

23rd Annual Report
2014 - 2015

Going Beyond Tomorrow...

SPENTEX INDUSTRIES LIMITED



CLCTM

BOARD OF DIRECTORS

Ajay Kumar Choudhary	- Chairman
Mukund Choudhary	- Managing Director
Kapil Choudhary	- Deputy Managing Director
Amrit Agrawal	- Director
Sitaram Parthasarathy	- Director
Deepak Diwan	- Independent Director
Prem Malik	- Independent Director
Ram Kumar Thapliyal	- Independent Director
Shyamal Ghosh	- Independent Director
Dhananjaya Prasad Singh	- Independent Director
Rajeev Kalra	- Nominee VCIGPM
Kamal Kapur	- Independent Woman-Director

BANKERS / INSTITUTIONS

State Bank of India
ING Vysya Bank
Bank of Baroda
Indusind Bank
Canara Bank
Indian Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Axis Bank Ltd.
Oriental Bank of Commerce

SR. VICE PRESIDENT CORPORATE AND LEGAL AFFAIRS & COMPANY SECRETARY

Ranjan Mangtani

AUDITORS

J.C. Bhalla & Company

REGISTERED & CORPORATE OFFICE

A-60, Okhla Industrial Area
Phase-II, New Delhi-110020
Ph.: 011-26387738, 41614999
Fax : 011-26385181
E-mail : secretarial@clcindia.com

PLANTS

B-1, MIDC, Chincholi - Kondi
Dist. - Solapur, Maharashtra - 413255 (India)

D-48, MIDC, Baramati, Dist. Pune
Maharashtra - 413133 (India)

51-A, Industrial Area, Sector-III, Pithampur
Distt. Dhar, Madhya Pradesh - 454774 (India)

31-A, MIDC Industrial Area, Butibori
Nagpur - 441122, Maharashtra (India)

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NOTICE

Notice is hereby given that the **23rd Annual General Meeting** of the Members of Spentex Industries Limited will be held on **Wednesday, the 30th day of September, 2015 at 03.30 P.M at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 including Balance Sheet of the Company as at 31st March, 2015, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Ajay Kumar Choudhary (DIN: 00051629) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Kapil Choudhary (DIN: 00051580) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of the Statutory Auditors of the Company for the year 2015-16 and fixation of their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration mutually agreed between the Cost Auditor and Managing Director with applicable tax and other expenses/reimbursement if any payable to Sh. Rajesh Goyal, Cost Accountant of M/s. K G Goyal & Associates, Cost Accountants having Firm Registration No.000024 as approved by the members of Audit Committee and Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the financial year 2015-2016, be and is hereby ratified and confirmed.”
“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary, proper or expedient to give effect to the above resolution.”
6. To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement and pursuant to the Articles of Association of the Company, Ms. Kamal Kapur (DIN: 07002123), who was appointed as an Additional Director on the position of Independent Non- Executive Woman Director of the Company on 14th November, 2014 and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013 and in respect of whom the Company has, pursuant to Section 160 of Companies Act, 2013, received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Non- Executive Woman Director of the Company to hold office for a term upto five consecutive years commencing from the date of this Annual General Meeting and not liable to retire by rotation.”
7. To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:
“**RESOLVED THAT** in partial modification to the resolution passed in the 22nd Annual General Meeting held on September 11, 2014 and subject to the approval of Central Government and requisite approvals as may be necessitated from time to time and pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the Company be and is hereby accorded for seeking Central Government approval as per terms fixed by the Board of Directors in respect of the remuneration payable to Shri Ajay Kumar Choudhary, (DIN00051629) Chairman of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to Board of Directors or a committee thereof to fix his remuneration within such maximum limit specified in Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government, with effect from 1st April, 2015 for the remaining tenure of his office (upto 1st December, 2017) on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration with upto 15% increase per annum on his remuneration, subject to maximum limits specified under Schedule V of the Companies Act, 2013 or any other statutory modification(s) or re-enactment thereof or in accordance with the approval of Central Government.”
“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”
8. To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:
“**RESOLVED THAT** in partial modification to the resolution passed in the 22nd Annual General Meeting held on September 11, 2014 and subject to the approval of Central Government and requisite approvals as may be necessitated from time to time and pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Companies Act, 2013,

including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the Company be and is hereby accorded for seeking Central Government approval as per terms fixed by the Board of Directors in respect of the remuneration payable to Shri Kapil Choudhary, (DIN00051580) Dy. Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to Board of Directors or a committee thereof to fix his remuneration within such maximum limit specified in Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government for a period of three years, with effect from 1st April, 2015 (upto 31st March, 2018) on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration with upto 15% increase per annum on his remuneration, subject to maximum limits specified under Schedule V of the Companies Act, 2013 or any other statutory modification(s) or re-enactment thereof or in accordance with the approval of Central Government.”

“**RESERVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

9. To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in partial modification to the resolution passed in the 22nd Annual General Meeting held on September 11, 2014 and subject to the approval of Central Government and requisite approvals as may be necessitated from time to time and pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the Company be and is hereby accorded for seeking Central Government approval as per terms fixed by the Board of Directors in respect of the remuneration payable to Shri Sitaram Parthasarathy, (DIN00196358) Director-Works of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to Board of Directors or a committee thereof to fix his remuneration within such maximum limit specified in Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or in accordance with approval of Central Government, with effect from 1st April, 2015 for a period of three years (upto 31st March, 2018) on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration with upto 15% increase per annum on his remuneration, subject to maximum limits specified under Schedule V of the Companies Act, 2013 or any other statutory modification(s) or re-enactment thereof or in accordance with the approval of Central Government.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to, subject to and in accordance with, (a) the provisions of Section 42 and 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) (“The Act”), (b) the relevant and enabling provisions of the Memorandum and Articles of Association of the Company, (c) the Listing Agreement entered into by the Company with the stock exchanges where the shares of the Company are currently listed, (d) in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including any amendments thereto or re-enactment thereof for the time being in force, (the “SEBI ICDR Regulations”), (e) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), Government of India (“GOI”) or any other statutory or regulatory body (“Appropriate Authorities”), (f) any contractual obligation or approval, (g) any approval, consent, permission and/or sanction (“Requisite Approvals”) of all Appropriate Authorities, as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated under the Requisite Approvals, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof or which the Board has constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the consent, permission and approval of the Company be and is hereby accorded to the Board of Directors to issue and allot fully paid up equity shares of a face value of Rs. 10/- each (“Shares”) as under :

S. No.	Name of Applicant	Category	No. of Shares proposed to be allotted
1.	CLC Technologies Pvt. Ltd.	Indian Promoter	45,05,000
2.	CLC & Sons Pvt. Ltd.	Indian Promoter	65,90,000
	Total		1,10,95,000

“**RESOLVED FURTHER THAT**

- (a) the “relevant date” for the purpose of calculating the issue price of the abovementioned Equity Shares for the purposes of the Preferential Issue in accordance with provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009 be August 28, 2015 being 30 days prior to the date of passing of this resolution at this Annual General Meeting.

- (b) The pricing for Equity Shares be in accordance with the regulations stipulated under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, accordingly the proposed Equity Shares be allotted @ Rs.10/- each, being higher than the price determined in accordance with the provisions of relevant SEBI (ICDR) Regulations, 2009.
- (c) the Equity Shares to be issued and allotted through the aforesaid Preferential Issue shall rank pari passu with the existing Equity Shares of the Company in all respects including as to dividend, and shall be subject to the relevant provisions of the Memorandum of Association and the Articles of Association of the Company."

"RESOLVED FURTHER THAT

- (a) subject to the provisions of SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve the terms and conditions of the offer, issue and allotment of the Equity Shares and to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, as it may deem expedient.
- (b) The Board of Directors be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI / RBI / SEBI or any other regulatory authority may stipulate in that behalf.
- (c) the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or any other officer or officers of the Company to give effect to the aforesaid resolution including to execute any document on behalf of the Company and to represent the Company before any governmental authorities and to appoint any professional advisor/ consultants/ Lawyers.
- (d) the Board be and is hereby authorised to take necessary steps for listing of the abovementioned Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, as per the terms and conditions of the Listing Agreement and other applicable Guidelines, Rules and Regulations.
- (e) for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications on the offer, issue and allotment of the Equity Shares, to execute the necessary documents, including the private placement offer letter and enter into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue), resolving all questions of doubt that may arise in regard to the offer, issue and allotment of the Equity Shares and utilisation of proceeds of the issue of the Equity Shares and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and the decision of the Board shall be final and conclusive.
- (f) The proposed shares are being issued and allotted as per instructions of term lenders/ JLF/CAP which were constituted in accordance with CDR/RBI guidelines. Accordingly sub-regulation 2 of Regulation 10 of SEBI (SAST) Regulations 2011, the allottee(s) are not required to make an open offer."

By Order of the Board
For **Spentex Industries Limited**
Sd/-
Ranjan Mangtani
Company Secretary

Place: New Delhi
Date : August 13, 2015

NOTES:

- A. Explanatory Statement setting out all material facts regarding Special Business contained in Item Nos. 5 to 10 as required under Section 102 (1) of the Companies Act, 2013, is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- C. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- D. The Register of Members and Share Transfer Books of the Company will be closed from Monday, the 28th day of September, 2015 to Wednesday the 30th day of September, 2015 (both days inclusive) for the purpose of this Annual General Meeting.
- E. All documents referred in the accompanying notice are available for inspection at the Registered Office of the Company during working days between 10.00 A.M. to 1.00 P.M. till the date of Annual General Meeting and also at the meeting.

- F. Members are requested to intimate the change, if any, in their registered address immediately.
- G. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- H. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Registered Office of the company ten days in advance of the meeting so that the information may be made readily available.
- I. As per provisions of the Companies Act, facility of nomination is available to the members in respect of the shares held by them.
- J. For any queries on the Depository System, members may contact any depository participant or the Share Department at the Registered Office of the Company.
- K. In terms of Clause 49 of the Listing Agreement, a brief resume of directors who are proposed to be appointed/re-appointed at this meeting are provided in Corporate Governance Report, forming part of the Annual Report.
- L. Members are requested to send queries, if any, at E-mail ID secretarial@clcindia.com which is being used exclusively for the purpose of redressing the complaint(s) of the investors.

M. VOTING THROUGH ELECTRONIC MEANS

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

The instructions for shareholders voting electronically are as under:

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

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for

resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant SPENDEX INDUSTRIES LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- (xxi) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

ANNEXURE TO THE NOTICE

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

ITEM NO. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 29.05.2015, subject to approval of members in the ensuing general meeting, appointed Sh. Rajesh Goyal, Cost Accountant of M/s. K G Goyal & Associates, Cost Accountants as Cost Auditor of the Company to conduct/maintain Cost Records for the financial year ended 31st March, 2016 at a remuneration of Rs. 1.00 lac with applicable taxes and reimbursement of out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No.5 for your approval.

ITEM NO. 6

Ms. Kamal Kapur was appointed as an Additional Director as an Independent Non-Executive Woman Director of the Company on 14th November, 2014 by the Board of Directors of the Company.

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

SPENTEX INDUSTRIES LIMITED

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Ms. Kamal Kapur is proposed to be appointed as an Independent Director for a period of 5 years from the date of this Annual General Meeting, not be liable to retire by rotation.

As required under Section 152 of the Companies Act, 2013, the Company has received a declaration from Ms. Kamal Kapur that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and she meets with the criteria of Independent director, as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and has given her consent to act as a Director. In the opinion of the Board, Ms. Kamal Kapur fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Woman Director of the Company and is independent of the management.

Brief resume of Ms. Kamal Kapur and nature of her expertise in specific functional areas are provided in the Corporate governance Report forming part of the Annual Report.

The Copy of the draft letter for appointment of Ms. Kamal Kapur as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company.

The Board considers that Ms. Kamal Kapur's association would be of immense benefit to the Company and it is desirable to avail services of Ms. Kamal Kapur as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Ms. Kamal Kapur as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Kamal Kapur, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the resolution set out at Item No. 6.

Your Directors recommend the resolution as at Item No.6 for your approval.

ITEM NO. 7 to 9

The members of the Company at their 22nd Annual General Meeting held on 11th September, 2014, by way of special resolution, approved the appointment of Sh. Ajay Kumar Choudhary, as Chairman for a period of 4 years, Sh. Kapil Choudhary, as Dy. Managing Director and Sh. Sitaram Parthasarathy, as Director Works for a period 5 years and also approved the payment of remuneration for a period of 3 years w.e.f. 2nd December, 2013 in the following manner:

Name of Director	Appointment		Shareholders approval for Remuneration		Approved Remuneration
	No. of years	with effect from	No. of years	with effect from	
Sh. Ajay Kumar Choudhary	4 years	02-Dec-13	3 years	02-Dec-13	Rs. 6,50,000/-* pm
Sh. Kapil Choudhary	5 years	02-Dec-13	3 years	02-Dec-13	Rs. 6,50,000/-* pm
Sh. Sitaram Parthasarathy	5 years	02-Dec-13	3 years	02-Dec-13	Rs. 6,50,000/-* pm

* Subject to overall increase upto 15% per annum with the approval of the Board and relevant provisions.

As per applicable provisions read with Schedule V of Companies Act, 2013, Company is not required to obtain the Central Government approval if the Effective Capital of the Company is between Rs. 5.00 cr. to Rs. 100.00 cr. accordingly a Special Resolution is required to pass by the members in the general meeting.

The Company is required to seek Central Government approval for payment of existing remuneration to executive and professional directors as effective capital of the Company as on 31st March, 2015 is negative. Accordingly the Company proposed to seek Central Government approval towards payment of remuneration to following directors :

Name of the Director	Appointment valid till	Proposed CG approval for remuneration valid till	Remuneration approved by CG per month (Rs.)
Sh. Ajay Kumar Choudhary	01-Dec. - 2017	01-Dec. - 2017	6,50,000/-
Sh. Kapil Choudhary	01-Dec. - 2018	31-March - 2018	6,50,000/-
Sh. Sitaram Parthasarathy	01-Dec. - 2018	31-March - 2018	6,50,000/-

The members of Nomination and Remuneration Committee and Board of Directors at their meeting held on 13th August, 2015, subject to approval of members and other requisite approvals as may be required from time to time, have recommended/approved for seeking Central Government approval for payment of their existing remuneration/above mentioned remuneration. The Current term of appointment/remuneration and Central Government approval with regard to remuneration payable to the of aforesaid directors has since ceased. The other terms of appointment/perks have not been modified and the same are re-produced herein below:

Overall Remuneration

Subject to the provisions of Section 196, 197, 198 and 203 read with Schedule V and such other applicable provisions, if any, of the

Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014, the remuneration payable to Chairman, Dy. Managing Director, and Director works, in a financial year shall not exceed 5% of the annual net profit of the Company for one such managerial person and subject to further overall limit of 10% of the annual net profit of the Company computed in accordance with applicable provisions/schedules of Companies Act, 2013 for all the working directors taken together.

Notwithstanding anything contrary herein contained, where in any financial year during the currency of tenure of the aforesaid Directors, the Company has no profits or its profits are inadequate, the Company will pay remuneration in respect of above directors, by way of salary, commission and perquisites as provided herein below as per the limits set out in Section II of the Part II of Schedule V of the Companies Act, 2013.

Sl.No.	Description	Sh. Ajay Kumar Choudhary	Sh. Kapil Choudhary	Sh. Sitaram Parthasarathy
1.	Tenure of Appt.	02/12/2013 to 01/12/2017	02/12/2013 to 01/12/2018	02/12/2013 to 01/12/2018
2.	Salary	Rs. 6,50,000 per month w.e.f. 01/04/2015 to 01/12/2017	Rs. 6,50,000 per month w.e.f. 01/04/2015 to 31/03/2018	Rs. 6,50,000 per month w.e.f. 01/04/2015 to 31/03/2018
Salary including additional Salary, Special Allowance, Performance Salary, Performance linked incentive, Pay and any other allowance as may be determined by the Board/Committee from time to time.				
3.	Perks/Perquisites	a) Company Car(s) with Chauffeur(s), b) Mobile, Data Card, Land line & Fax connection with Internet facility at residence. c) Club Fee subject to maximum of two clubs. d) Personal Accident Insurance, Mediclaim Insurance as per Company policy. e) Company's contribution to Provident Fund, Superannuation Fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. f). Leave encashment/ encashment of un-availed leave accordance with rules specified by the Company. g) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.		
4.	Other Terms	a) No sitting fees shall be paid to aforesaid directors for attending meetings of Board of Directors/Committee of the Board. b) Reimbursement of all entertainment, travelling, hotel and other expenses actually incurred by him in connection with the business of the Company. c) The above directors shall be liable to retire by rotation. d) Normal annual Increment, subject to maximum 15% per annum during the aforesaid tenure as may be granted by the Managing Director whereas in case of Chairman, the annual increment will be granted by the Board of Directors.		

As required under Schedule V of the Companies Act, 2013, the relevant details to be sent alongwith the notice calling the General Meeting, are as under :

I. General Information

- Nature of Industry – Textiles Industry
- Date or expected date of commencement of commercial production: The Company was incorporated on 25.11.1991 and had already commenced commercial production thereafter.
- In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- Financial performance based on given indicators (as per audited financial statements for the year ended 31.03.2015)

Particulars	Rs. In Crores
Sales and other Income	894.72
EBIDTA	27.49
Net Profit/(Loss)	(62.79)

- Export performance and net foreign exchange collaborations (as per audited financial statements for the year ended 31.03.2015) Earnings in foreign exchange by exports (FOB value):. Rs. 463.13 Crores
- Foreign investments or collaborations, if any: Not applicable.

II. Information about the appointee:

Sl.No.	Description	Sh. Ajay Kumar Choudhary	Sh. Kapil Choudhary	Sh. Sitaram Parsarthy
1.	Background details	Sh. Ajay Kumar Choudhary (68) is Chairman of the Company since 5th May, 2004. He is having about 44 years of experience in textile industry.	Sh. Kapil Choudhary (43) is a Director of the Company since 5th May, 2004. He is having rich experience in operations and marketing aspects. He has developed a very strong marketing network all over the world.	Sh. Sitaram Parthasarathy (55) is a Director of the Company since 12th May, 2004 and is a textile professional with more than thirty years of experience. He has a sound academic background and did B. Sc. Physics (Hons) from Calcutta University and B. Tech Textiles from Bangalore University.
2.	Past remuneration (Rs.)	6,50,000/- per month	6,50,000/- per month	6,50,000/- per month
3.	Job profile and his responsibility	He provides Overall supervision to the Company and looking day to day activities of the Company.	He is in charge of entire operations including marketing in India and abroad.	Define and provide directions in achieving overall efficiency in all manufacturing plants in India and Abroad.
4.	Remuneration proposed (Rs.)	6,50,000/-* per Month	6,50,000/-* per month	6,50,000/-* per month
5.	Comparative profile with respect to industry, size of the Company, profile of the position and person.	Considering the size of the Company, the profile of the Chairman, Dy. Managing Director and Director Works, the responsibilities shouldered by them, indepth knowledge in operations and the industry benchmarks, the remuneration proposed are in commensurate with the remuneration paid to similar appointees in other Companies.		
6.	P e c u n i a r y relationship directly or indirectly with the C o m p a n y o r relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company. However, he is having pecuniary relationship with the Managing Director and Dy. Managing Director of the Company.	Does not have any pecuniary relationship with the Company. However, he is having pecuniary relationship with the Chairman and Managing Director of the Company.	Does not have any pecuniary relationship with the Company and its managerial personnel.

***Subject to overall increase upto 15% per annum with the approval of the Board and relevant provisions.**

III. Other information:

- (1) Reasons of loss or inadequate profits :

The operations of the company during the year were adversely impacted due to the declining and subdued sales and continuing liability of debt & interest repayment in respect of term and working capital loans availed from Banks and Financial Institutions, which created a situation wherein the company has not been able to optimally utilize and leverage its existing plant capacities. As a result, there has been significant decline in EBIDTA levels as compared to previous years.

- (2) Steps taken or proposed to be taken for improvement

With due strategic focus on efficient plant operations keeping in view the market trends, Spentex is confident of improvement in its operational performance in near future.

- (3) Expected increase in productivity and profits in measurable terms.

Demand of cotton yarn in domestic market and talk of economic reforms by the new Government as well as encouraging export promotion policy for textile sector have already improved market sentiments and the same is resulting in showing some signs of recovery and improvement in the business environment prevailing since last year, and with the strategic efficiency improvement and cost containment measures being adopted by the company, and with the continued support and co operation of the company's bankers, your directors have confidence that sales volumes are reasonably expected to shore up with consequent strengthening of the margins in due course.

The draft of Agreement to be entered into between the Company and Sh. Ajay Kumar Choudhary, Sh. Kapil Choudhary and Sh. Sitaram Parthasarathy for appointment and remuneration remains unchanged and is available for inspection by the members at the Registered Office of the Company during the business hours on any working day. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement. As per Balance Sheet dated 31-3-2015 the effective capital of the Company is negative and accordingly, it is required to obtain Central Government Approval for payment of remuneration to Executive Directors.

None of the Directors of the Company except Sh. Ajay Kumar Choudhary, Sh. Kapil Choudhary and Sh. Sitaram Parthasarathy are interested in the resolution placed before the meeting directly or indirectly.

In compliance with the provisions of sections 196,197 and 198 and other applicable provisions, if any, of the Companies Act, 2013, the Board recommends the Special Resolution set out at Item No. 7, 8 and 9 of the accompanying Notice for the approval of the Members.

ITEM NO. 10.

The Company has approached existing lenders for restructuring of existing credit facilities sanctioned by way of Terms Loan and Working Capital including reduction in interest rates and re-schedulement of repayment of installments. The Company has received approval from its bankers for the same with a pre condition that the promoters/ promoters group of the Company should arrange funds to the tune of Rs. 11.09 crores in one or more tranches in the form of equity to meet its long term working capital requirements. The promoters have brought in Rs. 11.09 crores. Accordingly the Company is required to issue and allot 1,10,95,000 Equity Shares of Rs. 10/- each share under SEBI Guidelines read with Listing Agreement and Companies Act, 2013 to its promoters/promoters group. In order to achieve this object, it is proposed to offer, issue and allot 1,10,95,000 fully paid up equity shares of a face value of Rs. 10/- each ("Shares") given herein below :

S. No.	Name of Applicant	Category	No. of Shares proposed to be allotted
1.	CLC Technologies Pvt. Ltd.	Indian Promoter	45,05,000
2.	CLC & Sons Pvt. Ltd.	Indian Promoter	65,90,000
	Total		1,10,95,000

Disclosure as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 for the purpose of allotment of Equity Shares on preferential basis, is as under:

(a) Objects of the preferential issue :

The Company proposes to use the subscription proceeds for general corporate purposes including long-term working capital requirements and for ongoing and future business commitments/plans of the Company and to repay secured and unsecured loans.

(b) Proposal of the promoters / directors / key management personnel of the Company to subscribe to the offer:

M/s CLC Technologies Pvt. Ltd. and M/s CLC & Sons Private Ltd belonging to promoters group intend to subscribe for 45,05,000 and 65,90,000 equity shares respectively.

None of the other Promoter/Directors/Key Management persons intend to subscribe to the preferential issue authorized by the resolution. The existing Promoters would continue to be in control of the Company after the preferential issue and there would neither be any change in control of the management of the Company, nor any change/ reconstitution in the Board of the Company.

(c) Shareholding pattern of the Company before and after the Preferential Issue:

The shareholding pattern before and after the Preferential Issue (assuming full allotment under the Preferential Issue) is as follow:

Sl. No.	Category of shareholder	Pre-issue shareholding		post issue shareholding	
		No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group				
(a)	Individuals/ Hindu Undivided Family	18,433,168	20.53	18,433,168	18.27
(b)	Bodies Corporate	19,364,058	21.57	30,459,058	30.20
	Total (A)	37,797,226	42.10	48,892,226	48.47
(B)	Public shareholding				
(B)(1)	Institutions				
(a)	Mutual Funds/UTI	20,811	0.02	20,811	0.02
(b)	Financial institutions/banks	12,230,849	13.62	12,230,849	12.13
(c)	Foreign Institutional Investors	19,255,367	21.45	19,255,367	19.09
(d)	Foreign Banks	1,505	0.00	1,505	0.00
	Total (B)(1)	31,508,532	35.10	31,508,532	31.24
(B)(2)	Non-institutions				
(a)	Bodies Corporate	4,557,469	5.08	4,557,469	4.52
(b)	NRI	328,166	0.37	328,166	0.32
(c)	Resident Individual/others	15,580,642	17.35	15,580,642	15.45
	Total (B)(2)	20,466,277	22.80	20,466,277	20.29
	Total {(B)(1)+(B)(2)}	51,974,809	57.90	51,974,809	51.53
	Grand Total (A)+(B)	89,772,035	100.00	100,867,035	100.00

(d) Proposed time within which the allotment shall be completed:

As required under Regulation 74 of Chapter VII of the SEBI (ICDR) Regulations, 2009 the Company shall complete the allotment of

SPENDEX INDUSTRIES LIMITED

Equity Shares as aforesaid within a period of 15 days from the date of passing of the resolution at this Annual General Meeting or in the event the allotment of Equity Shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

- (e) **The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, The percentage of post Preferential Issue equity share capital of the Company that may be held by the proposed allottee (assuming full allotment under the Preferential Issue) and change in control, if any, in the Company consequent to the preferential issue is as follows:**

Identity of proposed Allottees	Category	Pre-issue holding		Post-issue holding		Natural persons who control the proposed allottees
		(in Nos.)	%	(in Nos.)	%	
CLC & Sons Pvt. Ltd.	Promoter Group	1,064,058	1.19	7,654,058	7.59	1. Mr. Ajay Kumar Choudhary
CLC Technologies Pvt. Ltd.	Promoter Group	18,300,000	20.38	22,805,000	22.61	2. Mr. Mukund Choudhary, 3. Mr. Kapil Choudhary

The existing Promoters would continue to be in control of the Company after the preferential issue and there would neither be any change in control of the management of the Company, nor any change / reconstitution in the Board of the Company.

- (f) **Issuer's Undertaking:** The undertaking(s) required under paragraphs (f) and (g) of sub-regulation 1 of Regulation 73 of Chapter VII of SEBI (ICDR) Regulations, 2009 will not be applicable to the Company, as the Company's equity shares are listed on the Stock Exchanges for more than the minimum period as specified under Regulation 76(3) of the SEBI (ICDR) Regulations.
- (g) **Auditors' Certificate:** A copy of the certificate issued by M/s. J C Bhalla & Co., Chartered Accountants, Statutory Auditors of the Company, certifying that the proposed preferential issue of Equity Shares is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations, 2009 shall be laid before the Annual General Meeting.
- (h) **Lock-in period:** The aforesaid allotment shall be subject to lock-in in terms of SEBI (ICDR) Regulations, 2009 for the time being in force.

Pricing and relevant date of the issue:

The pricing of the aforesaid issue shall be in accordance with SEBI (ICDR) Regulations, 2009 for the time being in force.

The "relevant date" for the purpose of calculating the issue price of the abovementioned Equity Shares for the purposes of the Preferential Issue in accordance with provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009 is Friday, August 28, 2015, since August 30, 2015 being 30 days prior to the date of passing of this resolution at this Annual General Meeting falls on Sunday and as per Regulation 71, where the relevant date falls on a Weekend/Holiday, the day preceding the Weekend/Holiday is reckoned to be the relevant date.

The total number of Securities to be issued: The resolution set out in the accompanying notice authorizes the Board to issue to promoters group, up to 1,10,95,000 Equity Shares aggregating up to Rs. 11.09 crores, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations.

Basis of valuation of shares: The Company is a listed Company, hence the price of Equity share has been calculated in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations read with Listing Agreement hence the price of the Equity share is not required to be determined by a registered valuer.

(i) **Others**

Issuance of Equity Shares on preferential basis is governed, inter alia, by the provisions of the Companies Act, 2013 and the relevant provisions of the SEBI (ICDR) Regulations, 2009.

The Company is making present preferential issue in Compliance with the conditions for continuous listing and company undertakes that it would comply with the condition relating to the continuous listing. The aforesaid allottees shall not be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 as these proposed shares are being issued and allotted as per instructions of term lenders/JLF/CAP which were constituted in accordance with CDR/RBI guidelines. Accordingly as per sub-regulation 2 of Regulation 10 of SEBI (SAST) Regulations 2011, the allottee(s) are not required to make and open offer.

Your Directors recommend the resolution set out at Item No. 10 to be passed as a Special resolution by the members.

None of the Promoters, Directors, Key Managerial Personnel of the Company and none of their relatives are deemed to be concerned or interested financially or otherwise in the said resolution directly or indirectly save the Directors who are constituents of the Promoter Group, namely, Sh. Ajay Kumar Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary.

By Order of the Board
For Spentex Industries Limited

Sd/-
Ranjan Mangtani
Company Secretary

Place: New Delhi
Date : August 13, 2015

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 23rd Annual Report together with the Audited Financial Statements for the year ended March 31, 2015.

Financial Results

The highlights of the financial results for the year ended 31st March, 2015 are as under:

(` in Crores)

Particulars	2014-2015		2013-2014	
	Consolidated	Standalone	Consolidated	Standalone
Net Sales (Turnover)	911.07	891.14	1142.94	1142.90
Other Income	17.94	16.66	16.49	13.87
EBIDTA	18.89	27.49	87.06	87.96
Financial charges	90.35	79.37	92.48	81.04
Depreciation	15.12	11.68	22.31	18.21
Profit/(Loss) before tax (PBT)	(86.58)	(63.56)	(27.72)	(11.29)
Extra ordinary items (income)/ Impairment loss @ Fixed Assets	1.37	1.37	-	-
Exceptional Items	-	-	-	-
Net Profit from Operations	(85.21)	(62.19)	(27.72)	(11.29)
Prior Period Items	-	-	0.57	0.57
Tax expenses	0.60	0.60	-	-
Net Profit/(Loss)	(85.81)	(62.79)	(28.29)	(11.86)
EPS	(9.56)	(6.99)	(3.16)	(1.32)

Management Discussion and Analysis Report :

The Indian Textile Industry, with the opening up of economy since 1991, has become one of the mainstays of the national economy. The Textile Industry contributes about 14% of total industrial production and 5% to Gross Domestic Production of the country. The Textile Industry is also second largest source of employment after Agriculture sector, in the country. It generates jobs for almost 35 million people and accounts for nearly 12% share of the country total export basket. The Indian Textile Industry has great potential to increase its share in world trade from current estimated level of around US \$108 billion, to US \$300 billion by 2025.

Spentex has integrated Cotton and Polyester Yarn manufacturing facilities in India with stable customer base with long term mutually beneficial business relationship both in India and abroad. The company has presence across the entire value chain of cotton and polyester yarn with ability to offer the products as required by the Indian and global markets.

Spentex's business is highly integrated with global markets and macro-economic developments across the world which has a significant impact on its performance. Any fluctuation in prices of cotton or yarn in international market has deep ramifications on its business, which is further impacted by local factors. Such as the power cost in Maharashtra where the Company plants are located is very high which had a major impact on the company's financials and decline in cotton prices by 25% globally as compared to 6% in India during the last financial year led to higher input cost in India as compared to international market, making company's operations uncompetitive as compared to international players as the company is export oriented with significant proportion of the output being sold in global markets. Further, Global growth remains moderate, with uneven prospects across the countries and regions, and there has slow down in emerging markets and developed economies, which has further contributed pressures on the margins.

The operations of the company during the year were adversely impacted due to the sluggish market demand with consequent decline in and sales and continuing liability of debt & interest repayment in respect of term and working capital loans availed from Banks and Financial Institutions, created a situation wherein the company has not been able to leverage and optimize its plant operations. As a result, there has been significant decline in EBIDTA levels as compared to previous years which has resulted in huge financial strain on the company. With due strategic focus on efficient plant operations keeping in view the market trends and the merging business scenario, Spentex is confident of improvement in its operational performance in near future.

Financial Analysis and Performance Review

During the financial year 2014-15 the Company's operations were adversely impacted due to sluggish demand, progressive decrease in yarn prices, high power cost in Maharashtra where the company's plants are located, and adverse cash outflow due to the liability of servicing term & working capital loans availed by the company led to non optimal utilization of plant capacities and consequent decrease in EBIDTA.

The financial performance of the Company has been presented in two parts, as under:

- (i) Spentex Industries Limited (Standalone) excluding the performance of its subsidiaries and step-down subsidiaries.
- (ii) Spentex Industries Limited (Consolidated) including the performance of its subsidiaries and step-down subsidiaries. The Consolidated Financial Statements reflect the performance of Spentex Group of companies and are more relevant for understanding the overall performance of the Group.

Segment-wise Performance**Yarn Manufacturing**

During the year under review, your Company on standalone basis has manufactured 44930.63 MT of yarn as compared to 68941.08 MT of yarn produced during the previous year.

