

ANNUAL REPORT 2018-2019



AMARJOTHI SPINNING MILLS LIMITED



AMARJOTHI SPINNING MILLS LIMITED
31st Annual Report

BOARD OF DIRECTORS

CHAIRMAN	Sri. N. RAJAN
MANAGING DIRECTOR	Sri. R. PREMCHANDER
JOINT MANAGING DIRECTOR	Sri. R. JAICHANDER
DIRECTORS	Dr. V. SUBRAMANIAM Sri. N. RADHAKRISHNAN Sri. V.T. SUBRAMANIAN Sri. M. MOORTHY Sri. V. MANIKANDAN Sri. M.S. SIVAKUMAR Smt. M. AMUTHA

CHIEF FINANCIAL OFFICER Sri. P. SINGARAVELU

COMPANY SECRETARY Smt. K. MOHANAPRIYA

STATUTORY AUDITOR Sri. P.S. SITARAM, B.Sc., F.C.A.
Chartered Accountant, Coimbatore

BANKERS Bank of Baroda
Karur Vysya Bank Limited

REGD. OFFICE "AMARJOTHI HOUSE"
157, Kumaran Road, Tirupur - 641 601
Phone : +91-421-4311600 - 01
Fax : 91 421-4326694
Email : mill@amarjothi.net; arun@amarjothi.net
Website : www.amarjothi.net
CIN: L17111TZ1987PLC002090

FACTORIES AT Pudusuripalayam, Nambiyur - 638 458
Gobi Taluk (Spinning Unit)
SIPCOT, Perundurai, Erode Dist (Processing unit)

**REGISTRAR AND
SHARE TRANSFER AGENTS** M/s. S.K.D.C. Consultants Ltd.
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy,
Coimbatore - 641 006



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of the Company will be held on Monday, the 30th September, 2019 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 consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Statements of Accounts of the Company for the year ended 31st March 2019 and the Director’s and Auditors’ Reports thereon, be and are hereby approved and adopted.”

2. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT a final dividend of Rs.2/- per share (20% on the face value of Rs.10/-), as recommended by the Directors, be and is hereby declared for the year ended 31st March 2018 on the paid-up capital of Rs. 6,75,00,000. And the same be paid to shareholders, whose names stand on the Register of Members of the Company on 23rd September 2019, and that the total dividend amount of Rs.1,35,00,000 representing the said total dividend of Rs.2 per share (20% on the face value of Rs.10/-) be paid out of the profits for the year 2018-19.”

3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, Mr.P.S.Sitaram, Chartered Accountant, Coimbatore, (Membership No.023033), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of Thirty first (31st) Annual General Meeting until the conclusion of the Thirty Fourth (34th) Annual General Meeting of the Company, as per provisions of the Companies Act, 2013 on such remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to Regulation17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations ,2018 (“Amendment Regulations, 2018”), consent of the Members be and is hereby accorded for



continuance of the Directorship of Mr.N.Rajan aged about 80 years as a Chairman cum Non-Executive Director of the Company as long as he continues in the office of Director of the Company on the existing terms and conditions.

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152,160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) as amended and as per the recommendations of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for re-appointment of Dr.V.Subramaniam (DIN: 00781690) whose current period of office is expiring on 04th September 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI LODR, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company for a term w.e.f. 05th September 2019 to 4th September 2024.

“RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”), Dr.V.Subramaniam aged about 79 years during the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 5 years will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152,160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) as amended and as per the recommendations of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded



for re-appointment of Mr.V.T.Subramanian (DIN: 02311576) whose current period of office is expiring on 04th September 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI LODR, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company for a term w.e.f. 05th September 2019 to 4th September 2024.

“RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”), Mr.V.T.Subramanian on attaining the age of 75 (seventy five) years on 07th June, 2020, during the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 2 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152,160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) as amended and as per the recommendations of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for re-appointment of Mr.V.Manikanadan (DIN: 01920550) whose current period of office is expiring on 04th September 2019 and who has who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI LODR, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company for a term w.e.f. 05th September 2019 to 4th September 2024.

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



“RESOLVED THAT pursuant to the provisions of Sections 149,152,160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) as amended and as per the recommendations of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. MUTHUR SANTHANAM SIVAKUMAR (DIN: 06930290) whose current period of office is expiring on 04th September 2019 and who has who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI LODR, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company for a term w.e.f. 05th September 2019 to 4th September 2024.

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

“RESOLVED THAT Pursuant to provisions of section 148(3) and other applicable provisions if any, of Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof for time being in force), the remuneration payable during the financial year 2019-20 to Mr. M.Nagarajan , Practicing Cost Accountant having membership No.6384 and the Registration No.000088 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20, amounting to Rs.40,000/- (Rupees Forty Thousand Only) as also the payment of service tax as applicable be and is hereby ratified and confirmed.”

By order of the board

Place : Tirupur
Date : 30.05.2019

(Sd/-) **N.RAJAN**
Chairman
DIN: 00390813

(Sd/-) **R.PREMCHANDER**
Managing Director
DIN: 00390795

NOTE :

- 1) A member entitled to attend and vote is entitled to appoint a proxy and such a proxy need not be a member. The proxy form duly stamped and executed, should be deposited at the Registered Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting. A person can act as proxy on



behalf of not more than fifty (50) members holding in the aggregate not more than 10% of the total share capital of the Company.

- 2) The register of members and share transfer books of the Company will remain closed from 24th September, 2019 to 30th September, 2019 (both days inclusive). The dividend, if declared at the meeting, will be paid on or before 30th October, 2019.
- 3) Pursuant to the provisions of Sections 124 (5) and 125, read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, of the Companies Act, 2013, the Company has transferred the unclaimed and unpaid dividends for the financial year 31st March 2011, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September 2018 (date of last Annual General Meeting) on the website of the Company (www.amarjothi.net), as also on the Ministry of Corporate Affairs website.
- 4) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Reg.44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting.

The Board of Directors has appointed Sri. R.RAMCHANDAR, Company Secretary in Practice as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner:

The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility.

The e-voting facility will be available at the link www.evotingindia.com during the following voting period.

The remote e-voting would commence on Friday, the 27th September 2019 (9:00 am) and end on Sunday, the 29th September 2019 (5:00 pm).

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 29th September 2019. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The voting rights of Members shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 23rd September 2019. A person,



whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date (23rd September 2019) only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot Paper.

Notice is being sent to all the shareholders whose names appear on the Register of Members / list of Beneficial Owners, as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CSDL) as at the close of business hours on Friday, the 30th August 2019.

Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice, but holding shares as on the cut-off date for remote e-voting i.e. 20st September 2019, may obtain the login Id and Password by sending a request to helpdesk.evoting@cdslindia.com or contact our Registrar & Share Transfer Agent at the address mentioned on Note no. 5(ii).

The facility for voting through poll shall be made available at the Meeting and the members attending the Meeting and who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through poll by ballot paper.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

The procedure and instructions for e-voting is furnished in this notice.

The Scrutinizer will submit his report to the Chairman after completion of the Scrutiny and the results of the physical ballot / e-voting will be announced by the Company on its website - www.amarjothi.net within 48 hours of the conclusion of the AGM.

5. Members are requested to:

- Provide Permanent Account Number if not already provided;
- Opt for NECS / NEFT / RTGS facility by providing latest bank account details for prompt credit and for avoiding fraudulent encashment / loss in postal transit of dividend warrant; and
- Avail nomination facility.

For the above purposes,

- 1) Shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
- 2) Shareholders holding shares in physical mode can approach M/s. S.K.D.C Consultants Limited, our Registrar & Share Transfer Agent – Tel. No. 0422-4958995, 2539835 Email: info@skdc-consultants.com.



6. Members who are holding shares in physical form are requested to avail dematerialization facility.

For further information, please refer to FAQs posted by Central Depository Services (India) Limited on its website www.cdsindia.com.

STATEMENT OF MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No.4 to 6

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years.

Our non-executive Directors, Mr. N.Rajan, Dr. V.Subramaniam who have already attained the age of 75 years and Mr.V.T..Subramanian who will attain the age of 75 years on 04th June , 2020.

Sri.N.Rajan, B.Com, F.C.A. aged 80 years, is the chairman cum non-executive director of the Company from the date of Incorporation of the Company. He is a Practicing Chartered Accountant with over 5 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 member of Audit Committee of the Company. His other directorship includes Amarjothi Power Generation And Distribution Company Limited, R P J Textiles Limited, Premchander Wind Farms Private Limited, Puvaneswari Enterprises Wind Farms Private Limited, Jaichander Wind Farms Private Limited, Jayanthi Wind Farms Private Limited, Sarojarajan Green Energy Private Limited, Jayanthi Green Energy Private Limited, Premchander Green Energy Private Limited, APGL Green Energy Private Limited, AJSM Green Energy Private Limited, AFCM Wind Farms Private Limited, Sushmitha Titikshaa Green Energy Private limited.

Dr.V.Subramaniam, aged 79 years, was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on 30.05.2014 and approved by the Shareholders in the Annual General Meeting held on 05th September 2014, under Section 149 and Schedule IV of the Companies Act, 2013 for a term of five years till 4th September 2019. He is a textile Technologist with an experience of over four decades is presently a 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 a Member of the Audit Committee and Remuneration Committee of the Board.

Mr.V.T.Subramanian, aged 74 years, was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on 30.05.2014 and approved by the Shareholders in the Annual General Meeting held on 05th September 2014, under