008 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	205,848,335	205,848,335
Reserves & Surplus	II	47,601,665	47,601,665
		253,450,000	**253,450,000**
Loan Funds			
Secured loan	III	397,366,883	392,054,703
Unsecured loan	IV	454,050,687	386,007,026
TOTAL		**1,104,867,570**	**1,031,511,729**
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	V	991,940,396	1,061,642,588
Less: Depreciation		523,392,201	511,424,278
Net Block		**468,548,195**	**550,218,310**
Investments	VI	23,231	4,545,521
Deferred Tax Asset		87,824,766	82,875,466
(Refer note 9 to Schedule XXII)			
Current Assets, Loans & Advances			
Inventories	VII	13,531,973	41,278,827
Sundry Debtors	VIII	86,645,217	151,360,432
Cash and Bank Balances	IX	1,930,567	21,076,534
Loans and Advances	X	281,297,802	227,837,277
		383,405,559	**441,553,070**
Less: Current liabilities and Provisions			
Liabilities	XI	80,870,648	152,108,635
Provisions	XII	6,729,798	7,526,678
Net Current Assets		**295,805,113**	**281,917,757**
Miscellaneous Expenditure	XIII	3,905,090	6,194,440
(To the extent not written off or adjusted)			
Profit and Loss Account (Dr.)		248,761,175	105,760,235
TOTAL		**1,104,867,570**	**1,031,511,729**
Statement on Significant Accounting Policies	XXI		
Notes to Accounts	XXII		

The Schedules referred to above form an integral part of the Balance Sheet.

For **SUNIL JAIN & CO.**
Chartered Accountants

Sanchit Jain
Partner
Membership No. 511714

Place New Delhi
Date : June 25, 2009

For and on behalf of Board of Directors

S P Setia
Chairman

R Sampath
Managing Director

Ranjan Mangtani
Director

Rajesh Tripathi
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009

	Schedule	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Sales	XIV	307,683,951	787,323,736
Other Income	XV	36,767,098	50,699,168
Increase/(Decrease) in stocks	XVI	(11,122,822)	720,106
		333,328,227	**838,743,010**
EXPENDITURE			
Consumption Of Raw Materials	XVII	199,322,680	511,726,153
Cost of traded goods sold		8,351,564	24,240,665
Salaries, Wages & Benefits	XVIII	51,009,097	55,908,985
Manufacturing and Other Costs	XIX	101,999,486	184,635,032
Depreciation / Amortisation		50,307,549	51,568,897
Financial Charges	XX	69,468,698	70,858,213
		480,459,073	**898,937,944**
Profit / (Loss) for the year		(147,130,846)	(60,194,934)
Less : Prior Period adjustment		-	1,649,473
Profit / (Loss) Before Tax		(147,130,846)	(61,844,407)
Tax Expense			
Current Tax		-	-
Deferred Tax (net)		(4,949,300)	(22,681,331)
Fringe Benefit Tax		130,331	140,000
Short Provision for Tax		689,063	162,336
		(4,129,906)	**(22,378,995)**
Profit / (Loss) After Tax		(143,000,940)	(39,465,412)
Balance Brought forward from Previous Year		(105,760,235)	(66,294,823)
Balance carried to Balance Sheet		**(248,761,175)**	**(105,760,235)**
Basic / Diluted Earnings per Share of Rs 5/- each		(3.47)	(0.96)
(Refer note 8 of schedule XXII)			
Statement on Significant Accounting Policies	XXI		
Notes to Accounts	XXII		

The Schedules referred to above form an integral part of the Profit & Loss account.

As per our report of even date

For **SUNIL JAIN & CO.**
Chartered Accountants

Sanchit Jain
Partner
Membership No. 511714

Place New Delhi
Date : June 25, 2009

For and on behalf of Board of Directors

S P Setia
Chairman

R Sampath
Managing Director

Ranjan Mangtani
Director

Rajesh Tripathi
Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET

	AS AT March 31, 2009 Rupees	AS AT March 31, 2008 Rupees
SCHEDULE I : SHARE CAPITAL		
Authorised		
5,00,00,000 Equity Shares of Rs. 5 each	250,000,000	250,000,000
	250,000,000	250,000,000
Issued Subscribed and paid up		
4,11,69,667 Equity Shares of Rs. 5 each, fully paid up (Previous Year 4,11,69,667)	205,848,335	205,848,335
TOTAL	**205,848,335**	**205,848,335**
SCHEDULE II : RESERVES AND SURPLUS		
Capital Reserve :		
State Subsidy	3,000,000	3,000,000
Securities Premium Account :		
Security Premium - opening balance	44,601,665	44,601,665
TOTAL	**47,601,665**	**47,601,665**
SCHEDULE III : SECURED LOANS		
(a) From Banks (Scheduled) :		
— Term Loan* (Includes Interest Accrued & due Rs.24.05 Lacs), Previous Year Rs 6.50 Lacs	297,164,609	302,866,520
— Working Capital Borrowings	100,202,274	89,151,081
(b) From Others :		
— Vehicle Loan (Secured by hypothecation of Motor Cars)	-	37,102
	397,366,883	**392,054,703**