Subsidiary Companies

At the end of the accounting period under review, the Company has the following subsidiaries and step down subsidiaries :

Subsidiaries Companies

- (a) M/s Amit Spinning Industries Limited
- (b) M/s Spentex Netherlands B.V (SNBV)
- (c) M/s. Spentex (Mauritius) Private Limited (The Company ceased to exist on 25th March 2015)

Step down subsidiary Companies

- (a) M/s. Schoeller Textile Netherlands B.V. (STNBV)
- (b) M/s Spentex Tashkent Toytepa LLC. (due to breach of Investment Agreement by Republic of Uzbekistan with its Investors, its holding Company SNBV, has filed case in ICSID)
- (c) M/s. Schoeller Litvinov k.s. (Creditors taken over the subsidiary against their dues)
- (d) M/s. Botekos Plus s.r.o. (Creditors taken over the subsidiary against their dues)

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Accounts. The separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

Performance of Subsidiaries

The details of turnover and overall performance of material subsidiary companies is as under:

Amit Spinning Industries Ltd., India: During the year under review, due to market and financial constraints, the subsidiary could although manufactured 1,281.64 MT of yarn under own production and 1,112.65 MT of yarn on job work basis as compared to 5,123.08 MT of yarn produced under job work basis in the previous year, yet it could not fully utilize and leverage its capacity. It has been declared as a sick company by Board For Industrial and Financial Reconstruction (BIFR) under section 3 (1) (o) of Sick Industries (Companies) Act, since 2012 and has been awaiting approval of Debt Rehabilitation Scheme (DRS).

The Company has its manufacturing facilities at Kolhapur, Maharashtra with capacity of 30,672 spindles.

Spentex Tashkent Toytepa LLC, Uzbekistan (STTL) & Spentex Netherlands B.V, Netherlands (SNBV): During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policies breaching the investment agreement and rendered operation of STTL not only unviable, but also expropriated its investment. SNBV (a subsidiary company), which had made around 99% investment in the equity of STTL, has initiated Arbitration Proceedings against GOU for its Investment Dispute Claim through its lawyers before International Center for Settlement of Investment Dispute (ICSID).

Schoeller Litvinov k.s., Czech Republic: During the year under review, the step down subsidiary could not manufacture yarn due to adverse market conditions, crises in the European Union and financial constraints, the Company had filed application for liquidation at Czech Republic. The Company has manufacturing unit situated at Czech Republic with capacity of 59,000 spindles. (Creditors taken over the subsidiary against their dues)

Management Perception on Opportunities, Risks, Concern & Outlook

The persistent weakness of Indian Rupee, as compared to U.S Dollar and other European currencies provides an opportunity on short term basis to the textile industry to optimize its sales values and margins respectively on its exports. Spentex will continue to offer market driven quality product mix for progressively improving its operational profile. The Indian textile sector is also facing the challenges of technology backwardness especially in weaving and processing segments, lower productivity and high power cost which has an adverse cascading effect on the industry as a whole.

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

Slow but potentially promising increase in demand of cotton yarn in domestic market and talk of economic reforms by the new Government as well as encouraging export promotion policy for textile sector have already improved market sentiments to some extent, with the strategic efficiency improvement and cost containment measures being adopted by the company, and with the continued support and co operation of the company's bankers, your directors have confidence that sales volumes are reasonably expected to shore up with consequent strengthening of the margins in due course.

Consolidated Financial Statements

The Company is having six subsidiaries/step down subsidiaries. As per the Companies Act, 2013, the Company is not required to furnish the Balance Sheet and Statement of Profit & Loss and other documents of foreign subsidiary companies. These documents will however be available for inspection at the registered office of the Company during business hours. The Consolidated Financial Statements presented by the Company includes financial results of its subsidiary companies.

The Consolidated Financial Statements of the Company prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India form part of this Annual Report.

Share Capital

The Company's issued and paid up capital as on 31st March, 2015 stands Rs. 89,77,20,350/- divided into 8,97,72,035 fully paid up equity shares of Rs. 10/- each. During the year, under review, the Company has not issued any share(s). Further the Company has not issued any share with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year.

The Company has issued 500 non-convertible debentures of Rs. 10.00 lacs each, however during the year under review, no debenture has been issued.

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

Directors

Change in Directors or Key Managerial Personnel

In terms of provisions of the Companies Act, 2013 read with Clause 49 of Listing Agreement, during the year, Ms. Kamal Kapur has been appointed as an Additional Director as a Women Non Executive Independent Director on the Board of the Company w.e.f 14th November, 2014 and holds office upto ensuing Annual General Meeting. She however being eligible for reappointment, Company has received an application from the Member for consideration of her appointment as Women Non Executive Independent Director on the Board in the ensuing AGM itself.

During the year, under review, the Board of Directors have appointed Sh. Sharat Kumar Gupta as the Chief Finance Officer (CFO) of the Company in place of existing CFO w.e.f. 1st April, 2015.

Sh. Ajay Kumar Choudhary and Sh. Kapil Choudhary are retiring by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company is required to seek Central Government approval for payment of existing remuneration to Shri Ajay Kumar Choudhary, Shri Kapil Choudhary and Shri Sitaram Parthasarathy for a period of 3 years. In case of Shri Ajay Kumar Choudhary, approval is required to be taken w.e.f. 1st April, 2015 to 1st December, 2017 (till the date of his existing tenure of appointment), and in the case of Shri Kapil Choudhary and Shri Sitaram Parthasarathy approval has to be taken for the period from 1st April, 2015 to 31st March, 2018

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

Number of Meetings of the Board

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

Declaration by independent directors

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

Annual Evaluation by the Board

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

Remuneration Policy

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

Directors' Responsibility Statement

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

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

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

The Company has framed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company. Since all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length basis, form AOC - 2 is not applicable to the Company.

Significant and Material Orders passed by the Regulators or Courts

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

Auditors

M/s. J C Bhalla & Co., Chartered Accountants, (Registration No. 001111N) have been appointed as Statutory Auditors of the Company at 22nd Annual General Meeting held on 11th September, 2014 to hold office until conclusion of 25th Annual General Meeting for a period of three years, as provided in Section 139 of the Companies Act, 2013, the said appointment is being placed for ratification at the forthcoming Annual General Meeting.

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

Auditors Report

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

Directors' view on Auditor's Observations

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

Note No. 14 of the Financial Statement qualified by Auditors

Auditors stated that they are unable to comment on the recoverability of advance balance of Rs.19,040,000/-, included under the head "Advance against expenses" in Note No. 14 of the standalone financial statements, for which no provision has been made in the books of account.

Note No. 41 of the Financial Statement qualified by Auditors

The company has an investment of Rs. 204,469,921/- in and has amount recoverable amounting to Rs. 642,244,069/- to Amit Spinning Industries Limited (ASIL), a subsidiary, as on March 31, 2015. The accumulated losses of ASIL, at the year end exceeded its net worth. There is also reduction in market value of the investment at the year end by Rs.184,537,898. In the opinion of the management, diminution in this long term investment is due to adverse business conditions in the past. ASIL has started generating EBIDTA and cash profits. In view of these developments, management believes that diminution in the value of investment is of temporary nature and that outstanding would be realised within a reasonable period of time. Accordingly no provision considered necessary in the value of investment held and amount due from ASIL.

Note No. 42 of the Financial Statement qualified by Auditors

The Company has an investment of Rs. 561,011,339 and Rs.9,323,779' in its subsidiary Spentex Netherlands B. V. (SNBV) and its step down subsidiary Spentex Tashkent Toytepa LLC (STTL) respectively. Further it has Rs. `70,012,404 as export receivable from STTL and advances recoverable of Rs.95,070,902 in SNBV as on March 31st, 2015. During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policies breaching the investment agreement and rendered operation of STTL not only unviable, but also expropriated its investment. All the assets and liabilities of STTL have been taken over by National Bank of Uzbekistan (NBU- Government of Uzbekistan) and existence of STTL has been liquidated as per bankruptcy laws. In view of this corporate guarantee given by company in respect of STTL liability for deferred payment to Tashkent Toytepa Textile (TTL) stand extinguished. SNBV, which had made around 99% investment in the equity of STTL, had filed request for Arbitration against GOU for Claim through its lawyer before International Center for Settlement Investment Dispute (ICSID). As per the schedule prescribed in the procedural order issued by ICSID, SNBV has filed the memorial on Jurisdictions and Merits on 30th June, 2014. Based on the claim lodged with ICSID, Board of Directors has decided not to make any provision for the aforesaid amounts. In addition to above claim, the company has sent notice to the GOU for indemnifying the further losses caused to company directly or indirectly on account of investment made in Uzbekistan.

Note No. 44 of the Financial Statement qualified by Auditors

Rs. 1,28,30,469 dues from Government Authorities against which company has filed an application for release with concerned authorities. The Company is making effort to recover the same and expects to reduce the outstanding dues significantly. The management is of the opinion that ultimately there would be no losses against these old balances and hence no provision is considered necessary at the stage.

Note No. 4 of the Financial Statement without qualifying by Auditors, have drawn attention:

The Company has not allotted shares against the share application amount of Rs.110,950,000/- which was brought in by the promoters in more than one installments under restructuring scheme approved by the Bankers. However, the company has not complied with the provisions of Section 42 of the Companies Act, 2013.

Note No. 43 of the Financial Statement without qualifying by Auditors, have drawn attention:

As on March 31, 2012, the accumulated losses of the Company had exceeded its net worth. Accordingly company in compliance with the provisions of section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 filed a reference with Board for Industrial and Financial Restructuring (BIFR). The Company's operations were adversely affected in 2011-12 due to adverse Govt. policies and high volatility of Raw Material prices. Further, considering the change in scenario, recent performance and trends of the company as well as overall industry outlook, the management believes that losses incurred in the past would reasonably be made good, in due course. The financial statements, as such have been prepared on a going concern basis on the strength of management's plan of revival including reorganization of business.

Note No. 44 of the Financial Statement without qualifying by Auditors, have drawn attention:

Trade receivables, advance balances and receivables amount aggregating to Rs. 6,371,477, Rs. 27,314,712, Rs. 17,869,256 respectively

due from certain parties where payments are not forthcoming. Against the above, the Company has filed a suit for recovery. The Company is making effort to recover the same and expects to reduce the outstanding dues significantly. Based on outcome of the legal suit coupled with further negotiations with these parties, the management is of the opinion that ultimately there would be no losses against these old balances and hence no provision is considered necessary at the stage.

Note No. 45 of the Financial Statement without qualifying by Auditors, have drawn attention:

The company has applied to Securities & Exchange Board of India (SEBI) seeking exemption for maintaining at least 15% of the amount of its debenture maturing during the financial year 2013-14 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affair, which is still awaited.

Note No. 46 of the Financial Statement without qualifying by the Auditors, have drawn attention:

The outstanding balance as on 31st March, 2014 in respect of certain trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation and consequential adjustment if any, from the respective parties. The management, however, does not expect any material variations.

Cost Auditors

Sh. Rajesh Goyal, Cost Accountant of M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No.000024) has been appointed as Cost Auditors to carry out audit of the Cost Accounts maintained by the Company for the financial year 2015-16.

Secretarial Auditor & Audit Report:

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

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

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

Internal Auditors

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

Internal Control Systems and Adequacy

The Company has adequate system of internal control with regard to various business processes, financial reporting and compliance with applicable laws and regulations, etc. with clearly defined roles and responsibilities for all managerial positions. All operating parameters are continuously monitored and controlled.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby further strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Extract of the Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure-2 to this Report.

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

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

Particulars of Employees

List of the employees who have received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Particulars of Employees) Rules, 1975, as amended, shall be made available to any shareholder on a specific request made by him in writing on or before 30th September, 2015.

Deposits

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

Particulars of Loans, Guarantees or Investments

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

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board has been constituted on 28th May, 2014, inter alia, to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company and monitor the same from time to time. The composition of committee is disclosed in Corporate Governance Report forming part to this report. The CSR policy has also been hosted on the website of the company

Risk Management

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

Vigil Mechanism

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

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

Dividend

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

Transfer of Reserves

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

Material changes between the date of Board Report and end of Financial Year

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Human Resources/Industrial Relations

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

Industrial Relations scenario at all units continues to be healthy and enthusiastic.

Information Technology

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

Change in the nature of Business

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

Corporate Governance and Management Discussion and Analysis

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

Listing of Shares

Presently Company's shares are listed and traded at the BSE Ltd., Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE), for which annual Listing Fee has been paid by the Company, till 31st March, 2016.

Conclusion

Your Company enjoys leadership position in domestic market with strong competitive advantage in the export segment. However due to sluggish market and consequent losses in the recent past, the Company is currently in consolidation mode. We shall, however continue to explore the opportunities to make investments and progress to further strengthen our leadership position.

Acknowledgments

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Governments authorities, Regulatory authorities, Stock Exchanges, stakeholders, customers and vendors for their continued support and co-operation, and for the trust reposed by them in the Management. Your Directors also wish to thank all the employees of the Company for their commitment and contributions.

For and on behalf of **Board of Directors**
Sd/-

Ajay Kumar Choudhary
Chairman

Place: New Delhi

Dated: August 13, 2015

Annexure - 1 to the Directors' Report**Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2015**

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

To,

The Members,

Spentex Industries Limited

(L74899DL1991PLC138153)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended

on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) OTHER APPLICABLE ACTS,
 - (a) Factories Act, 1948
 - (b) Payment Of Wages Act, 1936, and rules made thereunder,
 - (c) The Minimum Wages Act, 1948, and rules made thereunder,
 - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
 - (g) Payment of Gratuity Act, 1972, and rules made thereunder
 - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - (i) Food Safety and Standards Act, 2006, and rules made thereunder.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd.

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We hereby certify that as on March 31, 2015, there has been due compliance with all the laws, orders, regulations and other legal requirements of the Central, State and other Government and Local Authorities Concerning the business and affairs of the company.

- (a) That all sums to be deducted in accordance with the provisions of the Income Tax Act, 1961 have been properly deducted and further certified that all sums so deducted have been paid or will be paid with the prescribed time to the credit of the Central

Government in pursuance to Section 200 of the Income Tax Act, 1961.

- (b) That there has been no breach by the company of any of the provisions of the Industrial Disputes Act, Industrial Relation(s) Act, Payment of Bonus Act, Contract Labour (Regulations and Abolition) Act and other Labour Legislations governing the Company and its Establishment.
- (c) That all the requirements of the Air (Prevention and Control of pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Environment Protection Act, 1986 and the Rules made there under have been complied with and the requisitions, if any made by the authorities under that Act, have been met with and satisfied.
- (d) That all the applicable accounting standards have been followed in the preparation of the financial statement of the Company and also all such accounting policies have been adopted to give a true and fair view of the state of affairs of the Company.
- (e) That no Show cause, demand, penalty, or prosecution which is materially important, has been received from any statutory authority and no fine or penalty or any other punishment has been imposed on the Company.
- (f) That there has been no labour strike, lock-out or any other significant labour problem or notice for strike received by the Company during the period.
- (g) That there has been no closure of operation due to unprecedented power-cut. That no fatal or serious accident occurred nor did any material effluent or pollution problem arise during the year.

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

For Loveneet Handa & Associates
(Practicing Company Secretary)
Sd/-

Place: New Delhi
Dated: August 13, 2015

Loveneet Handa
ACS NO: 25973
C.P No: 10753

Annexure

Documents examined/verified while conducting secretarial audit:

- (a) Books , Papers, as per Section 2 (12) of Companies Act, 2013, "book and paper" and "book or paper" include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form. (Registers Maintained by RTA)
- (b) Memorandum of association
- (c) Articles of association
- (d) Certificate of Incorporation
- (e) Audited balance sheet(s)
- (f) Statutory Registers maintained by the Company i.e, Register of Members/ Register of Charges/ Register of Directors Shareholding/ Register of Contract/ Register of Investment etc.
- (g) Minutes of the Board meetings, Annual General Meeting, Investor Grievances Committee, and Audit Committee Meeting
- (h) Notice of calling Annual General Meeting along with the explanatory statement.
- (i) Copy of documents related to the appointment/Resignation of Statutory Auditor of the company
- (j) Copy of Internal Audit Report given by Internal Auditor appointed u/s 138 of Companies Act, 2013.
- (k) As per provisions of Companies Act, 2013 and Company rules 2014 read with various clauses of Listing Agreement, the Company has constituted the Risk Management Committee, Stakeholders Relationship Committee, CSR Committee, Investment Committee, Fund Management Committee, Audit Committee, Nomination & Remuneration Committee and uploaded applicable policies at Company's website.
- (l) Minutes of the Board meetings, Extra Ordinary General meeting, Annual General Meeting, Banking committee Meetings , Stakeholders Relationship Committee Meetings, Audit Committee Meetings, Nomination & Remuneration Committee Meetings, etc.
- (m) Notices of disclosure of directors' interests in Form No. MBP-1 as well as specific notices received from time to time from the directors and recorded in the minutes of Board meetings.
- (n) Corporate Social Responsibility statements.

Annexure - 2 to the Directors' Report

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L74899DL1991PLC138153
ii) Registration Date	25.11.1991
iii) Name of the Company	Spentex Industries Limited
iv) Category/Sub-category of the Company	Public Limited Company
v) Address of the Registered office & contact details	A - 60, Okhla Industrial Area, Phase - II, New Delhi - 110020; Tel: 011-26387738
vi) Whether listed company	Yes
vii) Name , Address & contact details of the Registrar & Transfer Agent, if any	RCCM Share Registry Pvt. Ltd., B-25/1, Okhla Industrial Area, Phase 2, New Delhi-110020; Tel: 011-26387320

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Cotton Yarn/Synthetic Yarn Cotton & Synthetic & Blended Yarn	171	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Amit Spinning Industries Limited A - 60, Okhla Industrial Area, Phase - II, New Delhi - 110020	L17100DL1991PLC171468	Subsidiary	50.96%	2 (87)
2	Spentex Tashkent Toytepa LLC 2a, Zie Said Street, Tashkent City 100042, Republic of Uzbekistan	Foreign Subsidiary	Step Down Subsidiary	99.18 % by SNBV & 00.82% by Company	2 (87)
3	Spentex Netherlands B.V (SNBV) Startbaan 8, 1185XR Amstelveen, The Netherlands	Foreign Subsidiary	Subsidiary	91.00%	2 (87)
4	Schoeller Litvinov k.s. Litvinov, Nadrazni 557, PSC 43600	Foreign Subsidiary	Step Down Subsidiary	25.00% STNBV & 75.00% Botekos	2 (87)
5	Schoeller Textile Netherlands B.V. Startbaan 8, 1185XR Amstelveen The Netherlands	Foreign Subsidiary	Step Down Subsidiary	100.00 % by SNBV	2 (87)
6	Botekos Plus s.r.o. Litvinov, Horni Litvinov, Nadrazni 557, PSC 43600	Foreign Subsidiary	Step Down Subsidiary	90.00% by Company & 10.00 % by	2 (87)
7	Spentex (Mauritius) Private Limited Suite No 450, 4th Floor, Barkly Wharf East, Le Caudan Waterfront, Port Louis, Mauritius	Foreign Subsidiary	Step Down Subsidiary	100.00%	2 (87)

SPENDEX INDUSTRIES LIMITED

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

i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/HUF	30,966,502	-	30,966,502	34.49	30,966,502	-	30,966,502	34.49	0.00
b) Central/State Govt.	-	-	-	-	-	-	-	-	0.00
c) Bodies Corporates	19,364,058	-	19,364,058	21.57	19,364,058	-	19,364,058	21.57	0.00
d) Bank/FI	-	-	-	-	-	-	-	-	0.00
e) Any other	-	-	-	-	-	-	-	-	0.00
SUB TOTAL:(A) (1)	50,330,560	-	50,330,560	56.06	50,330,560	-	50,330,560	56.06	0.00
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	0.00
b) Other Individuals	-	-	-	-	-	-	-	-	0.00
c) Bodies Corporate	-	-	-	-	-	-	-	-	0.00
d) Banks/FI	-	-	-	-	-	-	-	-	0.00
e) Any other...	-	-	-	-	-	-	-	-	0.00
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	0.00
Total Shareholding of Promoter (A)= (A) (1) + (A) (2)	50,330,560	-	50,330,560	56.06	50,330,560	-	50,330,560	56.06	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	10,306	10,505	20,811	0.03	10,306	10,505	20,811	0.03	0.00
b) Banks/FI	370,296	182	370,478	0.41	1,512	182	1,694	0.00	-0.41
c) Central/State Govt.	-	-	-	-	-	-	-	-	0.00
d) Venture Capital Fund	-	-	-	-	-	-	-	-	0.00
e) Insurance Comp.	-	-	-	-	-	-	-	-	0.00
f) FIIS	19,252,884	2,483	19,255,367	21.45	19,252,884	2,483	19,255,367	21.45	0.00
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
h) Others (specify) Foreign Bank	1,496	9	1,505	0.00	1,496	9	1,505	0.00	0.00
SUB TOTAL (B)(1):	19,634,982	13,179	19,648,161	21.89	19,266,198	13,179	19,279,377	21.48	-0.41
(2) Non Institutions									
a) Bodies corporates									
i) Indian	4,840,143	57,851	4,897,994	5.46	4,486,695	57,851	4,544,546	5.06	-0.39
ii) Overseas	-	-	-	-	-	-	-	-	0.00
b) Individuals									
i) Individual shareholders	7,328,472	1,037,786	8,366,258	9.32	7,332,238	1,021,862	8,354,100	9.31	-0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
holding nominal share capital upto Rs.1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	5,043,625	-	5,043,625	5.62	5,668,130	-	5,668,130	6.31	0.70
c) Others (specify)									
i) Directors other than Promoters	101,221	-	101,221	0.11	83,721	-	83,721	0.09	-0.02
ii) Trust	27,895	-	27,895	0.03	27,895	-	27,895	0.03	0.00
iii) Clearing Member	19,326	-	19,326	0.03	16,421	-	16,421	0.02	-0.01
iv) HUF	964,315	218	964,533	1.07	1,140,747	218	1,140,965	1.28	0.21
v) NRI	313,804	58,658	372,462	0.41	267,662	58,658	326,320	0.36	-0.05
SUB TOTAL (B)(2):	18,638,801	1,154,513	19,793,314	22.05	19,023,509	1,138,589	20,162,098	22.46	0.41
Total Public Shareholding(B)= (B) (1)+(B)(2)	38,273,783	1,167,692	39,441,475	43.94	38,289,707	1,151,768	39,441,475	43.94	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
Grand Total (A+B+C)	88,604,343	1,167,692	89,772,035	100.00	88,620,267	1,151,768	89,772,035	100.00	0.00

ii) Share Holding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mukund Choudhary	8,535,946	9.51	8.70	8,535,946	9.51	8.70	0.00
2	Kapil Choudhary	8,474,869	9.44	8.64	8,474,869	9.44	8.64	0.00
3	Ajay Kumar Choudhary	8,066,052	8.98	8.12	8,066,052	8.98	8.12	0.00
4	Jyoti Choudhary	2,980,225	3.32	2.22	2,980,225	3.32	2.22	0.00
5	Ritu Choudhary	2,770,374	3.09	2.22	2,770,374	3.09	2.22	0.00
6	CLC Technologies Private Limited	18,300,000	20.38	20.38	18,300,000	20.38	20.38	0.00
7	CLC & Sons Private Limited	1,064,058	1.19	0.00	1,064,058	1.19	0.00	0.00
8	Lekha Devi Choudhary	96,035	0.11	0.05	96,035	0.11	0.05	0.00
9	Chiranjilal Choudhary	43,001	0.04	0.05	43,001	0.04	0.05	0.00
	Total	50,330,560	56.06	50.38	50,330,560	56.06	50.38	0.00

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

Sl. No.		Shareholding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	50,330,560	56.06	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	NIL	NIL	-	-
	At the end of the year	50,330,560	56.06	-	-

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

Sl. No		Shareholding at the beginning of the year		Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders								
1	VCIGPM Limited	19,252,650	21.45	No change during the year		-	-	19,252,650	21.45
2	Consolidated Finvest and Holdings Ltd.	975,995	1.09	No change during the year		-	-	975,995	1.09
3	Ashish Choudhary	606,923	0.68	No change during the year		-	-	606,923	0.68
4	Lucky Holdings Pvt. Ltd.	584,104	0.65	No change during the year		-	-	584,104	0.65
5	Soyuz Trading Co. Ltd.	431,207	0.48	No change during the year		-	-	431,207	0.48
6	Jagdish Amritlal Shah	369,967	0.41	No change during the year		-	-	369,967	0.41
7	Vinit Sethi	362,186	0.40	No change during the year		-	-	362,186	0.40
8	Jayati Finance and Investments Pvt Ltd.	300,000	0.33	No change during the year		-	-	300,000	0.33
9	Murarka Suitings Pvt Ltd.	208,132	0.23	No change during the year		-	-	208,132	0.23
10	Praveen Madhusudan Rander	206,681	0.23	No change during the year		-	-	206,681	0.23

v) Shareholding of Directors & Key Managerial Personnel

Sl. No		Shareholding at the beginning of the year		Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date & Reason		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors & KMP								
1	Mr. Ajay Kumar Choudhary - Chairman	8,066,052	8.99	No change during the year		-	-	8,066,052	8.99

2	Mr. Mukund Choudhary - Managing Director-	8,535,946	9.51	No change during the year	-	-	8,535,946	9.51
3	Mr. Kapil Choudhary - Deputy Managing Director	8,474,869	9.44	No change during the year	-	-	8,474,869	9.44
4	Mr. Sitaram Parthasarathy - Wholetime Director	68,150	0.08	No change during the year	-	-	68,150	0.08
5	Mr. Amrit Agrawal - Wholetime Director	17,571	0.02	Decrease 16000 shares on 30.07.2014 & 1500 shares on 12-09-2014 through Market Sale	-	-	71	0.00
6	Mr. Prem Malik - Independent Director	15,500	0.02	No change during the year	-	-	15,500	0.02
7	Mr. Shyamal Ghosh - Independent Director	0	0.00	No change during the year	-	-	0	0.00
8	Mr. Deepak Diwan - Independent Director	0	0.00	No change during the year	-	-	0	0.00
9	Mr. D P Singh - Independent Director	0	0.00	No change during the year	-	-	0	0.00
10	Mr. Ram Kumar Thapliyal - Independent Director	0	0.00	No change during the year	-	-	0	0.00
11	Ms Kamal Kapur - Independent Woman Director	0	0.00	No change during the year	-	-	0	0.00
12	Mr. Rajeev Kalra - Nominee Director	0	0.00	No change during the year	-	-	0	0.00
13	Mr. Ranjan Mangtani - Company Secretary	8,800	0.01	Decrease 1200 shares in Sept. 2014 & 5229 shares in Oct. 2014 through Market Sale & increase 1300 shares in Feb. 2015 through Market Buy	-	-	3671	0.00

V) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in `)

		Secured Loan excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the Fin. Year					
i)	Principal Amount	4,802,275,512	0	1,734,937	4,804,010,449
ii)	Interest Due but not paid	83,058,604	0	0	83,058,604
iii)	Interest accrued but not due	0	0	0	0
Total (i + ii + iii)		4,885,334,116	0	1,734,937	4,887,069,053
Change in Indebtedness during the FY					
Addition		391,421,715	0	86,869	391,508,584
Deletion		(778,628,833)	0	0	(778,628,833)
Net change		(387,207,118)	0	86,869	(387,120,249)
Indebtedness at the end of Fin. Year					
i)	Principal Amount	4,415,068,393	0	1,821,806	4,416,890,199
ii)	Interest Due but not paid	98,070,351	0	0	98,070,351
iii)	Interest accrued but not due	0	0	0	0
Total (i + ii + iii)		4,513,138,744	0	1,821,806	4,514,960,550

VI. Remuneration Of Directors and Key Managerial Personnel
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in `)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Sh. Ajay Kumar Choudhary	Sh. Mukund Choudhary	Sh. Kapil Choudhary	Sh. Sitaram Parthasarathy	Sh. Amrit Agrawal	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	7,955,751	7,955,751	7,955,751	7,539,305	7,539,305	38,945,863
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	15,000	15,000	30,000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	as % of profit	-	-	-	-	-	-
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	7,955,751	7,955,751	7,955,751	7,554,305	7,554,305	38,975,863
	Ceiling as per the Act						42,000,000

*Including PF / Medical / Insurance

B. Remuneration to other directors:

(Amount in `)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount	
		Mr. Prem Malik	Mr. Shyamal Ghosh	Mr. Deepak Diwan	Mr. D.P. Singh	Mr. Ram Kumar Thapliyal		Ms Kamal Kapur
1	Independent Directors							
	(a) Fee for attending board/ committee meetings	105,000	80,000	40,000	95,000	140,000	40,000	500,000
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	3,000	4,000	2,000	4,000	4,000	2,000	19,000
	Total (1)	108,000	84,000	42,000	99,000	144,000	42,000	519,000
2	Other Non Executive Directors	Mr. Rajeev Kalra (Nominee Director)						
	(a) Fee for attending board committee meetings	-						-
	(b) Commission	-						-
	(c) Others, please specify	-						-
	Total (2)	-						-
	Total (B)=(1+2)	108,000	84,000	42,000	99,000	144,000	42,000	519,000
	Total Managerial Remuneration							38,975,863
	Overall Ceiling as per the Act.							42,000,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in `)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	(Mr. Ranjan Mangtani) Company Secretary	(Mr. Amrit Agrawal) CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	N.A	2,524,104	NIL	2,524,104
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N.A	-	NIL	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A	-	NIL	-
2	Stock Option	N.A	-	NIL	-
3	Sweat Equity	N.A	-	NIL	-
4	Commission	N.A	-	NIL	-
	as % of profit	N.A	-	NIL	-
	others, specify	N.A	-	NIL	-
5	Others, please specify	N.A	505,896	NIL	505,896
	Total		3,030,000	NIL	3,030,000

VII) Penalties / Punishment / Compounding of Offences

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A.	COMPANY	NONE	NONE	NONE	NONE	NONE
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS	NONE	NONE	NONE	NONE	NONE
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT	NONE	NONE	NONE	NONE	NONE
	Penalty					
	Punishment					
	Compounding					

Annexure - 3 to the Directors' Report

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

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

- a. The Company is continuously taking steps in energy conservation, by installing and developing fuel efficient equipments and accessories such as installation of electronic chokes in place of copper chokes, installation of energy efficient water pumps, humidification plant & energy efficient spindles etc, resulting in lower consumption of power. The Company has installed 90 W LED Street lights – 14 nos in place of 250 W Halogen Lamp at Baramati Plant resulting in lower consumption of power by 9454 KWh and at Butibory it replaced copper chokes of tube fitting with electronic choke, main motors of Ring frame with high efficiency motors and changed dia of 2 ring frame spindles etc among other steps, resulting in saving of approx 1822 units/day.

b. Relevant data in respect of energy consumption is as below:

	Current year 2014-15	Previous year 2013-14
A. Power and Fuel Consumption		
Electricity		
a. Purchased		
- Total Units consumed (KWH)	13,75,84,614	154,988,893
Total Amount (` in Lacs)	8,268.16	9,524.02
Rate/unit (`)	6.01	6.14
b. Own Generation (Through Genset)		
- Units (KWH)	Nil	Nil
- Units per litre of Diesel/Furnace Oil	Nil	Nil
- Cost/Unit (`)	Nil	Nil
B. Electricity Consumption (Units)		
Per Kg. of Production of yarn	3.06	2.25

B. TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

- Specific areas in which R&D has been carried out by the Company:
Continuing to identify improvements to processes through properly documented systems to strengthen yarn quality, improve productivity and effective maintenance of Plant and Machinery. New development of Spun Core Yarn & SIRO Yarn, Melange yarn, Acrylic /Cotton Blended yarn.
- Benefits derived as result of the above R & D
Meeting customer requirements, reduced rejections and effective resource utilization,
- Future plan of action:
Identifying measures to further improve productivity and there by contribution per unit of production.
Expenditure on R & D.
 - Capital ` Nil
 - Revenue ` 9.64 Lacs
 - Total ` 9.64 Lacs
 - Total R & D Expenditure as percentage of total turnover 0.011%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts:** upgrading machines with technologically advanced accessories and spares.
 - Upgraded Contamination Removal Machine
 - Upgraded Leopfe Yarn Clearer
- Benefits:** Higher output and improved quality of product
- Technology imported during the last 5 years: None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Efforts:** Significant exports to various countries round the globe on very competitive prices have brought in foreign exchange to the National Ex-chequer.
- Earnings and Outgo:** Particulars with regard to foreign exchange earnings and outgo appears in Note No. 35 and 36 in Annual Accounts.

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

Place: New Delhi
Dated: August 13, 2015

Sd/-
Ajay Kumar Choudhary
Chairman

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15

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

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages desired accountability, transparency, responsibility, fairness and commitment to values in all spectrums of business through continual assessment of internal control mechanisms vis-à-vis proactive risk management system for upholding ethos of corporate citizenship. The Company is committed to enhance long-term shareholders' value and respect minority rights in addition to complying with all complex and statutory requirements in respect of Corporate Governance.

2. Board of Directors

The Company has 12 Directors, with an Executive Chairman, of the 12 Directors, 5 (i.e. 41.67%) are Executive Directors and 7 (i.e. 58.33%) are Non Executive/Independent Directors including a Woman Director. The composition of the Board is not only in conformity with clause 49 of the Listing Agreement entered into with Stock Exchanges but also exceeds the percentages of the Board composition mix prescribed in the said Agreement.

