

ANNUAL REPORT 2019-2020



AMARJOTHI SPINNING MILLS LIMITED

IN FOND MEMORY



LATE SRI. N. RAJAN Bcom. FCA.,
14.03.1939 - 30.03.2020
FOUNDER CHAIRMAN

You are remembered every moment in our lives for your divine nature of sharing, caring and love. You live in our soul, mind and hearts.

“ A day never passes without your memory, you live in our hearts forever”

Family & Staff of



AMARJOTHI SPINNING MILLS LTD.



AMARJOTHI SPINNING MILLS LIMITED
32nd Annual Report

BOARD OF DIRECTORS

CHAIRMAN	Sri. N. RAJAN (up to 30.3.2020)
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. M.S. SIVAKUMAR Smt. M. AMUTHA
CHIEF FINANCIAL OFFICER	Sri. P. SINGARAVELU
COMPANY SECRETARY	Smt. K. MOHANAPRIYA (Resigned on 31.01.2020) Smt. MOHANA PRIYA.M (w.e.f 28.05.2020)
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 ; 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, 3 rd 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 32nd Annual General Meeting of the Shareholders of Amarjothi Spinning Mills Limited will be held on Monday, the 28th September, 2020, at 12.00 P.M through Video Conferencing("VC") / Other Audio Visual Means ("OAVM") from the Registered Office of the Company situated at Amarjothi House, 157, Kumaran Road, Tirupur -641601 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) The audited Standalone financial statements of the Company for the year ended 31st March, 2020, including the audited Standalone Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
 - b) The audited consolidated financial statements of the Company for the year ended 31st March, 2020, including the audited Consolidated Balance Sheet as at 31st March, 2020 and the Statement of Consolidated Profit and Loss for the year ended on that date and the report of Auditors thereon.
2. To declare dividend for the financial year ended 31st March 2020.
3. To appoint a Director in the place of Sri. N.Radhakrishnan (DIN: 00390913), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. 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 all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force),

Sri. M.Nagarajan, Practicing Cost Accountant (Firm No: 000088), who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company for the financial year 2020-21 on a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) as also the payment of service tax as applicable be and is hereby ratified and confirmed."
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 Smt. M.Amutha (DIN: 07137884) whose current period of office is expiring on 25th September 2020 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 her 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. 26th September 2020 to 25th September 2025.

By order of the Board

Place : Tirupur
Date : 21.08.2020

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

(Sd/-) **R.JAICHANDER**
Joint Managing Director
DIN: 00390836

NOTES :

- 1) **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED HERETO.**
- 2) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs has permitted holding of the Annual General Meeting ("AGM") through Video conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue, vide its circulars dated April 8, 2020 and April 13, 2020 and May 5, 2020. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the ensuing AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 3) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Since the ensuing AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. In case of Joint Holders, the member whose name appears as First Holder in the order of names on the Register of Members of the Company will be entitled to vote. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.



- 5) The Register of Members and share transfer books of the Company will remain closed from Tuesday, the 22nd September 2020 to Monday, the 28th September 2020 (both days inclusive) as per Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) The dividend as recommended by the Board of Directors, if declared at the AGM will be paid, subject to deduction of tax at source, whose names appear in the Register of Members as on 21st September 2020 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on or before 28th October, 2020.
- 7) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with Share Transfer Agents, M/s. SKDC Consultants Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in **Form No. 15G/15H**, to avail the benefit of non-deduction of tax at source by email to green@skdc-consultants.com on or before the end of the business hours of 17th September 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an email to green@skdc-consultants.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before the end of business hour of 17th September 2020.

- 8) Members may note that Mr.P.S.Sitaram, Chartered Accountant, Coimbatore, (Membership No.023033), the statutory auditors of the company were appointed by the shareholders at 31st Annual General Meeting (AGM) held on 30.09.2019, to hold office for a period of 3 years till the conclusion of AGM to be held during the year 2022. However, the Ministry of Corporate Affairs vide its notification dated 07.05.2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the Members for appointment of statutory auditors at every AGM. Hence, no resolution is being proposed for ratification of appointment of statutory auditors at this 32nd Annual General Meeting.
- 9) Pursuant to Section 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, all unclaimed dividends shall be transferred to the 'Investor Education and Protection Fund' of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2012-2013, 2013-14, 2014-15, 2015- 16, 2016-17, 2017-18 &



2018-19 are requested to write to the Registrar and Share Transfer Agents of the Company, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 for claiming the dividend. The details of shareholders whose unclaimed dividend / shares are liable to be transferred to IEPF are available at the Company's website – www.amarjothi.net.

- 10) Company's share transfer work and dematerialisation of shares, is done by 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.
- 11) Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA – M/s. S.K.D.C. Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006, by quoting their Folio Number or the Client ID No. with DP ID No.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the company or to the Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants Ltd.
- 13) International Securities Identification Number of the company is INE484D01012.
- 14) Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed Companies to offer Electronic Clearing Service (ECS) facilities/ NEFT for payment of dividend, wherever applicable. In view of this provision, Shareholders who are interested to avail the facility of Dividend payment by National Electronic Clearing Service (NECS)/NEFT are requested to fill the prescribed form and send it along with the original cancelled cheque leaf to the Company's 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.
- 15) Members holding shares in Physical form are requested to intimate the email id, change of address and their bank account details such as bank name, branch with address and account number for incorporating the same in the records of the Company to the Company's Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants Limited quoting their respective folio number. Members holding shares in Demat form are requested to intimate the email id, change of address notifications and updates of bank account details to their respective Depository Participants.
- 16) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.
- 17) Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file nomination forms in respect of their physical shareholdings. Any Member wishing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in



the prescribed statutory form. Should any assistance be desired, Members should get in touch with the Company's Registrar & Share Transfer Agents.

- 18) Pursuant to MCA General Circular No. 20/2020 dated 05th May, 2020 and SEBI Circular dated 12th May 2020, electronic copy of the AGM Notice and the Annual Report containing Financial Statements, Boards Report, Auditors Report, Corporate Governance Report and other documents is being sent only by email to members of the Company who have registered their e-mail id with their depository participants (for members holding shares in demat form) and to their e-mail id registered with the Registrar and Share Transfer Agent of the Company (for members holding shares in physical form). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.amarjothi.net and website of the BSE Limited at www.bseindia.com.
- 19) The results of the e-voting and e- voting during the Annual General Meeting will be announced by the Chairperson or person authorised by the Chairperson within 48 hours from the date of conclusion of the Annual General Meeting at the Registered office of the Company. A copy of which will be posted on the Company's website and forwarded to the Stock Exchange.

Voting through electronic means

- i) 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. RAMCHANDAR.R (Membership.No.10097), 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.

- ii) **The remote e-voting would commence on Friday, the 25th September 2020 (9:00 am) and end on Sunday, the 27th September 2020 (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 21st September 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 27th September 2020. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.



- iii) 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 only shall be entitled to avail the facility of remote e-voting.
- iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The Members, who has not cast their vote by remote e-voting, shall vote through e-voting system in the AGM.
- v) 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.

PROCEDURE AND INSTRUCTION FOR E-VOTING:

- 1) The voting period begins on <25.09.2020 – 9.00 AM> and ends on <27.09.2020- 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 <21.09.2020> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 3) The shareholders should log on to the e-voting website www.evotingindia.com.
- 4) Click on Shareholders.
- 5) 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.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- 6) Next enter the Image Verification as displayed and Click on Login.
- 7) 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.
- 8) If you are a first time user follow the steps given below: