

ANNUAL REPORT 2002-2003

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AMARJOTHI SPINNING MILLS LIMITED

AMARJOTHI SPINNING MILLS LIMITED

BOARD OF DIRECTORS

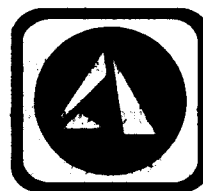
Sri. N. RAJAN
(Chairman)

Sri. R. PREMCHANDER
(Managing Director)

Sri. R. JAICHANDER
(Joint Managing Director)

Sri. S. SATHYANARAYANAN

Dr. V. SUBRAMANIAM



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BANKERS

BANK OF BARODA
KARUR VYSYA BANK LTD.

AUDITOR

V. NARAYANASWAMI, M.A., F.C.A.
Chartered Accountant, Coimbatore

SHARE TRANSFER AGENTS

M/s. S.K.D.C. CONSULTANTS LTD.
No.11, Street No.1
S.N. Layout, Tatabad
Coimbatore - 641 012.

REGD. OFFICE : "AMARJOTHI HOUSE", 157, Kumaran Road, Tirupur - 641 601.

MILLS AT : Pudusuripalayam, Nambiyur - 638 458, Gobi Taluk.



AMARJOTHI SPINNING MILLS LIMITED

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AMARJOTHI SPINNING MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of AMARJOTHI SPINNING MILLS LIMITED will be held on Tuesday, the 30th September, 2002 at 10.00 A.M. at the Meeting Hall of Hotel Brindavan, 33 Harvey Road, Tirupur - 641 602 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003, the Profit and Loss Account for the year ended 31st March, 2003 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Sri. S. Subramanian who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. Sri. V. Narayanaswami, M.A., F.C.A., Chartered Accountant, Coimbatore, retires at this meeting and is eligible for reappointment.

SPECIAL BUSINESS

5. To pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT the approval of the Company be and is hereby given in terms of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 to commence the business in relation to the object mentioned under serial number 4 of "Other Objects" in Clause III (C) of the Memorandum of Association of the Company.

"RESOLVED FURTHER THAT the Board of Directors or any committee or Director or official of the Company as may be authorized for the purpose by the Board, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution."

For and on behalf of the Board,

Place : Tirupur
Date : 1st August, 2003

N. RAJAN
Chairman



AMARJOTHI SPINNING MILLS LIMITED

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company. The instrument of proxy should however be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the commencement of the meeting.
2. Member holding shares in physical form are requested to notify immediately any change in their address, to our Registrars viz., M/s. S.K.D.C. Consultants Ltd., No.11, Street No. 1, S.N. Layout, Tatabad, Coimbatore – 641 012. Those holding shares in dematerialized form may intimate the change to their depository participant. Any other correspondence relating to shares may also be addressed to the said Registrars.
3. The register of members and share transfer books of the Company will remain closed from 23rd September, 2003 to 30th September, 2003 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report to the meeting.
5. The members/proxy holders are requested to bring the attendance slip sent herewith duly filled for attending the meeting.
6. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting to enable the management to keep the information ready.
7. Members are requested to be in their seats at the meeting hall before the scheduled time of commencement of the Annual General Meeting to avoid interruption in the proceedings.
8. Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared for the year ended 31.03.1996 shall be deposited into the Investor Education and Protection Fund on or before 04.12.2003. Subsequent dividends declared which remain unclaimed for a period of seven years will be transferred to the fund on due dates.

Members who have not encashed their dividend warrants in respect of the above period are requested to lodge their claim to the Company by surrendering the unencashed warrants immediately.

9. In terms of Clause 49 of the listing agreement with stock exchange, a brief resume of the Director proposed to be reappointed at this meeting is given below.

Dr. V. Subramaniam:

Dr. V. Subramaniam, aged 63 years, is a Textile Technologist with an experience of over 35 years in the field. He is presently Director of Jaya Engineering College, Chennai. He has been a Director of the Company from 29.09.1991 and has provided valuable advice in technology related areas. He is also a member of the Audit Committee.



AMARJOTHI SPINNING MILLS LIMITED

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No.5

The Company is considering diversification into the business of manufacture of steel and other allied products.

- The activity is covered under "Other Objects" falling under Clause III (C) (4) of the Memorandum of Association of the Company.

Commencement of the activity requires the approval of the shareholders by way of special resolution in terms of Section 149(2A) of the Companies Act, 1956.

The enabling resolution as set out in the notice is commended for your approval.

The Memorandum of Association is available for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 1.00 p.m.

None of the Directors of the Company is directly or indirectly concerned or interested in this resolution.

For and on behalf of the Board,

Place : Tirupur
Date : 1st August, 2003

N. RAJAN
Chairman

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AMARJOTHI SPINNING MILLS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS OF AMARJOTHI SPINNING MILLS LIMITED

Your Directors have pleasure in presenting the **Fifteenth Annual Report** with audited accounts of your Company for the year ended **31st March, 2003**.

