



BOARD OF DIRECTORS

- Sri. N.RAJAN**
(Chairman)
- Sri. R.PREMCHANDER**
(Managing Director)
- Sri. R. JAICHANDER**
(Joint Managing Director)
- Sri. S. SATHYANARAYANAN**
(Director)
- Dr. V. SUBRAMANIAM**
(Director)
- Sri. K. SRIRAM**
(Director)
- Sri. N. RADHAKRISHNAN**
(Director)
- Sri. V.T. SUBRAMANIAN**
(Director)

BANKERS

BANK OF BARODA
KARUR VYSYA BANK LTD.
PUNJAB NATIONAL BANK
STATE BANK OF INDIA
STATE BANK OF TRAVANCORE
BANK OF INDIA
AXIS BANK LTD.

STATUTORY AUDITOR

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

SHARE TRANSFER AGENTS

M/s. S.K.D.C. CONSULTANTS LTD.
Kanapathy Towers, 3rd Floor,
1391/A-1 , Sathy Road, Ganapathy,
Coimbatore – 641 006..

REGD. OFFICE : “AMARJOTHI HOUSE”, 157, Kumaran Road, Tirupur – 641 601.

FACTORIES AT : Pudusuripalayam, Nambiyur – 638 458, Gobi Taluk. (Spinning unit)
Perundurai, Erode Dist (Processing unit)



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the members of **AMARJOTHI SPINNING MILLS LIMITED** will be held on **Thursday, the 29th September, 2011** at 11.00 A.M. at the Meeting Hall of Gayathri Hotel, Kangayam Road, Tirupur - 641 604 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at **31st March 2011**, the Profit and Loss Account for the year ended **31st March 2011** 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. K.Sriram who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri. V.T.Subramanian who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditor to hold office till the conclusion of the next Annual General Meeting and to fix his remuneration. Sri. V.Narayanaswami M.A., F.C.A., Chartered Accountant, Coimbatore retires at the conclusion of this meeting and is eligible for reappointment.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modifications(s), the following resolution as an ordinary resolution:

“RESOLVED THAT, the approval of the Company be and is hereby accorded in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the reappointment of Sri.R.Premchander as Managing Director of the Company for a further period of five years from 1st September 2011 to 31st August 2016, subject to the control, direction and superintendence of the Board of Directors of the Company, on the following terms and conditions:

- a) Salary of Rs.60,000/- (Rupees Sixty Thousand only) per month
- b) Telephone at his residence.
- c) Other benefits, allowances, facilities and amenities as per the Company's rules.
- d) Commission on net profits, as may be determined by the remuneration committee, within the limits prescribed under the Companies Act, 1956, provided such commission together with the other components of the remuneration paid to the Managing Director shall not exceed 5% of the net profits of the Company as computed in accordance with the relevant provisions of the Act”

“FURTHER RESOLVED THAT, the minimum remuneration payable to Sri.R.Premchander for any year in which the profits are absent or inadequate shall be such sum as may be determined by the remuneration committee of the Board in terms of Schedule XIII to the Companies Act, 1956”



“FURTHER RESOLVED THAT, Sri.R.Premchander shall not be liable to retirement by rotation so long as he functions as the Managing Director of the Company.”

“FURTHER RESOLVED THAT, the Board of Directors and/ or the remuneration committee be and is hereby authorize to revise or vary the remuneration of Sri.R.Premchander during his period of office at any time, subject to the provisions regarding maximum remuneration payable under the Companies Act, 1956 in vogue for the time being.”

7. To consider and if thought fit, to pass, with or without modifications(s), the following resolution as an ordinary resolution:

“RESOLVED THAT, the approval of the Company be and is hereby accorded in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the reappointment of Sri.R.Jaichander as Joint Managing Director of the Company for a further period of five years from 1st December 2011 to 30th November 2016, subject to the control, direction and superintendence of the Board of Directors of the Company, on the following terms and conditions:

- a) Salary of Rs.60,000/- (Rupees Sixty Thousand only) per month
- b) Telephone at his residence.
- c) Other benefits, allowances, facilities and amenities as per the Company's rules.
- d) Commission on net profits, as may be determined by the remuneration committee, within the limits prescribed under the Companies Act, 1956, provided such commission together with the other components of the remuneration paid to the Joint Managing Director shall not exceed 5% of the net profits of the Company as computed in accordance with the relevant provisions of the Act”

“FURTHER RESOLVED THAT, the minimum remuneration payable to Sri.R.Jaichander for any year in which the profits are absent or inadequate shall be such sum as may be determined by the remuneration committee of the Board in terms of Schedule XIII to the Companies Act, 1956”

“FURTHER RESOLVED THAT, Sri.R.Jaichander shall not be liable to retirement by rotation so long as he functions as the Joint Managing Director of the Company.”

