

ANNUAL REPORT 2020-2021



AMARJOTHI SPINNING MILLS LIMITED



CORPORATE INFORMATION

AMARJOTHI SPINNING MILLS LIMITED
(CIN: L17111TZ1987PLC002090)
33rd ANNUAL GENERAL MEETING

BOARD OF DIRECTORS

Sri. R. Premchander (DIN:00390795)
Managing Director
Sri. R. Jaichander (DIN: 00390836)
Joint Managing Director
Dr. V. Subramaniam (DIN: 00781690)
Sri. N. Radhakrishnan (DIN: 00390913)
Sri. V.T. Subramanian(DIN: 02311576)
Sri. M. Moorthi (DIN: 06801357)
Sri. M.S. Sivakumar (DIN: 06930290)
Smt.M.Amutha (DIN: 07137884)

CHIEF FINANCIAL OFFICER

Sri. P. Singaravelu

COMPANY SECRETARY

Smt. Mohana Priya M

REGISTERED OFFICE

Amarjothi House
157, Kumaran Road, Tirupur - 641601
Phone: +91-421-4311600 – 01
Email: mill@amarjothi.net
Website: www.amarjothi.net

LISTING OF EQUITY SHARES

BSE LIMITED
Phiroze Jeejeebhay Towers,
Dalal Street, Mumbai - 400 001
STOCK CODE: 521097 ISIN:INE484D01012

STATUTORY AUDITOR

Sri. P.S. Sitaram

SECRETARIAL AUDITOR

Sri.R.Ramchandrar

COST AUDITOR

Sri. M.Nagarajan

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. S.K.D.C. CONSULTANTS LTD.
Surya" 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore – 641028
Phone: +91 422 4958995, 2539835/ 836
Email: info@skdc-consultants.com

FACTORIES AT

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

BANKERS

Bank of Baroda
Karur Vysya Bank Limited
HDFC Bank Limited

Date of AGM: **23rd September 2021**

Day: **Thursday**

Time: **11.00 A.M**

Book Closure date: **17th September, 2021 to 23rd September, 2021**
(both days inclusive)



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Shareholders of Amarjothi Spinning Mills Limited will be held on Thursday, 23rd September, 2021 at 11.00 A.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. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

RESOLVED that the standalone and consolidated Annual Financial Statements including Statement of Profit and Loss (including Other Comprehensive Income), along with the Statement of Cash Flows and the Statement of Changes in Equity for the financial year ended 31st March 2021, the Balance Sheet as at that date, the Report of the Board of Directors and the Auditors thereon as circulated to the members be and are hereby adopted.

2. Declaration of Dividend

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

RESOLVED that a final dividend of Rs.2.10/- per share (21% on the face value of Rs.10/-), as recommended by the Board of Directors be and is hereby declared on 67,50,000 equity shares of Rs.10/- each for the year ended March 31, 2021, and that the same be paid to the members whose names appeared in the Register of Members of the company as on 16th September 2021.

3. Appointment of Director who retires by rotation

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

RESOLVED that Sri. M.Moorthi (DIN: 06801357) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the Company

SPECIAL BUSINESS

4. Re-appointment of Sri.R.Premchander (DIN: 00390795) as Managing Director of the Company

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 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Sri.R.Premchander as Managing Director of the Company for a further period of 5(Five) years with effect from 01.09.2021, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their meeting held on 12.08.2021.

**MEMORANDUM OF 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, 2013, provided such commission together with the other components of the remuneration paid to the Managing Director shall not exceed 5.5% of the net profits of the Company as computed in accordance with the relevant provisions of the Act"

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, in compliance with the provisions of Schedule V of the Companies Act, 2013, the compensation and perks mentioned above shall be paid as minimum remuneration. During the tenure as Managing Director, he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Sri.R.Premchander shall conduct the affairs of the Company subject to the superintendence, control and direction of the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors (including committees thereof) be and are hereby authorized to alter and vary the terms of re-appointment and / or remuneration payable to the Managing Director, as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

5. Re-appointment of Sri.R.Jaichander (DIN:00390836) as Joint Managing Director of the Company

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 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Sri.R.Jaichander as Joint Managing Director of the Company for a further period of 5(Five) years with effect from 01.12.2021, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their meeting held on 12.08.2021.