FINANCIAL RESULTS

	2002-2003	2001-2002
	Rs. in lacs	Rs. in lacs
Sales	4711.48	4679.82
Gross Profit	1020.20	818.43
Less:		
Depreciation	396.40	369.91
Interest	206.71	350.48
Preliminary Expenses written off	5.07	5.07
Provision for Taxation	33.49	7.00
Profit for the year	378.53	85.97
Less: Deferred Tax for the current year	64.32	10.31
Profit After Deferred Tax	314.21	75.66
Add: Balance in Profit and Loss Account	368.85	576.93
Surplus available for appropriation	683.06	652.59
Appropriation:		
Proposed Dividend	60.92	47.25
Deferred Tax Liability for earlier years	—	226.49
General Reserve	31.42	10.00
Balance carried to Balance Sheet	590.72	368.85
	683.06	652.59

DIVIDEND

Your Directors are glad to recommend a dividend of 8% on the Equity Capital, which is tax free in the hands of the shareholders.

OPERATIONS

Despite the recessionary trends that prevailed in this industry, the Company was able to achieve a marginal increase in sales from Rs.4679.82 lacs to 4711.48 lacs during this year under review.

FINANCE

During the year, the loans from ICICI have been fully repaid. A term loan of Rs.200.00 lacs was availed from Bank of Baroda under Textile Upgradation Fund Scheme. In addition, a term loan of Rs.150.00 lacs was also availed from Karur Vysya Bank Limited.



AMARJOTHI SPINNING MILLS LIMITED

WIND ENERGY

As a measure of reducing the increasing power cost in respect of TNEB and diesel generated power and also for ensuring availability of power during periods of shortages, the Company has installed one wind-mill of 1.25 MW capacity at Sangnari Village, Tirunelveli District during the last quarter of 2002-03.

The performance was found to be highly satisfactory. Hence, your Directors propose to set up a separate wind-power division by adding more machines, to meet the total requirement of the Spinning Mill by way of captive consumption.

DEPOSITS

Your Company has not accepted any deposits from the public.

DIRECTORS

Dr. V. Subramaniam a Director of your Company retires by rotation at this Annual General Meeting as per the provisions of the Companies Act, 1956 and is eligible for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors wish to state that:

- i) In the preparation of the Annual Accounts for the year, all applicable accounting standards have been followed and that there are no material departures.
- ii) Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the Annual Accounts on a "Going Concern" basis.

AUDITORS

Sri. V. Narayanaswami, M.A., F.C.A., Chartered Accountant, the Auditor of your Company, retires at the conclusion of this Annual General Meeting and is eligible for reappointment. A certificate has been received under Section 224 (1-B) of the Companies Act, 1956 that if reappointed, it will be within the limits specified. Necessary resolution is brought before you for your approval.

PERSONNEL

There are no employees of your Company who come within the purview of Section 217 (2A) of the Companies Act, 1956 during the year under review.



AMARJOTHI SPINNING MILLS LIMITED

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

The particulars required to be included in terms of Section 217(1)(e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure-I.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of 3 Directors viz. Sri. S. Sathyanarayanan, Dr. V. Subramaniam, and Sri. N. Rajan. Sri. S. Sathyanarayanan, Chairman of the Committee and Sri. V. Subramaniam, Member, are Independent Directors.

INDUSTRIAL RELATIONS

The industrial relations have been extremely cordial and the Management thanks all the employees for their continued contribution towards the growth of the organization.

CORPORATE GOVERNANCE

Report on Corporate Governance is furnished in the Section on Corporate Governance in the Annual Report.

COMPLIANCE CERTIFICATE

A certificate from the Auditor of the Company regarding compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is furnished in the section of Corporate Governance.

MANAGEMENT'S ANALYTICAL REPORT

Management's Analytical Report as required by the listing agreement is furnished in the section on Corporate Governance.

SUBSIDIARY COMPANY

M/s. Amarjothi Power Generation and Distribution Company Limited has been incorporated as a subsidiary. The main object of the Company is generation of power. The prescribed statement under Section 212 of the Companies Act, 1956, in respect of the subsidiary, is furnished in Annexure II.

CONSOLIDATED FINANCIAL STATEMENTS

Apart from separate financial statements of your Company and its subsidiary viz. M/s. Amarjothi Power Generation and Distribution Company Limited, Consolidated Financial Statements of the holding and subsidiary company have been furnished, as required by Clause 32 of the listing agreement, duly certified by the Statutory Auditor of the Company.



AMARJOTHI SPINNING MILLS LIMITED

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for assistance and co-operation received from Bank of Baroda and Karur Vysya Bank Ltd. during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the staff and workers of the Company for its continuous development.

The Company extends its thanks to the Central and State Government authorities for their continued co-operation and assistance.

MAY LORD VENKATESWARA SHOWER HIS BLESSINGS FOR THE CONTINUED PROSPERITY OF THE COMPANY.

For and on behalf of the Board,

Place : Tirupur
Date : 1st August, 2003

N. RAJAN
Chairman

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