During the year 4 Board Meetings were held and the interval between any two meetings did not exceed 120 days (as stipulated by law in force). The respective dates on which Board Meetings were held are 28th May, 2014, 13th August, 2014, 14th November, 2014, and 14th February, 2015.

The names and category of the Directors on the Board, their attendance at the Board Meetings and last Annual General Meeting and number of Directorships and Committees Chairmanships/Memberships of each Director in other companies are as follows:

Directors	No. of Board Meetings Attended	No. of Directorship(s) and Chairmanship(s)/Membership(s) of Board / Committees of other companies			Attendance at Last AGM Yes/No
		Directorship*	Member**	Chairperson**	
Executive Directors					
Sh. Ajay Kumar Choudhary	3	1	-	-	No
Sh. Mukund Choudhary	4	2	-	-	No
Sh. Kapil Choudhary	3	2	-	-	No
Sh. Sitaram Parthasarathy	4	-	-	-	No
Sh. Amrit Agrawal	4	2	-	-	Yes
Non Executive/Independent Directors:					
Sh. Deepak Diwan	2	-	-	-	No
Sh. Prem Malik	3	5	4	2	No
Sh. Ram Kumar Thapliyal	4	-	-	-	Yes
Sh. Shyamal Ghosh	4	2	1	1	No
Sh. D P Singh	4	-	-	-	No
Sh. Rajeev Kalra	3	-	-	-	No
Independent Woman Director:					
Ms. Kamal Kapur #	2	-	-	-	No

* The Directorship(s) held by Directors do not include Alternate Directorships and Directorships of Foreign Companies, Private Limited Companies and Section 8 Companies.

** In accordance with Clause 49, Memberships/Chairmanships of only Audit Committees and Stakeholder Relationship Committees of all Public Limited Companies (excluding Spentex Industries Limited) have been considered.

Ms. Kamal Kapur was appointed as an Additional Director in the position of Woman Non- Executive Independent Director of the Company w.e.f 14th November, 2014.

Details of shares held by the Non-Executive/Independent Directors as on 31st March 2015

Name	No. of shares held	Name	No. of shares held
Sh. Deepak Diwan	NIL	Sh. Prem Malik	15,500
Sh. Ram Kumar Thapliyal	NIL	Sh. Shyamal Ghosh	NIL
Sh. Dhananjaya Prasad Singh	NIL	Sh. Rajeev Kalra	NIL
Ms. Kamal Kapur	NIL		

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are circulated at least seven working days prior to the Board meeting.

Information supplied to the Board

1. Annual operating plans of business, Capital budget and updates.
2. Quarterly results of the Company and its operating divisions/manufacturing units, subsidiary and step-down subsidiary companies and 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. Minutes of meetings of audit committee and other committees of the board, and also resolutions passed by circulation.
6. The information on recruitment and remuneration of senior officials just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary.
7. Details of joint venture or collaboration agreements entered into.
8. Borrowings term Loans and Investment of surplus funds as and when happened.
9. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
10. Notices like show cause, demand, penalty which are material and material default in financial obligations to and by the company and also non-receipt of payments for goods sold by the Company.
11. Significant developments in Human Resources, Labour problems and their proposed solutions, signing of Wage Agreements etc.
12. Investments in subsidiaries, foreign exchange exposures and steps taken to manage exchange rate movement and adverse exchange ratio etc.
13. Sale of material nature, of investment/subsidiaries/assets, which is not in normal course of business.
14. Fulfillment of various statutory compliances/listing requirements. All other matters required to be placed before the Board for its review / information / approval under the statutes, including Clause 49 of the Listing Agreement or as may be directed by the Board to be placed before it.

Post-meeting follow-up system

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending decisions of the Board and Committees.

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

In terms of Articles of Association of the Company, one-third of the Directors liable to retire by rotation shall retire by rotation and, if eligible, seek re-appointment at each Annual General Meeting of Shareholders. Sh. Ajay Kumar Choudhary and Sh. Kapil Choudhary will retire at the ensuing Annual General Meeting and being eligible they seek their re-appointment.

During the year, Ms. Kamal Kapur has been appointed as an Additional Director in the position of Woman Non Executive Independent Director of the Company w.e.f 14th November, 2014 and holds office upto ensuing Annual General Meeting; being eligible offers herself for the appointment of Director.

The Board has recommended the re-appointment of aforesaid retiring Directors and Woman Director who has been appointed till the conclusion of ensuing General Meeting. As per Clause 49 of the Listing Agreement, the brief details of the aforesaid directors are indicated herein below:

- a) Ms. Kamal Kapur (69)** is a Woman Director of the Company since 14th November, 2014 and she has experience of more than 30 years in merchandising, marketing and managing the supply chain of renowned retailers in US and large indian manufacturers. She handles placements for textile industry, teaches fashion merchandising and marketing at Amity University and at National Institute of Fashion Technology. She is an Arts honors Graduate and Certified Trainer also have a certificate from University of Cambridge to teach English to adults. She does not hold any shares of the Company.
- b) Sh. Ajay Kumar Choudhary (67)** is Chairman of the Company since 5th May, 2004. He is having about 45 years of experience in textile industry. He is director in CLC & Sons Private Limited, Shivani Farms Private Limited and CLC Enterprises Limited. He does not hold any position in any committee of the Board of Directors of the Company. Sh. Ajay Choudhary holds 80,66,052 equity shares of the Company in his name as on 31st March, 2015.
- c) Sh. Kapil Choudhary (42)** is a Director of the Company since 5th May, 2004. He is having rich experience in operations and

marketing aspects. He has developed a very strong marketing network all over the world. He is Managing Director of Schoeller Textile Netherlands B.V., a foreign step down subsidiary of the Company. He is director in CLC & Sons Private Limited, CLC Enterprises Limited, CLC Power Limited, CLC Textile Park Private Limited, Dazzle Developers Private Limited and Chhindwara Infrastructure Private Limited. Sh. Kapil Choudhary holds 84,74,869 equity shares of the Company in his name as on 31st March, 2015. Sh. Kapil Choudhary is member of the Banking Committee, Stakeholders Relationship Committee, Fund Management Committee, Risk Management Committee and Corporate Social Responsibility Committee(s) of the Company.

Independent Directors' Meeting

In compliance with Clause 49 of Listing Agreement, during the year under review, the Independent Directors met on February 14, 2015, inter alia to discuss:

1. The performance of non-independent directors and the Board as a whole.
2. Whether good corporate governance practices are followed and whether all statutory compliances are reported to the Board regularly; (including whether detailed agenda along with notes are provided to the independent directors at least a week before the Board meeting and whether the minutes are appropriately recorded and circulated for comments within a few days of the Board meetings; whether views of independent directors are appropriately recorded in the minutes, particularly if no consensus is arrived or there are dissenters).
3. Whether necessary and adequate information is furnished to the Board.
4. The performance of Chairperson of the Company, taking into account, the views of independent directors.
5. The quality, quantity and timeliness of flow of information between the Company management and the Board for the effective functioning of the Board.
6. Whether the financials of the Company are accurately presented and whether corrective steps are taken wherever necessary.
7. Level of use of IT as a management tool for decision making.

Code of Conduct for Independent Directors

Pursuant to the provisions of sub section (6) of section 149 read with schedule IV of the Companies Act, 2013 and Listing Agreement executed with the Stock Exchanges, a "Code of Conduct" has been approved for Independent Directors reflecting underlying core values, commitment of personal integrity, respect for the individual, transparency, fairness, accountability, etc being some of the pursuits for achieving desired excellence in Corporate governance of the Company. The code has been uploaded on the website of the Company www.spentex.net.

Familiarisation Programme for Independent Directors

As required under Clause 49 of Listing Agreement, the Company has put in place a system to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the business and the on-going events relating to the Company. The Company has formulated a policy on familiarisation programme for Independent Directors. The Policy has been uploaded on the website of the Company www.spentex.net.

The Company sends a formal invitation to new appointees to join the Board of the Company, on receipt of acceptance from the appointee, detailed information is provided alongwith letter of appointment i.e. function of the Board, duties and responsibilities of director and compliances to be fulfilled under Companies Act, Listing Agreement and other relevant regulations.

3. Audit Committee

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations, both domestic and overseas;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The Audit Committee of the Board consists of two Non-Executive Independent Directors viz. Sh. Ram Kumar Thapliyal, Sh. Prem Malik and one Executive Director, Sh. Amrit Agrawal, respectively. These members have the requisite accounting and financial management expertise. Statutory Auditors and Internal Auditor are invitees at the meetings of Audit Committee. The Company Secretary acts as Secretary to the Audit Committee. The Board of Directors at their meeting held on 13th February, 2012 appointed Sh. Dhananjaya Prasad Singh, Independent Director as Alternative Member of the Audit Committee of the Company. Sh. D P Singh shall attend the Audit Committee Meeting in absence of either Sh. R. K Thapliyal (Chairman) or Sh. Prem Malik (Member) to meet the requirements as stipulated in Clause 49 of the Listing Agreement.

The Composition of Audit Committee meets the requirements of Section 177 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. Review and recommend the Revenue budgets and Capital budgets followed by updates from time to time.
3. Recommending to the Board, the appointment/re-appointment of the Statutory Auditors, Cost Auditor and the fixation of

audit fees.

4. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
5. Reviewing the efficiency and effectiveness of internal audit function, adequacy of the internal control systems and other services rendered by the statutory auditors.
6. Reviewing the functioning and weaknesses, if any, observed by the internal auditors, management opinion on such weaknesses and solutions from time to time.
7. Reviewing, with the management, the annual financial statements i.e. directors responsibility statement under Section 134 of the Companies Act, 2013, accounting policies and practices, compliances with listing and other legal requirements, disclosure of related party transactions, implementation of the Accounting Standards as notified u/s 133 of the Companies Act, 2013 and Draft Audit Report before submission to the Board for approval.
8. Reviewing, with the management, the quarterly financial results before submitting it to the Board for approval.
9. To look into the reasons for any default/delay, if any, in the payment to the Lenders/Bankers/Financial Institutions, Debenture holder, Creditors and Shareholders (in case of dividend declaration).
10. Reviewing the functioning of the Whistle Blower mechanism;
11. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

During the year, 4 Audit Committee Meetings were held on 28th May, 2014, 13th August, 2014, 14th November, 2014, and 14th February, 2015.

The details of attendance of each member at the Audit Committee Meetings during the year 2014-15 are as follows:

Name of the Director	No. of Audit Committee Meetings Attended
Sh. Ram Kumar Thapliyal (Chairman)	4
Sh. Prem Malik	3
Sh. Amrit Agrawal	4
Sh. Dhananjaya Prasad Singh (Alternate Member)	1

Related Party Transactions

Pursuant to Clause 49 of Listing Agreement, all Related Party Transactions require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. The Audit Committee has laid down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature and meet the criteria laid down by the Committee.
 - b. The Audit Committee satisfies itself about the need for such omnibus approval and that such approval is in the interest of the company;
 - c. Such omnibus approval specifies (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit; Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ` 1 crore per transaction.
 - d. Audit Committee reviews, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
 - e. Such omnibus approvals are valid for a period not exceeding one year and require fresh approvals after the expiry of one year.
4. **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board, inter alia, reviews/recommends to the Board the selection and remuneration package of Executive Directors and the senior most level of management immediately below the Executive Directors based on performance and defined criteria/HR Policies. The Nomination and Remuneration Committee comprises of Sh. Prem Malik (Chairman), Sh. Ram Kumar Thapliyal and Sh. Deepak Diwan, (Members) all are Non-executive/Independent Directors. No Nomination and Remuneration Committee meeting was held during the year.

The Remuneration of Chairman, Managing Director, Deputy Managing Director, Director-Works and Director-Finance are in accordance with Schedule V of the Companies Act, 2013 and approved by members of the Company.

Details of remuneration/sitting fees paid to Directors for the financial year 2014-15 are as under:

(₹ in lacs)

Name of Director	Sitting Fee for Board Meeting(s) (₹)	Sitting Fee for Remuneration Committee Meeting(s) (₹)	Sitting Fee for Audit Committee Meeting(s) (₹)	Salaries and Perquisites p.a. (₹)	Total (₹)
Executive Directors					
Sh. Ajay Kumar Choudhary	-	-	-	70.95	70.95
Sh. Mukund Choudhary	-	-	-	70.95	70.95
Sh. Kapil Choudhary	-	-	-	70.95	70.95
Sh. Sitaram Parthasarathy	-	-	-	66.84	66.84
Sh. Amrit Agrawal	-	-	-	66.84	66.84
Non Executive/ Independent Directors					
Sh. Deepak Diwan	0.40	-	-	-	0.40
Sh. Prem Malik	0.60	-	0.45	-	1.05
Sh. Ram Kumar Thapliyal	0.80	-	0.60	-	1.40
Sh. Shyamal Ghosh	0.80	-	-	-	0.80
Sh. D P Singh	0.80	-	0.15	-	0.95
Sh. Rajeev Kalra ***	-	-	-	-	-
Independent Woman Director:					
Ms. Kamal Kapur	0.40	-	-	-	0.40

*** VCIGPM (Citigroup Venture Capital International Growth Partnership Mauritius Ltd.) is not claiming any sitting fee for attending any Board or Committee meetings by their nominees, accordingly the Company is not paying sitting fee to its nominee.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Board Committees. As required under Clause 49 of the Listing Agreement and Companies Act, 2013, Company has formulated two policies i.e. Policy for Selection of Directors & Senior Management and determining directors' independence and Remuneration Policy for Directors & Senior Management. The criteria for performance evaluation of directors has been laid down in the aforesaid policies and approved by Nomination and Remuneration Committee. The Policies are available on the website of the Company www.spentex.net.

5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee (formerly known as Share Transfer & Shareholders/Investors Grievance Committee) comprises of three members viz. Sh. Deepak Diwan (Chairman) a Non-executive/Independent Director, Sh. Mukund Choudhary and Sh. Kapil Choudhary (Members), Executive – Directors of the Company.

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

The committee also reviews all investors' complaints and their grievances. During the year the Company has received 4 complaints from the investors and has responded to the fullest satisfaction of investors. There was no complaint outstanding as on 31st March 2015.

Sh. B V R Murthy, Sr. Manager-Secretarial is the compliance officer of the Company and is ensuring the statutory compliances from time to time in terms of SEBI Guidelines/Regulations and the Listing Agreement as executed with the Stock Exchanges in India.

During the year, 4 committee meetings were held on 4th April, 2014, 4th July, 2014, 4th October, 2014 and 5th January, 2015. All the members of the Committee attended the meetings.

As required under Clause 49, all material Related Party Transactions required the approval of the shareholders through special resolution and the related parties required to be abstained from voting on such resolutions. However no such transaction took place during the year.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Policy is available on the website of the Company www.spentex.net

6. Investment Committee

The Investment Committee of the Board, inter alia, recommends to the Board on various opportunities to set-

up/acquire/establish textile business outside India besides its present expansion and acquisition plans in India and to execute various documents/agreements from time to time and to form subsidiary companies and fellow subsidiary companies. The Committee comprises of three members viz. Sh. Mukund Choudhary, Sh. Kapil Choudhary, Executive-Directors and Sh. Rajeev Kalra, Nominee Director (on behalf of CVCI) of the Company. No Investment Committee meeting was held during the year.

7. Banking Committee

The Banking Committee of the Board, inter alia, authorizes company officials to execute/sign various documents/cheques for availing various credit facilities/term loan provided by the Banks from time to time. The Board of Directors are taking note on the various credit facilities sanctioned/restructured by Banks from time to time and confirming the minutes in the following Board Meeting.

The Committee comprises of Sh. Mukund Choudhary, Sh. Kapil Choudhary, Sh. Amrit Agrawal, Executive Directors and Sh. Deepak Diwan, Non-executive/ Independent Director. During the year, 11 Committee meetings were held on 4th June, 2014, 13th June, 2014, 27th June, 2014, 27th August, 2014, 22nd September, 2014, 29th November, 2014, 24th December, 2014, 23rd January, 2015, 13th March, 2015, 24th March, 2015 and 26th March, 2015. Except Sh. Deepak Diwan all the members of the Committee attended all the meetings.

8. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Board has been constituted on 28th May, 2014 as per provisions of Section 135 read with schedule VII and applicable rules thereon of the Companies Act, 2013, inter alia, to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company and monitoring of the same from time to time. The committee comprises of three members viz. Sh. Deepak Diwan, an Independent Director & Chairman of the Committee, Sh. Mukund Choudhary, and Sh. Kapil Choudhary, Executive Directors as members of the Committee.

As required under Section 135 of the Companies Act, 2013, the Company has formulated a policy on Corporate Social Responsibility. The Policy is available on the website of the Company www.spentex.net

9. Risk Management Committee

Pursuant to sub clause VI of Clause 49 of Listing Agreement and other applicable provisions, if any, of the Companies Act, 2013, a Risk Management Committee of the Board has been constituted on 14th February, 2015. The Committee comprises of 4 members viz. Sh. Mukund Choudhary (Chairman), Sh. Kapil Choudhary, Sh. Amrit Agrawal and Sh. Sitaram Partharasathy, Executive Directors are members of the Committee. No Risk Management Committee meeting was held during the year.

The Company has framed Risk Management Policy to apprise the Board about the procedures followed by the Company for Risk Management and Minimization risk to various aspects mentioned therein. Policy is disclosed on the website of the Company. www.spentex.net

10. Fund Management Committee

The Fund Management Committee of the Board has been constituted on 15th February, 2014.

The Committee comprises of 4 members viz. Sh. Mukund Choudhary (Chairman), Sh. Kapil Choudhary, Sh. Amrit Agrawal and Sh. Sitaram Partharasathy, Executive Directors as members of the Committee. No Fund Management Committee meeting was held during the year.

Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have a material non-listed Indian subsidiary. However as required under Clause 49, the Company has formulated a policy for determining "Material Subsidiary" policy which is disclosed on the website of the Company. www.spentex.net

Vigil Mechanism/Whistle Blower Policy :

Pursuant to Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement, the company has formulated a Whistle Blower Policy for vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Dr. Sunil Kumar Gupta, Head of Internal Audit Team is assisting the Chairman of Audit Committee to resolve the queries/complaints received under said policy. During the year, two complaints have been received and the same have been addressed satisfactorily and there is no further complaint/query pending at the end of the year 31st March, 2015.

This mechanism provides for adequate safeguards against victimization of director(s)/ employee(s), if any, who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Audit Committee. The policy is uploaded on the website of the Company at www.spentex.net.

Code for prevention of insider-trading practices

In compliance with the SEBI regulation on prevention of insider trading, the company has made a comprehensive code of conduct for its Directors, management and staff. The code lays down guidelines, which guides them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violation(s), if any. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of

declaration of results, dividend and material events from time to time pursuant to listing provisions.

11. General Body Meetings

(A) Annual General Meetings:

Details of last three Annual General Meetings (AGM) of the Company alongwith Special Resolutions passed thereat are as under:

AGM	LOCATION	DATE & TIME	SPECIAL RESOLUTIONS PASSED
20th AGM	Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi - 110019	28th September, 2012 at 10:30 A.M	1. To approve the issue of equity shares not more than 65,00,000 equity shares in one or more tranches to the Promoter Group Company/ Bodies Corporate on Preferential Basis.
21st AGM	Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi - 110019	30th September, 2013 at 2:30 P.M	1. To approve the Re-appointment of Sh. Mukund Choudhary as Managing Director and Sh. Amrit Agrawal as Director - Finance of the Company for a period of 5 years and revision in their monthly remuneration.
22nd AGM	Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110 019	11th September,, 2014 at 10:30 A.M.	<ol style="list-style-type: none"> 1. To approve for authorizing to borrow upto a limit of Rs. 2500 Crores. 2. To approve for authorizing to mortgage/charge/lease / sell/ dispose off the immovable/movable properties of the Company for an amount not exceeding Rs. 2000 Crores. 3. To approve for authorizing to make loans/investment and/or to give Guarantees/ Securities for an amount not exceeding Rs. 1000 crores. 4. To approve the Re-appointment of Sh. Ajay Kumar Choudhary as Chairman of the Company for a period of 4 years. 5. To approve the Re-appointment of Sh. Kapil Choudhary as Dy. Managing Director of the Company for a period of 5 years. 6. To approve the Re-appointment of Sh. Sitaram Parthasarathy as Director-Works of the Company for a period of 5 years. 7. To approve and adopt the substitution/alteration and the entire exclusion of the regulations in the existing Articles of Association of the company.

(B) Postal Ballot

No special resolution was passed through Postal Ballot during 2014-15.

12. Code of Conduct

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

To The Shareholders of Spentex Industries Limited

Sub : Compliance with Code of Conduct in terms of Clause 49 II (E) of the Listing Agreement

Dear Sirs,

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Board of Directors for the year ended 31st March, 2015 in terms of Clause 49 II (E) of the Listing Agreement entered into with the Stock Exchange.

Sd/-

Place: New Delhi
Date: August 13, 2015

Mukund Choudhary
Managing Director

13. Compliance

a. Mandatory Requirements:

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

b. Adoption of Non-Mandatory Requirements:

Although it is not mandatory, yet three Committees of Board, namely Fund Management Committee, Banking Committee and Investment Committee are in place, to expedite, focused decision making, in the related areas. Details of all the above mentioned committees have been provided in this report.

14. Disclosures

- The disclosures relating to transactions of material nature with the related parties are made 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. However due to server problem, Company was unable to submit and publish Un-audited Financial Results for the quarter ended 31-12-2014 within the stipulated time, Stock Exchanges (BSE & NSE) have imposed penalty for the delay in submission. The Company has requested the Stock Exchange(s) to waive the penalty as imposed due to financial problems of the company and server problem faced by the company, company is yet to receive any communication on the cited matter in view of the request of the Company to stock exchange(s).
- Pursuant to Clause 47(f) of the Listing Agreement, the Company has created E-mail ID **secretarial@clcindia.com** exclusively for the purpose of registering complaints/queries by investors. Pursuant to circular no CIR/OIAE/2/2011 dated June 3, 2011 issued by SEBI, the investors' complaints are processed in a centralized web based complaints redress system 'SCORES'.
- As per Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate e-mail address to the Company to facilitate the Company to send Annual Reports and other reports/notices through e-mail.

15. Means of Communication

- The quarterly/half yearly/annual financial results and press releases on significant developments in the Company are submitted to the Stock Exchanges immediately after Board approved the same to enable stock exchanges to put the information on their websites and communicate to their members.
- The quarterly/half-yearly/annual financial results are published in Business Standard/Financial Express (English) & Business Standard/Jansatta (Hindi) language newspapers and the same are also displayed on the Company's website **www.spentex.net**. The Company's website also displays all official news releases.
- The Management Discussions and Analysis is included in Directors' Report.

16. General Shareholder information

- The 23rd Annual General Meeting will be held at Bipin Chandra Pal Memorial Bhavan, A – 81, Chittaranjan Park, New Delhi - 110019 on 30th September, 2015 at 3.30 P.M.
- Financial Calendar (Tentative) :
 - Financial reporting for the Quarter ending June 30, 2015 : on 13th August, 2015
 - Financial reporting for the Quarter ending September 30, 2015 : on or before 15th November, 2015
 - Financial reporting for the Quarter ending December 31, 2015 : on or before 15th February, 2016
 - Annual Results for the Year ending March 31, 2016 : on or before 30th May, 2016
- Date of Book closure : Monday the 28th September, 2015 to Wednesday the 30th September, 2015 (both days inclusive)
- Dividend Payment Date : Not Applicable
- Listing of Equity Shares on Stock Exchanges: BSE Ltd., Mumbai (scrip code = 521082) and National Stock Exchange of India Ltd. Mumbai (scrip code = SPENTEX).
- ISIN No. INE376C01020
- The Annual Listing Fee has been paid to BSE & NSE and Annual Custody Fee has been paid to NSDL & CDSL for the year 2015-16.
- Market Price Data : High/Low during each month in last financial year 2014-15 at BSE & NSE:

Month	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
BSE												
High	4.20	6.09	7.28	6.80	5.29	7.57	6.00	5.95	5.50	5.90	4.60	4.59
Low	3.25	3.68	5.17	4.88	4.19	4.23	5.02	4.64	4.01	4.12	3.81	3.00
NSE												
High	4.20	6.00	7.25	6.90	5.35	7.55	5.80	6.30	5.80	5.75	5.00	4.85
Low	3.30	3.65	5.20	4.95	4.10	4.35	5.00	4.50	4.00	4.05	3.60	2.85

- Company has executed an RTA agreement with RCMC Share Registry and appointed them as Registrars and Transfer Agents in place of M/s. Beetal Financial & Computer Services (P) Ltd. w.e.f. 1st July, 2015. The new RTA address is RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Okhla Industrial Area Phase 2, New Delhi-110020.
- Share Transfer System: The Company's shares are compulsorily traded in dematerialised mode. Share in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time.
- **Distribution of shareholding as on 31st March 2015:**

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
1 to 5000	33,197	90.18	29,90,369	3.33
5001 to 10,000	1,657	4.50	13,94,884	1.55
10,001 to 20,000	865	2.35	13,48,176	1.50
20,001 to 30,000	331	0.90	8,49,686	0.95
30,001 to 40,000	146	0.40	5,33,157	0.59
40,001 to 50,000	151	0.41	7,16,148	0.80
50,001 to 100,000	224	0.61	16,20,809	1.81
100,001 and above	239	0.65	8,03,18,806	89.47
Total	36,810	100.00	8,97,72,035	100.00
Physical Mode			11,51,768	1.28
Electronic Mode			8,86,20,267	98.72

Shareholding Pattern as on 31st March 2015:

Sl. No.	Particulars	No. of shares	%
1	Promoter & Promoter Group	50,330,560	56.06
2	Bodies Corporate	4,544,546	5.06
3	Mutual Funds	20,811	0.02
4	Banks/Financial Institutions/UTI	1,694	0.01
5	Foreign Institutional Investors	19,255,367	21.45
6	Foreign Banks	1,505	0.00
7	Directors Other Than Promoters	83,721	0.09
8	NRIs	326,320	0.36
9	Trust	27,895	0.03
10	Indian Public & Others	15,179,616	16.92
	Total	89,772,035	100.00

The equity shares of the Company are traded on BSE Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd., Mumbai (NSE)

➤ **Plant Location(s):**

- In India
1. D-48, MIDC, Baramati, District. Pune, Maharashtra 413 133
 2. B-1, MIDC, Chincholi – Kondi, Distt. Solapur, Maharashtra 413 255
 3. 31-A, MIDC Industrial Area, Butibori, Nagpur, Maharashtra 441 122
 4. 51-A, Industrial Area, Sector III, Pithampur, Madhya Pradesh 454 774

➤ **Address for Correspondence :**

1. Registered Office Address : 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**
2. Registrars & Transfer Agents : RCMC Share Registry Pvt. Ltd.,
B-25/1, First Floor, Okhla Industrial Area Phase 2, New Delhi-110020.
Contact Person Sh. Rajesh Kumar, Manager Secretarial;
E-mail : **rajesh.a@rcmcdelhi.com**
Phone No: 011-26387320, 26387321. Fax: 011-26387322.
3. Compliance Officer : Sh. B V R Murthy, Sr. Manager
Ph. 011 - 26387738, 46598900, Fax: 011 – 26385181
Email: **murthy@clcindia.com; secretarial@clcindia.com**

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,
The Board of Directors
Spentex Industries Limited

Sub. : CEO / CFO Certificate

We, Mukund Choudhary, Managing Director and Sharat Gupta, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
- (i) significant changes in internal controls over financial reporting, during the year.
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: May 29, 2015

Sd/-
Mukund Choudhary
Managing Director

Sd/-
Sharat Kumar Gupta
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Spentex Industries Limited

We have examined the compliance of conditions of Corporate Governance by **SPENTEX INDUSTRIES LIMITED**, having its Registered Office at A-60, Okhla Industrial Area, Phase-II, New Delhi-110 020 for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement executed by the said Company with the concerned Stock Exchanges in India.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of 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 Clause 49 of the Listing Agreement in all material respects.

We state that in respect of the investor grievances received for the year ended 31st March, 2015, no such investor grievances remained unattended/pending as at 31st March, 2015 as per the records maintained by the Share Transfer & Shareholders'/ Investors' 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 **Loveneet Handa & Associates**

Company Secretaries

Sd/-

(Loveneet Handa)

ACS-25973

CP-10753

Place: New Delhi
Date: August 13, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Spentex Industries Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Spentex Industries Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

We draw attention to:

- a. **Note No. 41 of the standalone financial statements, wherein, we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs.204,469,921/- in Amit Spinning Industries Limited, subsidiary of the company. Uncertainties exist in relation to the recoverability of loans amounting to Rs.320,128,019/-, interest accrued thereon Rs.95,950,582/- and advances amounting to Rs.226,165,468/- due from above subsidiary. Further, we are unable to determine the amount of liability that may arise on account of corporate guarantee mentioned in Note No. 30 of the standalone financial statements on behalf of above subsidiary.**
- b. **Note No. 42 of the standalone financial statements, wherein, we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs.561,011,339/- and Rs.9,323,779/- in Spentex Netherland B.V. and Spentex Tashkent Toytepa LLC respectively, subsidiary/step down subsidiary of the company. Uncertainties exist in relation to the recoverability of Rs.95,070,902/- and Rs.70,012,404/- due from above subsidiary/step down subsidiary respectively. Further, we are unable to determine the amount of liability that may arise on account of corporate guarantee mentioned in Note No. 30 of the standalone financial statements on behalf of above subsidiary.**
- c. **We are unable to comment on the recoverability of advance balance of Rs.19,040,000/-, included under the head "Advance against expenses" in Note No. 14 of the standalone financial statements, for which no provision has been made in the books of account.**
- d. **Note No. 44 of the standalone financial statements, wherein, the company has not charged to statement of profit & loss Rs.10,135,376/- and Rs.2,695,093/- shown as claim receivables and export incentive respectively.**

We further report that, without considering the impact of paragraph (a) and (b) above the effect of which could not be determined, had the observation made by us in paragraph (c) and (d) above been considered, the loss before tax for the

year would have been Rs.653,781,143/- (as against the reported figure of Rs.621,910,674/-), Reserves and Surplus would have been negative Rs.2,210,635,927/- (as against negative reported figure Rs.2,178,765,458/-), Export Incentive included under head "Other Non Current Assets" would have been Rs.19,030,969/- (as against the reported figure of Rs.21,726,062/-), claim receivables included under the head "Other Non Current Assets" would have been Rs.2,774,242/- (as against the reported figure of Rs.12,909,618/-) and advance against expenses included under the head "Long Term Loans and Advances" would have been Rs.99,655,219/- (as against the reported figure of Rs.118,695,219/-).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the basis for qualified opinion paragraph**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

- a. Note No. 4 of the standalone financial statement, wherein, the Company has not allotted shares against the share application amount of Rs.110,950,000/- which was brought in by the promoters in more than one installments under restructuring scheme approved by the Bankers. However, the company has not complied with the provisions of Section 42 of the Companies Act, 2013 for the reasons stated in the said Note.
- b. Note No. 43 of the standalone financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note No. 43, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
- c. Note No. 44 of the standalone financial statements regarding amounts recoverable relating to certain trade receivable, advance balances and export incentive recoverable Rs.6,371,477/-, Rs.27,314,712/- and Rs.17,869,256/- respectively which has been considered good by the management in view of the reasons stated therein. We have relied upon the assertion given by the management as to the recoverability of the said amounts.
- d. Note No. 45 of the standalone financial statements requiring deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2013-14, 2014-15 and 2015-16 in one or more of the prescribed methods vide circular no. 04/2013 dated February 11, 2013 issued by Ministry of Corporate Affairs. However, the company has not complied with the requirement of the said circular.
- e. Note No. 46 of the standalone financial statements regarding balances of parties under the head trade receivables, trade payables and loans & advances which are subject to confirmation, reconciliation and consequential adjustments, if any.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with in this report are in agreement with the books of account;
 - d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act;

- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements. Refer Note No. 30 and Note No. 40 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J.C. Bhalla & Company
Chartered Accountants
Firm Regn. No. 001111-N
Sd/-
(Akhil Bhalla)
Partner
Membership No.505002

Place : New Delhi
Dated : May 29, 2015

Annexure to Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Spentex Industries Limited on the standalone financial statements as of and for the year ended March 31, 2015.