* Payable within one year Rs.57.20 Lacs (Previous year 57.14 lacs)

Note : 1. Term Loan secured by first paripassu charge by on fixed assets of the company

2. Working Capital borrowings are secured by first charge on all current assets of the company and second paripassu charge on fixed assets

SCHEDULE IV : UNSECURED LOANS		
From Bodies Corporate		
- Spentex Industries Limited (includes Interest Accrued and due above Rs.77.76 lacs (net of TDS) (Rs 332 Lacs)	454,050,687	386,007,026
	454,050,687	**386,007,026**

SCHEDULE V - FIXED ASSETS (Amount in Rs.)

PARTICULARS	Gross Block				Depreciation / Amortisation				Net Block	
	Cost as at 01.04.2008	Additions for the year	Deletions/ Adjustments	Cost as at 31.03.2009	As on 31.03.2008	For the year	Deletions/ Adjustments	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land -										
- Freehold Land	5,017,299	-	-	5,017,299	-	-	-	-	5,017,299	5,017,299
Building -										
- Factory Building	40,188,303	-	-	40,188,303	17,237,367	1,342,290	-	18,579,657	21,608,646	22,950,936
- Non Factory Building	115,730,572	-	-	115,730,572	16,778,032	1,886,161	-	18,664,193	97,066,379	98,952,540
Plant & Machinery	858,030,712	8,091,857	77,803,149	788,319,420	442,686,656	45,511,497	38,294,212	449,903,941	338,415,479	415,344,055
Furniture, Fixtures & Equipments	39,517,409	9,100	-	39,526,509	32,158,442	1,331,768	-	33,490,210	6,036,299	7,358,967
Vehicle	3,158,293	-	-	3,158,293	2,563,781	235,833	45,414	2,754,200	404,093	594,512
Total	1,061,642,588	8,100,957	77,803,149	991,940,396	511,424,278	50,307,549	38,339,626	523,392,201	468,548,195	550,218,309
Previous year	1,035,365,586	34,454,068	8,177,066	1,061,642,588	460,626,762	51,568,897	771,381	511,424,278	550,218,310	-

	AS AT March 31, 2009 Rupees	AS AT March 31, 2008 Rupees
SCHEDULE VI : INVESTMENTS		
Unquoted (Equity Shares)		
250 share of Shamrao Vitthal Co-Op Bank Ltd of Rs. 10/- each fully paid up	2,500	2,500
1 share of United Yarn of Rs. 31 each	31	31
Share of Lotus House Prem.Co-Op Hsg.Soc.	1,500	1,500
500 Share of Datta Nagari Patsanstha	5,000	5,000
1420 shares of Saraswat Co-Op Bank Ltd of Rs. 10/- each fully paid up	14,200	14,200
Myantrade Corporation Pte*	-	4,522,290
(* Ref to note no. 2 of schedule XXII)		
	23,231	**4,545,521**
SCHEDULE VII : INVENTORIES		
(As certified by the management)		
Raw Materials	1,842,421	17,756,124
Stores, Spares & Packing Materials	6,330,342	7,040,671
Work-in-process	3,048,809	6,352,748
Finished goods		
Manufactured	1,902,101	9,333,551
Cotton Waste	408,300	795,733
	13,531,973	**41,278,827**
SCHEDULE VIII : SUNDRY DEBTORS -		
Unsecured		
Outstanding for over six months		
Considered Good		
Company under the same management		
Scholler Litinov K.S.	80,341,220	-
Others	930,746	-
Considered doubtful	31,408,128	31,408,128
	112,680,094	**31,408,128**
Others		
Considered Good		
Company under the same management		
Spentex Industries Limited	2,398,488	51,097,605
Others	2,974,763	100,262,827
Considered doubtful	-	-
	118,053,345	**182,768,559**
Less: Provision for doubtful debts	31,408,128	31,408,128
(Refer note 4 of schedule XII)		
	86,645,217	**151,360,431**
SCHEDULE IX : CASH & BANK BALANCES		
Cash in Hand	614,198	282,419
Balances with Scheduled Banks :		
In Current Account	56,829	17,317,784
In Margin Account *	1,259,540	3,476,331
	1,930,567	**21,076,534**