MEMORANDUM OF TERMS AND CONDITIONS

- (a) Salary of Rs.60,000/- (Rupees Sixty Thousand only) per month.
- (b) Telephone at his residence

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- (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, 2013, provided such commission together with the other components of the remuneration paid to the Joint Managing Director shall not exceed 5.5% of the net profits of the Company as computed in accordance with the relevant provisions of the Act".

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, in compliance with the provisions of Schedule V of the Companies Act, 2013, the compensation and perks mentioned above shall be paid as minimum remuneration. During the tenure as Managing Director, he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Sri.R.Jaichander shall conduct the affairs of the Company subject to the superintendence, control and direction of the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors (including committees thereof) be and are hereby authorized to alter and vary the terms of re-appointment and / or remuneration payable to the Managing Director, as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper, or expedient to give effect to the above resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

6. Ratification of Remuneration payable to Cost Auditor

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 records of the Company for the financial year 2021-22 on a remuneration of Rs.40, 000/- (Rupees Forty Thousand Only) as also the payment of Goods and Services tax as applicable be and is hereby ratified and confirmed."

By order of the Board

Place: Tirupur
Date: 12.08.2021

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

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

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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 ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020 and 13th January, 2021 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide their circulars dated 12th May, 2020 and 15th January, 2021 (collectively referred to as "SEBI Circulars"). The deemed venue for the AGM shall be the Corporate Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars the AGM of the Company is being held through VC / OAVM.
- 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 Friday, the 17th September 2021 to Thursday, the 23rd September 2021 (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 16th September 2021 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 23rd October, 2021.
- 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).

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A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in **FormNo.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 16th September 2021. 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 afore said declarations and documents need to be submitted by the shareholders on or before the end of business hour of 16th September 2021.

- 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 33rd 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 2013-14, 2014-15, 2015- 16, 2016-17, 2017-18, 2018-19 & 2019-20 are requested to write to the Registrar and Share Transfer Agents of the Company, M/s. S.K.D.C. Consultants Limited, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028 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(RTA) - M/s. S.K.D.C. Consultants Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
- 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., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, 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

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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, "Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
- 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) Members who require any clarifications on accounts or operations of the Company are requested to write to the Company before 15th September 2021 (5.00 pm IST). The queries will be answered accordingly.
- 19) In compliance with aforesaid MCA Circulars and SEBI Circulars 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 2020-21 will also be available on the Company's website www.amarjothi.net and website of the BSE Limited at www.bseindia.com.
- 20) The results of the Remote e-voting and e-voting during the Annual General Meeting will be announced by the Chairperson Or person authorized 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

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications, clarifications, exemptions or re-enactment thereof for the time being in force), the Company is pleased to provide the members the facility to exercise their votes for all the resolutions detailed in the Notice of the 33rd Annual General Meeting scheduled to be held on Thursday, the 23rd September 2021 at 11.00 A.M (IST) by electronic means and the business may be transacted through remote e-voting and e-voting system during the AGM. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

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

Vote by Remote e-Voting and e-voting during the AGM

- i) The Board of Directors has appointed Sri. RAMCHANDAR.R(Membership.No.10097), Company Secretary in Practice as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner
- ii) The e-voting facility will be available at the link www.evotingindia.com during the following voting period.
- iii) **The remote e-voting would commence on Monday, the 20th September 2021 (9:00 am) and end on Wednesday, the 22nd September 2021 (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 16th September 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 22nd September 2021. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

- iv) 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.
- v) 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.
- vi) The Scrutinizer will submit his report to the Board after completion of the Scrutiny and the results of the e-voting will be announced by the Company on its website - www.amarjothi.net within 48 hours of the conclusion of the AGM.