We report that:

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management according to a phased programmed designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the book records.
2. (a) Inventories other than inventory lying with third party have been physically verified by the Management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
(b) According to information given to us, the procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation 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 of inventories as compared to the book records were not material having regard to the size and nature of the operations of the Company and have been properly adjusted in the books of account.
3. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraphs 3(iii)(a) and 3(iii)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
4. According to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 of the Act or other relevant provisions of the Act and rules framed there under.
6. We have broadly reviewed the books of account, maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales tax, wealth tax, customs duty, excise duty, value added tax, cess and other statutory dues and is generally regular in depositing undisputed statutory dues in respect of income tax and service tax applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable **except for Service Tax of Rs.27,272/-**.
(b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess at March 31, 2015, which have not been deposited on account of dispute, are as follows:

SPENTEX INDUSTRIES LIMITED

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
Income Tax				
The Income Tax Act, 1961	Disallowance of goodwill amortisation & other expenses	10,875,657 (incl. amt. paid Rs.3,981,354)	AY 2001-02 AY 2003-04	Income Tax Tribunal Delhi Bench - Rs.3,981,354/- High Court - Rs.6,894,303/-
The Income Tax Act, 1961	Disallowances of various expenses viz. sales tax subsidy, etc.	27,095,747 (including amount paid Rs.2,000,000)	AY 2003-04 AY 2005-06 AY 2006-07	Commissioner of Income Tax (Appeal), New Delhi
The Income Tax Act, 1961	Addition on account of arm's length price of compensation for corporate guarantee to Associated Enterprises	36,403,835	AY 2008-09	High Court, New Delhi
Sales Tax				
The MP Commercial Tax Act, 1994	Penalty - Purchase Tax demand	164,195 (incl. amt. paid Rs. 128,195)	1996-97	First Appellate Authority
The MP Commercial Tax Act, 1994	Sales Tax Demand	815,157 (incl. amt. paid Rs.815,157)	2009-10	First Appellate Authority
The MP Commercial Tax Act, 1994	Sales Tax demand on sale of DEPB licenses	1,970,233	2001-03 2009-10	Assessing Authority, Indore
The MP Commercial Tax Act, 1994	Sales Tax Demand	375,803 (incl. amt. paid Rs. 37,600)	2010-11	First Appellate Authority
Entry Tax Act, 1976	Entry Tax demand	1,538,453 (incl. amt. paid Rs.414,844)	1992-1997	Assessing Authority, Indore
Maharashtra Value Added Tax Act, 2002	Sales Tax Demand	532,870 (incl. amt. paid Rs.200,000)	2004-05	Deputy Commissioner, Nagpur
Central Sales Tax, 1956	Sales Tax Demand	2,999,290 (incl. amt. paid Rs.1,000,000)	2004-05	Deputy Commissioner, Nagpur
Finance Act				
Finance Act, 1994	Refund against export services	3,439,884	2006-12	Assistant Commissioner of Central Excise, Nagpur
Finance Act, 1994	Service Tax on GTA paid including penalty	280,282	April 2005 to Sept 2006	Customs, Excise & Service Tax Appellate Tribunal, New Delhi – Rs.280,282/-
Finance Act, 1994	Service Tax on Foreign Commission paid to overseas agents	1,079,549 (incl. amt. paid Rs. 107,955)	2009-10 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Suo Moto credit taken from Additional Excise Duty	145,531 (incl. amt. paid Rs. 10,915)	Aug- 12	Commissioner (Appeals), Central Excise, Bhopal
Finance Act, 1994	Service Tax taken on invoices not having Serial No. & Registration No.	3,744,510 (incl. amt. paid Rs. 140,419)	Apr-09 to Oct- 13	Commissioner (Appeals), Central Excise, Bhopal
Finance Act, 1994	Service Tax taken on photocopied copies of Bill of Entry and foreign commission	290,599	Apr-09 to Oct- 13	Commissioner (Appeals), Central Excise, Bhopal
Finance Act, 1994	Service Tax taken on tour operator services bill	490,872	Apr-09 to Apr- 13	Commissioner (Appeals), Central Excise, Bhopal
Finance Act, 1994	Service Tax taken on foreign commission	375,464 (incl. amt. paid Rs. 13,705)	Apr-11 to Mar- 12	Commissioner (Appeals), Central Excise, Bhopal
Central Excise Act				
The Central Excise Act, 1944	Excise duty demands (Baramati unit)	10,806,176	June 1999 to Dec 2001	Customs, Excise & Service Tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Excise duty – demand of duty on clearance of goods under notification 30/2004 without payment of duty (Butibori unit)	75,185,214 (including amount paid Rs.2,314,143)	Aug, 2004 to Apr, 2007	Deputy Commissioner of Central Excise, Nagpur – Rs.77,371/-
				Commissioner, Central Excise Nagpur – Rs.72,693,700/-
				Customs, Excise & Service Tax Appellate Tribunal, New Delhi – Rs.2,414,143/-
The Central Excise Act, 1944	Cenvat demand for packing material including penalty (Pithampur unit)	168,812	April, 2000 to March, 2004	Commissioner (Appeals), Central Excise, Indore

The Central Excise Act, 1944	Cenvat demand on packing material/scrap (Butibori unit)	794,266	April, 2003 to December, 2012	Customs, Excise & Service Tax Appellate Tribunal, New Delhi Rs.81,195/- Deputy Commissioner, Central Excise, Nagpur – Rs.713,071/-
The Central Excise Act, 1944	Cenvat on samples used in quality control (Butibori unit)	309,475 (Incl. amt. paid Rs.67,597)	Apr, 2003 to October, 2013	Customs, Excise & Service Tax Appellate Tribunal, Nagpur – Rs.117,762/- Deputy Commissioner, Central Excise, Nagpur – Rs.191,713/-
The Central Excise Act, 1944	Refund of cenvat on inputs under Rule 18 (Pithampur unit)	60,216,366	Oct, 2004 to Jan, 2006	Joint Secretary, Ministry of Finance, New Delhi
The Central Excise Act, 1944	Excise duty–demand of duty on clearance of goods under notification 30/2004 without payment of duty (Pithampur unit)	53,291,002 (including amount paid Rs.13,322,751)	March, 2004 to Feb, 2007	High Court , Indore
The Central Excise Act, 1944	Demand under section Rule 6(3)(f)	167,747,574	April-12 to March, 13	Customs, Excise & Service Tax Appellate Tribunal, New Delhi
The Central Excise Act, 1944	Cenvat on Capital Goods	5,269,616 (including amount paid Rs. 673,329)	2002-2003 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal, Nagpur – Rs. 2,565,854/- Additional Commissioner of Central Excise, Nagpur - Rs.2,551,564/- Deputy Commissioner of Central Excise, Nagpur- Rs.152,198/-

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- The Company has accumulated losses as at March 31, 2015 which are more than fifty percent of its net worth. The company has incurred cash losses in the financial year covered by our audit and has not incurred cash losses in the immediately preceding financial year.
- Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has defaulted in repayment of dues to banks, financial institutions or debenture holders as follows:

S. NO.	Particulars	Amount of Default	Period of Default (In days)
1	Non Convertible Debenture	95,781,428	27 – 89
2	Term Loan	683,325,713	1 – 90
3	Funded Interest Term Loan	78,360,643	1 – 90
4	Working Capital Term Loan I	70,882,616	1 – 90
5	Working Capital Term Loan II	112,438,732	1 – 90
6	Working Capital Term Loan IV	150,919,395	1 – 90
7	Corporate Loan	144,772,674	1 - 90
8	Short Term Loans other than cash credit	738,623	1 - 90
	Total	1,337,219,824	

Further, as informed to us, the loan facilities availed from ING Bank as term loan (outstanding balance as on 31.3.2015 amounting to Rs.155,530,998/- with interest) and cash credit facilities (outstanding balance as on 31.3.2015 amounting to Rs.164,867,234/-) have become non-performing asset (NPA) for the lender as the company has not paid the dues within 90 days of payments being falling due.

In addition to above, Cash Credit Facilities taken from the banks have remained overdue during the substantial part of the year. The overdue amounts aggregated to Rs.94,622,613/- as at 31.03.2015.

- According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- In our opinion, the term loans have been applied for the purpose for which they were obtained.
- During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year nor we have been informed of such case by the management.

For J.C. Bhalla & Company
Chartered Accountants
Firm Regn. No. 001111-N
 Sd/-
(Akhil Bhalla)
Partner
Membership No.505002

Place : New Delhi
 Dated : May 29, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(Figure in `)

	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
a) Share capital	2	897,720,350	897,720,350
b) Reserves & surplus	3	(2,178,765,458)	(1,538,654,223)
(2) Share application money pending allotment	4	110,950,000	-
		(1,170,095,108)	(640,933,873)
(3) Non-current liabilities			
a) Long-term borrowings	5	1,709,472,017	2,414,529,251
b) Other long term liabilities	6	1,821,806	1,671,327
c) Long-term provisions	7	76,990,959	68,262,674
		1,788,284,782	2,484,463,252
(4) Current liabilities			
a) Short-term borrowings	8	1,679,948,727	1,447,927,011
b) Trade payables	9	1,506,775,710	1,163,301,883
c) Other current liabilities	10	1,600,353,059	1,585,253,201
d) Short-term provisions	11	16,395,903	17,749,594
		4,803,473,399	4,214,231,689
Total		5,421,663,073	6,057,761,068
ASSETS			
(1) Non-current assets			
a) Fixed assets	12		
(i) Tangible assets		1,928,174,597	2,052,831,767
(ii) Intangible assets		-	-
(iii) Capital work in progress		1,746,594	645,482
b) Non-current investment	13	774,893,379	774,893,379
c) Long-term loans and advances	14	842,220,279	818,051,012
d) Other non-current assets	15	213,301,571	238,905,352
		3,760,336,420	3,885,326,992
(2) Current Assets			
a) Inventories	16	627,334,095	1,043,164,651
b) Trade receivables	17	322,515,240	336,403,327
c) Cash and bank balances	18	30,534,315	43,088,943
d) Short-term loans and advances	19	453,276,265	527,977,730
e) Other current assets	20	227,666,738	221,799,425
		1,661,326,653	2,172,434,076
Total		5,421,663,073	6,057,761,068

Significant accounting policies and notes (1 to 52) form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For **J.C. Bhalla & Company**

Firm Reg. No. 001111N

Chartered Accountants

Akhil Bhalla

Partner

Membership No: 505002

On behalf of the Board

Mukund Choudhary	Managing Director
Kapil Choudhary	Deputy Managing Director
Sitaram Parthasarathy	Director
Amrit Agrawal	Director
Ranjan Mangtani	Company Secretary
Sharat Gupta	CFO

Place : New Delhi

Date : May 29, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015 (Figure in `)

PARTICULARS	Note No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014
INCOME			
I. Revenue from operations (Gross)	21	8,947,234,016	11,462,280,973
Less: Excise duty		35,796,984	33,307,476
Revenue from operations (Net)		8,911,437,032	11,428,973,497
II. Other income	22	166,577,351	138,688,582
III. Total revenue (I+ II)		9,078,014,383	11,567,662,079
IV. EXPENSES			
Cost of materials consumed	23	5,684,218,639	7,911,256,663
Purchases of stock-in-trade	24	144,649,361	149,441,614
Changes in inventories of finished goods, Stock-in -trade and work-in-progress	25	463,642,039	(261,107,791)
Employee benefits expenses	26	801,115,199	775,924,999
Finance costs	27	793,707,176	810,440,449
Depreciation and amortization expense	12	116,868,685	182,050,353
Other expenses	28	1,709,441,462	2,112,589,516
Total expenses		9,713,642,561	11,680,595,803
V. Profit/(loss) before exceptional, extraordinary, prior period items and tax (III-IV)		(635,628,178)	(112,933,724)
VI. Extraordinary items & prior period items			
Prior period items (Net)	29	-	5,703,084
Extraordinary items (Net)	49	13,717,504	-
VII. Profit/(loss) before tax (V-VI)		(621,910,674)	(118,636,808)
VIII. Tax expenses			
Deferred tax	50	6,017,651	-
IX. Profit/(loss) for the year (VII- VIII)		(627,928,326)	(118,636,808)
X. Earnings per equity share of Rs. 10 each before and after extraordinary items:			
(a) Before extraordinary items:			
- Basic		(7.15)	(1.32)
- Diluted		(7.15)	(1.32)
(b) After extraordinary items:			
- Basic		(6.99)	(1.32)
- Diluted		(6.99)	(1.32)

Significant accounting policies and notes (1 to 52) form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For **J.C. Bhalla & Company**
Firm Reg. No. 001111N
Chartered Accountants

Akhil Bhalla
Partner
Membership No : 505002

On behalf of the Board
Mukund Choudhary Managing Director
Kapil Choudhary Deputy Managing Director
Sitaram Parthasarathy Director
Amrit Agrawal Director
Ranjan Mangtani Company Secretary
Sharat Gupta CFO

Place : New Delhi
Date : May 29, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Figure in `)

	<u>Year ended 31st March, 2015</u>	<u>Year ended 31st March, 2014</u>
Profit/(loss) Before Tax	(621,910,674)	(118,636,808)
Add:		
Depreciation / Amortisation	116,868,685	182,050,353
Loss/(Profit) on Sale of Fixed Asset (net)	-	(1,743,311)
Provision for Wealth Tax	36,030	46,239
Unrealised Exchange Fluctuation (net)	(1,924,045)	(1,735,700)
Investment written off	-	15,000
Liabilities no longer required written back	(8,000,635)	(31,223,253)
Extraordinary items (Net)	(13,717,503)	-
Loss/(Profit) on sale of assets held for sale	5,466,785	7,180,636
Dividend Income	(3,380)	(3,120)
Interest Income	(8,934,020)	(9,091,922)
Interest Expense	793,707,176	810,440,449
Operating Profit Before Working Capital Changes	261,588,419	837,298,564
Adjustments for changes in working capital :		
- (Increase)/Decrease in Trade Receivable	18,949,077	72,204,067
- (Increase)/Decrease in Other Bank Balance, Short Term Loans and Advances and other current assets	76,550,311	11,011,517
- (Increase)/Decrease in Long Term Loans and Advances	(24,169,267)	142,965,513
- (Increase)/Decrease in Other Non Current Assets	22,431,197	6,281,215
- (Increase)/Decrease in Inventories	415,830,556	(183,757,867)
- Increase/(Decrease) in Trade Payable	343,473,827	(66,768,377)
- Increase/(Decrease) in Other Non Current Liabilities	150,479	(52,720)
- Increase/(Decrease) in Other Current Liabilities	(77,739,653)	74,410,399
- Increase/(Decrease) in Long Term Provisions	8,728,285	(2,084,285)
- Increase/(Decrease) in Short Term Provisions	(1,343,482)	15,226,285
Wealth Tax Paid	(46,239)	(32,544)
A. Cash Flow From Operating Activities	1,044,403,510	906,701,766
Purchase of Fixed Assets	(16,300,628)	(38,983,197)
Sale proceeds of Fixed Assets	4,787,442	5,736,563
Dividend Received	3,380	3,120
Interest Received	9,238,496	8,659,611
B. Cash Flow From Investing Activities	(2,271,310)	(24,583,903)
Proceeds from Share Application money	110,950,000	-
Proceeds from Long Term Borrowings	159,400,000	-
Repayment of Non-convertible Debenture	(49,909,255)	(45,750,151)
Repayment of Long Term Borrowings	(725,950,569)	(524,768,341)
(Repayment)/proceed of short term Borrowings (net)	232,021,715	448,228,931
Vehicle Loans	(2,769,011)	(292,074)
Interest Paid	(778,695,429)	(781,840,933)
C. Cash Flow From Financing Activities	(1,054,952,548)	(904,422,568)
Increase/(Decrease) in Cash Equivalents {A+B+C}	(12,820,349)	(22,304,705)
Cash and Cash Equivalents at the Beginning of the Year	23,894,374	46,199,079
Cash and Cash Equivalents at the End of the Year	11,074,025	23,894,374
Increase / (Decrease) in Cash/Cash Equivalents	(12,820,349)	(22,304,705)
Notes :-		
Cash and cash equivalents comprise		
Cash in hand	4,634,886	3,158,140
In Current Accounts	6,439,139	20,736,234
	11,074,025	23,894,374

- The above Cash flow statement has been prepared under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014
- Figures in brackets indicate cash outgo.

This is the Cash Flow Statement referred to in our Report of even date

For **J.C. Bhalla & Company**
 Firm Reg. No. 001111N
 Chartered Accountants

Akhil Bhalla
 Partner
 Membership No : 505002
 Place : New Delhi
 Date : May 29, 2015

On behalf of the Board
 Mukund Choudhary Managing Director
 Kapil Choudhary Deputy Managing Director
 Sitaram Parthasarathy Director
 Amrit Agrawal Director
 Ranjan Mangtani Company Secretary
 Sharat Gupta CFO

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation of Financial Statement**

These financial statements are prepared on accrual basis under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

(b) Use of Estimates

The preparation of the financial statements in conformity with Indian generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful receivables, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

(c) Fixed Assets

Fixed assets are stated at their original cost less accumulated depreciation including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.

(d) Depreciation / Amortization

Depreciation on all fixed assets situated at manufacturing locations is provided on the straight line method on a pro-rata basis at the rates determined on the basis of useful lives of the respective assets as provided by Schedule II to the Companies Act, 2013. The useful lives for the various fixed assets situated at manufacturing locations are as follows :

Description – Manufacturing locations	Useful lives (in years)
Factory Building	30
Building (Other than factory building) RCC frame structure	60
Building (Other than factory building) other than RCC frame structure	30
Plant and Machinery	25
Office Equipments	5
Computers	3
Furniture and Fixtures	10
Vehicles	8

Depreciation for all fixed assets at locations other than at manufacturing locations is provided on the written down value method at the rates determined on the basis of useful lives of the respective assets as provided by schedule II to the Companies Act, 2013.

Leasehold land is amortized over the lease period on a straight line basis.

Capitalised enterprise resource planning software (SAP) is amortised over a period of five years on straight line basis.

Acquired goodwill is amortized using the straight-line method over a period of 10 years.

(e) Inventories

Inventories have been valued at lower of cost and net realizable value.

The cost in respect of raw materials is determined under the specific identification of cost method.

Cost includes customs duty, wherever paid, and are net of credit under CENVAT scheme, wherever applicable.

The cost in respect of work-in-progress, finished goods and stores and spares 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, where applicable.

Waste is valued at estimated net realizable value.

(f) Revenue Recognition

Sale of goods: Revenue on sale of goods is recognized on transfer of significant risk and rewards of ownership to the buyer and on reasonable certainty of the ultimate collection. Sales are inclusive of excise duty and net off sales tax, trade discounts and sales returns.

Interest: Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rates.

Commission and insurance claim: Income is recognized when no significant uncertainty as to measurability or recoverability exists.

(g) Investments

Investments that are readily realisable 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 (non-current investment). Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(h) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transaction. All monetary items denominated in foreign currency are translated at year end rates. Exchange differences arising on such transactions and also exchange differences arising on the settlement of such transactions are adjusted in the statement of profit and loss. In case of forward contracts, the premium or discount on all such contracts arising at the inception of each contract is recognized / amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of such contracts is recognized as income or expense for the period.

In respect of foreign branch, all revenues, expenses, monetary assets/liabilities and fixed assets are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are restated at the year end rates and resultant gains or losses are recognized in the statement of profit and loss.

(i) Employee Benefits

The Company's contributions to recognized provident funds are charged to revenue on an accrual basis. The Company has defined benefit plans namely leave encashment and gratuity for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Gratuity Fund (for other than Synthetic division) is administered through Life Insurance Corporation of India. Short term compensated absences are recognized at the undiscounted amount of benefit for services rendered during the year.

Termination benefits are recognized as an expense immediately. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss as income or expense.

(j) Borrowing Costs

Borrowing costs 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 costs are recognised as an expenses in the period in which they are incurred.

(k) Taxation

Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit/(loss) for the year. A provision is made for the current tax based on tax liability computed in accordance with 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 realised.

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

(l) Leases

Assets acquired under long term finance lease are capitalised and depreciated in accordance with company's policy for assets situated at manufacturing and other locations. The associated obligations are included in other loans under "Long Term Borrowings".

The company has taken premises on lease. Lease rental in respect of operating lease arrangement are charged to statement of profit and loss.

(m) Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If such indication exists, the company estimates the recoverable amount and where carrying amount of the asset exceeds such recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds recoverable amount. Where there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased, the company books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

(n) Government Grants

Recognition

Government grants are recognized where:

- i) There is reasonable assurance of complying with the conditions attached to the grant.
- ii) Such grant / benefit has been earned and it is reasonably certain that the ultimate collection will be made.

Presentation in Financial Statement:

- i) Government grants relating to specific fixed assets are adjusted with the value of the fixed assets.

- ii) Government grants in the nature of promoters' contribution, i.e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.
- iii) Government grants related to revenue items are either adjusted with the related expenditure / revenue or shown under "Other Income", in case direct linkage with cost /income is not determinable.

(o) Provisions and contingencies

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

		(Amount in `)	
		<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
NOTE 2 : SHARE CAPITAL			
Authorised			
114,000,000	Equity shares of ` 10/- each (previous year 114,000,000 Equity shares)	1,140,000,000	1,140,000,000
7,000,000	Redeemable preference shares of ` 10/- each (previous year 7,000,000 Redeemable preference shares)	70,000,000	70,000,000
		<u>1,210,000,000</u>	<u>1,210,000,000</u>
Issued, Subscribed and Paid up			
89,772,035	Equity shares of ` 10 each, fully paid up (previous year 89,772,035 Equity shares)	897,720,350	897,720,350
		<u>897,720,350</u>	<u>897,720,350</u>

Sub Note:- 2 (a) The company has only one class of equity share having a par value of ` 10/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed, if any by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Sub Note:- 2 (b) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount (`)	No. of Shares	Amount (`)
Equity shares outstanding at the beginning of the year	89,772,035	897,720,350	88,372,035	883,720,350
Add: Equity shares issued during the year	-	-	1,400,000	14,000,000
Equity shares outstanding at the end of the year	89,772,035	897,720,350	89,772,035	897,720,350

Sub Note:- 2 (c) : List of shareholders holding more than 5% of the aggregate share in the company

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Citigroup Venture Capital International Growth Partnership Mauritius Ltd	19,252,650	21.45	19,252,650	21.45
CLC Technologies Private Limited	18,300,000	20.38	18,300,000	20.38
Mukund Choudhary	8,535,946	9.51	8,535,946	9.51
Kapil Choudhary	8,474,869	9.44	8,474,869	9.44
Ajay Kumar Choudhary	8,066,052	8.99	8,066,052	8.99

NOTE 3: RESERVES AND SURPLUS

(Amount in `)

	As at March 31, 2015	As at March 31, 2014
Capital Reserve :		
Capital Reserve	138,231,706	138,231,706
Share forfeiture reserve	7,179,250	7,179,250
Profit on restructure	2,358,587	2,358,587
	147,769,543	147,769,543
Securities Premium Account	1,028,273,822	1,028,273,822
Debenture Redemption Reserve	170,360,578	170,360,578
General Reserve		
Opening balance	40,369,710	40,369,710
Less : Impact of change in useful life pursuant to Schedule II to the Companies Act 2013 (Refer Note no. 12)	12,182,909	-
	28,186,801	40,369,710
Surplus in the statement of profit and loss		
Opening balance	(2,925,427,876)	(2,806,791,068)
Profit /(Loss) for the year	(627,928,326)	(118,636,808)
Closing balance	(3,553,356,202)	(2,925,427,876)
	(2,178,765,458)	(1,538,654,223)

NOTE 4: SHARE APPLICATION MONEY PENDING ALLOTMENT

Share Application Money	110,950,000	-
	110,950,000	-

The Company has not allotted shares against this amount which was brought in by the promoters in more than one installments under restructuring scheme approved by the Bankers. Due to pending necessary approvals for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013.

NOTE 5: LONG-TERM BORROWINGS
Secured
a) Debentures

Redeemable Non-Convertible Debentures	212,114,334	262,023,589
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(b) Term Loans from bank

(i) Term loan	2,520,732,289	3,087,282,858
(ii) Vehicle Loans	2,273,044	5,042,054

	2,735,119,666	3,354,348,501
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Less-Amount disclosed under the head "other current liabilities" (Note-10)	1,025,647,649	939,819,250
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	1,709,472,017	2,414,529,251
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Nature of security
Debentures
Non convertible debentures

Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Mukund Choudhary and Sh. Kapil Choudhary. These Debentures are further secured by second pari-passu charge on entire current assets of the Company. These debentures are also secured by pledge of 24,575,918 shares of the company held by promoters and further secured by collateral security of property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Repayment terms, amount and period of default

Amounting to ` 212,114,334 (previous year ` 262,023,589) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 12,477,314 (previous year ` 124,77,314) was due for payment as on 31.03.2015 is yet to be paid. For repayment schedule refer table below.

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

a. Term loans from bank

Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire current assets of the Company. These loan are also secured by pledge of 24,575,918 shares of the company held by promoters and further secured by collateral security of property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi. 20,647,140 shares of promoters have also been pledged on exclusive basis for an amount of ₹ 258,007,836 /-, Further secured by third charge on all the movable and immovable assets of the Company and personal guarantee of Sh. Ajay Choudhary, Sh Mukund Choudhary and Sh. Kapil Choudhary.

Amounting to ₹ 817,029,503 (previous year ₹ 1,014,206,877) repayable in 24 quarterly installments commencing from June, 2012. An amount of ₹ 46,062,788/- (previous year ₹ 47,551,538) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ₹ 4,466,250 (previous year ₹ 1,524,283) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to ₹ 221,025,127 (previous year ₹ 319,106,856) repayable in 20 quarterly installments commencing from June, 2012. An amount of ₹ 19,925,000/- (previous year ₹ 15,939,750) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ₹ 720,000 (previous year ₹ 197,650) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to ₹ 7,240,975 (previous year ₹ 41,515,976) repayable in 12 quarterly installments commencing from June, 2012. An amount of ₹ 7,240,975 /- (previous year ₹ 12,150,000) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 3 below.

Amounting to ₹ Nil (previous year ₹ 43,245,984) repayable in 8 quarterly installments commencing from June, 2012. An amount of ₹ Nil /- (previous year ₹ 4,36,87,500) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 4 below.

Amounting to ₹ 258,007,836 (previous year ₹ 318,715,563) repayable in 23 quarterly installments commencing from June, 2012. An amount of ₹ 15,176,250/- (previous year ₹ 15,176,932) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 1 below.

Term Loan Repayment schedule Table No. 1

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Term Loan Repayment schedule Table No. 2

	FY 13	FY 14	FY 15	FY 16	FY 17
Principal (%)	14	16	20	20	30
ROI (%)	10	12	13	14	14

Term Loan Repayment schedule Table No. 3

	FY 13	FY 14	FY 15
Principal (%)	32.40	42	25.6
ROI (%)	12	13	15

Term Loan Repayment schedule Table No. 4

	FY 13	FY 14
Principal (%)	25	75
ROI (%)	13	14.5

b. Funded Interest Term Loan

Secured by first pari-passu charge on all the fixed assets of the Company, both present and future. The loan is further secured by second pari-passu charge on entire on entire current assets of the Company and additionally secured by personal guarantee of Sh. Ajay Choudhary,

Amounting to ₹ 15,378,904 (previous year ₹ 15,378,904) repayable in 2018. There is no default in repayment of loan existing as on 31.03.2015.

Amounting to ₹ 85,215,810 (previous year ₹ 139,301,510) repayable in 16 quarterly installments commencing from June,

Sh. Mukund Choudhary and Sh. Kapil Choudhary. The loan is also secured by pledge 24,575,918 shares of the Company on pari-passu basis. Loan amounting to ` 85,215,810/- is further secured by collateral security of property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

**Funded Interest Term Loan Repayment schedule
Table No. 1**

	FY 13	FY 14	FY 15	FY 16
Principal (%)	15	25	25	35
ROI (%)	10	10	10	10

c. Working Capital Term Loan

Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire current assets of the Company. These loans are also secured by pledge of 24,575,918 shares of the Company and further secured by collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Repayment schedule Table No. 1

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Repayment schedule Table No. 2

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	10	11	11	11	12

Repayment schedule Table No. 3

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	20	20	20
ROI (%)	14.5	18	18	18	18	18.25

2012. An amount of ` 13,284,169/- (previous year ` 1,33,42,707) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 1,979,861 (previous year ` 665,000) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no.1 below.

Amounting to ` Nil (previous year ` 16,86,961) repayable in 8 quarterly installments commencing from June, 2012. An amount of ` Nil/- (previous year ` 16,86,961) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 2 below.

**Funded Interest Term Loan Repayment schedule
Table No. 2**

	FY 13	FY 14
Principal (%)	40	60
ROI (%)	10	10

Amounting to ` 162,447,805 (previous year ` 200,820,366) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 9,562,500/- (previous year ` 9,562,800) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to ` 294,716,614 (previous year ` 358,814,588) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 15,438,750/- (previous year ` 15,437,250) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 5,265,000 (previous year ` 1,807,358) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to ` 319,269,714 (previous year ` 392,189,271) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 16,912,500/- (previous year ` 16,914,250) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 5,377,500 (previous year ` 1,797,500) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 3 below.

d. Corporate Loan

Secured by first pari-passu charge on the entire current assets of the Company including receivables. Additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by collateral security on entire fixed assets of the Company, also secured by pledge of 24,575,918 shares of the Company and collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to ` 312,500,000 (previous year ` 242,300,000) repayable in 18 quarterly installments commencing from June, 2015. An amount of ` 22,038,889 /- (previous year ` Nil) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 2,683,333 (previous year ` Nil) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no.1 below.

Amounting to ` 27,900,000 (previous year ` Nil) repayable in 18 quarterly installments commencing from June, 2015. An amount of ` 1,550,000/- (previous year ` Nil) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 2 below.

Repayment schedule Table No. 1

	FY 15	FY 16	FY 17	FY 18	FY19
Principal (%)	22.22	22.22	22.22	22.22	11.12
ROI (%)	13.5	13.5	13.5	13.5	13.5

Repayment schedule Table No. 2

	FY 15	FY 16	FY 17	FY 18	FY19	FY20
Principal (%)	5.56	22.24	22.24	22.24	22.24	5.56
ROI (%)	13.5	13.5	13.5	13.5	13.5	13.5

e. Vehicle Loans

Secured by hypothecation of motor cars.

Interest rate on vehicle loans between 8.96 % to 11.50 %. There is no default in repayment of installment existing as on 31.03.2015. For repayment schedule refer table below

Repayment schedule Table

	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (in `)	2,730,211	2,769,203	1,874,682	265,990	132,179

(Amount in `)

As at
March 31, 2015

As at
March 31, 2014

NOTE 6 : OTHER LONG TERM LIABILITIES

Security Deposit	1,821,806	1,671,327
	<u>1,821,806</u>	<u>1,671,327</u>

NOTE 7 : LONG-TERM PROVISION

Provision for Employee Benefits:

Gratuity	59,162,304	47,988,873
Leave encashment	17,828,655	20,273,801
	<u>76,990,959</u>	<u>68,262,674</u>

NOTE 8 : SHORT - TERM BORROWINGS

From banks (Secured)

- Repayable on demand*	1,642,448,727	1,447,927,011
- Other loans**	37,500,000	-
	<u>1,679,948,727</u>	<u>1,447,927,011</u>

Nature of Security

Working Capital Loans from Banks are secured by first pari-passu charge on entire current assets, long term loan and advances and other non current assets of the Company. These loans are further secured by second pari-passu charge on entire fixed assets, both present and future and personal guarantee of the promoters. These loans, are also secured by pledge of promoters' shares (24,575,918 nos.) on pari-passu basis.

* The short term borrowings of the company have generally remained overdue during the substantial part of the financial year. The overdue amount as 31st March 2015 was ` 203,189,847.

** Repayable in April 2015.

(Amount in `)

As at March 31, 2015
As at March 31, 2014
NOTE 9 : TRADE PAYABLES

Trade payable	1,506,775,710	1,163,301,883
	<u>1,506,775,710</u>	<u>1,163,301,883</u>

* Includes ` 751,448,186 (previous year ` 403,766,552) outstanding on account of letters of credit honoured by banks on behalf of the Company.

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

Based on intimation received by the Company from its supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 the relevant information is provided below:-

1. Amount due to Micro and Small Enterprises:		
a. Principal amount remaining unpaid	5,108,628	4,620,721
b. Interest due on above	-	-
2. Principal amount paid after due date or appointed day during the year	-	-
b. Interest paid during the year on above	-	-
3. Interest due & Payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	-	-
4. Total interest accrued and remaining unpaid	-	-
5. Further interest in respect of defaults of earlier year due and payable in current year upto the date when actually paid	-	-

NOTE 10 : OTHER CURRENT LIABILITIES
Secured

Current Maturities of Long-Term Debts* :

- Debentures	70,704,778	62,386,570
- Term loan from banks	953,210,384	874,663,477
- Vehicle loans	1,732,487	2,769,203

Unsecured

Interest accrued and due on borrowings **	98,070,351	83,058,604
Advance from customers	123,179,694	100,095,106
Security deposits	-	63,610
Book Overdraft	2,665,577	153,789,850
Employee Benefits Payables	63,503,215	55,549,972
Statutory dues payable	18,891,774	8,077,523
Other payables	268,394,799	244,799,286
	<u>1,600,353,059</u>	<u>1,585,253,201</u>

* For security details and other terms and conditions, refer note no. 5 of financial statement.

** 1) There is a default of ` 85,878,506/- (previous year ` 83,058,604) existing as on 31.03.2015 which ranges from 1 to 90 days.

2) There is a default of ` 12,191,845/- (previous year ` Nil) existing as on 31.03.2015 which ranges from 59 to 333 days.