* Having a lien by Banks

	AS AT March 31, 2009 Rupees	AS AT March 31, 2008 Rupees
SCHEDULE X : LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loan given to employees	93,888	118,874
Advance Recoverable in Cash or Kind for value to be received	253,833,980	209,014,593
Less : Provision for Doubtful Advances	9,235,000	9,235,000
	244,598,980	**199,779,593**
Balance with Customs, Excise, Govt. Authorities	25,485,892	18,604,266
Advance Income Tax/Tax Deducted at Source	9,291,445	7,024,006
Advance Fringe Benefit Tax	485,508	335,327
Deposits	393,656	323,992
Prepaid Expenses	948,433	1,651,219
	281,297,802	**227,837,277**
SCHEDULE XI : CURRENT LIABILITIES		
Sundry Creditors		
- Dues of Micro, Small & Medium enterprises (Refer note no. 4 of Schedule XXII)	145,209	-
- Others	16,602,847	82,034,787
- Credit Balance of HDFC Bank	1,681,268	-
Other liabilities	62,441,324	70,073,848
Interest accrued but not due	-	-
	80,870,648	**152,108,635**
SCHEDULE XII : PROVISIONS		
Provision for Fringe Benefit Tax	485,358	342,053
Provision for Leave Encashment	1,093,074	1,814,102
Provision for Gratuity	5,151,366	5,370,523
(Refer Note No.11 of Schedule XXII		
	6,729,798	**7,526,678**
SCHEDULE XIII : MISCELLANEOUS EXPENDITURE		
Deferred Revenue Expenses	3,369,372	4,624,476
Less : Written off for the year-Deferred Revenue Expenses	1,260,000	1,255,104
Balance Carried Forward	2,109,372	3,369,372
(Refer note 12 of schedule XXII)		
Deferred Gratuity Expenses	1,795,718	2,825,068
Total	**3,905,090**	**6,194,440**
SCHEDULE XIV : SALES		
Sales -(Gross)		
- Yarn	259,875,921	721,226,709
- Waste	33,322,875	65,094,612
- Knitted Fabric	490,118	443,719
Conversion Charges	13,995,037	558,696
	307,683,951	**787,323,736**
Less : Excise Duty	-	-
Net Sales	**307,683,951**	**787,323,736**
SCHEDULE XV : OTHER INCOME		
Dividend from long term investments	4,335	3,864
Foreign Exchange Fluctuation Gain (net)	11,928,643	-
Interest Income (gross)	355,143	766,559
(Tax deducted at source Rs. 9,625)		
Sundry Balances Written Back	443,072	28,479,528
Profit on Sale of Fixed Assets	-	4,281,219
Export Incentives	22,668,668	12,821,628
Miscellaneous Income	1,367,237	4,346,369
Total	**36,767,098**	**50,699,168**

	AS AT March 31, 2009 Rupees	AS AT March 31, 2008 Rupees
SCHEDULE XVI : INCREASE / (DECREASE) IN STOCKS		
Opening Stock :		
Finished goods	9,333,551	7,614,551
Work in process	6,352,748	6,329,679
Cotton Waste	795,733	1,817,696
	16,482,032	**15,761,926**
Closing Stock :		
Finished goods	1,902,101	9,333,551
Work in process	3,048,809	6,352,748
Cotton Waste	408,300	795,733
Sub-Total	5,359,210	16,482,032
(Increase)/Decrease in Stock	**(11,122,822)**	**720,106**
SCHEDULE XVII : CONSUMPTION OF RAW MATERIALS		
Opening Stock	17,756,124	108,534,731
Add : Purchases	183,408,977	420,947,546
Less : Closing Stock	1,842,421	17,756,124
	199,322,680	**511,726,153**
SCHEDULE XVIII : SALARY, WAGES AND OTHER BENEFITS		
Salaries, Wages and Bonus	43,093,302	43,740,371
Contributions to Provident And Other Funds	4,625,134	5,096,070
Employees Welfare Expenses	2,115,891	5,916,565
Managerial Remuneration	1,174,770	1,155,979
	51,009,097	**55,908,985**

	2008-2009	2007-2008
SCHEDULE XIX : MANUFACTURING AND OTHER COSTS		
Stores, Spares Consumption	5,567,746	12,176,155
Packing Material	4,658,303	14,411,566
Sub-contracting charges	2,110,749	5,408,901
Power, Fuel & Water	43,854,639	93,833,688
Rent	252,000	971,681
Rates & Taxes	274,267	266,444
Repairs & Maintenance :		
Plant & Machinery	974,540	1,874,159
Building	133,353	298,691
Others	164,676	272,299
	1,272,569	**2,445,149**
Insurance	1,204,267	2,047,200
Auditor's Remuneration :		
Audit Fees (Including service tax)	176,480	179,776
Tax Audit Fees (Including service tax)	27,575	28,090
Other Services, Certification, etc.	143,283	123,596
	347,338	**331,462**
Communication Expenses	449,275	666,455
Travelling and Conveyance	10,619,994	9,243,382
Legal and Professional charges	3,385,327	4,447,485
Selling & Other Expenses	662,147	2,026,169
Commission on sales	1,444,424	3,243,280
Freight Outward and Clearing Charges (net of recoveries)	6,858,817	21,617,153
Loss on Assets Sold / Discarded	15,808,937	481,952
Miscellaneous Balances Written off	-	5,903,841
Directors Sitting Fees	-	1,000
Other Expenses	1,260,688	3,264,332
Deferred Revenue Expenses charged off	1,260,000	1,255,104
Investments Written off	708,000	-
Foreign Exchange Difference	-	592,633
	101,999,486	**184,635,032**