“FURTHER RESOLVED THAT, the Board of Directors and/ or the remuneration committee be and is hereby authorize to revise or vary the remuneration of Sri.R.Jaichander during his period of office at any time, subject to the provisions regarding maximum remuneration payable under the Companies Act, 1956 in vogue for the time being.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

“RESOLVED THAT, the approval of the Company be and is hereby accorded in terms of Section 309(4) and other applicable provisions of the Companies Act, 1956 for the payment of remuneration by way of commission to Shri.N.Rajan, Chairman and non-executive Director, up to an amount not exceeding 1% of the net profits per annum, computed in

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accordance with the relevant statutory provisions, as may be decided by Board of Directors/Remuneration Committee of the Board, in respect of five financial years commencing from 1st April 2011.

By order of the Board

Place : Tirupur
Date : 18.08.2011

(N. RAJAN)
Chairman

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 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. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all the material facts in respect of item Nos.6 to 8 of the notice is annexed to and forms part of the Notice.
3. Members 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., Kanapathy Towers, 3rd Floor, No.1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006. 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.
4. The Register of Members and share transfer books of the Company will remain closed from **23rd September 2011 to 29th September 2011** (both days inclusive).
5. **Members are requested to participate in the Green Initiative launched by the Ministry of Corporate Affairs and Register their e-mail address with the Registrars (in case of Physical holdings) and with their respective Depository Participants (in case of demat holdings). Those so Registering would be sent Annual Reports, notices of meetings and other Statutory Circulations through e-mail to the e-mail address so registered by them. Any such person who requires a printed copy would be sent a printed copy on his/her request. Members are requested to support the Green Initiative to save the environment by opting for the e-mail procedure.**
6. The members/proxy holders are requested to bring the attendance slip sent herewith duly filled for attending the meeting. Members/proxy holders in respect of dematerialized shares are requested to bring their DP Id and Client Id for recording their attendance.
7. 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.

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8. 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.
9. In term of Section 205A read with section 205C of the Companies Act, 1956, dividends declared which remain unclaimed for a period of seven years will be transferred to the Investors Education and Protection Fund on due dates. During the year Unclaimed dividend of the year 2002-2003 Rs.1,40,665/- was transferred to the Investors Education and Protection Fund.
10. Members who have not encashed their dividend warrants are requested to lodge their claim to the company by surrendering the unencashed warrants immediately.
11. In terms of clause 49 of the listing agreement with stock exchanges, a brief resume of the Directors proposed to be re-appointed at the annual general meeting is given below:

1. Sri.K.Sriram:

Sri.K.Sriram, aged 52 years, is a Chartered Accountant and Company Secretary, with nearly three decades experience in Finance, Accounts and Company Law matters. He is presently practicing as a Company Secretary. He has been a Director of the Company from the year 2005.

2. Sri.V.T. Subramanian:

Sri.V.T.Subramanian, aged 66 years, is a Retired Tahsildar who served to the welfare of the society. He is the General Secretary of "Tirupur Art and Cultural Society" and also the General Secretary of "Padigal", an organization for development of reading habits among people. He is the Author of many books on social subjects. He is actively involved in many social activities. He has been a Director of the Company from the year 2008.

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

Item No.6

Sri R.Premchander, B.Com., M.B.A, aged 40 years, is the Managing Director of the Company from 16.12.1987. He has over 20 years experience in marketing, finance and management and provides a professional touch to the company's management. He is a member of Investor grievance-cum- Share Transfer Committee. He is also a Director of Amarjothi Power Generation and Distribution Company Ltd.,

His present tenure as the Managing Director of the Company, comes to an end on 31st August 2011. The Board of Directors, at its meeting held on 18th August 2011, has reappointed Sri.R.Premchander as Managing Director for a further period of 5 years with effect from 1st September 2011. His remuneration package has also been approved by the Remuneration Committee of the Board. In terms of Schedule XIII to the Companies Act, 1956, the re-appointment and remuneration is subject to the approval of the Company in General Meeting. The Resolution and this Explanatory Statement may be treated as abstract of the terms and conditions of re-appointment of Sri.R.Premchander as Managing Director of the Company under Section 302 of the Companies Act, 1956.

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Sri.R.Premchander is interested in the above resolution, being the appointee and Sri.N.Rajan, Sri.R.Jaichander and Sri.N.Radhakrishnan are interested, being related to Sri.R.Premchander.

Item No.7

Sri R.Jaichander, B.Com., aged 36 years, is the Joint Managing Director of the Company from 30.09.1993. He has over 17 years experience in production planning, technical, financial, cost management and monitoring and factory management. He is a member of Investor grievance-cum- Share Transfer Committee. He is also a Director of Amarjothi Power Generation and Distribution Company Ltd.,

His present tenure as the Joint Managing Director of the Company, comes to an end on 30th November 2011. The Board of Directors, at its meeting held on 18th August 2011, has reappointed Sri.R.Jaichander as Joint Managing Director for a further period of 5 years with effect from 1st December 2011. His remuneration package has also been approved by the Remuneration Committee of the Board. In terms of Schedule XIII to the Companies Act, 1956, the re-appointment and remuneration is subject to the approval of the Company in General Meeting.

The Resolution and this Explanatory Statement may be treated as abstract of the terms and conditions of re-appointment of Sri.R.Jaichander as Joint Managing Director of the Company under Section 302 of the Companies Act, 1956.