NOTE 11 : SHORT -TERM PROVISION
Provision for Employee Benefits:

- Gratuity	-	1,442,986
- Leave encashment	3,103,995	2,567,257
Provision for wealth tax	36,030	46,239
Provision for excise duty on closing stock	13,255,878	13,693,112
	<u>16,395,903</u>	<u>17,749,594</u>

NOTE - 12 TANGIBLE ASSETS

(Amount in `)

Particulars	Tangible Assets							Intangible Assets		Total
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery*	Office Equipments**	Furniture & Fixtures	Vehicle	Goodwill	Software	
Gross block										
At 1 April 2013	3,890,357	54,299,243	1,183,017,459	4,945,499,498	91,263,445	39,586,642	32,650,213	108,910,417	34,083,867	6,493,201,141
Additions	-	-	9,337,647	26,071,838	2,577,094	-	4,864,599	-	-	42,851,178
Disposals	-	-	-	6,135,213	1,481,131	646,120	244,574	-	-	8,507,038
At 31 March 2014	3,890,357	54,299,243	1,192,355,106	4,965,436,123	92,359,408	38,940,522	37,270,238	108,910,417	34,083,867	6,527,545,281
Additions	-	-	483,324	13,941,378	774,814	-	-	-	-	15,199,516
Disposals	-	-	-	13,057,744	1,178,524	-	-	-	-	14,236,268
At 31 March 2015	3,890,357	54,299,243	1,192,838,430	4,966,319,757	91,955,698	38,940,522	37,270,238	108,910,417	34,083,867	6,528,508,529
Depreciation										
At 1 April 2013	-	20,124,072	409,847,868	3,609,782,520	62,580,691	31,344,343	21,394,084	108,019,379	34,083,867	4,297,176,824
Charge for the year	-	2,599,404	41,685,408	125,381,272	6,234,074	1,475,514	3,783,768	891,038	-	182,050,478
Disposals	-	-	-	2,756,976	1,306,071	218,395	232,345	-	-	4,513,787
At 31 March 2014	-	22,723,476	451,533,276	3,732,406,816	67,508,694	32,601,462	24,945,507	108,910,417	34,083,867	4,474,713,515
Charge for the year	-	2,582,766	41,262,416	59,848,958	5,954,410	2,990,927	4,229,208	-	-	116,868,684
Disposals	-	-	-	8,312,228	1,136,598	-	-	-	-	9,448,826
Transferred to General reserve (Refer Note 50)	-	-	11,056,742	77,139	6,650,572	211,338	204,769	-	-	18,200,560
At 31 March 2015	-	25,306,242	503,852,434	3,784,020,685	78,977,077	35,803,727	29,379,484	108,910,417	34,083,867	4,600,333,933
Net Block										
At 31.03.2014	3,890,357	31,575,767	740,821,830	1,233,029,307	24,850,714	6,339,060	12,324,731	-	-	2,052,831,766
At 31.03.2015	3,890,357	28,993,001	688,985,996	1,182,299,072	12,978,621	3,136,795	7,890,754	-	-	1,928,174,596

* Addition includes ` Nil (Previous year ` 12,37,955) transfer from fixed assets held for sale to Plant & Machinery.

** Addition includes ` Nil (Previous year ` 1,27,460) transfer from fixed assets held for sale to Office Equipment. (Amount in `)

NOTE 13 : NON CURRENT INVESTMENTS (AT COST)
(Long Term Investments)

1. Investment in Equity Instruments	As at		As at	
	Nos.	March 31, 2015	Nos.	March 31, 2014
(a) In subsidiaries (Trade & Quoted)				
Amit Spinning Industries Limited (Equity Shares of ` 5/- each, fully paid up)	20,981,077	204,469,921	20,981,077	204,469,921
(b) In subsidiaries (Trade & Unquoted)				
Spentex Netherlands B .V. (Face value Euro 1/- each, fully paid)	18,200	561,011,339	18,200	561,011,339
Spentex Mauritius P Ltd (Face value US Dollar 1/- each, fully paid)	2	90	2	90
Less: Provision for Long term investment		(90)		(90)
Spentex Tashkent Toytepa LLC#		9,323,779		9,323,779
(c) In others (Trade & Quoted)				
In Fully Paid equity Shares of ` 10/- each :				
Sentinel Tea and Exports Limited	100	4,777	100	4,777
Summit Securities Limited	10	-	10	-
(d) In others (Non Trade & Unquoted)				
Equity Shares of ` 20/- each fully paid up of				
The Baramati Co-operative Bank Limited	1,300	26,000	1,300	26,000
Equity Shares of ` 50/- each fully paid up of				
The Sadguru Jangli Maharaj Co-operative Bank Ltd.	1,000	50,000	1,000	50,000
Equity Shares of ` 10/-each fully paid up of				
Spencer & Co. Limited	200	7,563	200	7,563
		774,893,379		774,893,379
Aggregate book value of :				
Quoted investments		204,474,698		204,474,698
Unquoted investments		570,418,681		570,418,681
Aggregate market value of quoted investment		19,934,368		8,395,583
Aggregate provision on Non Current Investment		90		90

The Company has participating interest of 0.82% in Charter Capital of Spentex Tashkent Toytepa, LLC

(Amount in `)

	As at March 31, 2015	As at March 31, 2014
NOTE 14 : LONG -TERM LOANS AND ADVANCES		
Unsecured, Considered Good Unless Otherwise Stated		
Security deposit	83,862,917	97,143,557
Loans and advances to subsidiaries		
Amit Spinning Industries Limited	320,128,019	320,128,019
Spentex (Netherlands) B.V.	95,070,902	95,070,902
Balance with Customs , Excise, Govt Authorities, etc.		
- Considered good	169,293,147	134,943,570
- Considered doubtful	5,000,000	-
Less: Provision for doubtful advances	5,000,000	-
Advance to employees of the company	753,147	826,601
Advance against expenses	118,695,219	108,236,552
{Includes advance to subsidiary ` 4,34,75,354/- (Previous Year ` 4,23,31,357/-)}		
Advance to trade payable		
- Considered good	36,077,120	40,126,985
- Considered doubtful	167,395,327	167,395,327
Less: Provision for doubtful advance	167,395,327	-
Advance tax/ tax deducted at source	18,339,808	21,574,826
	842,220,279	818,051,012

NOTE 15 : OTHER NON- CURRENT ASSETS
Unsecured, Considered Good Unless Otherwise Stated

Trade receivables			
- Considered good	82,509,356	85,646,300	
- Considered doubtful	1,127,245	1,127,245	
Less : Provision for doubtful trade receivables	1,127,245	1,127,245	85,646,300
Export incentives	21,726,062		20,564,349
Claims receivables	12,909,618		28,465,368
Interest accrued on fixed deposits		-	35,640
Interest accrued on loan to others	95,950,582		95,950,582
Unamortised upfront fees	205,953		7,643,113
Fixed deposit with more 12 month maturity from the balance sheet date		-	600,000
	213,301,571		238,905,352

NOTE 16 : INVENTORIES*

Raw materials		164,884,635	109,033,567
{Includes Goods in Transit ` 5,153,897 (Previous Year ` 13,034,081 /-)}			
Work-in-process		116,810,245	131,931,977
Finished goods			
- Manufactured	307,589,470	741,113,508	
- Stock in Trade	2,709,741	310,299,210	11,070,994
Stores, spares & packing materials		27,397,975	35,000,326
Cotton Waste		7,942,030	15,014,279
		627,334,095	1,043,164,651

*Refer accounting policy for mode of valuation.

	As at March 31, 2015	(Amount in `) As at March 31, 2014
NOTE 17 : TRADE RECEIVABLE		
<u>Unsecured, Considered Good Unless Otherwise Stated</u>		
Outstanding for a period exceeding six months from the date they are due for payments	12,320,325	4,404,429
Others	310,194,915	331,998,898
	<u>322,515,240</u>	<u>336,403,327</u>
NOTE 18 : CASH AND BANK BALANCES		
Cash & Cash Equivalent		
Cash in hand	4,634,886	3,158,140
Balance with banks	6,439,139	20,736,234
Others Bank Balances		
Fixed deposit with more than 3 month maturity from the original date	19,460,290	19,194,569
	<u>30,534,315</u>	<u>43,088,943</u>
NOTE 19 : SHORT- TERM LOANS AND ADVANCES		
<u>Unsecured, Considered Good Unless Otherwise Stated</u>		
Margin Money with Others	194,839	3,474,839
Prepaid expenses	21,255,006	25,004,472
Balance with Customs, Excise, Govt Authorities, etc.	90,232,293	209,319,586
Advance to employees of the company	4,566,362	5,552,623
Advance to trade payables {Includes advance to subsidiary ` 181,911,640 /- (Previous Year ` 89,720,696 -)}	326,931,264	281,792,239
Advance against expenses	10,096,502	2,833,972
	<u>453,276,265</u>	<u>527,977,730</u>
NOTE 20 : OTHER CURRENT ASSETS		
Fixed Assets held for sale	2,585,227	9,483,200
Export incentives	96,712,143	174,341,826
Claims receivables	117,466,850	28,423,211
Unamortised upfront fees	9,103,827	7,483,660
Interest accrued on deposit	1,798,691	2,067,527
	<u>227,666,738</u>	<u>221,799,424</u>
(Amount in `)		
	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
NOTE 21 : REVENUE FROM OPERATION (Gross)		
From Sale of Manufactured Goods		
- Man made fibre yarn	902,432,336	938,368,333
- Polyester cotton yarn	4,441,550,635	4,420,682,755
- Cotton yarn	2,637,712,998	4,422,211,569
- Others	159,090,435	297,085,357
	8,140,786,403	10,078,348,013
From Sale of Traded Goods		
- Cotton yarn	19,329,226	4,215,308
- Clothes (Fabrics)	184,496,536	203,825,762
Waste sale	389,407,343	390,537,256
	389,407,343	697,401,286
Other operating income		
- Export Incentive	213,214,507	291,779,110
	<u>8,947,234,016</u>	<u>11,462,280,973</u>

(Amount in `)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
NOTE 22 : OTHER INCOME		
Commission income	268,508	241,843
Interest income	8,934,020	9,091,922
Profit on sale of Fixed Assets (net)	-	1,743,311
Dividend Income from non-current investment	3,380	3,120
Rent income	84,000	66,000
Liabilities / Provisions no longer required written back	8,000,635	31,223,253
Net gain on foreign currency transactions	68,840,033	24,629,644
Miscellaneous income	80,446,775	71,689,488
	166,577,351	138,688,582
NOTE 23 : COST OF MATERIAL CONSUMED		
Opening inventory	109,033,567	190,291,809
Purchases	5,740,069,706	7,829,998,421
Closing inventory	164,884,634	109,033,567
	5,684,218,639	7,911,256,663
Additional disclosures regarding cost of material consumed:		
Cotton	3,535,256,790	5,474,391,045
Polyester staple fiber	1,643,671,059	1,889,231,342
Viscose staple fiber	392,917,318	441,921,293
Others	112,373,472	105,712,983
	5,684,218,639	7,911,256,663
Additional disclosures regarding closing inventory of Raw Material:		
Cotton	142,339,786	63,318,650
Polyester staple fiber	8,223,808	19,954,284
Viscose staple fiber	8,398,830	3,483,248
Others	5,922,210	22,277,385
	164,884,634	109,033,567
NOTE 24 : PURCHASE OF STOCK- IN -TRADE		
Cotton yarn	3,705,259	6,869,805
Clothes	140,944,102	142,571,810
	144,649,361	149,441,614
NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN- TRADE & WORK- IN -PROGRESS		
Opening inventory		
Finished goods:		
(a) Manufactured	741,113,508	438,436,655
(b) Traded	11,070,994	33,304,254
Work in progress	131,931,977	142,125,390
Cotton waste	15,014,278	20,822,717
	899,130,757	634,689,016
Less: Closing inventory		
Finished goods:		
(a) Manufactured	307,589,469	741,113,508
(b) Traded	2,709,741	11,070,994
Work in progress	116,810,245	131,931,977
Cotton waste	7,942,029	15,014,278
	435,051,484	899,130,757
Sub Total	464,079,273	(264,441,741)
Excise duty on (increase) / decrease in inventories	(437,234)	3,333,950
Increase /(decrease) in inventory	463,642,039	(261,107,791)

(Amount in `)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
NOTE 26 : EMPLOYEES BENEFIT EXPENSE		
Salaries, wages and bonus	672,352,819	648,271,370
Contribution to provident funds & other funds	57,525,916	53,112,140
Staff welfare expenses	71,236,463	74,541,489
	801,115,199	775,924,999
NOTE 27 : FINANCE COST		
Interest expenses from Bank:		
- On Non convertible debentures	34,737,498	37,877,053
- On borrowings	523,224,130	496,985,443
- On other than borrowings	146,048,479	195,653,989
Interest expenses from others	24,635,812	8,721,956
Other borrowing cost	65,061,257	71,202,009
	793,707,176	810,440,449
NOTE 28 : OTHER EXPENSES		
Store, spares and packing materials consumed	258,953,287	302,469,913
Sub contracting charges	81,612,439	312,823,223
Power & fuel	869,067,256	964,388,008
Rent	3,503,223	3,171,520
Rates & taxes	5,842,728	6,070,373
Repair & maintenance :		
- Plant & machinery	13,047,897	20,068,142
- Building	1,676,892	2,206,836
- Others	6,613,832	8,560,267
Insurance expenses :		
- Buildings	157,375	156,431
- Plant & machinery	1,015,760	963,769
- Inventory	412,050	139,924
- Others	5,924,671	5,551,159
Communication expenses	7,991,719	7,030,231
Travelling & conveyance expenses	48,529,578	50,942,144
Legal & Professional charges	55,064,435	47,385,583
Commission on sales	70,803,591	108,199,655
Freight outward and clearing charges (net of recoveries)	158,156,066	152,114,728
Director sitting fees	507,932	460,000
Loss on sale of assets held for sale (Net)*	5,466,785	7,180,636
Selling & dist. Expenses	66,232,238	52,289,531
Bad debts/Amount written off	6,130,428	12,109,936
Service tax cenvat reversal	14,484,084	13,040,052
Miscellaneous expenses	26,312,821	33,334,900
Payment to auditors (excluding service tax):		
- Audit fees	1,800,000	1,800,000
- For other services	63,518	10,000
- For reimbursement of expenses	70,857	122,554
	1,709,441,462	2,112,589,516

* Inclusive of impairment loss on assets held for sale ` Nil /- (Previous Year ` 2,184,342)

(Amount in `)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
NOTE 29 : PRIOR PERIOD ITEMS REPRESENT :		
Prior period income (a)	-	-
Reversal of Export Incentive Income	-	3,569,709
Reversal of Miscellaneous Income	-	2,133,375
Prior period expenses (b)	-	5,703,084
Net Prior period Items(b-a)	-	5,703,084

NOTE 30 : CONTINGENT LIABILITIES :

(i) Contingent Liabilities Not Provided for in respect of :

(Amount in `)

Description	Year ended March 31, 2015	Year ended March 31, 2014
Contingent Liabilities Not Provided For:		
a) Demands from income tax authorities under appeal	74,375,239	37,971,404
b) Demands from sales tax authorities under appeal	9,026,137	10,244,360
c) Show cause notices/demands raised by excise / customs department (including applicable penalties), not acknowledged as debts	383,635,192	392,123,888
d) Show cause notices/demands raised by MP Government / MPEB department, not acknowledged as debts	125,056,000	125,056,000
e) Claims against the company not acknowledged as debts	648,149,210	622,781,103
f) Guarantees and letters of credit issued on behalf of the company, outstanding at the year end	178,321,269	248,803,656
g) Bills Discounted with banks on behalf of the company, outstanding at the year end	251,993,458	724,659,779
h) Corporate Guarantee given to IREDA for loan to M/s Himalayan Crest Power Private Limited	170,537,398	186,107,179
i) Corporate Guarantee given to AXIS Bank Ltd.& UCO Bank for loan to M/s Amit Spinning Industries Limited	328,856,741	319,050,140
j) Corporate Guarantee given to Tashkent Toytepa Textile (TTL) for deferred payment of purchase consideration on behalf of Spentex Tashkent Toytepa LLC Current Year USD Nil (previous year USD 43,250,000)*	-	2,589,810,000
k) Corporate Guarantee given to CVCI for investment in Spentex (Netherlands) B.V.Current Year USD 2,000,000 (previous year USD 2,000,000)	124,990,000	119,760,000
l) Corporate Guarantee given to SBI - Tokyo Branch for loan to Spentex (Netherlands) B.V Current Year USD 20,944,501 (previous year USD 20,500,120)**	1,308,926,590	1,227,547,186

* The Company believes that the corporate guarantee issued on behalf of its Step down subsidiary namely Spentex Tashkent Toytepa LLC (STTL) for deferred payment to TTL stand extinguished as all the assets and liabilities of STTL have been taken over by National Bank of Uzbekistan (NBU) and existence of STTL has been liquidated as per bankruptcy laws. Accordingly, the figure of current year does not include the portion of the guarantee relating to the deferred liability of TTL.

** The Company believes that the corporate guarantee given to Lehman Brothers is no longer valid as Lehman Brothers did not comply with the terms and conditions of the loan agreement based on which the guarantee was given. Accordingly, the figure for the current year and previous year do not include the portion of the guarantee relating to the loan from Lehman Brothers.

The amount shown in the items (a) to (e) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. The amount shown in items (f) to (l) represent guarantees given and bills discounted in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of beneficiaries fulfilling their ordinary commercial obligations.

(Amount in `)

(ii) Description	Year ended 31st March, 2015	Year ended 31st March, 2014
Estimated value of contracts remaining to be executed on capital account	-	3,486,502

NOTE 31 : EMPLOYEE BENEFIT PLAN

(i) Post Retirement Employee Benefits

(a) Defined Contribution Plans:

The Company has defined contribution plans for post retirement employment benefits' namely Provident Fund and Employee State Insurance Scheme. Expenses for the same is being charged to statement of profit and loss for the year.

(b) Defined Benefit Plans:

The liability for gratuity is determined on the basis of an actuarial valuation , using the projected unit credit (PUC) method at the end of the year. Gains and losses arising out of actuarial valuations are recognised in the statement of profit and loss for the year. Liabilities for compensated absences which is a defined benefit plan are determined based on independent year end actuarial valuation and the resulting charge is being accounted in statement of profit and loss.

(ii) Other Employee Benefits

Other employee benefits are accounted for on accrual basis.

A. Components of Employer expenses

(Amount in `)

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
Current service cost	8,244,076	3,491,548	7,318,227	3,828,203
Interest cost	6,224,333	1,827,285	7,083,605	1,786,556
Curtailement cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Return on plan assets	(1,885,681)	-	(2,269,408)	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	1,400,612	(3,946,816)	3,430,412	2,902,034
Total expense recognized in the statement of profit and loss	13,983,340	1,372,017	15,562,836	8,516,793

The Gratuity and Leave encashment expenses have been recognized in "salaries, wages and bonus" under note no. 26 of financial statement.

B. Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015

(Amount in `)

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
Present Value of DBO at the beginning of year	77,804,172	22,841,055	77,841,816	19,632,486
Current service cost	8,244,076	3,491,548	7,318,227	3,828,203
Interest cost	6,224,333	1,827,285	7,083,605	1,786,556
Curtailement cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Plan amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (gains)/losses	1,400,612	(3,946,816)	3,430,413	2,902,034
Benefits paid	(5,116,275)	(3,280,426)	(17,869,889)	(5,308,224)
Present value of DBO at the end of year	88,556,918	20,932,646	77,804,172	22,841,055

C. Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2015

(Amount in `)

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
Present value of defined benefit obligation	88,556,917	20,932,650	77,804,171	22,841,057
Fair value on plan assets	29,394,613	-	28,372,311	-
Status [surplus/(deficit)]	(59,162,304)	(20,932,650)	(49,431,860)	(22,841,057)
Unrecognized past service cost	-	-	-	-
Net Asset/(Liability) recognized in Balance Sheet	(59,162,304)	(20,932,650)	(49,431,860)	(22,841,057)

D. Experience Adjustment

(Amount in `)

	2014-15		2013-14		2012-13		2011-12		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of defined benefit obligation	88,556,917	20,932,648	77,804,171	22,841,057	77,841,815	19,632,858	71,591,961	19,364,575	57,087,957	14,726,765
Fair value on plan assets	29,394,613	-	28,372,311	-	24,650,274	-	24,080,286	-	21,703,694	-
Status [surplus/(deficit)]	(59,162,304)	(20,932,648)	(49,431,860)	(22,841,057)	(53,191,541)	(19,632,858)	(47,511,675)	(19,364,575)	(35,384,263)	(14,726,765)
Experience adjustment on plan liabilities loss / (gain)	81,708	(2,654,391)	12,358,049	4,857,835	5,901,901	1,724,092	3,816,718	4,521,290	5,119,790	1,824,298
Experience adjustment on plan assets (loss) / gain	(531,948)	-	(136,618)	-	68,577	-	100,099	-	12,235	-

E. Change in Fair Value of Assets During the Year Ended March 31, 2015.

(Amount in `)

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Plan assets at the beginning of year	28,372,311	-	24,650,274	-
Acquisition adjustment for plan assets	-	-	-	-
Expected return on plan assets	1,885,681	-	2,269,408	-
Actuarial gains/(losses)	-	-	-	-
Actual company contribution	3,021,790	-	4,112,213	-
Benefits paid	(2,672,217)	-	(2,659,584)	-
Plan Assets at the end of year	30,607,565	-	28,372,311	-

F. Current & Non current liabilities as at March 31, 2015

(Amount in `)

Current liabilities	-	3,103,995	1,442,986	2,567,257
Non-current liabilities	59,162,304	17,828,655	47,988,874	20,273,800
	59,162,304	20,932,650	49,431,860	22,841,057

G. Actuarial Assumptions

	Percentage		Percentage	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount Rate (%) at March 31, 2015	8.00%	8.00%	8.50%	8.50%
Expected Return on Plan Assets at March 31, 2015	8.75%	N.A.	9.15%	N.A.
Annual increase in salary cost	2.50%	2.50%	4.50%	4.50%

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

H. Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

NOTE 32 : SEGMENT REPORTING :

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

A. Business Segment Reporting

(Amount in `)

DESCRIPTION	TEXTILE- MANUFACTURING	TEXTILE- TRADING	TOTAL
Segment Revenue			
Total Revenue	8,709,118,440	679,571,128	9,388,689,569
	(11,024,468,817)	(1,060,255,112)	(12,084,723,929)
Inter - segment sales	-	477,252,537	477,252,537
	-	(655,750,416)	(655,750,416)
External Sales	8,709,118,440	202,318,592	8,911,437,032
	(11,024,468,817)	(404,504,696)	(11,428,973,513)
Segment Results	261,178,122	22,099,254	283,277,377
	(674,576,836)	(267,346,578)	(941,923,414)
Unallocated corporate expense (Net)	-	-	134,135,779
	(-)	(-)	(253,511,731)
Operating Profit	-	-	149,141,598
	(-)	(-)	(688,411,683)
Finance charges	-	-	793,707,176
	(-)	(-)	(810,440,449)
Interest income	-	-	8,934,020
	(-)	(-)	(9,091,922)
Dividend income	-	-	3,380
	(-)	(-)	(3,120)
Profit/(loss) before exceptional, extraordinary, prior period items and tax	-	-	-635,628,178
	(-)	(-)	(-112,933,724)
Extraordinary Items	-	-	13,717,504
	(-)	(-)	-
Prior Period Items (Net)	-	-	-
	(-)	(-)	(5,703,084)
Tax expenses	-	-	6,017,651
	(-)	(-)	(-)
Profit/(Loss) after tax	-	-	-627,928,326
	(-)	(-)	(-118,636,808)
OTHER INFORMATION			
Segment Assets	192,392,755	51,631,526	244,024,281
	(350,437,420)	(49,189,184)	(399,626,604)
Unallocated corporate assets	-	-	5,177,638,792
	(-)	(-)	(5,658,134,463)
Total Assets			5,421,663,073
	-	-	(6,057,761,067)
Segment liabilities	1,935,275,631	69,683,547	2,004,959,178
	(1,726,604,718)	(22,460,099)	(1,749,064,817)

(Amount in `)

DESCRIPTION	TEXTILE-MANUFACTURING	TEXTILE-TRADING	TOTAL
Unallocated corporate liabilities	-	-	4,586,799,004
	(-)	(-)	(4,949,630,124)
Total Liabilities	-	-	6,591,758,181
	(-)	(-)	(6,698,694,941)
Capital expenditure incurred during the year	-	-	16,300,628
	(-)	(-)	(38,983,197)
Depreciation and amortization for the year	-	-	116,868,685
	(-)	(-)	(182,050,353)
Non - Cash Expenses other than depreciation and amortization	-	-	-
	(-)	(-)	(2,184,342)

B) GEOGRAPHICAL SEGMENT REPORTING:

(Amount in `)

DESCRIPTION	REVENUE	ASSETS
Domestic	3,653,878,798	5,278,145,512
	(3,896,731,939)	(5,961,612,853)
Outside India	5,257,558,233	143,517,561
	(7,532,241,558)	(95,841,983)
Current Year	8,911,437,031	5,421,663,073
Previous Year	(11,428,973,497)	(6,057,454,836)

Note : Figures in bracket pertain to the previous year.

NOTE 33 : RELATED PARTY DISCLOSURES :

In accordance with the requirements of Accounting Standard (AS) - 18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are :

Enterprises Under Significant Influence:

- i) Himalayan Crest Power Pvt. Limited
- ii) CLC & Sons (Pvt.) Limited
- iii) CLC Technologies Private Limited

Key Management Personnel and their relatives :

- | | |
|------------------------------|--------------------------------|
| i) Sh. Ajay Kumar Choudhary | Chairman & Whole time Director |
| ii) Sh. Mukund Choudhary | Managing Director |
| iii) Sh. Kapil Choudhary | Deputy Managing Director |
| iv) Sh. Amrit Agrawal | Director |
| v) Sh. Sitaram Parthasarathy | Director |
| vi) Sh. Raghav Choudhary | Son of Sh. Mukund Choudhary |
| vii) Ms. Megha Agrawal | Daughter of Sh. Amrit Agrawal |
| viii) Sh. Akash Agrawal | Son of Sh. Amrit Agrawal |

Subsidiaries / Step-down Subsidiaries :

- | | |
|---|--------------------------------------|
| i) M/s Amit Spinning Industries Limited | ii) M/s Spentex Tashkent Toytepa LLC |
| iii) M/s Spentex Netherlands B.V | iv) M/s. Schoeller Litvinov k.s. |
| v) M/s. Schoeller Textile Netherlands B.V. | vi) M/s. Botekos Plus s.r.o. |
| vii) M/s. Spentex (Mauritius) Private Limited
(The Company ceased to exist on 25th March 2015) | |

(Amount in `)

Particulars	2014-15	2013-14
1. Remuneration to Key Management Personnel*		
i) Sh. Ajay Kumar Choudhary	7,955,751	8,001,351
ii) Sh. Mukund Choudhary	7,955,751	8,001,351
iii) Sh. Kapil Choudhary	7,955,751	8,001,351
iv) Sh. Amrit Agrawal	7,554,305	7,541,189
v) Sh. Sitaram Parthasarathy	7,554,305	7,421,189
Total	38,975,862	38,966,431
2. Scholarship to relatives of Key Management Personnel		
i) Sh. Raghav Choudhary	-	3,550,489
ii) Ms. Megha Agrawal	-	4,000
iii) Sh. Akash Agrawal	5,000	-
Total	5,000	3,554,489
3. Sale to Subsidiaries / Step down Subsidiaries		
M/s Amit Spinning Industries Limited	18,146,363	-
Total	18,146,363	-
4. Purchases from Subsidiaries / Step down Subsidiaries		
M/s Amit Spinning Industries Limited	81,083,074	-
Total	81,083,074	-
5. Job Work Charges		
M/s Amit Spinning Industries Limited	9,666,228	262,977,208
Total	9,666,228	262,977,208
6. Sale of Fixed Assets / Spare Parts		
M/s Amit Spinning Industries Limited	1,259,533	3,763,904
Total	1,259,533	3,763,904
7. Purchase of Stores and Packing Materials		
M/s Amit Spinning Industries Limited	3,450,459	12,895,601
Total	3,450,459	12,895,601
8. Sale of Stores and Packing Materials		
M/s Amit Spinning Industries Limited	896,381	825,733
Total	896,381	825,733
9. Reimbursement of Expenses		
M/s Amit Spinning Industries Limited	7,973,176	10,926,588
Total	7,973,176	10,926,588
10. Allotment of Equity Shares to Enterprises under significant influence		
CLC Technologies Private Limited	-	14,000,000
Total	-	14,000,000
11. Share application money received		
CLC Technologies Private Limited	45,050,000	-
CLC & Sons Private Limited	65,900,000	-
Total	110,950,000	-
12. Guarantees outstanding at year end.		
M/s Amit Spinning Industries Limited	328,856,741	319,050,140
M/s Himalayan Crest Power Limited	170,537,398	186,107,179
M/s Spentex Tashkent Toytepa LLC	-	2,589,810,000

SPENTEX INDUSTRIES LIMITED

(Amount in `)

M/s Spentex Netherlands B.V	1,433,916,590	1,347,307,186
Total	1,933,310,729	4,442,274,505
13. Year end receivable from		
M/s Amit Spinning Industries Limited	642,244,069	548,277,206
M/s Spentex Tashkent Toytepa LLC	70,012,404	70,012,404
M/s Spentex Netherlands B.V	95,070,902	95,070,902
Total	807,327,375	713,360,512

* In addition to it leave encashment is paid as per the rules of the company. Also, it includes employer's contribution to provident fund.

NOTE 34 : EARNING PER SHARE

(Amount in `)

The following table reconciles the numerators and denominators used to calculate basic and diluted EPS for the year

	As at March 31, 2015	As at March 31, 2014
Net profit/(loss) attributable to equity shareholders	(627,928,326)	(118,636,808)
Weighted Average Shares Outstanding		
Weighted average shares outstanding	89,772,035	89,614,775
Effect of dilutive securities	-	-
Diluted weighted average shares outstanding	89,772,035	89,614,775
Nominal value of equity shares (`)	10	10
Extraordinary items	13,717,504	-
Profit/(loss) before extraordinary items attributable to equity shareholders	(641,645,830)	(118,636,808)
Before extraordinary items		
Basic earnings per shares (`)	(7.15)	(1.32)
Diluted earnings per shares (`)	(7.15)	(1.32)
Profit/(loss) after extraordinary items attributable to equity shareholders	(627,928,326)	(118,636,808)
After extraordinary items		
Basic earnings per shares (`)	(6.99)	(1.32)
Diluted earnings per shares (`)	(6.99)	(1.32)

NOTE 35 : EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR (ON ACCRUAL BASIS):

Description	Current Year (`)	Previous Year (`)
F.O.B. value of goods exported	4,631,274,223	7,264,116,542
	4,631,274,223	7,264,116,542

NOTE 36 : EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Description	Current Year (`)	Previous Year (`)
Travelling	989,984	1,548,316
Commission	56,103,536	88,330,131
Claim paid on export sales	15,238,736	5,879,194
Legal & professional	29,575,806	21,269,736
Other expenses	3,951,721	7,158,151
	105,859,783	124,185,528

NOTE 37 : VALUE OF RAW MATERIALS CONSUMED

Description	Current Year		Previous Year	
	%	`	%	`
Imported	2.14%	121,420,063	0.81%	64,377,231
Indigenous	97.86%	5,562,798,576	99.19%	7,846,879,432
	100.00%	5,684,218,639	100.00%	7,911,256,663

NOTE 38: VALUE OF STORE, SPARES AND PACKING MATERIAL CONSUMED

Description	Current Year		Previous Year	
	%	`	%	`
Imported	14.87%	38,513,453	16.15%	48,851,110
Indigenous	85.13%	220,439,834	83.85%	253,618,803
	100.00%	258,953,287	100.00%	302,469,913

NOTE 39: CIF VALUE OF IMPORTS:

Description	Current Year (`)	Previous Year (`)
Raw materials	86,781,395	68,644,011
Stores and spares & components	32,825,473	47,887,166
Capital goods	-	-
	119,606,868	116,531,178

NOTE 40

The Butibori Unit of the Synthetic Division had been exporting its goods under Rule 18 of the Central Excise Rules 2002 and claiming rebate on both input and output stage of duty. The Central Excise Department disallowed the rebate on Input Stage of duty at Butibori unit. The Synthetic Division has filed a revision petition with the Joint Secretary, Government of India who allowed rebate for both the stages of duty.

However, the Department appealed in the Hon'ble High Court of Mumbai which was upheld by the Hon'ble High Court. The Synthetic Division has now filed a Special Leave Petition before the Hon'ble Supreme Court of India for quashing the Hon'ble High Court Order and allowing the rebate on input stage of duty.

Pending the decision in the matter by the Hon'ble Supreme Court, the Synthetic Division has not yet reversed the rebate receivable on input duty aggregating to ` 23,128,387 (including ` 2,826,621 at its Pithampur Unit).