	2008-2009	2007-2008
SCHEDULE XX : FINANCIAL CHARGES		
Interest		
- Interest on Term Loan	30,289,480	37,010,752
- Others	57,193,446	45,857,349
Bank Charges	2,874,864	6,455,020
	90,357,791	89,323,121
Less : Interest Income (Gross)	20,889,093	18,464,908
(Tax deducted at source Rs.44,59,397)		
	69,468,698	**70,858,213**

SCHEDULE XXI

SIGINIFICANT ACCOUNTING POLICIES

1 SYSTEM OF ACCOUNTING

The Company follows the accrual system of accounting.

2 OVERALL VALUATION POLICY

The accounts have been prepared under the historical cost convention.

3 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. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable

4 VALUATION OF INVENTORY

Serial No	Item of Inventory	Valuation Method
a	Raw Material	At cost or Net Realisable Value whichever is lower
b	Work in progres	At Cost
c	Finished goods	At cost or Net Realisable Value whichever is lower
d	Stores & Spares	At Cost
e	Packing Material	At cost or Net Realisable Value whichever is lower
f	Saleable waste	At net realisable Value

The cost in respect of raw materials is determined under the Specific Identification of cost method. The cost in respect of work-in-progress 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.

5 FIXED ASSETS

All fixed assets are stated at original cost less depreciation. Cost includes freight, duties (net of MODVAT/ CENVAT), taxes and other incidental expenses relating to acquisition and installation. Expenditure incurred during the period of construction are carried forward as capital work in progress and on completion, the costs are allocated to the respective fixed assets.

6 DEPRECIATION

Depreciation has been provided on Straight Line Method in accordance with the Rates Prescribed Under Schedule XIV to the companies Act 1956 Accordingly, depreciation on assets acquired during the period and whose actual cost does not exceed five thousand rupees has been provided at the rate of hundred percent. On the basis of technical advice, the Company has treated its spinning process plant as a continous process Plant and has provided depreciation accordingly

7 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 the 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 & loss account.

Realised gains and losses on foreign exchange transactions during the year , other than those relating to fixed assets, are recognised in Profit & Loss Account. The gain/losses arising on repayment or restatement of foreign exchange liabilities incurred to acquire fixed assets from a country outside India are adjusted in the carrying cost of fixed asset.

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

8 EMPLOYEE BENEFITS

a Defined Contribution Plan

The Company's contribution to recognised Provident fund and Employee State Insurance are charged to Profit & Loss Account on accural basis.

b Defined Benefit Plan

Gratuity - The Gratuity Plan, a defined benefit plan, provides a lumpsum 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 acturial valuation at the balance sheet date, carried out by an independent actuary. Acturial 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 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 acturial valuation.

9 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 diminuation in value is made to recognise a decline other than temporary in the value of investments

10 TAXES ON INCOME:

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

A provision is made for the current tax and fringe benefit tax based on tax liability computed in accordance with the relevant tax rates and tax laws. Deferred tax assets are recognised for all deductible timing differences and carried forward to the extent it is reasonably/ virtually 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.

11 IMPAIRMENT OF ASSETS

As 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 is recoverable amount. Recoverable amount is determined

a) In the case of a 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 sellilng price and value in use.

(Value in use is determined on the present value of estimated future cashflows from the continuing use of an asset and from its disposal at the end of its useful life).

12 BORROWING COST

Borrowing cost, less any income on the temporary investment out of these borrowings, that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing cost are recognised as expense in the period in which they are incurred.

SCHEDULE XXII : NOTES TO ACCOUNTS

1 Contingent Liabilities not provided for in respect of :

a The following guarantees provided to Banks

Serial No	Name of the Bank	31.03.2009	31.03.2008
1	UCO BANK	10,000,000	10,000,000
2	AXIS BANK LTD	-	1,680,000
3	AXIS BANK LTD	-	528,000
4	AXIS BANK LTD	1,200,000	1,200,000
5	AXIS BANK LTD	-	2,600,000
6	AXIS BANK LTD	190,000	190,000

b A Sum of Rs. 143.55 lacs being the electricity Duty on units generated though captive power plant between the period April 2000 to April 2005 has been contested and writ petition have been filed along with like units in the Mumbai High Court challenging such levy.

c The Central Excise authorities have raised the demand of excise duty of Rs. 78,54,649/-. However, the Company has disputed the said demand before appellant authority and appeal for the same is pending.

d The Income tax authorities have disallowed various expenses/ made additions amounting to Rs. 236,821,707. However, the Company has disputed the said disallowances/ additions before appellant authority and appeal for the same is pending.