Sri.R.Jaichander is interested in the above resolution, being the appointee and Sri.N.Rajan, Sri.R.Premchander and Sri.N.Radhakrishnan are interested, being related to Sri.R.Jaichander.

Item No.8

Sri N.Rajan, B.Com., F.C.A., aged 72 years, is the Chairman of the Company from the Incorporation of the Company. He is a practicing Chartered Accountant with over 4 decades of rich experience in the areas of Income Tax, Finance and Accounts. He is providing valuable advice and guidance in production planning, technical, marketing, financial, cost management and monitoring. He is the Chairman of Investor grievance-cum- Share Transfer Committee and also a member of Audit Committee. He is also the Chairman of Amarjothi Power Generation and Distribution Company Ltd.,

His remuneration package has also been approved by the Remuneration Committee of the Board. In terms of Schedule XIII to the Companies Act, 1956, the remuneration is subject to the approval of the Company in General Meeting.

The Resolution and this Explanatory Statement may be treated as abstract of the terms and conditions of the Company under Section 302 of the Companies Act, 1956.

Sri.N.Rajan is interested in the above resolution, being the beneficiary and Sri.R.Premchander, Sri.R.Jaichander and Sri.N.Radhakrishnan are interested, being related to Sri.N.Rajan.

By order of the Board

Place : Tirupur
Date : 18.08.2011

(N. RAJAN)
Chairman



DIRECTORS' REPORT TO THE MEMBERS OF AMARJOTHI SPINNING MILLS LIMITED

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the audited accounts of your Company for the year ended 31st March 2011

FINANCIAL RESULTS

	2010-2011	2009-2010
	(Rupees in lacs)	
Sales	12399.36	9858.23
Gross Profit	3838.25	2552.49
Less: Depreciation	1193.91	1093.33
Interest	1097.07	883.30
Provision for taxation(Including Deferred tax for current year)	<u>566.95</u>	<u>-372.76</u>
Profit for the year	980.32	948.62
Add: Balance in Profit & Loss A/c	2192.69	1481.08
Surplus available for appropriation	3173.01	2429.70
APPROPRIATION:		
Proposed dividend (Including Dividend Tax)	156.90	142.15
Income-tax relating to earlier years	-0.47	0
Transfer to General Reserve	98.04	94.86
Balance carried to Balance Sheet	2918.54	2192.69
Total	3173.01	2429.70

DIVIDEND

Your Directors are glad to recommend payment of dividend of **20%** on the Equity Capital as against 18% declared for the year 2009-2010. The dividend will be free of tax in the hands of shareholders since the company will be paying the Dividend Distribution Tax at the prescribed rate.

OPERATIONS

The company's sales increased by 25% to Rs.12399.36 Lacs during the year under review as against Rs.9858.23 Lacs in the previous year.

YARN DIVISION

Your Directors are happy to inform you that in spite of the increase in raw material prices and the power-cut imposed by the Tamil Nadu Electricity Board, the profitability of the yarn Division has increased.

PROCESSING UNIT

The performance of the Processing unit has improved and problems arising from the effluent Treatment plants are being sorted out.



WIND MILLS

During the year five more wind mills of 4.25 MW became operational. With this the Total Capacity of Wind Mills as on date has gone up to 17.60 MW.

The Company has sold 40872 CER units (Certified Emission Reductions) for a sum of Rs. 3,15,21,925/- during the year.

FINANCE

During the year under review the Company has:

- a) Availled Fresh Long term loans aggregating to Rs.370 lacs for funding the purchase of Machineries and Construction of Building and Fresh Short Term Loans aggregating to Rs.5900 lacs for Raw Material procurement.
- b) Discharged Long Term loans in full aggregating to Rs.2851.71 lacs and short term loans in full aggregating to Rs.3375 lacs and
- c) Received and settled in full Adhoc working Capital Loans aggregating to Rs.1000 Lacs.

The Particulars of such availment and discharges were duly filed with the Statutory Authorities.

DEPOSITS

Your Company has not accepted any deposits from the Public.

DIRECTORS

Sri.R.Premchander and Sri.R.Jaichander have been re-appointed as Managing Director & Joint Managing Director respectively of the company for a further period of 5 Years and the approval of Member for the re-appointment and remuneration is being sought at the ensuing Annual General Meeting.

Sri K.Sriram and Sri.V.T Subramanian retire by rotation at this Annual General Meeting and are eligible for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec.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.
- ii) Your Directors have 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 31st March 2011 and of the profit of the Company for the year ended on that date.
- 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.

PERSONNEL

The details regarding employees of the Company who come under the purview of Sec. 217 (2A) of the Companies Act, 1956 are given in Annexure-I to the Director's report.

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

The particulars required to be furnished 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-II.

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 organisation.

CORPORATE GOVERNANCE

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

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

MANAGEMENT'S ANALYTICAL REPORT

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

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for assistance and co-operation received from the bankers M/s. Bank of Baroda, Karur Vysya Bank Ltd, Punjab National Bank, State Bank of India, State Bank of Travancore, Bank of India and Axis 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 of Directors

Place : Tirupur
Date : 18.08.2011

(N. RAJAN)
Chairman