Further, relying on the judgment of the Hon'ble High Court of Mumbai for the Butibori unit, a demand has been raised by the Department on the Pithampur unit of the Synthetic Division against the refund already given of the rebate on input stage of duty amounting to ` 6,02,16,366/- along with interest. Also, pending claims for the input stage of duty amounting to ` 2,826,621/- have been disallowed during 2006-07. The Pithampur unit has gone into appeal against the said demand / disallowance. The Commissioner (Appeals) has rejected the appeal of the Synthetic Division for the pending claim, while the decision has been kept pending against the demand till the final order is received from the higher authority (Revision Authority).

While the management is hopeful of the decision of the case in its favour, it is also reasonably confident of the liquidation / utilization of these cenvat balances of ` 83,344,753/-

NOTE 41

The company has an investment of ` 204,469,921/- in and has amount recoverable amounting to ` 642,244,069/- to Amit Spinning Industries Limited (ASIL), a subsidiary, as on March 31, 2015. The accumulated losses of ASIL, at the year end exceeded its net worth. There is also reduction in market value of the investment at the year end by ` 184,537,898. In the opinion of the management, diminution in this long term investment is due to adverse business conditions in the past. ASIL has started generating EBIDTA and cash profits. In view of these developments, management believes that diminution in the value of investment is of temporary nature and that outstanding would be realised within a reasonable period of time. Accordingly no provision considered necessary in the value of investment held and amount due from ASIL.

NOTE 42

The Company has an investment of ` 561,011,339 and ` 9,323,779 in its subsidiary Spentex Netherlands B. V. (SNBV) and its step down subsidiary Spentex Tashkent Toytepa LLC (STTL) respectively. Further it has ` 70,012,404 as export receivable from STTL and advances recoverable of ` 95,070,902 in SNBV as on March 31st, 2015. During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policies breaching the investment agreement and rendered operation of STTL not only unviable, but also expropriated its investment. All the assets and liabilities of STTL have been taken over by National Bank of Uzbekistan (NBU) and existence of STTL has been liquidated as per bankruptcy laws. In view of this corporate guarantee given by company in respect of STTL liability for deferred payment to Tashkent Toytepa Textile (TTL) stand extinguished. SNBV, which had made around 99% investment in the equity of STTL, had filed request for Arbitration against GOU for Claim through its lawyer before International Center for Settlement Investment Dispute(ICSID). As per the schedule prescribed in the procedural order issued by ICSID, SNBV has filed the memorial on Jurisdictions and Merits on 30th June, 2014. Based on the claim lodged with ICSID, Board of Directors have decided not to make any provision for the aforesaid amounts. In addition to above claim, the company has sent notice to the GOU for indemnify the further losses caused to company directly or indirectly on account of investment made in Uzbekistan.

NOTE 43

As on March 31, 2012, the accumulated losses of the Company had exceeded its net worth. Accordingly company in compliance with the provisions of section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 filed a reference with Board for Industrial and Financial Restructuring (BIFR). The Company's operations were adversely affected in 2011-12 due to adverse Govt policies and high volatility of Raw Material prices. Further, considering the change in scenario, recent performance and trends of the

company as well as overall industry outlook, the management believes that losses incurred in the past would reasonably be made good, in due course. The financial statements, as such have been prepared on a going concern basis on the strength of management's plan of revival including reorganization of business.

NOTE 44

Trade receivables, advance balances and receivables amount aggregating to ` 63,71,477, ` 2,73,14,712, ` 17,869,256 respectively due from certain parties where payments are not forthcoming. Against the above, the Company has filed a suit for recovery. In addition to above for ` 12,830,469 (P.Y. 12,830,469) dues from Government Authorities company filed an application for release with concerned authorities. The Company is making effort to recover the same and expects to reduce the outstanding dues significantly. Based on outcome of the legal suit coupled with further negotiations with these parties, the management is of the opinion that ultimately there would be no losses against these old balances and hence no provision is considered necessary at this stage.

NOTE 45

The company has applied to Securities & Exchange Board of India (SEBI) seeking exemption for maintaining at least 15% of the amount of its debenture maturing during the financial year 2013-14, 2014-15 and 2015-16 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affair, which is still awaited.

NOTE 46

The outstanding balance as on 31st March, 2015 in respect of certain trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation and consequential adjustment if any, from the respective parties. The management, however, does not expect any material variations.

NOTE 47

Pursuant to compliance of clause 32 of the Listing Agreement, on disclosure of Loans / Advances in the nature of loans, the relevant information is provided hereunder:

(Amount in `)

Particulars	As on 31.03.2015	Maximum amount due during the Year
Loans & Advances to a Subsidiary		
- Amit Spinning Industries Limited	642,244,069	666,150,913

There are no repayment schedule for the loans and advances to subsidiary as mentioned above.

Loans to employees as per Company's policy are not considered.

NOTE 48: Taxation : Deferred Tax
Break-up of Deferred Tax Assets and Liabilities.

	Current Year (`)	Previous Year (`)
Deferred tax liability recognised on account of timing difference :		
Tax impact of difference in net book value of fixed assets as per Accounts and Tax	287,506,579	282,692,524
Total Deferred Tax liability [A]	287,506,579	282,692,524
Deferred tax asset recognised on account of timing difference :		
Tax Impact of brought forward losses	708,155,363	467,957,654
Tax Impact of unabsorbed depreciation	398,935,559	419,695,917
Tax impact of provision for doubtful debts and advances	57,371,798	54,677,178
Tax impact of disallowances under section 43B of the Income tax Act, 1961	63,218,245	76,922,113
Total Deferred Tax Asset [B]	1,227,680,964	1,019,252,862
Net Deferred Tax Asset/ (Deferred Tax Liability) [B-A]	940,174,385	736,560,338
Charge to Statement of Profit and Loss	-	-
Net Deferred Tax Asset/ (Deferred Tax Liability)	940,174,385	736,560,338

Note: The company has not recognized above Deferred Tax assets on account of prudence.

NOTE 49

Extraordinary items represents write back of ` 13,717,503 due to loan waiver from lender.

NOTE 50

During the year ended 31st March, 2015, the company has revised the Depreciation rates based on the useful lives of its various fixed assets as per Part-C of Schedule-II to the Companies Act-2013. As a result, depreciation for year ended 31st March, 2015 is lower by ` 29,522,452. Further, in respect of fixed assets whose life has been expired as on 31st March 2014 an amount of ` 12,182,909 (net of related deferred tax of ` 6,017,651) has been adjusted with General Reserve.

NOTE 51

For the year ended March 31, 2015, the Company has initiated the process of compliance with the transfer pricing regulations for which the prescribed certificate of the accountant will be obtained. The management is of the opinion that the transactions are arms length

price. Hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and the provision for taxation.

NOTE 52

Previous year figures have been regrouped and reclassified wherever necessary to make them comparable.

Notes referred to above form an integral part of financial Statements.

For J.C. Bhalla & Company

Firm Reg. No. 001111N

Chartered Accountants

Akhil Bhalla

Partner

Membership No : 505002

Place : New Delhi

Date : May 29, 2015

On behalf of the Board

Mukund Choudhary	Managing Director
Kapil Choudhary	Deputy Managing Director
Sitaram Parthasarathy	Director
Amrit Agrawal	Director
Ranjan Mangtani	Company Secretary
Sharat Gupta	CFO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPENTEX INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SPENTEX INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

We draw attention to:

(a) Note No. 31(b) of the consolidated financial statements, wherein, the company has not considered the financial

statements of a step down subsidiary Schoeller Litvino k. s. in preparing the consolidated financial statements for the reason stated therein. This is contrary to the requirements of Accounting Standard 21 "Consolidated Financial Statements" in respect of Section 133 of the Companies Act, 2013. Further we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs. 192,320,550/- in above subsidiary.

- (b) Note No. 45 of the consolidated financial statements, wherein, we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs.2,249,213,219/- in Spentex Tashkent Toytepa LLC, step down subsidiary of the company. Uncertainties exist in relation to the recoverability of Rs.485,029,888/- due from above subsidiary.
- (c) The subsidiary of the company, Amit Spinning & Industries Limited, has adjusted the depreciation of Rs.18,69,75,276/- from the opening balance of surplus/(deficit) in the consolidated statement of profit and loss in Note No. 3 on account of change in useful life pursuant to Schedule II of the Companies Act, 2013 and due to change in accounting policy from Straight Line Method to Written Down Method. In the absence of adequate information in respect of write back of depreciation of Rs.18,69,75,276/- as specified in the said note, we are unable to comment on the adequacy of depreciation charged in the consolidated statement of profit and loss and Compliance with the requirements of Para 21 & 23 of Accounting Standard 6 ("Depreciation Accounting") prescribed under Rule 7 of Section 133 of the Companies Act, 2013 by the group.
- Further, we are also unable to comment upon the consequential impact of tax expense in respect thereof.
- (d) Note No. 46 of the consolidated financial statements with respect to the recoverability of an amount of Rs.19,346,572/- in respect of duty drawbacks.
- (e) Note No. 47 of the consolidated financial statements, wherein, the company has not charged to statement of profit and loss Rs.10,135,376/- and Rs.2,695,093/- shown as claim receivable and export incentive respectively.
- (f) We are unable to comment on the recoverability of advance balance of Rs.19,040,000/-, included under the head "Advance against expenses" in Note No. 14 of the consolidated financial statements, for which no provision has been made in the books of account.

We further report that, without considering the impact of paragraph (a), (b) and (c) above the effect of which could not be determined, had the observations made by us in paragraph (d), (e) & (f) above been considered, the loss before tax for the year would have been Rs.909,286,695/- (as against the reported figure of Rs. 858,069,654/-), Reserves and Surplus would have been negative Rs.4,811,260,231/- (as against the negative reported figure of Rs.4,760,043,190/-), Export Incentive included under the head "Other Non Current Assets" would have been Rs.20,552,086/- (as against the reported figure of Rs.42,593,751/-) and claim receivable included under the head "Other Non Current assets" would have been Rs.8,548,386/- (as against the reported figure of Rs.18,683,762/-) and advance against expenses included under the head "Long Term Loans & Advances" would have been Rs.56,179,865/- (as against the reported figure of Rs.75,219,865/-).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

- a. Note No. 4 of the consolidated financial statement, wherein, the Company has not allotted shares against the share application amount of Rs.110,950,000/- which was brought in by the promoters in more than one installments under restructuring scheme approved by the Bankers. However, the company has not complied with the provisions of Section 42 of the Companies Act, 2013 for the reasons stated in the said Note.
- b. Note No. 45 of the consolidated financial statements which indicates that the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net cash loss during the current and previous year(s) and, the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note No. 45, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.
- c. Note No. 47 of the consolidated financial statements regarding amounts recoverable relating to certain trade receivable, advance balances and export incentive recoverable Rs.6,371,477/-, Rs.27,314,712/- and Rs.17,869,256/- respectively which has been considered good by the management in view of the reasons stated therein. We have relied upon the assertion given by the management as to the recoverability of the said amounts.
- d. Note No. 49 of the consolidated financial statements requiring deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2013-14, 2014-15 and 2015-16 in one or more of the prescribed methods vide circular no. 04/2013 dated February 11, 2013 issued by Ministry of Corporate Affairs. However, the company has not complied with the requirement of the said circular.
- e. Note No. 50 of the consolidated financial statements regarding balances of parties under the head trade receivables, trade

payables and loans & advances which are subject to confirmation, reconciliation and consequential adjustments, if any.

Our opinion is not modified in respect of the above matters.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.773,618,352/- as at 31st March, 2015, total revenues of Rs.320,957,941/- and net cash flows amounting to Rs. 85,721/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements of a subsidiary as mentioned in sub-paragraph (a) of the Other Matters paragraph, we report, to the extent applicable, that:
 - (a) We have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph above.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate financial statements of a subsidiary as mentioned in sub-paragraph (a) of the Other Matters paragraph:
 - i. Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 32 & Note 44 to the consolidated financial statements.
 - ii. Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, incorporated in India..

For J.C. Bhalla & Company

Chartered Accountants

Firm Regn. No. 001111-N

Sd/-

(Akhil Bhalla)

Partner

Membership No.505002

Place : New Delhi

Dated: May 29, 2015

Annexure to Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditor's Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of SPENTEX INDUSTRIES LIMITED on the consolidated financial statements as of and for the year ended March 31, 2015. The following statement is based on the comments in the Independent Auditor's Report on the standalone financial statements of the Holding Company and its subsidiary company, incorporated in India.

We report that:

1. (a) In our opinion and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the respective management according to a phased program designed to cover all the items over a period of three years, which in our opinion and based on the report of the other auditor, is reasonable having regard to the size of the Holding Company and its subsidiary company incorporated in India and nature of their assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the book records.
2. (a) In our opinion and based on the report of the other auditor, inventories other than inventory lying with the third party have been physically verified by the respective management of the Holding Company and its subsidiary company incorporated in India at reasonable intervals during the year. The frequency of such verification is reasonable.
 - (b) In our opinion and according to information given to us and based on the report of the other auditor, the procedures for physical verification of the inventories followed by the respective management are reasonable and adequate in relation to the size of the Holding Company and its subsidiary company incorporated in India and nature of their respective businesses.
 - (c) In our opinion and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification as compared to the book records were not material having regard to the size and nature of the operations of the Holding Company and its subsidiary company incorporated in India and have been properly adjusted in the books of account.
3. In our opinion and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraphs 3(iii)(a) and 3(iii)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
4. In our opinion and according to the information and explanations given to us and based on the report of the other auditor of its subsidiary company incorporated in India, there are adequate internal control procedures commensurate with the size of the Holding Company and its subsidiary company incorporated in India and the nature of their respective businesses for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and other auditor's audit, no continuing failure to correct major weaknesses in internal control system has been observed in any of these companies.
5. In our opinion and according to information given to us and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India have not accepted any deposits from the public under the provisions of Sections 73 to 76 of the Act or other relevant provisions of the Act and rules framed there under.
6. We have broadly reviewed the books of accounts, maintained by the Holding Company and based on the report of the other auditor of its subsidiary company incorporated in India, in respect of the products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under Section 148 (1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been maintained. However, detailed examination of the records with a view to determine whether they are accurate or complete has not been carried out.
7. (a) In our opinion and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on the report of other auditor of its subsidiary company incorporated in India, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for Service Tax of Rs. 27,272/-.
- (b) In our opinion and according to the information and explanations given to us and based on the report of the other auditor of the subsidiary company incorporated in India, the particulars of disputed dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess at 31st March, 2015, which have not been deposited on account of matters pending before appropriate authorities are as under:

S. No.	Name of Company	Relationship	Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
1.	Spentex Industries Limited	Holding Company	The Income Tax Act, 1961	Disallowance of goodwill amortisation & other expenses	10,875,657 (incl. amt. paid Rs.3,981,354)	AY 2001-02 AY 2003-04	Income Tax Tribunal Delhi Bench - Rs.3,981,354/- High Court - Rs.6,894,303/-

S. No.	Name of Company	Relationship	Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
			The Income Tax Act, 1961	Disallowances of various expenses viz. sales tax subsidy, etc.	27,095,747 (incl. amt. paid Rs.2,000,000)	AY 2003-04 AY 2005-06 AY 2006-07	Commissioner of Income Tax (Appeal), New Delhi
			The Income Tax Act, 1961	Addition on account of arm's length price of compensation for corporate guarantee to Associated Enterprises	36,403,835	AY 2008-09	High Court, New Delhi
2.	Spentex Industries Limited	Holding Company	The M.P. Commercial Tax Act, 1994	Penalty - Purchase Tax demand	164,195 (incl. amt. paid Rs. 128,195)	1996-97	First Appellate Authority
			The M.P. Commercial Tax Act, 1994	Sales Tax Demand	815,157 (incl. amt. paid Rs.815,157)	2009-10	First Appellate Authority
			The M.P. Commercial Tax Act, 1994	Sales Tax demand on sale of DEPB licenses	1,970,233	2001-03 2009-10	Assessing Authority, Indore
			The M.P. Commercial Tax Act, 1994	Sales Tax Demand	375,803 (incl. amt. paid Rs. 37,600)	2010-11	First Appellate Authority
			Entry Tax Act, 1976	Entry Tax demand	1,538,453 (incl. amt. paid Rs.414,844)	1992-97	Assessing Authority, Indore
			Maharashtra Value Added Tax Act, 2002	Sales Tax Demand	532,870 (incl. amt. paid Rs.200,000)	2004-05	Deputy Commissioner, Nagpur
			Central Sales Tax, 1956	Sales Tax Demand	2,999,290 (incl. amt. paid Rs.1,000,000)	2004-05	Deputy Commissioner, Nagpur
	Amit Spinning Industries Limited	Subsidiary Company	Maharashtra Value Added Tax Act, 2002	Sales Tax & Penalty	1,244,000 (incl. amt. paid Rs.200,000)	2004-05	First Appellate Authority
			Maharashtra Value Added Tax Act, 2002	Sales Tax & Penalty	2,655,004 (incl. amt. paid Rs. 1,690,614 by way of adjustment of refund)	2009-10	First Appellate Authority
3.	Spentex Industries Limited	Holding Company	Finance Act, 1994	Refund against export services	3,439,884	2006-12	Assistant Commissioner of Central Excise, Nagpur
			Finance Act, 1994	Service Tax on GTA paid including penalty	280,282	Apr-05 to Sept-06	Customs, Excise & Service Tax Appellate Tribunal, New Delhi – Rs.280,282/-
			Finance Act, 1994	Service Tax on Foreign Commission paid to overseas agents	1,079,549 (incl. amt. amount paid Rs. 107,955)	2009-10 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal, New Delhi
			Finance Act, 1994	Suo Moto credit taken from Additional Excise Duty	145,531 (incl. amt. paid Rs. 10,915)	Aug- 12	Commissioner (Appeals), Central Excise, Bhopal
			Finance Act, 1994	Service Tax taken on invoices not having Serial No. & Registration No.	3,744,510 (incl. amt. paid Rs. 140,419)	Apr-09 to Oct- 13	Commissioner (Appeals), Central Excise, Bhopal
			Finance Act, 1994	Service Tax taken on photocopied copies of Bill of Entry and foreign commission	290,599	Apr-09 to Oct- 13	Commissioner (Appeals), Central Excise, Bhopal

SPENTEX INDUSTRIES LIMITED

S. No.	Name of Company	Relationship	Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
			Finance Act, 1994	Service Tax taken on tour operator services bill	490,872	Apr-09 to Apr-13	Commissioner (Appeals), Central Excise, Bhopal
			Finance Act, 1994	Service Tax taken on foreign commission	375,464 (incl. amt. Rs. 13,705)	Apr-11 to Mar-12	Commissioner (Appeals), Central Excise, Bhopal
4.	Spentex Industries Limited	Holding Company	The Central Excise Act, 1944	Excise duty demands (Baramati unit)	10,806,176	Jun-99 to Dec-01	Customs, Excise & Service Tax Appellate Tribunal, Mumbai
			The Central Excise Act, 1944	Excise duty – demand of duty on clearance of goods under notification 30/2004 without payment of duty (Butibori unit)	75,185,214 (incl. amt. paid Rs.2,314,143)	Aug-04 to Apr-07	Deputy Commissioner of Central Excise, Nagpur - Rs.77,371/- Commissioner, Central Excise Nagpur – Rs.72,693,700/- Customs, Excise & Service Tax Appellate Tribunal, New Delhi – Rs.2,414,143/-
			The Central Excise Act, 1944	Cenvat demand for packing material including penalty (Pithampur unit)	168,812	Apr-00 to Mar-04	Commissioner (Appeals), Central Excise, Indore
			The Central Excise Act, 1944	Cenvat demand on packing material / scrap (Butibori unit)	794,266	Apr-03 to Dec-12	Customs, Excise & Service Tax Appellate Tribunal, New Delhi - Rs.81,195/- Deputy Commissioner, Central Excise, Nagpur– Rs.713,071/-
			The Central Excise Act, 1944	Cenvat on samples used in quality control (Butibori unit)	309,475 (incl. amt. paid Rs.67,597)	Apr-03 to Oct-13	Customs, Excise & Service Tax Appellate Tribunal, Nagpur – Rs.117,762/- Deputy Commissioner, Central Excise, Nagpur– Rs.191,713/-
			The Central Excise Act, 1944	Refund of cenvat on inputs under Rule 18 (Pithampur unit)	60,216,366	Oct-04 to Jan-06	Joint Secretary, Ministry of Finance, New Delhi
			The Central Excise Act, 1944	Excise duty – demand of duty on clearance of goods under notification 30/2004 without payment of duty (Pithampur unit)	53,291,002 (incl. amt. paid Rs.13,322,751)	Mar-04 to Feb-07	High Court , Indore
			The Central Excise Act, 1944	Demand under section Rule 6(3)(i)	167,747,574	Apr-12 to Mar-13	Customs, Excise & Service Tax Appellate Tribunal, New Delhi
			The Central Excise Act, 1944	Cenvat on Capital Goods	5,269,616 (incl. amt. paid Rs. 673,329)	2002-2003 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal, Nagpur – Rs. 2,565,854/ Additional Commissioner of Central Excise, Nagpur- Rs.2,551,564/ Deputy Commissioner of Central Excise, Nagpur - Rs.152,198/-

- (c) In our opinion and according to the information and explanations given to us and based on the report of the other auditor of its subsidiary company incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
8. On a consolidated basis, the Holding Company and its subsidiary company incorporated in India have accumulated losses as at March 31, 2015 and have incurred cash losses in the financial year and in the immediately preceding financial year.
9. In our opinion and according to information given to us and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India have no outstanding dues in respect of financial institutions. The Holding Company and its subsidiary company incorporated in India have defaulted in repayment of their respective dues to their banks and debenture holder during the year which are as follows

(Amount in `)

S. No.	Particulars	Amount of Default	Period of Default (In days)
1	Non Convertible Debenture	95,781,428	27 – 89
2	Term Loan	693,492,947	1 – 90
3	Funded Interest Term Loan	78,867,164	1 – 90
4	Working Capital Term Loan I	71,314,317	1 – 90
5	Working Capital Term Loan II	112,438,732	1 – 90
6	Working Capital Term Loan IV	150,919,395	1 – 90
7	Corporate Loan	144,772,674	1 - 90
8	Short Term Loans other than cash credit	738,623	1 - 90
	Total	1,348,325,280	

Further, as informed to us and based on the report of other auditor, the loan facilities availed from banks as term loan (outstanding balance as on 31.3.2015 amounting to Rs. 169,626,161/- with interest) and cash credit facilities (outstanding balance as on 31.3.2015 amounting to Rs. 256,363,210/-) have become non-performing asset (NPA) for the lender as the Holding Company and the subsidiary company incorporated in India has not paid the dues within 90 days of payments being falling due. In addition to above, Cash Credit Facilities taken from the banks have remained overdue during the substantial part of the year. The overdue amounts aggregated to Rs. 158,908,589/- as at 31.03.2015.

10. In our opinion and according to information given to us and based on the report of the other auditor, the Holding Company and its subsidiary company incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. In our opinion and according to information given to us and based on the report of the other auditor, the term loans have been applied for the purpose for which they were raised by the Holding Company and its subsidiary company, incorporated in India.
12. During the course of examination of the books of accounts and records, of the Holding Company and its subsidiary company incorporated in India, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us and based on the report of the other auditor, no instances of fraud on or by the Holding Company and its subsidiary company incorporated in India have been noticed or reported during the year.

For J.C. Bhalla & Company
Chartered Accountants
Firm Regn. No. 001111-N

Sd/-
(Akhil Bhalla)

Partner

Membership No.505002

Place : New Delhi
Dated: May 29, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in `)

PARTICULARS	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY & LIABILITIES			
(1) Shareholder's Funds			
a) Share capital	2	897,720,350	897,720,350
b) Reserves and surplus	3	(4,760,043,190)	(3,982,389,787)
		(3,862,322,840)	(3,084,669,437)
(2) Share application money pending allotment	4	1,048,375,000	898,200,000
(3) Non-Current Liabilities			
a) Long-term borrowings	5	2,858,966,080	3,817,648,354
b) Other long term liabilities	6	1,821,807	1,671,328
c) Long-term provisions	7	92,766,846	81,967,947
		2,953,554,733	3,901,287,629
(4) Current Liabilities			
a) Short-term borrowings	8	2,003,425,431	1,730,294,712
b) Trade payables	9	1,823,414,750	1,416,667,313
c) Other current liabilities	10	3,588,012,800	3,131,753,796
d) Short-term provisions	11	17,114,115	18,407,367
		7,431,967,096	6,297,123,188
		10,385,521,829	10,198,410,817
Total Liabilities		7,571,573,989	8,011,941,380
ASSETS			
(1) Non-Current Assets			
a) Fixed Assets	12		
(i) Tangible assets		2,345,419,705	2,309,891,352
(ii) Intangible assets		-	-
(iii) Capital Work- in- Progress		1,746,594	645,482
b) Non-current investment	13	2,441,645,341	2,391,907,875
c) Long-term loans and advances	14	802,382,550	704,185,717
d) Other non-current assets	15	233,253,617	261,790,692
		5,824,447,807	5,668,421,118
(2) Current Assets			
a) Inventories	16	637,402,779	1,049,068,026
b) Trade receivables	17	329,790,128	342,808,994
c) Cash and bank balances	18	32,889,415	44,803,736
d) Short-term loans and advances	19	502,531,960	678,004,182
e) Other current assets	20	244,511,900	228,835,324
		1,747,126,182	2,343,520,262
Total Assets		7,571,573,989	8,011,941,380

Significant accounting policies and notes (1 to 52) form an integral part of the financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date

 For **J.C. Bhalla & Company**
 Firm Reg. No. 001111N
 Chartered Accountants

Akhil Bhalla
 Partner
 Membership No : 505002

 On behalf of the Board
 Mukund Choudhary Managing Director
 Kapil Choudhary Deputy Managing Director
 Sitaram Parthasarathy Director
 Amrit Agrawal Director
 Ranjan Mangtani Company Secretary
 Sharat Gupta CFO

 Place : New Delhi
 Date : May 29, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in `)

PARTICULARS	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
INCOME			
I. Revenue from operations (Gross)	21	9,146,512,979	11,462,755,052
Less: Excise Duty		<u>35,796,984</u>	<u>33,307,476</u>
Revenue from operations (Net)		9,110,715,995	11,429,447,576
II. Other Income	22	<u>179,360,664</u>	<u>164,860,645</u>
III. Total Revenue (I+ II)		9,290,076,660	11,594,308,221
IV. EXPENSES			
Cost of material consumed	23	5,773,448,524	7,911,256,664
Purchase of stock-in-trade	24	144,649,361	149,441,614
Changes in inventories of finished goods, Stock-in -trade and work-in-progress	25	4,61,572,986	(260,941,797)
Employee benefits expense	26	901,582,894	872,131,735
Finance costs	27	903,469,649	924,759,550
Depreciation and amortization expense	12	151,227,439	223,083,497
Other expenses	28	<u>1,819,895,307</u>	<u>2,051,775,324</u>
Total Expenses		10,155,846,159	11,871,506,587
V. Profit/(loss) before exceptional, extraordinary, prior period items and tax (III-IV)		(865,769,500)	(277,198,366)
VI. Extraordinary Items (Net)	29	13,717,503	-
VII. Prior Period Items (Net)	30	-	5,703,084
VIII. Profit/(loss) before tax (V-VI-VII)		(852,051,997)	(282,901,450)
IX. Tax Expenses		-	-
Deferred tax		6,017,657	-
X. Profit/(loss) for the year (VIII-IX)		(858,069,654)	(282,901,450)
XI. Earnings per equity share of ` 10/- each before and after Extraordinary items:	36		
(a) Before Extraordinary items:			
- Basic		(9.71)	(3.16)
- Diluted		(9.71)	(3.16)
(b) After Extraordinary items:			
- Basic		(9.56)	(3.16)
- Diluted		(9.56)	(3.16)

Significant accounting policies and notes (1 to 52) form an integral part of the financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For **J.C. Bhalla & Company**
Firm Reg. No. 001111N
Chartered Accountants

Akhil Bhalla
Partner
Membership No: 505002

On behalf of the Board
Mukund Choudhary Managing Director
Kapil Choudhary Deputy Managing Director
Sitaram Parthasarathy Director
Amrit Agrawal Director
Ranjan Mangtani Company Secretary
Sharat Gupta CFO

Place : New Delhi
Date : May 29, 2015

SPENDEX INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in `)

PARTICULARS	Year ended 31st March, 2015	Year ended 31st March, 2014
Profit/(loss) before Tax	(852,052,002)	(282,921,290)
Add:		
Depreciation / Amortisation	151,227,442	223,083,500
Loss/(Profit) on Sale of Fixed Asset (net)	-	(1,743,311)
Provision for Wealth Tax	36,030	46,239
Loss/(Profit) on sale of assets held for sale.	5,466,785	7,180,636
Unrealised Exchange Fluctuation (net)	(1,976,013)	(1,857,314)
Investment written off	-	15,000
Liabilities no longer required written back	(9,094,389)	(56,390,056)
Extraordinary items (Net)	(13,717,503)	-
Provision for Leave Encashment	564,812	336,684
Provision/(Reversal) for Gratuity	(2,695,864)	2,855,558
VAT Set-Off Reduction	9,817	-
Dividend Income	(5,660)	(5,100)
Interest Income	(9,285,817)	(9,920,334)
Interest Expense	903,469,649	924,759,551
Operating Profit Before Working Capital Changes	171,947,286	805,439,763
Adjustments for changes in working capital :		
- (Increase)/Decrease in Trade Receivable	17,165,570	79,442,078
- (Increase)/Decrease in Other Bank Balances, Short Term Loans and Advances and Other Current Assets.	(79,915,193)	(42,767,887)
- (Increase)/Decrease in Long Term Loans and Advances	(105,338,135)	114,749,223
- (Increase)/Decrease in Other Non Current Assets	91,127,644	74,015,112
- (Increase)/Decrease in Inventories	411,665,249	(178,105,753)
- Increase/(Decrease) in Trade Payables	623,701,446	(5,299,909)
- Increase/(Decrease) in Long Term Provisions	8,728,285	(2,084,285)
- Increase/(Decrease) in Short Term Provisions	(1,343,482)	15,226,285
- Increase/(Decrease) in Other Non Current Liabilities	150,479	(52,720)
- Increase/(Decrease) in Other Current Liabilities	(76,366,609)	80,822,019
Wealth Tax Paid	(46,239)	(32,544)
Direct Taxes Paid (Net)	2,444,201	1,463,464
A. Cash Flow From Operating Activities	1,063,920,502	942,814,846
Purchase of Fixed Assets	(23,870,696)	(45,295,553)
Sale proceeds of Fixed Assets	4,787,442	5,736,563
Dividend Received	5,660	5,100
Interest Received/(Paid)	9,590,293	9,488,023
B. Cash Flow From Investing Activities	(9,487,302)	(30,065,867)
Proceeds from Share Application money	110,950,000	-
Repayment of Non-convertible Debenture	(49,909,255)	(45,750,151)
Proceeds from Long Term Borrowings	122,960,546	(38,278,849)
Repayment of Long Term Borrowings	(725,950,569)	(524,768,341)
Proceeds/(Repayment of Short Term Borrowings) (net)	254,506,630	474,277,359
Vehicle Loans	(2,769,011)	(292,074)
Interest Paid	(803,643,723)	(823,855,966)
C. Cash Flow From Financing Activities	(1,093,855,381)	(958,668,023)
Increase/(Decrease) in Cash Equivalents (A+B+C)	(39,422,181)	(45,919,044)
Cash and Cash Equivalents at the Beginning of the Year	25,555,628	30,602,824
Less: Cash and Cash equivalents of the subsidiaries not consolidated during the year #	-	17,028,190
Add: Exchange difference loss (gain) on translation of foreign currency	(27,071,821)	(23,843,658)
Cash and Cash Equivalents at the End of the Year	13,205,268	25,555,628
Increase / (Decrease) in Cash/Cash Equivalents	(39,422,181)	(45,919,044)
Notes :- Cash and cash equivalents comprise		
Cash in hand	5,135,726	3,296,528
Balance in Current Accounts	6,505,602	20,798,107
Balance in Fixed Deposit Accounts	1,563,940	1,460,993
	13,205,268	25,555,628

Refer note no. 31(b) of the consolidated financials statements.