2 The Company wanted to augment its marketing channel for accelerated exports and accordingly, selected a company in Singapore and made remittance of Rs. 7.08 Lacs for acquiring the equity stake in that company. However, due to financial constrain further remittance could not be made. In terms of the understanding with the promoter of the said company, further remittance of Rs. 38.14 Lacs will be required to be made provision for this payment is made in the accounts. The company had applied for write of to R.B I and it had decided to write off the same in the books.

3 Disclosure in accordance with Section 22 of Micro, Small and Medium enterprise Development Act, 2006

Serial No	Particulars	As on 31.03.09
1	Principal amount remaining and paid and interest due theron	145,209
2	Interest paid interms of section 16	-
3	Interest due and payable for the period of delay in payment	-
4	Interest accured and remaining unpaid	-
5	Interest due and payable even in succeeding years	-

As certified by the management based on the available information.

4 The Sundry Debtors include export receivables of Rs.314.09 Lakhs and 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 throught its authorised dealer to write off these debts.

5 The Outstanding balances as on March 31, 2009 in respect of certain sundry debtors, creditors, loans and advances and bank and other deposits are subject to confirmation from respective parties and conseqential reconciliation/adjustments arising therefrom, if any. The management doest not expect any material variations.

6 Directors Remuneration

Pariculars	31.03.2009	31.03.2008
Salary	893,600	882,080
Employers Contribution to Provident fund	93,600	93,600
Perquisites (Including estmiated value of Benefits)	187,570	180,299
Total	1,174,770	1,155,979

Foot Note:

The liability in respect of gratuity and leave encashment is provide for on the basis of acturial certificate computed on group basis. Separate figures for individual employees are not available and have, therefore, not been taken into account for above computation.

7 Segment Reporting

The Company's operations relate only to Textile Segment and thus, has only one reportable segment.

8 Information on Earnings Per Share as per Accounting Standard 20 on " Earnings Per share" issued by the Institute of Chartered Accountants of India.

Serial No.	Particulars	Period ended 31.03.2009	Period ended 31.03.2008
1	Net Profit / (Loss) For the year	(143,000,940)	(39,465,412)
2	Number of Equity shares Outstanding	41,169,667	41,169,667
3	Basic and Diluted earnings Per Share	(3.47)	(0.96)
4	Nominal value per share	5	5

9. Break-up of deferred tax assets and deferred tax liabilities

	Current Year (Rupees)	Previous Year (Rupees)
Deferred tax liability recognised due to timing difference due to: Depreciation and other differences in block of fixed assets	119,815,226	122,296,191
Others (net)	7,510,879	8,127,691
Total Deferred Tax liabilities	127,326,105	130,423,882
Deferred tax asset recognised due to timing difference due to :		
Realisation of tax impact of unabsorbed depreciation	159,869,529	158,018,006
Realisation of tax impact of brought forward business losses	55,281,242	55,281,242
Total Deferred Tax Asset	215,150,771	213,299,248
Net Deferred Tax Asset/ (Deferred Tax Liability)	87,824,666	82,875,366
(Credit)/ Charge to profit and loss account	(4,949,300)	(22,681,331)

Notes

Deferred tax asset has been recognised upto 30th June, 2008. Afterwards, in view of brought forward losses, the Company has decided to not recognise deferred tax asset. Consequently, deferred tax asset of Rs.3,70,49,839 has not recognised computed at the prevailing tax rate of 30.9% for companies.

10 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 — Scholler Litinov, K.S. & Spentex (Netherlands) B.V.

c Key Management Personnel — Mr. R. Sampath- Managing Director

Particulars	Holding Company Where Control exists	Other related Parties Personnel	Key Management
Sale of goods	134,908,392	20,682,366	-
	(200,146,304)	(-)	(-)
Purchase of Goods	11,078,258	-	-
	(57,660,144)	(-)	(-)
Purchase of fixed assets	6,114,510	(-)	
Interest Paid	42,443,103	-	-
	(34,865,399)	(-)	(-)
Reimbursement of expenses	16,350,364	-	
	(14,532,308)	(-)	
Remunerations	-	-	1,174,770
	(-)	(-)	(1,155,979)
Loan taken	346,248,835	-	-
	(277,338,807)	(-)	-
Loan repaid	278,205,174	-	-
	(251,191,113)	(-)	-
Outstanding balance at year end			
Unsecured loans	454,050,687	-	-
	386,007,026	(-)	-
Corporate Guarantee Given	-	471,192,250	-
	-	(736,600,000)	-
Trade and other debtors	2,398,488	80,341,220	-
	51,097,605	(66,212,582)	-
Trade Payable	44,426,287	-	-
	(21,762,586)	-	-

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

11. 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

	Gratuity (Funded) Rupees	Compensated Absences (unfunded) Rupees
Obligation at period beginning (April 1, 2008)	8,374,019	1,619,734
Current service cost	796,855	115,620
Interest Cost	584,575	113,071
Actuarial (gain)/ Loss	(528,922)	(401,759)
Benefits Paid	(374,250)	(353,592)
Obligation at the Year end (March 31, 2009)	**8,852,277**	**1,093,074**
Change in Plan Assets **Plan assets at period beginning, at fair value**	**3,003,496**	**Not Applicable**
Expected return on Plan assets	274,820	
Actuarial (gain)/ Loss	(14,183)	
Contributions	811,028	
Benefits paid	(374,250)	
Plan assets at the year end, at fair value	**3,700,911**	
Reconciliation of Present Value of the Obligation and Fair value of plan assets Fair value of plan assets at the end of the year	3,700,911	
Present value of the defined benefit obligation at the end of the year	8,852,277	1,093,074
Liability/ (Asset) Recognized in the Balance sheet	5,151,366	1,093,074
Assumptions used to determine the benefit obligation		
Discount Rate	8%	8%
Estimated rate of Return on Plan Assets	9.15%	-
Expected rate of Increase in salary	3%	3%
Withdrawal rate (18 to 60 years)	2%	2%

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

Notes: As per Transitional Provisions as contained in AS-15 (Revised), the Company has decided to amortize the total gratuity expenses of Rs.44.89 Lacs arising due to first time adoption of the revised accounting standard over a period not exceeding five years beginning with the year of adoption of the standard, the same is being amortized on year to year basis as 8.97 lacs per year as on 31.3.2009, a liability of Rs.17,95,718 remains to be written off.

12. Deferred Revenue Expenditure

The Company has incurred Rs.109 Lacs as deferment charges for the reschedulement of term loan during prior years. The same is being amortized over the period of ten years. Accordingly, during the year, the company has charged Rs.12.60 lacs to the statement of Profit & Loss account as current year charge and Rs.21.69 lacs has been carried forward to subsequent years.

13. Last year's audit has been done by another firm of chartered accountants and relied upon by the auditors.

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

ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3 AND 4 OF PARA II OF SCHEDULE VI OF THE COMPANIES ACT 1956

1 Production Capacity

Product	Unit	This Year	Previous Year
Cotton yarn	Spindles	30,672	30,672
Knitting Machines	Machines	4 Nos	4 Nos

a. As Certified by the Management

b. The Cotton yarn Spinning Industry has been delicensed

2 Particulars In Respect of Opening Stock, Sales & Closing Stock etc.

a. Production , Sales and Stock- Manufactured goods

Product	Opening Stock		Production	Sales		Closing Stock	
	Kgs	Value Rs.	Kgs	Kgs	Value Rs.	Kgs	Value Rs.
Cotton Yarn	97,020	10,996,087	2,201,360	2,280,942	251,364,619	17,438	1,902,101
Previous Year	77,420	7,614,551	6,614,724	6,595,124	693,906,220	97,020	10,996,087
Cotton Waste	22,797	795,733	868,822	874,727	33,322,873	16,892	408,300
Previous Year	57,867	1,817,696	2,219,910	2,254,980	59,582,049	22,797	795,733
Fabrics	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Previous Year	Nil	Nil	Nil	Nil	Nil	Nil	Nil

b. Production , Sales and Stock- Traded Goods

Product	Opening Stock		Purchases		Sales		Closing Stock	
	Kgs	Value Rs.	Kgs	Value Rs.	Kgs	Value Rs.	Kgs	Value Rs.
Cotton Yarn	-	-	82,943	8,351,564	82,943	9,001,425	-	-
Previous Year	20,956	2,242,326	214,598	-	235,554	24,724,221	-	-

3		2008-09 In Rupees	2007-08 In Rupees
a	**CIF Value of Imports**		
	Raw Materials	-	-
	Stores Spares & Components	898,607	2,474,518
	Capital Goods	1,423,414	3,472,127
		2,322,021	**5,946,645**
b	**Expenditure in Foreign Currency**		
	Commission	1,639,253	595,254
		3,961,274	**6,541,899**
C	**Earnings in Foreign Currency**		
	FOB Value of Exports	80,411,233	247,605,173

4 Raw Materials and Components Consumed :

Description	2008-09		2007-08	
	Kgs	Value Rs	Kgs	Value Rs
Cotton	2,936,317	192,727,233	8,643,201	475,796,465