1. The above Cash flow statement has been prepared under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014

2. Figures in brackets indicate cash outgo.

This is the Consolidated Cash Flow Statement referred to in our Report of even date

For **J.C. Bhalla & Company**

Firm Reg. No. 001111N

Chartered Accountants

Akhil Bhalla

Partner

Membership No : 505002

Place : New Delhi

Date : May 29, 2015

On behalf of the Board

Mukund Choudhary

Managing Director

Kapil Choudhary

Deputy Managing Director

Sitaram Parthasarathy

Director

Amrit Agrawal

Director

Ranjan Mangtani

Company Secretary

Sharat Gupta

CFO

NOTE 1 :SIGNIFICANT ACCOUNTING POLICIES**(a) Basis for preparation of Consolidated financial statements :**

The consolidated financial statements of the group are prepared on accrual basis under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

The financial statement of the Parent Company and the subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions as per Accounting Standard 21 on Consolidated Financial Statements.

b) Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

c) Fixed Assets

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

d) Depreciation / Amortization

Depreciation on all fixed assets situated at manufacturing locations is provided on the straight line method on a pro-rata basis at the rates determined on the basis of useful lives of the respective assets as provided by Schedule II to the Companies Act, 2013. The useful lives for the various fixed assets situated at manufacturing locations are as follows:

Description – Manufacturing locations	Useful lives (in years)
Factory Building	30
Building (Other than factory building) RCC frame structure	60
Building (Other than factory building) other than RCC frame structure	30
Plant and Machinery	25
Office Equipments	5
Computers	3
Furniture and Fixtures	10
Vehicles	8

Depreciation for all fixed assets at locations other than at manufacturing locations is provided on the written down value method at the rates determined on the basis of useful lives of the respective assets as provided by Schedule II to the Companies Act, 2013.

Leasehold land is amortized over the lease period on a straight line basis.

Capitalised enterprise resource planning software (SAP) is amortised over a period of five years on straight line basis.

Acquired goodwill is amortized using the straight-line method over a period of 10 years.

Goodwill on Consolidation is stated at cost, and where applicable, impairment is recognized.

In case of Amit Spinning Industries Limited Depreciation has been provided on written down value method in accordance with the rates prescribed under Schedule II to the Companies Act, 2013. On the basis of technical advice, the Company has treated its spinning Process Plant as a Continuous Process Plant and has provided depreciation accordingly.

(e) Inventories

Inventories have been valued at lower of cost and net realizable value.

The cost in respect of raw materials is determined under the specific identification of cost method in India and weighted average method for outside India.

Cost includes customs duty, wherever paid, and are net of credit under CENVAT scheme, wherever applicable.

The cost in respect of work-in-progress, finished goods and stores and spares 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, where applicable.

Waste is valued at estimated net realizable value.

(f) Revenue Recognition

Sale of goods: Revenue on sale of goods is recognized on transfer of significant risk and rewards of ownership to the buyer and on reasonable certainty of the ultimate collection. Sales are inclusive of excise duty and net off sales tax, trade discounts and sales returns.

Interest: Income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rates.

Commission and insurance claim: Income is recognized when no significant uncertainty as to measurability or recoverability exists.

(g) Investments

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

(h) Foreign Currency Transactions

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

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

In respect of foreign branches, all revenues, expenses, monetary assets/liabilities and fixed assets are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are restated at the year end rates and resultant gains or losses are recognized in the consolidated statement of profit and loss.

In respect of foreign operations identified as non-integral to the operations of the Company, the translation of functional currency into reporting currency is performed for balance sheet accounts using the exchange rates in effect at the balance sheet date and for revenue and expenses accounts using an appropriate weighted average exchange rate. The gain or loss resulting from such translations is accumulated in a foreign currency translation reserve.

(i) Employee Benefits

In case of Parent Company and its Indian subsidiary

The Company's contributions to recognized provident funds are charged to revenue on an accrual basis.

The Company has defined benefit plans namely leave encashment and gratuity for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Gratuity fund (for other than synthetic division) is administered through Life Insurance Corporation of India. Short term compensated absences are recognized at the undiscounted amount of benefit for services rendered during the year.

Termination benefits are recognized as an expense immediately. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the consolidated statement of profit and loss as income or expenses.

In case of a foreign subsidiary in Uzbekistan

Pension arrangements are as per the Pension scheme of the Republic of Uzbekistan, which requires contributions by the employer calculated as a percentage of current gross salaries. The subsidiary's State Pension scheme contribution amounts to 24 percent of employees' gross salaries and 0.7 percent of turnover, and is expensed as incurred.

(j) Borrowing Costs

Borrowing costs 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 costs are recognised as an expense in the period in which they are incurred.

(k) Taxation

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

A provision is made for the current tax based on tax liability computed in accordance with 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 realised.

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

(l) Leases

Assets acquired under long term finance lease are capitalised and depreciated in accordance with company's policy for assets situated at manufacturing and other locations. The associated obligations are included in other loans under "Long Term Borrowings".

The Group has taken premises on lease. Lease rental in respect of operating lease arrangement are charged to consolidated statement of profit and loss.

(m) Impairment of Assets

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If such indication exists, the company estimates the recoverable amount and where carrying amount of the asset exceeds such recoverable amount, an impairment loss is recognized in the consolidated statement of profit and loss to the extent the carrying

amount exceeds recoverable amount. Where there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased, the company books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

(n) Provisions and contingencies

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

		(Amount in `)
	As at	As at
	March 31, 2015	March 31, 2014
NOTE 2 : SHARE CAPITAL		
Authorised		
114,000,000	Equity shares of ` 10/- each (previous year 114,000,000)	1,140,000,000
7,000,000	Redeemable preference shares of ` 10/- each (previous year 7,000,000)	70,000,000
		1,210,000,000
Issued, Subscribed and Paid up		
89,772,035	Equity shares of ` 10/- each, fully paid up (previous year 89,772,035 equity shares)	897,720,350
		897,720,350

Sub Note:- 2 (a) The company has only one class of equity share having a par value of ` 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Sub Note:- 2 (b) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares outstanding at the beginning of the year	89,772,035	897,720,350	88,372,035	883,720,350
Add: Equity shares issued during the year	-	-	1,400,000	14,000,000
Equity shares outstanding at the end of the year	89,772,035	897,720,350	89,772,035	897,720,350

Sub Note:- 2 (c) : List of share holder holding more than 5% of the aggregate share in the company

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Citigroup Venture Capital Inter. Growth Partnership Mauritius Ltd	19,252,650	21.45	19,252,650	21.45
CLC Technologies Private Limited	18,300,000	20.38	16,900,000	18.83
Mukund Choudhary	8,535,946	9.51	8,535,946	9.51
Kapil Choudhary	8,474,869	9.44	8,474,869	9.44
Ajay Kumar Choudhary	8,066,052	8.99	8,066,052	8.99

(Amount in `)

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
NOTE 3 : RESERVES AND SURPLUS		
Capital Reserve :		
Opening balance	187,166,936	873,150,105
Less: Capital Reserve of the subsidiaries not consolidated during the year #	-	(685,976,152)
(+) Exchange fluctuation on restatement of opening balance	<u>8,353</u>	<u>(7,017)</u>
Share forfeiture reserve	7,179,250	7,179,250
Profit on restructure	<u>2,358,587</u>	<u>2,358,587</u>
	<u>196,713,126</u>	<u>196,704,773</u>
Securities Premium Account	1,028,273,822	1,028,273,822
Debenture Redemption Reserve	170,360,578	170,360,578
Foreign Currency Translation Reserve (FCTR)		
Opening balance	229,978,125	733,299,282
Less: Foreign Currency Translation Reserve of the subsidiaries not consolidated during the year #	-	(814,915,005)
Add: Addition /(Deletion) during the year	<u>(27,017,519)</u>	<u>311,593,848</u>
General Reserve		
At Commencement of year	40,369,710	40,369,710
Add : Impact of change in accounting policy on depreciation in Amit Spinning Industries Limited (Refer note no. 12)	186,975,276	-
Less : Impact of change in useful life pursuant to Schedule II to the Companies Act 2013 (Refer note no. 12)	<u>12,182,909</u>	<u>-</u>
Surplus in the consolidated statement of profit and loss		
Opening balance	(5,648,076,795)	(6,857,739,423)
Less: Profit /(Loss) of the subsidiaries not consolidated during the year #	-	(1,748,815,067)
Profit /(Loss) for the year	(858,069,655)	(282,901,450)
Foreign currency translation reserve on opening balance of consolidated statement of profit & loss	<u>(67,366,948)</u>	<u>(256,250,989)</u>
	<u>(4,760,043,189)</u>	<u>(3,982,389,787)</u>
# Refer note no. 31(b) of the consolidated financial statements.		

NOTE 4 : SHARE APPLICATION MONEY PENDING ALLOTMENT

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
Share application money	<u>1,048,375,000</u>	<u>898,200,000</u>
	<u>1,048,375,000</u>	<u>898,200,000</u>

- a) The Company has not allotted shares against this amount which was brought in by the promoters in more than one installments under restructuring scheme approved by the Bankers. Due to pending necessary approvals for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013.
- b) During the year 2006-07, Spentex (Netherlands) B.V received USD 15,000,000 (Equivalent to Rs. 937,425,000 as on 31.03.2015 & previous year Rs.898,200,000) from Citigroup Venture Capital International Growth Partnership Mauritius Ltd. (CVC) for issue of Preference Share Capital which is still pending allotment at the year end.

(Amount in `)

NOTE 5 : LONG-TERM BORROWINGS

Secured

(a) Debentures

Redeemable Non-Convertible Debentures

212,114,334

262,023,589

(b) Term Loans

(i) Term loans

- From banks #

3,877,741,532

4,435,797,524

- From others

1,328,018,750

1,272,450,000

(ii) Vehicle loans from banks

2,273,044

5,042,054

5,420,147,660

5,975,313,168

Less : Amount disclosed under the head
'other current liabilities". (Note-11) #

2,561,181,579

2,157,664,813

2,858,966,080

3,817,648,355

Nature of security

Debentures

Non convertible debentures

Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Mukund Choudhary and Sh. Kapil Choudhary. These Debentures are further secured by second pari-passu charge on entire current assets of the Company. These debentures are also secured by pledge of 24,575,918 shares of the company held by promoters and further secured by collateral security of property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Repayment terms & amount of default

Amounting to ` 212,114,334 (previous year ` 262,023,589) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 12,477,314 (previous year ` 124,77,314/-) was due for payment as on 31.03.2015 is yet to be paid. For repayment schedule refer table below.

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Term loan from bank

a i) Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire current assets of the Company. These loan are also secured by pledge of 24,575,918 shares of the company held by promoters and further secured by collateral security of property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi. 20,647,140 shares of promoters have also been pledged on exclusive basis for an amount of ` 318,715,563 /-. Further secured by third charge on all the movable and immovable assets of the Company and personal guarantee of Sh. Ajay Choudhary, Sh Mukund Choudhary and Sh. Kapil Choudhary.

Amounting to ` 817,029,503 (previous year ` 1,014,206,877) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 46,062,788/- (previous year ` 47,551,538) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 4,466,250 (previous year ` 1,524,283) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to ` 221,025,127 (previous year ` 319,106,856) repayable in 20 quarterly installments commencing from June, 2012. An amount of ` 19,925,000/- (previous year ` 15,939,750) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 720,000 (previous year ` 197,650) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to ` 7,240,975 (previous year ` 41,515,976) repayable in 12 quarterly installments commencing from June, 2012. An amount of ` 7,240,975 /- (previous year ` 12,150,000) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 3 below.

Amounting to ` Nil (previous year ` 43,245,984) repayable in 8 quarterly installments commencing from June, 2012. An amount of ` Nil /- (previous year ` 4,36,87,500) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 4 below.

- ii) Secured by first pari-passu charge on all the fixed assets of the company.

Amounting to ` 258,007,836 (previous year ` 318,715,563) repayable in 23 quarterly installments commencing from June, 2012. An amount of ` 15,176,250/- (previous year ` 15,176,932) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to ` 126,167,234 (previous year ` 160,138,574) repayable in 20 quarterly installments. An amount of ` 8,988,574 (Previous year ` 8,138,574) was overdue for payment as on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 5 below.

- b Foreign Currency Term Loan from Lehman Brothers Commercial Corporation Asia Limited and SBI Tokyo is secured by pledge of Interest Reserve Bank Account maintained with Deutsche Bank AG, Amsterdam, assignment of SPV Credit Agreement (between Schoeller Textile Netherlands B.V. (STNBV) and Spentex Netherlands B.V.(SNBV)), assignment of intergroup Credit agreement (between SNBV and Spentex Tashkent Toytepa LLC (STTL)), pledge of 18200 nos. SNBV's shares and pledge of 180 nos. of STNBV's shares. The loan is further secured by all Plant and Machinery of relating to the Tashkent Spinning Plant of STTL.

Loan from State Bank of India, Tokyo branch (SBI Tokyo) and Lehman Brothers amounting to ` 2,523,234,688 (previous year ` 2,417,654,102) repayable in 7 annual installments till June 2017. There is a default of ` 1,195,215,938 (previous year ` 890,714,102) existing as on 31.03.2015 in payment of Installment of loan. For repayment schedule refer table no. 6 below:

Term Loan Repayment schedule Table No. 1

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Term Loan Repayment schedule Table No. 2

	FY 13	FY 14	FY 15	FY 16	FY 17
Principal (%)	14	16	20	20	30
ROI (%)	10	12	13	14	14

Term Loan Repayment schedule Table No. 3

	FY 13	FY 14	FY 15
Principal (%)	32.40	42	25.6
ROI (%)	12	13	15

Term Loan Repayment schedule Table No. 4

	FY 13	FY 14
Principal (%)	25	75
ROI (%)	13	14.5

Term Loan Repayment schedule Table No. 5

	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (`)	8,138,574	36,000,000	38,700,000	42,700,000	34,600,000
ROI (%)	10	10	10	10	10

Term Loan Repayment schedule Table No.6

	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (`)	132,801,875	265,602,813	265,603,750	265,603,750	265,603,750	265,603,750	398,343,130	664,071,870
ROI (%)	3 Month BBA Libor + 1.7							

c. Funded Interest Term Loan

- i) Secured by first pari-passu charge on all the fixed assets of the Company, both present and future. The loan is further secured by second pari-passu charge on entire on entire current assets of the Company and additionally secured by personal guarantee of Sh.

Amounting to ` 15,378,904 (previous year ` 15,378,904) repayable in 2018. There is no default in repayment of loan existing as on 31.03.2015.

Amounting to ` 85,215,810 (previous year ` 139,301,510)

Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary . The loan is also secured by pledge 24,575,918 shares of the Company on pari-passu basis. Loan amounting to ` 14,09,88,471/- is further secured by collateral security of property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

- ii) Secured by first pari-passu charge on all the fixed assets of the company.

Foreign Currency Term Loan from Lehman Brothers Commercial Corporation Asia Limited and SBI Tokyo is secured by pledge of Interest Reserve Bank Account maintained with Deutsche Bank AG, Amsterdam, assignment of SPV Credit Agreement (between Schoeller Textile Netherlands B.V. (STNBV) and Spentex Netherlands B.V.(SNBV)), assignment of intergroup Credit agreement (between SNBV and Spentex Tashkent Toytepa LLC (STTL)), pledge of 18200 nos. SNBV's shares and pledge of 180 nos. of STNBV's shares. The loan is further secured by all Plant and Machinery of relating to the Tashkent Spinning Plant of STTL.

repayable in 16 quarterly installments commencing from June, 2012. An amount of ` 13,284,169/- (previous year ` 1,33,42,707) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 1,979,861 (previous year ` 665,000) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no.1 below.

Amounting to ` Nil (previous year ` 16,86,961) repayable in 8 quarterly installments commencing from June, 2012. An amount of ` Nil/- (previous year ` 16,86,961) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to ` 6,326,521 (previous year ` 8,017,499) repayable in 20 quarterly installments. An amount of ` 447,499 (Previous year ` 405,499) was due for payment as on 31.03.2015. For repayment schedule refer table no. 3 below.

Funded interest term loan (FITL) amounting to ` 20,232,069 (previous year ` 19,385,491) repayable in 3 annual installments till June 2013. There is a default of Rs. 20,232,069 (previous year ` 19,385,491) existing as on 31.03.2015 in payment of Installment which ranges from 1 to 1370 days till 31.03.2015 which is yet to be paid . For repayment schedule refer table no. 4 below:

Funded Interest Term Loan Repayment schedule Table No. 1

	FY 13	FY 14	FY 15	FY 16
Principal (%)	15	25	25	35
ROI (%)	10	10	10	10

Funded Interest Term Loan Repayment schedule Table No. 2

	FY 13	FY 14
Principal (%)	40	60
ROI (%)	10	10

Funded Interest Term Loan Repayment schedule Table No. 3

	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	405,499	1,792,000	1,940,000	2,140,000	1,740,000
ROI (%)	10	10	10	10	10

Funded Interest Term Loan Repayment schedule Table No. 4

	FY 12	FY 13	FY 14
Principal (`)	9,756,157	719,755	9,756,157
ROI (%)	3 Month BBA Libor + 1.7		

d. Working Capital Term Loan

- i) Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire current assets of the Company. These loans are also secured by pledge of 24,575,918 shares of the Company and further secured by collateral security on the property at 1st

Amounting to ` 162,447,805 (previous year ` 200,820,366) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 9,562,500/- (previous year ` 9,562,800) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to ` 294,716,614 (previous year ` 358,814,588) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 15,438,750 /- (previous year ` 15,437,250) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 5,265,000 (previous year ` 1,807,358) existed on 31.03.2015, which ranges from 59 to

floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

- ii) Secured by first pari-passu charge on all the fixed assets of the company.

333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to ` 319,269,714 (previous year ` 392,189,271) repayable in 24 quarterly installments commencing from June, 2012. An amount of ` 16,912,500/- (previous year ` 16,914,250) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 5,377,500 (previous year ` 1,797,500) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no. 3 below.

Amounting to ` 5,531,701 (previous year ` 7,030,000) repayable in 20 quarterly installments. The loan is secured by first pari-passu charge on all the fixed assets of the Company. An amount of ` 380,000 (previous year ` 330,000) was overdue for payment on 31.03.2015. For repayment schedule refer table no. 4 below.

Amounting to ` 9,460,163 (previous year ` 8,739,000) repayable in 20 quarterly installments. The loan is secured by first pari-passu charge on all the fixed assets of the Company. There is a default of ` 3,739,000 (previous year ` 1,075,163) existing as on 31.03.2015 in payment of installment which ranges from 1-365 days till 31.03.2015 is yet to be paid. For repayment schedule refer table no. 5 below.

WCTL Repayment schedule Table No. 1

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

WCTL Repayment schedule Table No. 2

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	10	11	11	11	12

WCTL Repayment schedule Table No. 3

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	20	20	20
ROI (%)	14.5	18	18	18	18	18.25

WCTL Repayment schedule Table No. 4

	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (`)	330,000	1,600,000	1,700,000	1,900,000	1,500,000
ROI (%)	10	10	10	10	10

WCTL Repayment schedule Table No. 5

	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (`)	3,739,000	1,250,000	1,250,000	1,250,000	1,250,000
ROI (%)	10	10	10	10	10

e. Corporate Loan

Secured by first pari-passu charge on the entire current assets of the Company including receivables. Additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by collateral security on entire fixed assets of the Company, also secured by pledge of 18,075,918 shares of the Company and collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to ` 312,500,000 (previous year ` 242,300,000) repayable in 18 quarterly installments commencing from June, 2015. An amount of ` 22,038,889 /- (previous year ` Nil) was due for payment on 31.03.2015 is yet to be paid. Further an amount of ` 2,683,333 (previous year ` Nil) existed on 31.03.2015, which ranges from 59 to 333 days till 31.03.2015, is yet to be paid. For repayment schedule refer table no.1 below.

Amounting to ` 27,900,000 (previous year ` Nil) repayable in 18 quarterly installments commencing from June, 2015. An

amount of ` 1,550,000 /- (previous year ` Nil) was due for payment on 31.03.2015 is yet to be paid. For repayment schedule refer table no. 2 below.

Repayment schedule Table No. 1

	FY 15	FY 16	FY 17	FY 18	FY 19
Principal (`)	22.22	22.22	22.22	22.22	11.12
ROI (%)	13.50%				

Repayment schedule Table No. 2

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Principal (`)	5.56	22.24	22.24	22.46	22.24	5.56
ROI (%)	13.50%					

f. Vehicle Loans

Secured by hypothecation of motor cars.

Interest rate on vehicle loans between 8.96 % to 11.50 %. There is no default in repayment of installment existing as on 31.03.2015. For repayment schedule refer table below

	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (`)	2,730,211	2,769,203	1,874,682	265,990	132,179

Refer note no. 31(b) of the consolidated financials statements.

	As at March 31, 2015	(Amount in `) As at March 31, 2015
NOTE 6 : OTHER LONG TERM LIABILITIES		
Security Deposit	1,821,807	1,671,328
	1,821,807	1,671,328
NOTE 7 : LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
- Gratuity	73,675,167	59,836,654
- Leave encashment	19,091,679	22,131,293
	92,766,846	81,967,947
NOTE 8 : SHORT -TERM BORROWINGS		
From Banks (Secured)		
- Repayable on demand*	1,757,110,969	1,560,987,425
- Other Loans**	72,363,880	-
Unsecured		
- From Others	173,950,582	169,307,287
	2,003,425,431	1,730,294,712

Nature of Security

Working Capital Loans from Banks are secured by first pari-passu charge on entire current assets, long term loan and advances and other non current assets of the Company. These loans are further secured by second pari-passu charge on entire fixed assets, both present and future and personal guarantee of the promoters. These loans, are also secured by pledge of promoters' shares (24,575,918 nos.) on pari-passu basis.

* The short term borrowings of the company have generally remained overdue during the substantial part of the financial year. The overdue amount as 31st March 2015 was ` 267,475,823.

** Repayable within 6 months from the date of balance sheet.

	As at March 31, 2015	(Amount in `) As at March 31, 2014
NOTE 9 : TRADE PAYABLES		
Trade payable	1,823,414,750	1,41,66,67,313
	<u>1,823,414,750</u>	<u>1,41,66,67,313</u>

Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act. 2006

1. Principal amount remaining unpaid	5,434,945	5,473,882
2. Interest	-	-
3. Total of 1 & 2	5,434,945	5,473,882
4. Interest in term of Sec.16	-	-
5. Interest due and payable for the period of delay in payment	-	-
6. Interest accrued and remaining unpaid	-	-
7. Interest due and payable even in succeeding years	-	-

The information as required to be disclosed under the Micro, small and Medium Enterprises Development Act. 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 10 : OTHER CURRENT LIABILITIES

Current maturities of long-term debts:

Secured*

- Debentures	70,704,778	62,386,569
- Term loan from banks	1,691,933,064	1,456,284,041
- Term loan from other party	796,811,250	636,225,000
- Vehicle loans from bank	<u>1,732,487</u>	<u>2,769,203</u>
	2,561,181,579	2,157,664,813

Unsecured

Interest accrued and due on borrowings**	509,855,621	397,196,697
Advance from customers	124,044,894	100,464,817
Security deposits	364,478	163,540
Book Overdraft	3,284,026	153,789,850
Employee benefits payable	79,552,053	60,161,144
Statutory dues payable	22,453,851	9,249,405
Other payables	<u>287,276,298</u>	<u>253,063,530</u>
	<u>3,588,012,800</u>	<u>3,131,753,797</u>

* For security details and other terms and conditions, refer note no. 6 of financial statement.

** There is a default of ` 509,855,621 (Previous Year ` 397,196,697) existed as on 31.03.2015 which ranges from 2 to 2226 days.

Refer note no. 31(b) of the consolidated financial statements.

NOTE 11 : SHORT -TERM PROVISIONS
Provision for Employee Benefits:

- Gratuity	598,571	2,010,776
- Leave encashment	3,223,635	2,657,240
Provision for wealth tax	36,030	46,239
Provision for excise duty on closing stock	13,255,878	13,693,112
	<u>17,114,114</u>	<u>18,407,367</u>

NOTE - 12 FIXED ASSETS

(Amount in `)

Particulars	TANGIBLE ASSETS						INTANGIBLE ASSETS				Total	
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery*	Office Equipments**	Furniture & Fixtures	Vehicle	Goodwill	Software			
GROSS BLOCK												
At 1 April 2013	19,341,907	54,299,243	3,218,724,035	11,209,623,675	1,184,830,896	135,460,731	67,299,833	734,039,390	50,158,780		16,673,778,490	
Original cost of the Subsidiaries not consolidated during the year	10,434,251	-	1,879,787,701	5,464,056,385	1,068,794,206	87,847,473	32,922,448	625,128,973	16,074,913		9,185,046,350	
Additions	-	-	9,337,647	32,050,102	2,950,860	-	4,864,599	-	-		49,203,208	
Disposals	-	-	-	6,135,213	1,481,131	646,120	244,574	-	-		8,507,038	
At 31 March 2014	8,907,656	54,299,243	1,348,273,981	5,771,482,179	117,506,419	46,967,138	38,997,410	108,910,417	34,083,867		7,529,428,310	
Additions	-	-	4,076,169	17,918,068	774,814	-	-	-	-		22,769,051	
Disposals	-	-	-	13,057,744	1,178,524	-	-	-	-		14,236,268	
At 31 March 2015	8,907,656	54,299,243	1,352,350,150	5,776,342,503	117,102,709	46,967,138	38,997,410	108,910,417	34,083,867		7,537,961,093	
DEPRECIATION												
At 1 April 2013	-	20,124,072	1,072,316,228	8,130,465,568	459,642,072	121,749,120	43,566,564	107,849,418	50,120,759		10,005,833,801	
Accumulated depreciation of the Subsidiaries not consolidated during the year	-	-	612,310,706	3,898,271,290	374,261,923	83,710,525	20,445,307	(169,962)	16,036,892		5,004,866,681	
Charge for the year	-	2,599,404	44,913,859	162,646,613	6,234,074	1,692,886	4,105,752	891,037	-		223,083,625	
Disposals	-	-	-	2,756,976	1,306,071	218,394	232,345	-	-		4,513,786	
At 31 March 2014	-	22,723,476	504,919,381	4,392,083,915	90,308,152	39,513,087	26,994,664	108,910,417	34,083,867		5,219,536,959	
Charge for the year	-	2,582,766	44,432,751	90,698,438	6,276,152	3,008,127	4,229,208	-	-		151,227,442	
Disposals	-	-	-	8,312,228	1,136,069	-	-	-	-		9,448,297	
Transferred to General reserve (Refer Note 50)	-	-	9,289,254	(185,950,517)	6,747,311	1,020,577	118,659	108,910,417	34,083,867		(25,780,432)	
At 31 March 2015	-	25,306,242	558,641,386	4,288,519,608	102,195,547	43,541,791	31,342,531	-	-		5,049,547,104	
Net Block												
At 31.03.2014	8,907,656	31,575,767	843,354,600	1,379,398,264	27,198,267	7,454,051	12,002,746	-	-		2,309,891,351	
At 31.03.2015	8,907,656	28,993,001	793,708,764	1,487,822,895	14,907,162	3,425,347	7,654,879	-	-		2,345,419,705	

Notes :

* Addition includes ` Nil (Previous year ` 12,37,955) transfer from fixed assets held for sale to Plant & Machinery.

** Addition includes ` Nil (Previous year ` 1,27,460) transfer from fixed assets held for sale to Office Equipment.

Refer note no. 32(b) of the consolidated financial statements

SPENTEX INDUSTRIES LIMITED

	As at		(Amount in `)	
	March 31, 2015		March 31, 2014	
NOTE 13 : NON CURRENT INVESTMENTS (AT COST)				
1. Investment in Equity Instruments				
(a) In subsidiaries (Trade & Unquoted)				
Spentex Tashkent Toytepa LLC		2,249,213,219		2,155,488,746
Schoeller Litvino KS		192,320,551		236,307,558
(b) In others (Non Trade & quoted)				
Equity Shares of ` 10/- each, fully paid up of Sentinel Tea and Exports Limited	100	4,777	100	4,777
Equity Shares of ` 10/- each, fully paid up of Summit Securities Ltd.	10	-	10	-
(c) In others (Non Trade & unquoted)				
Equity Shares of ` 20/- each, fully paid up of The Baramati Co-operative Bank Limited	1300	26,000	1,300	26,000
Equity Shares of ` 50/- each, fully paid up of The Sadguru Jangli Maharaj Co-operative Bank Ltd.	1000	50,000	1,000	50,000
Equity Shares of ` 10 each, fully paid up of Saraswat Co-op Bank Ltd.	1420	14,200	1420	14,200
Equity Shares of ` 10/- each, fully paid up of Shamrao Vitthal Co-Op Bank 250		2,500	250	2,500
Equity Shares of ` 31/- each, fully paid up of United Yarn	1	31	1	31
Equity Shares of ` 1500/- each, fully paid up of Lotus House Prem Co-op Society.	1	1,500	1	1,500
Equity Shares of ` 10/- each, fully paid up of Datta Nagari Patsanstha	500	5,000	500	5,000
Equity Shares of ` 10/-each, fully paid up of Spencer & Co. Limited	100	7,563	100	7,563
		2,441,645,341		2,391,907,875
Aggregate book value of :				
Quoted investments		4,777		4,777
Unquoted investments		2,441,640,564		2,155,595,540
Aggregate market value of quoted investment		4,599		3,153
NOTE 14 : LONG -TERM LOANS AND ADVANCES				
Unsecured, Considered Good unless otherwise stated				
Capital advances				
		60,406,745		-
Loans and Advances to subsidiary				
-Spentex Tashkent Toytepa Llc		349,621,966		334,992,612
Security deposits		84,256,773		97,392,223
Balance with Customs , Excise, Govt Authorities, etc.				
- Considered good	177,707,126		143,367,366	
- Considered doubtful	5,000,000		-	
Less: Provision for doubtful advances	5,000,000	177,707,126	-	143,367,366
Advance against expenses		75,219,865		65,905,195
Loan and Advance to employees		753,147		826,600
Advance to trade payable:				
- Considered good	36,077,120		40,126,895	
- Considered doubtful	167,395,417		167,395,417	
	203,472,537		207,522,312	
Less: Provision for doubtful advances	167,395,417	36,077,120	167,395,417	40,126,895
Advance tax/ tax deducted at source		18,339,808		21,574,826
Other loan and advances:				
- Considered good		-		-
- Considered doubtful	9,235,000		9,235,000	
	9,235,000		9,235,000	
Less : Provision for doubtful advances	9,235,000	-	9,235,000	-
		802,382,550		704,185,716

	(Amount in `)	
	As at March 31, 2015	As at March 31, 2014
NOTE 15 : OTHER NON- CURRENT ASSETS		
Unsecured, Considered Good unless otherwise stated		
Trade receivables		
- Considered good	82,509,356	85,646,300
- Considered doubtful	1,127,246	1,127,246
	<u>83,636,602</u>	<u>86,773,545</u>
Less:- Provision for doubtful trade receivables	1,127,245	1,127,246
Export incentives	42,593,751	41,064,401
Claims receivables	18,683,762	34,239,512
Interest accrued on Fixed Deposit	-	35,640
Interest accrued on loan to subsidiary	65,395,518	62,659,151
Unamortised Upfront Fee	24,071,231	37,545,688
Fixed deposit with more 12 month maturity from the balance sheet date	-	600,000
	<u>233,253,617</u>	<u>261,790,693</u>
NOTE 16 : INVENTORIES*		
Raw materials	168,394,654	109,271,187
(Includes Goods in Transit ` 5,153,897 (Previous Year ` 13,034,081/-)		
Work-in-process	116,810,245	132,740,377
Finished goods		
- Manufactured	310,694,392	741,113,508
- Stock in trade	<u>2,709,741</u>	<u>11,070,994</u>
Stores, spares & packing materials	30,785,383	39,563,879
Waste	8,008,363	15,308,081
	<u>637,402,777</u>	<u>1,049,068,026</u>
*Refer accounting policy for mode of valuation.		
NOTE 17 : TRADE RECEIVABLE		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payments	14,793,677	7,161,403
Others	314,996,452	335,647,591
	<u>329,790,129</u>	<u>342,808,994</u>
NOTE 18 : CASH AND BANK BALANCES		
Cash & Cash Equivalent		
Cash in hand	4,726,008	3,271,078
Balance with banks	6,915,319	20,662,606
Others Bank Balances		
Fixed deposit with more than 3 month maturity from original date	19,460,290	19,194,569
Margin money with bank	1,563,940	1,460,992
Restricted Cash (Interest reserve account)	223,857	214,490
	<u>32,889,415</u>	<u>44,803,735</u>
NOTE 19 : SHORT- TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Security Deposits	1,953,951	1,953,951
Intercompany Deposits	217,566,863	217,566,863
Margin Money with Others	194,839	3,474,839
Advance to Trade Payables	144,969,823	194,485,196
Advance against expenses	10,096,502	2,833,972
Prepaid expenses	22,438,617	26,233,146
Balance with Customs , Excise, Govt Authorities, etc.	98,744,141	223,331,178
Advance income tax/tax deducted at source	117,550	2,561,751
Advance to employees of the company	4,566,362	5,563,286
Loans & advances to others	1,883,312	-
	<u>502,531,960</u>	<u>678,004,181</u>

(Amount in `)

	As at March 31, 2015	As at March 31, 2014
NOTE 20 : OTHER CURRENT ASSETS		
Claims receivables	126,968,850	28,423,212
Fixed assets held for sale	2,585,227	9,483,200
Export incentives	96,712,143	174,341,826
Unamortised Upfront Fees	16,446,990	14,519,560
Interest accrued on deposit	1,798,690	2,067,526
	244,511,899	228,835,324
	Year Ended March 31, 2015	Year Ended March 31, 2014
NOTE 21 : REVENUE FROM OPERATION (GROSS)		
From Sale of Manufactured Goods		
- Yarn	8,340,065,367	10,078,822,092
Sale of Traded Goods		
- Cotton Yarn	19,329,226	4,215,308
- Clothes (Fabrics)	184,496,536	399,605,969
Waste sale	389,407,343	697,401,286
Other operating income		
- Export Incentive	213,214,507	282,710,396
	9,146,512,979	11,462,755,052
NOTE 22 : OTHER INCOME		
Commission Income	268,508	241,843
Interest Income	9,285,817	9,920,334
Dividend Income from non-current investment	5,660	5,100
Rent Income	84,000	66,000
Profit on sale of fixed assets(Net)	-	1,763,148
Liabilities/provision no longer required written back	8,000,635	56,390,056
Net gain on foreign currency transactions	68,892,001	24,694,410
Misc Income	92,824,043	71,779,754
	179,360,664	164,860,645
NOTE 23 : COST OF MATERIAL CONSUMED		
Opening stock	109,271,187	339,378,312
Less : opening stock of subsidiaries not consolidated during the year #	-	148,848,883
Purchases	5,832,571,991	7,829,998,422
Closing stock	168,394,653	109,271,187
	5,773,448,524	7,911,256,664
# Refer note no. 31(b) of the consolidated financials statements.		
NOTE 24 : PURCHASE OF STOCK- IN -TRADE		
Cotton yarn	3,705,259	6,869,812
Clothes	140,944,102	142,571,802
	144,649,361	149,441,614
NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & WORK IN PROGRESS		
Opening inventories		
Finished Goods:		
(a) Manufactured	741,113,508	525,966,209
(b) Traded Goods	11,070,994	33,304,254
Work in progress	132,740,377	352,082,408
Cotton waste	15,308,080	21,116,519
	900,232,959	932,469,390
Less : Opening inventories of subsidiaries not consolidated during the year #		
Finished Goods:		
- Manufactured	-	87,520,391

	Year Ended March 31, 2015	Year Ended March 31, 2014
Work in progress	-	208,991,770
	-	296,512,161
	900,232,959	635,957,229
Closing Inventories		
Finished Goods:		
(a) Manufactured	310,694,391	741,113,508
(b) Traded Goods	2,709,741	11,070,994
Work in progress	116,810,245	132,740,377
Cotton waste	8,008,362	15,308,096
	438,222,739	900,232,975
Sub total	462,010,220	(264,275,746)
Excise duty on (Increase) / Decrease in inventories	(437,234)	(3,333,949)
(Increase) /Decrease in inventories	461,572,986	(260,941,797)
# Refer note no. 31(b) of the consolidated financials statements.		
NOTE 26 : EMPLOYEES BENEFIT EXPENSE		
Salaries, wages and bonus	758,510,466	724,758,793
Contribution to provident funds & other funds	67,346,605	69,677,923
Staff welfare expenses	75,725,825	77,695,019
	901,582,894	872,131,735
NOTE 27 : FINANCE COST		
Interest expenses from bank		
- On Non convertible debentures	34,737,498	37,877,053
- On Borrowings	591,565,215	765,406,117
- On other than Borrowings	146,048,479	
Interest expenses from others	65,571,165	49,512,311
Other borrowing cost	65,547,292	71,964,069
	903,469,649	924,759,550
NOTE 28 : OTHER EXPENSES		
Store, spares and packing materials consumed	271,649,593	329,992,940
Sub contracting charges	81,640,511	61,356,139
Power, fuel & water	951,401,618	1,095,287,762
Rent	3,747,163	3,785,520
Rate & taxes	6,218,377	7,645,617
Repair & maintenance :		
- Plant & machinery	14,232,120	22,819,734
- Building	1,831,327	2,445,768
- Others	6,717,019	8,953,754
Insurance expenses :		
- Buildings	157,375	156,431
- Plant & machinery	1,750,062	1,474,529
- Stock	412,050	139,924
- Others	5,924,671	5,551,159
Communication expenses	8,553,203	7,480,305
Travelling & conveyance expenses	49,933,592	52,859,296
Legal & professional charge	58,749,846	56,797,399
Payment to auditors (excluding service tax):		
- Audit Fees	2,069,664	2,069,664
- For other services	63,518	10,000
- For reimbursement of expenses	70,857	122,554
Commission on sales	71,968,155	108,199,655
Freight outward and clearing charges (net of recoveries)	158,860,490	152,090,508
Director sitting fees	552,876	504,944
Loss on sale of assets held for sale (Net)*	5,466,785	7,180,636
Selling & distribution Expenses	69,051,518	53,058,892
Bad debts/ Receivables written off	6,130,428	23,249,266
Service tax cenvat reversal	14,484,084	13,040,052
Miscellaneous expenses	28,258,405	35,502,875
	1,819,895,307	2,051,775,324

* Inclusive of impairment loss on assets held for sale ` Nil (Previous year impairment loss written back ` 21,84,342/-)

SPENTEX INDUSTRIES LIMITED

NOTE 29: EXTRAORDINARY ITEMS

Extraordinary items in consolidated financial statements represent write back of ` 13,717,503 (Previous year ` Nil) due to loan waiver from lender.