5 Value of Imported and Indigenous Raw Materials, Components, stores and spares Consumed

	2008-09		2007-08	
	Raw Material	Spares	Raw Material	Spares
Imported	-	-	-	-
Indigenous	199,322,680	-	511,726,153	

CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2009

			For the year ended 31.03.2009	For the year ended 31.03.2008
A.	**Cash flow from operating activities:**			
	Net (loss)/profit before tax but after exceptional/extraordinary items		(147,130,846)	(61,844,407)
	Adjustments for:			
	Depreciation	50,307,549		51,568,897
	Interest Expense	69,468,698		70,858,213
	Interest Income	(355,143)		(766,539)
	Income from Investment - Dividends	(4,335)		(3,864)
	Loss on sale of fixed assets	15,808,937		(481,952)
	Profit on sale of fixed assets	-		4,281.219
	Investment written off	708,000		-
	Miscellaneous Expenditure written off	1,260,000		1,255,104
	Provision for Gratuity	810,193		4,708,446
	Provision for Leave Encashment	(721,028)		298,703
	Prior Period Expenses/(Income) (Net)	-		1,649,473
	Misc balances written Back	(443,072)		-
	Unrealised Foreign Exchange loss/ (gain)	(8,422,495)		592,633
	Non cash prior period item	(45,414)		-
			128,371,890	133,920,312
	Operating profit before working capital changes		**(18,758,956)**	**72,075,905**
	Adjustments for changes in working capital :			
	(INCREASE)/DECREASE in Sundry Debtors	73,611,710		(41,214,314)
	(INCREASE)/DECREASE in Other Receivables	51,193,086		15,193,110
	(INCREASE)/DECREASE in Inventories	27,746,854		93,892,576
	INCREASE/(DECREASE) in Trade and Other Payables	66,980,625	16,815,147	116,569,626
	Cash generated from/ (used in) operations		**3,55,74,103**	**188,645,531**
	Direct Taxes (Paid) / Received (net)	(2,943,528)		(3,861,951)
	Prior Period (Expenses)/Income (Net)	-		(1,649,473)
	Extraordinary /exceptional Item (Expense)/ Income	-	2,943,528	(5,552,566)
	Net cash from / (used in) operating activities		**(38,517,631)**	**183,092,964**
B.	**Cash flow from Investing activities:**			
	Purchase of fixed assets	(8,100,957)		(33,245,085)
	Proceeds from Sale of fixed assets	23,226,000		11,204,952
	Interest Received	355,143		1,383,418
	Dividend Received	4,335		3,864
	Net cash from/ (used in) investing activities		**15,484,521**	**(20,652,851)**
C.	**Cash flow from financing activities:**			
	Repayment of term loans (net)	(7,456,911)		(94,705,908)
	Proceeds from short term borrowings (net)	11,051,193		(13,796,798)
	Repayment of Vehicle loans	(37,102)		(88,662)
	Proceeds from Unsecured Loans	93,467,661		34,711,236
	Interest Paid	(93,137,698)		(73,987,340)
	Net cash used in financing activities		**3,887,144**	**(147,867,471)**
	Net Increase/ (Decrease) in Cash & Cash Equivalents		**(19,145,967)**	**14,572,643**
	Cash and Cash Equivalents at the Beginning of the Year		**21,076,534**	**6,503,892**
	Cash and Cash Equivalents at the End of the Year		**1,930,567**	**21,076,534**
	Increase/(Decrease) in Cash/Cash Equivalents		**(19,145,967)**	**14,572,643**
	Cash and cash equivalents comprise:			
	Cash in hand		614,198	282,419
	Balance in Current Accounts		56,829	17,317,785
	Balance in Fixed Deposit Accounts		1,259,540	3,476,331
			1,930,567	**21,076,534**

Notes :

1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

Statement on Significant Accounting Policies	XXI
Notes to Accounts	XXII

The Schedules referred to above form an integral part of the Cash Flow Statement

For **SUNIL JAIN & CO.**
Chartered Accountants

Sanchit Jain
Partner
Membership No. 511714

Place New Delhi
Date : June 25, 2009

For and on behalf of Board of Directors

S P Setia
Chairman

R Sampath
Managing Director

Ranjan Mangtani
Director

Rajesh Tripathi
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No. 171468 State Code 55

CIN L17100DL1991PLC171468

Balance Sheet Date 31-03-2009

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	Total Assets
1104867	1104867

SOURCES OF FUNDS :

Paid up Capital	Reserves and Surplus
205848	47602
Secured Loans	**Unsecured Loans**
397367	454051

APPLICATION OF FUNDS (Amount in Rs. Thousands)