NOTE 30: PRIOR PERIOD ITEMS REPRESENT

(Amount in `)

	Current Year	Previous year
Reversal of Export Incentive Income	-	3,569,709
Reversal of Miscellaneous Income	-	2,133,375
Prior period expenses (b)	-	5,703,084
Net Prior period Items (b-a)	-	5,703,084

NOTE 31 : GROUP COMPANIES

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" notified under section 211(3C) of the Companies Act, 1956.

(a) The Financial Statements of the following subsidiaries, drawn upto March 31, 2015, along with Spentex Industries Limited (the Company), the Parent, constituting the group, are considered in preparation of the consolidated financial statements :-

Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest as on March 31, 2015	Percentage of ownership interest as on March 31, 2014
Spentex (Netherlands), B.V.(100 % held by the Company and its nominees)	Subsidiary	Netherlands	100.00%	100.00%
Schoeller Textile (Netherland), B.V.(a 100% subsidiary of Spentex (Netherlands), B.V.)	Subsidiary	Netherlands	100.00%	100.00%
M/s. Botekos Plus s.r.o.(90% of Schoeller Textile (Netherlands), B.V and 10% Spentex (Netherlands), B.V.)	Subsidiary	Czech Republic	100.00%	100.00%
Amit Spinning Industries Limited (ASIL)	Subsidiary	India	50.96%	50.96%

The financial statements of the above subsidiaries along with the Company constituting the "group", considered in the consolidated financial statements, is drawn up to March 31, 2015.

(b) The company has not consolidated the Financial Statements of its subsidiaries namely Spentex Tashkent Toytepa LLC (STTL) and Schoeller Litvinov K.S since these are de-facto under the control of Bankers/Secured Creditors and their Financial Statements are not available, therefore the closing balances of current year and previous year do not include the figures of the said subsidiaries.

NOTE 32 : CONTINGENT LIABILITIES :

1. Contingent Liabilities not provided for in respect of :

(Amount in `)

Description	Year ended March 31, 2015	Year ended March 31, 2014
(a) Demands from income tax authorities under appeal	74,375,239	37,971,404
(b) Demands from sales tax authorities under appeal	12,925,141	14,143,364
(c) Show cause notices/demands raised by excise / customs department (including applicable penalties), not acknowledged as debts	383,635,192	392,123,888
(d) Show cause notices/demands raised by MP Government / MPEB department, not acknowledged as debts	218,426,566	213,868,939
(e) Claims against the company not acknowledged as debts	648,149,210	622,781,103
(f) Guarantees and letters of credit issued on behalf of the company, outstanding at the year end	178,321,269	248,803,656
(g) Bills discounted with banks on behalf of the company, outstanding at the year end	251,993,458	724,659,779
(h) Corporate guarantee given to IREDA for loan to M/s Himalayan Crest Power Private Limited	170,537,398	186,107,179
(j) Corporate guarantee given to Tashkent Toytepa Textile for deferred payment of purchase consideration on behalf of Spentex Tashkent Toytepa LLC Current Year USD Nil (previous year USD 43,250,000)*	-	2,589,810,000

*The Company believes that the corporate guarantee issued on behalf of its Step down subsidiary namely Spentex Tashkent Toytepa LLC

(STTL) for deferred payment to TTL stand extinguished as all the assets and liabilities of STTL have been taken over by National Bank of Uzbekistan (NBU) and existence of STTL has been liquidated as per bankruptcy laws. Accordingly, the figure of current year does not include the portion of the guarantee relating to the deferred liability of TTL.

The amount shown in the items (a) to (e) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. The amount shown in items (f) to (h) represent guarantees given and bills discounted in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of beneficiaries fulfilling their ordinary commercial obligations.

2

(Amount in `)

Description	Year ended 31st March, 2015	Year ended 31st March, 2014
Estimated value of contracts remaining to be executed on capital account	-	3,486,502

NOTE 33 : DEFINED BENEFIT PLAN :
(i) Post Retirement Employee Benefits
(a) Defined Contribution Plans:

The Company has defined contribution plans for post retirement employment benefits' namely Provident Fund and Employee State Insurance Scheme. Expenses for the same is being charged to statement of profit and loss for the year.

(b) Defined Benefit Plans:

The liability for gratuity is determined on the basis of an actuarial valuation, using the Projected Unit Credit (PUC) method at the end of the year. Gains and losses arising out of actuarial valuations are recognised in the statement of profit and loss for the year. Liabilities for compensated absences which is a defined benefit plan are determined based on independent year end actuarial valuation and the resulting charge is being accounted in statement of profit and loss.

(ii) Other Employee Benefits

Other employee benefits are accounted for on accrual basis.

(Amount in `)

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
A. Components of Employer expenses				
Current service cost	9,345,067	3,702,958	8,346,014	4,176,624
Interest cost	7,283,645	1,983,083	8,170,533	1,933,025
Curtaiment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Return on plan assets	(1,917,739)	-	(2,374,735)	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	2,060,316	(4,878,836)	4,345,237	3,023,787
Total expenses recognised in the consolidated statement of profit and loss	16,771,289	807,205	18,487,049	9,133,436

The gratuity and leave encashment expenses have been recognised in "salaries, wages and bonus" under note 27 of financial statement.

B. Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015.

(Amount in `)

Present value of DBO at the beginning of year	91,045,578	24,788,531	89,786,084	21,242,036
Current service cost	9,345,067	3,702,958	8,346,014	4,176,624
Interest cost	7,283,645	1,983,083	8,170,533	1,933,025
Curtaiment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Plan amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (gains)/losses	2,060,316	(4,878,836)	4,345,238	3,023,787
Benefits paid	(5,973,594)	(3,280,424)	(19,602,291)	(5,586,941)
Present value of DBO at the end of year	103,761,012	22,315,312	91,045,578	24,788,531

SPENTEX INDUSTRIES LIMITED

C. Net Asset / (Liability) recognised in balance sheet as at March 31, 2015.

(Amount in `)

Present value of defined benefit obligation	103,761,011	22,315,314	91,045,577	24,788,533
Fair value on plan assets	29,487,273	-	29,198,147	-
Status [surplus/(deficit)]	(74,273,738)	(22,315,314)	(61,847,430)	(24,788,533)
Unrecognised past service cost	-	-	-	-
Net Asset/(Liability) recognised in balance sheet	(74,273,738)	(22,315,314)	(61,847,430)	(24,788,533)

D. Experience Adjustment

(Amount in `)

	2014-15		2013-14		2012-13		2011-12		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of defined benefit obligation	103,761,011	22,315,314	77,804,171	22,841,057	83,536,229	22,841,057	84,489,477	20,846,742	67,372,321	16,362,698
Fair value on plan assets	29,487,273	-	28,372,311	-	27,012,793	-	27,833,951	-	25,629,822	-
Status [surplus/(deficit)]	(74,273,738)	(22,315,314)	(49,431,860)	(22,841,057)	(62,773,290)	(21,242,038)	(57,680,657)	(20,846,742)	(41,742,499)	(16,362,698)
Experience adjustment on plan liabilities loss / (gain)	(282,394)	(3,675,873)	14,213,517	6,064,886	7,108,952	1,786,912	5,637,402	4,825,702	5,791,134	2,432,572
Experience adjustment on plan assets (loss) / gain	(530,246)	-	(187,999)	11,994	80,571	-	113,733	-	12,235	-

E. Change in Fair Value of Assets During the Year Ended March 31, 2015.

(Amount in `)

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Plan assets at the beginning of year	29,198,147	-	27,012,793	-
Acquisition adjustment for plan assets	-	-	-	-
Expected return on plan assets	1,917,639	-	2,374,735	-
Actuarial gains/(losses)	-	-	-	-
Actual company contribution	3,113,875	-	4,202,605	-
Benefits paid	(3,529,536)	-	(4,391,986)	-
Plan Assets at the end of year	30,700,125	-	29,198,147	-

F. Current & Non current liabilities as at March 31, 2015.

Current liabilities	598,571	3,223,635	2,010,776	2,657,240
Non-current liabilities	73,675,167	19,091,679	59,836,654	22,131,293
	74,273,738	22,315,314	61,847,430	24,788,533

G. Actuarial Assumptions

	Percentage		Percentage	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate (%) at March 31, 2015.	8.00%	8.00%	8.50%	8.50%
Expected return on plan assets at March 31, 2015.	8.75%	N.A.	9.15%	N.A.
Annual increase in salary cost	2.50%	2.50%	4.50%	4.50%

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

H. Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

NOTE 34 : SEGMENT REPORTING :

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

A. Business Segment Reporting

(Amount in `)

DESCRIPTION	TEXTILE-MANUFACTURING	TEXTILE-TRADING	TOTAL
Segment Revenue			
Total Revenue	9,029,670,336	202,318,592	9,231,988,928
	(11,288,325,834)	(404,504,696)	(11,692,830,530)
Inter - segment sales	-	108,895,666	108,895,666
	(-)	(263,382,954)	(263,382,954)
External Sales	9,029,670,336	93,422,926	9,123,093,262
	(11,288,325,834)	(141,121,742)	(11,429,447,576)
Segment Results	144,629,277	22,099,259	166,728,537
	(620,253,187)	(267,346,578)	(887,599,765)
Unallocated corporate expenses (Net)	-	-	138,319,867
	(-)	(-)	(249,964,015)
Operating Profit	-	-	28,408,669
	(-)	(-)	(637,635,750)
Finance charges	-	-	903,469,648
	(-)	(-)	(924,759,551)
Interest income	-	-	9,285,817
	(-)	(-)	(9,920,334)
Dividend income	-	-	5,660
	(-)	(-)	(5,100)
Profit/(Loss) before Prior period items, exceptional items and Tax	-	-	(865,769,501)
	(-)	(-)	(-277,198,366)
Extra Ordinary Income (Net)	-	-	13,717,504
	(-)	(-)	(-)
Prior Period Expenses (Net)	-	-	-
	(-)	(-)	(5,703,084)
Tax Expenses	-	-	6,017,657
	(-)	(-)	(-)
Profit/(Loss) after tax	-	-	(858,069,654)
	(-)	(-)	(-282,901,451)
OTHER INFORMATION			
Segment Assets	3,561,942,734	52,983,890	3,614,926,624
	(3,490,851,317)	(50,489,580)	(3,541,340,897)
Unallocated corporate assets	-	-	3,956,647,365
	(-)	(-)	(4,470,600,482)
Total Assets	-	-	7,571,573,989
	(-)	(-)	(8,011,941,379)
Segment liabilities	2,630,788,224	69,683,547	2,700,471,771
	(2,293,891,089)	(22,460,099)	(2,316,351,188)
Unallocated corporate liabilities	-	-	7,685,050,058
	(-)	(-)	(7,882,059,629)
Total Liabilities	-	-	10,385,521,829
	(-)	(-)	(10,198,410,817)
Capital expenditure incurred during the year	-	-	22,769,051
	(-)	(-)	(49,203,208)
Depreciation and amortisation for the year	-	-	151,227,442
	(-)	(-)	(223,083,625)

B) GEOGRAPHICAL SEGMENT REPORTING:

DESCRIPTION	REVENUE (`)	ASSETS (`)
Domestic	3,865,535,029	4,547,634,576
	(3,897,206,018)	(5,097,496,298)
Outside India	5,257,558,233	3,023,939,413
	(7,532,241,558)	(2,914,445,081)
Current Year	9,123,093,262	7,571,573,989
Previous Year	(11,429,447,576)	(8,011,941,379)

NOTE 35 : RELATED PARTY DISCLOSURES :

In accordance with the requirements of Accounting Standard (AS) - 18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are :

Enterprises Under Significant Influence:

- | | |
|---|--------------------------------------|
| i) M/s Himalayan Crest Power Private Limited. | ii) M/s CLC & Sons (P) Limited |
| iii) M/s CLC Technologies Private Limited | iv) M/s Spentex Tashkent Toytepa LLC |
| v) M/s Schoeller Litvinov k.s. | |

Key Management Personnel

- | | |
|------------------------------|--------------------------------|
| i) Sh. Ajay Kumar Choudhary | Chairman & Whole Time Director |
| ii) Sh. Mukund Choudhary | Managing Director |
| iii) Sh. Kapil Choudhary | Deputy Managing Director |
| iv) Sh. Amrit Agrawal | Director |
| v) Sh. Sitaram Parthasarathy | Director |
| vi) Sh. Raghav Choudhary | Son of Sh. Mukund Choudhary |
| vii) Ms. Megha Agrawal | Daughter of Sh. Amrit Agrawal |
| viii) Sh. Akash Agrawal | Son of Sh. Amrit Agrawal |

(Amount in `)

	Current Year	Previous Year
1. Remuneration to Key Management Personnel		
i) Mr. Ajay Kumar Choudhary	7,955,751	8,001,351
ii) Mr. Mukund Choudhary	7,955,751	8,001,351
iii) Mr. Kapil Choudhary	7,955,751	8,001,351
iv) Mr. Amrit Agrawal	7,554,305	7,541,189
v) Mr. Sitaram Parthasarathy	7,554,305	7,421,189
Total	38,975,863	38,966,431
2. Scholarship to relatives of Key Management Personnel		
i) Mr. Raghav Choudhary	-	3,550,489
ii) Ms. Megha Agrawal	-	4,000
iii) Mr. Akash Agrawal	5,000	-
Total	5,000	3,554,489
3. Allotment of Equity Shares to Enterprises under significant influence		
M/s CLC Technologies Private Limited	-	1,40,00,000
Total	-	1,40,00,000
4. Share Application Money Received		
M/s CLC Technologies Private Limited	45,050,000	-
M/s CLC & Sons Private Limited	65,900,000	-
Total	110,950,000	-
5. Guarantees outstanding at year end		
M/s Himalayan Crest Power Private Limited	170,537,698	186,107,179
M/s Spentex Tashkent Toytepa LLC	-	2,589,810,000
Total	170,537,698	2,775,917,179
6. Year end Receivable from		
M/s Spentex Tashkent Toytepa LLC	485,029,888	467,664,167
Total	485,029,888	467,664,167

NOTE 36 : EARNING PER SHARE

The following table reconciles the numerators and denominators used to calculate basic and diluted EPS for the year:

(Amount in `)

Description	Current Year	Previous Year
Net profit/(loss) attributable to equity shareholders	(858,069,654)	(282,901,451)
Weighted Average Shares Outstanding		
Weighted average shares outstanding	89,772,035	89,614,775
Effect of dilutive securities	-	-
Diluted weighted average shares outstanding	89,772,035	89,614,775
Nominal value of equity shares (`)	10	10
Extraordinary items	13,717,503	-
Profit/(loss) before extraordinary items attributable to equity shareholders	(871,787,157)	(282,901,451)
Before extraordinary items		
Basic earnings per shares (`)	(9.71)	(3.16)
Diluted earnings per shares (`)	(9.71)	(3.16)
Profit/(loss) after extraordinary items attributable to equity shareholders	(858,069,654)	(282,901,450)
After extraordinary items:		
Basic earnings per shares (`)	(9.56)	(3.16)
Diluted earnings per shares (`)	(9.56)	(3.16)

NOTE 37 : EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR (ON ACCRUAL BASIS):

(Amount in `)

Description	Current Year	Previous Year
F.O.B. value of goods exported	4,631,274,223	7,264,116,542

NOTE 38 : EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(Amount in `)

Description	Current Year	Previous Year
Travelling	1,043,043	1,799,536
Commission	56,103,536	88,330,131
Claim paid on export sales	15,238,736	5,879,194
Legal & professional	29,575,806	21,269,736
Other expenses	3,951,721	7,158,151
	105,912,842	124,436,748

NOTE 39 : VALUE OF RAW MATERIALS CONSUMED

(Amount in `)

Description	Current Year		Previous Year	
	%	`	%	`
Imported	2.10%	121,420,063	0.81%	64,377,231
Indigenous	97.90%	5,652,028,461	99.19%	7,846,879,432
	100.00%	5,773,448,524	100.00%	7,911,256,663

NOTE 40: VALUE OF STORE, SPARES AND PACKING MATERIAL CONSUMED

(Amount in `)

Description	Current Year		Previous Year	
	%	`	%	`
Imported	14.28%	38,783,003	15.05%	49,661,388
Indigenous	85.72%	232,866,590	84.95%	280,331,552
	100.00%	271,649,593	100.00%	329,992,940

NOTE 41: CIF VALUE OF IMPORTS

(Amount in `)

Description	Current Year	Previous Year
Raw materials	86,781,395	68,644,011
Stores and spares & components	33,095,023	48,697,444
Capital goods	-	-
	119,876,418	117,341,456

NOTE 42 : TAXATION
Deferred Tax*
Break-up of Deferred Tax Assets and Liabilities.

(Amount in `)

Description	Current Year	Previous Year
Deferred tax liability recognised on account of timing difference:		
Tax impact of difference in net book value of fixed assets as per Accounts & Tax	391,680,324	335,779,717
Total Deferred Tax liabilities [A]	391,680,324	335,779,717
Deferred tax asset recognised on account of timing difference:		
Tax impact of provision for doubtful debts and advances	92,155,829	89,276,907
Tax impact of disallowances under section 43B of the Income Tax Act, 1961	80,776,293	88,862,524
Tax Impact on amount disallowances under section 40 (a) of the Income Tax Act, 1961	-	-
Tax Impact of brought forward losses	742,023,468	507,876,812
Tax Impact of unabsorbed depreciation	527,475,272	557,634,577
Total Deferred Tax Asset [B]	1,442,430,862	1,243,650,820
Deferred Tax Asset/ (Deferred Tax Liability)	1,050,750,538	907,871,103
Charge to consolidated Statement of Profit and Loss	-	-
Net Deferred Tax Asset/ (Deferred Tax Liability)	1,050,750,538	907,871,103

* Includes only Tax impact on assets and liabilities of Spentex Industries Limited and Amit Spinning Industries Limited.

Note: The Company has not recognised above Deferred Tax assets on account of prudence.

NOTE 43 :

Gain/(Loss) on foreign currency translation on restatement of balance brought forward from previous year represents foreign currency fluctuation on restatement of profit brought forward in respect of foreign subsidiaries.

NOTE 44 :

The Butibori Unit of the Synthetic Division had been exporting its goods under Rule 18 of the Central Excise Rules 2002 and claiming rebate on both input and output stage of duty. The Central Excise Department disallowed the rebate on Input Stage of duty at Butibori unit. The Synthetic Division has filed a revision petition with the Joint Secretary, Government of India who allowed rebate for both the stages of duty.

However, the Department appealed in the Hon'ble High Court of Mumbai which was upheld by the Hon'ble High Court. The Synthetic Division has now filed a Special Leave Petition before the Hon'ble Supreme Court of India for quashing the Hon'ble High Court Order and allowing the rebate on input stage of duty.

Pending the decision in the matter by the Hon'ble Supreme Court, the Synthetic Division has not yet reversed the rebate receivable on input duty aggregating to ` 23,128,387 (including ` 2,826,621 at its Pithampur Unit).

Further, relying on the judgment of the Hon'ble High Court of Mumbai for the Butibori unit, a demand has been raised by the Department on the Pithampur unit of the Synthetic Division against the refund already given of the rebate on input stage of duty amounting to ` 60,216,366/- along with interest. Also, pending claims for the input stage of duty amounting to ` 2,826,621/- have been disallowed during 2006-07. The Pithampur unit has gone into appeal against the said demand / disallowance. The Commissioner (Appeals) has rejected the appeal of the Synthetic Division for the pending claim, while the decision has been kept pending against the demand till the final order is received from the higher authority (Revision Authority).

While the management is hopeful of the decision of the case in its favor, it is also reasonably confident of the liquidation / utilization of these current balances of ` 83,344,753/-

NOTE 45 :

The company has an investment of ` 2,249,213,219 and recoverable ` 485,029,888 in step down subsidiary Spentex Tashkent Toytepa, LLC (STTL) respectively. During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policies by breaching the investment agreement and rendered operation of STTL unviable and insolvency proceedings have been initiated against it. Since investment agreement entered between GOU and company, Treaties entered between countries were breached, Company has initiated Arbitration proceeding against GOU for protection of investment and dues & compensation dispute Claim in International Centre for Settlement of Investment Dispute (ICSID). Spentex (Netherlands) B.V., subsidiary of the company, appointed various experts to assess losses suffered by the company. Based on the draft report and claim to be lodged with ICSID, Board of Directors have decided not to make any provision for the aforesaid amounts. As on 31st March, 2014 accumulated losses of the group have exceeded its net worth. The management believes that losses incurred in past would be made good. Therefore the group's financial statements have been prepared on a going concern basis.

NOTE 46 :

The Export incentive under the head other non-current assets includes a sum of ` 19,346,572/- (PY ` 19,346,572/-) as Drawback receivables from

Custom Department against the export sale pertaining to the period 1993 to September, 2004 when the unit was 100% Export Oriented Unit (EOU). The Amit Spinning Industries Limited (ASIL) had filed an application with the office of DGFT for recovery of same.

NOTE 47:

Trade receivables, advance balances and receivables amount aggregating to ` 63,71,477 , ` 2,73,14,712, ` 17,869,256 respectively due from certain parties where payments are not forthcoming. Against the above, the Company has filed a suit for recovery. In addition to above for ` 12,830,469 dues from Government Authorities company filed an application for release with concerned authorities. The Company is making effort to recover the same and expects to reduce the outstanding dues significantly. Based on outcome of the legal suit coupled with further negotiations with these parties, the management is of the opinion that ultimately there would be no losses against these old balances and hence no provision is considered necessary at the stage.

NOTE 48:

For the year ended March 31, 2015, the Company has initiated the process of compliance with the transfer pricing regulations for which the prescribed certificate of the accountant will be obtained. The management is of the opinion that the transactions are arms length price. Hence the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and the provision for taxation.

NOTE 49:

The company has applied to Securities & Exchange Board of India (SEBI) seeking exemption for maintaining at least 15% of the amount of its debenture maturing during the financial year 2013-14, 2014-15 and 2015-16 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affair, which is still awaited.

NOTE 50:

The outstanding balance as on 31st March, 2015 in respect of certain trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation and consequential adjustment if any from the respective parties. The management, however, does not expect any material variations.

NOTE 51 :

The financial information as required under Schedule III of the Companies Act 2013 is shown below:

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Spentex Industries Limited	72.08	(2,783,822,036)	73.18	(627,928,326)
Subsidiaries				
Indian				
Amit Spinning Industries Limited	(1.87)	72,203,967	17.87	(153,345,977)
Foreign				
Spentex Netherlands B.V.	29.79	(1,150,704,771)	8.95	(76,795,351)
Total	100.00	(3,862,322,840)	100.00	(858,069,654)

NOTE 52:

Previous year figures have been regrouped and reclassified wherever necessary to make them comparable.

Notes referred to above form an integral part of Consolidated Financial Statements.

For J.C. Bhalla & Company Firm Reg. No. 001111N Chartered Accountants	On behalf of the Board	
	Mukund Choudhary Kapil Choudhary Sitaram Parthasarathy Amrit Agrawal	Managing Director Deputy Managing Director Director Director
Akhil Bhalla Partner Membership No : 505002	Ranjan Mangtani Sharat Gupta	Company Secretary CFO

Place : New Delhi

Date : May 29, 2015

Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

AOC - 1

Sl. No.	Name of Subsidiary	Amit Spinning Industries Ltd.	Schoeller Textile (Netherlands) B.V.		Spentex (Netherlands) B.V.		Botekos Plus s.r.o.	
			EURO	INR	USD	INR	EURO	INR
	Reporting Currency	INR	EURO	INR	USD	INR	EURO	INR
	Closing Rate (31.03.2015)		67.13		62.5		67.13	
1	Share Capital (including share application money)	205,848,335 (205,848,335)	18,000 18,000	1,208,266 (1,484,617)	15,021,898 15,027,357	938,793,516 (899,838,137)	7,599 (7,599)	510,090 (626,756)
2	Reserves and Surplus	-720,295,252 (-624,093,383)	(14,880,988) (-14,871,605)	(998,899,407) (-1,226,590,826)	(1,211,304) (27,344)	(75,700,443) (1,637,299)	(7,599) (-7,599)	(510,090) (-626,756)
3	Total Assets (excluding investments)	634,040,454 (700,063,626)		- -	29,541,499 (29,978,311)	1,846,195,980 (1,795,101,263)		- (-)
4	Total Liabilities	1,148,510,602 (1,118,331,905)	17,735,443 (17,725,380)	1,190,507,210 (1,461,910,399)	51,603,860 (-50,796,565)	3,224,983,231 (3,041,698,372)		- -
5	Investment	23,231 (23,231)		- -	35,872,955 (35,872,955)	2,241,880,323 (2,148,072,545)		- -
6	Turnover	263,857,017 (348,276,954)		- -		- -		- -
7	Profit/(loss) before Taxation	-96,201,869 (-30,520,015)	(9,382) (-1,163)	(727,433) (-94,178)	(1,244,107) (-11,15,449)	(76,067,937) (-67,373,086)		- (-7,599) (-615,354)
8	Provision for Taxation (Deferred Tax)	- -		- -		- -		- -
9	Profit/(loss) after Taxation	-96,201,869 (-30,520,015)	(9,382) (-1,163)	(727,433) (-94,178)	(1,244,107) (-11,15,449)	(76,067,937) (-67,373,086)		- (-7,599) (-615,354)
10	Proposed Dividend	- (-)		- (-)		- (-)		- (-)
11	% of Shareholding	50.96%	100% of SNBV		91%		100% of SNBV	

*Figures shown in brackets represents previous year figures.

Exchange rate used in case of foreign subsidiaries are given below:

Ex Rates (Closing Rate)	USD/INR	EURO/USD	EURO/INR
31.03.2015	62.50	1.0741	67.13
31.03.2014	59.88	1.3774	82.48
Ex Rates (Average Rate)	USD/INR	EURO/USD	EURO/INR
31.03.2015	61.14	1.2681	77.53
31.03.2014	60.40	1.3407	80.98

SPENTEX 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 **23rd Annual General Meeting** of the Company on **Wednesday, the 30th day of September, 2015 at 3:30 P.M.** at **Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019**

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

.....
Signature of Member/Proxy

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

PROXY FORM

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

CIN : L74899DL1991PLC138153
Name of the Company : **SPENTEX INDUSTRIES LIMITED**
Registered office : A-60, OKHLA INDUSTRIAL AREA, PHASE II, NEW DELHI - 110020

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

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

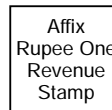
- Name : Address :
E-mail Id : Signature :
- Name : Address :
E-mail Id : Signature :
- Name : Address :
E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23rd Annual General Meeting** of the company, to be held on **Wednesday, the 30th day of September, 2015 at 03.30 P.M.** at **Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi 110019** in respect of such resolutions as are indicated below:

Res No.	Resolutions
	Ordinary Business :
1.	Adoption of Financial Statements, Reports of Directors and Auditors of the Company for the financial year ended 31st March, 2015.
2.	Re-appointment of Sh. Ajay Kumar Choudhary as a Director, who retires by rotation.
3.	Re-appointment of Sh. Kapil Choudhary as a Director, who retires by rotation.
4.	Ratification of the appointment of Statutory auditors of the Company for the financial year 2015-16 and to fix their remuneration.
	Special Business :
5.	Ratification of remuneration of Cost Auditor.
6.	Appointment of Ms. Kamal Kapur as Independent Woman Director.
7.	Seeking Central Government approval for Sh. Ajay Kumar Choudhary, Chairman towards payment of existing remuneration.
8.	Seeking Central Government approval for Sh. Kapil Choudhary, Dy. Managing Director towards payment of existing remuneration.
9.	Seeking Central Government approval for Sh. Sitaram Parthasarthy, Director-Works towards payment of existing remuneration.
10.	Issue of 1,10,95,000 shares of Rs. 10/-each to the promoters/promoter group on Preferential Basis.

Signed this day of 20.....

Signature of shareholder
Signature of Proxy holder(s)



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

CIMMCO SPINNERS. SOLAPUR



AMIT SPINNING INDUSTRIES LTD.-KOLHAPUR



SPENTEX INDUSTRIES LTD.-BARAMATI



SPENTEX INDUSTRIES LTD.-BUTIBORI



SPENTEX INDUSTRIES LTD.-PITHAMPUR