Net Fixed Assets	Investments
468548	23
Net Current Assets	**Miscellaneous Expenditure**
295805	3905
Accumulated Loss	
248761	

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover (Including Other Income)	Total Expenditure
333328	480459
Profit before tax	**Profit after tax**
-147131	-143001
Earning per Share in Rs.	**Dividend rate**
-3.47	NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As Per Monetary Terms)

Item Code NO. (ITC Code) 520500

Product Description COTTON YARN

For and on behalf of Board of Directors

S P Setia
Chairman

R Sampath
Managing Director

Ranjan Mangtani
Director

Rajesh Tripathi
Company Secretary

Place New Delhi
Date : June 25, 2009

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 17th Annual General Meeting of the Company on Wednesday the 30th September, 2009 at 12.00 Noon at Lok Kala Munch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003.

……..... ……

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

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AMIT SPINNING INDUSTRIES LIMITED

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

PROXY FORM

I/We ..... of .....……. being a member/members of the above named Company hereby appoint Mr/.Mrs./Ms. .....…..……. or failing .....……. of …… as my/our Proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Wednesday the 17th September, 2009 at 12.00 Noon at Lok Kala Munch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003.

Signed this ……..... day of .....……. 2009.

Signature .....

DPID & Client ID No. .....

Folio No. …….....

No of Shares held …….....

Affix Rupee One Revenue Stamp

Note : THIS FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Book - Post

If undelivered please return to :

AMIT SPINNINGINDUSTRIES LIMITED

REGISTERED & CORPORATE OFFICE :
A-60, Okhla Industrial Area, Phase-II,
New Delhi - 110 020
Ph. : 011 - 26387738, 41614999
Fax : 011 - 26385181

N O T I C E

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Amit Spinning Industries Limited will be held on Wednesday the 30th day of September, 2009 at 12.00 Noon at Lok Kala Munch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 110 003 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date and the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. K Sankaramani, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Inder Mohan Agrawala, an Additional Director who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Suraj Parkash Setia, an Additional Director who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Place: New Delhi
Date : July 27, 2009

RAJESH TRIPATHI
COMPANY SECRETARY

NOTES:

A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED WITH THE COMPANY AT IT'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

B. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 26th day of September, 2009 to Tuesday the 29th September, 2009 (both days inclusive).

C. All documents referred in the notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on any working day upto the date of Annual General Meeting and also at the meeting.

D. Members are requested to intimate the change, if any, to Registrars & Transfer Agents in their registered address immediately.

E. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.

F. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Corporate Office of the company ten days in advance of the meeting so that the information may be made readily available.

G. As per provisions of the Companies Act, 1956, facility for making nomination is now available to the members in respect of the shares held by them.

H. For any queries on the Depository System, members may contact any depository participant or the Share Department at the Registered Office of the Company.

I. In terms of Clause 49 of the Listing Agreement, a brief resume of directors who are proposed to be appointed/re-appointed in this meeting is given in Report on Corporate Governance forming part of Annual report.

J. Explanatory Statement setting out all material facts regarding Special Business contained in Item No. 4 and 5 as required under Section 173 (2) of the Companies Act, 1956, is annexed hereto.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Mr. Inder Mohan Agrawala was appointed as an Additional Director by the Board on 29th January, 2009 in terms of Section 260 of the Companies Act, 1956. Mr. I M Agrawala holds office as Director until this Annual General Meeting but eligible for re-appointment. Notice has been received from a member as required by Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation.

Mr. Inder Mohan Agrawala is a director of the Company since 29th January, 2009. Mr. Agrawala was born on 4th April, 1947 and he holds degree in B.Tech Textiles, he has rich experience in textile industry and providing services to textile industry since 1967. Mr. Agrawala is a member in Audit Committee of the Company and doesnot hold any shares in the Company.

None of the Directors except Mr. Inder Mohan Agrawala deemed to be concerned or interested in the resolution.

ITEM NO. 5.

Mr. Suraj Parkash Setia was appointed as an Additional Director by the Board on 17th March, 2009 in terms of Section 260 of the Companies Act, 1956. Mr. Suraj Parkash Setia holds office as Director until this Annual General Meeting but eligible for re-appointment. Notice has been received from a member as required by Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation.

Mr. Suraj Parkash Setia is a director of the Company since 17th March, 2009. Mr. Setia was born on 04th February, 1942 and he is Textile Graduate and Gold Medalist. Mr Setia having rich experience in textile industry and providing services to textile industry since 1962. Mr. Setia is a Chairman of the Company and also chairman of Audit Committee, Remuneration Committee and Share Transfer/investor grievance committee and does not holding any shares in the Company.

None of the Directors except Mr. Suraj Parkash Setia deemed to be concerned or interested in the resolution.

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

Place: New Delhi
Date : July 27, 2009

RAJESH TRIPATHI
COMPANY SECRETARY