

ANNUAL REPORT 2021-2022



AMARJOTHI SPINNING MILLS LIMITED



CORPORATE INFORMATION

AMARJOTHI SPINNING MILLS LIMITED
(CIN: L17111TZ1987PLC002090)
34th 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 (Resigned on 30.06.2022)
Sri.K. Elango (w.e.f. 11.08.2022)

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 (Retires on 29.09.2022)
Sri. V. Narayanaswami (w.e.f 29.09.2022)

SECRETARIAL AUDITOR

M/s R.Ramchandrar & Associates
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

Karur Vysya Bank Limited
HDFC Bank Limited

Date of AGM: **29th September 2022**

Day: **Thursday**

Time: **11.00 A.M**

Book Closure date: **23rd September, 2022 to 29th September, 2022**
(both days inclusive)



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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of Amarjothi Spinning Mills Limited will be held on Thursday, 29th September, 2022 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 2022, 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.2.20/- per share (22% 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, 2022, and that the same be paid to the members whose names appeared in the Register of Members of the company as on 22nd September 2022.

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. N.Radhakrishnan (DIN: 00390913) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the Company.

4. Appointment of Statutory Auditor of the Company

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

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the 34th Annual General Meeting (AGM), Mr. V. Narayanaswami, Chartered Accountant, Coimbatore, (Membership No.023661) be and are hereby appointed as the statutory auditor of the company in place of the retiring Auditor Mr.P.S.Sitaram, Chartered Accountant, Coimbatore, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company to be held in year 2027 to examine and audit the accounts of the Company at such remuneration, as mentioned in explanatory statement plus applicable taxes, out-of-pocket expenses etc, as may be mutually agreed between the Board of Directors and the Auditors."



SPECIAL BUSINESS

5. Continuation of Directorship of Mr.N.Radhakrishnan, Non Executive Director upon attaining the age of Seventy-five years

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Members of the Company be and is hereby accorded for the continuation of Directorship of Mr.N.Radhakrishnan (DIN : 00390913), who is liable to retire by rotation, on the Board of the Company notwithstanding his attaining the age of Seventy-five (75) years on May 19, 2023.

6. Increase in the borrowing powers of the company under section 180(1)(c) of Companies Act, 2013:

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

“RESOLVED THAT in supersession of the Special Resolution passed at the Annual General Meeting held on 05th September, 2014 and pursuant to Section 180(1)(c) and other applicable provisions, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, as it may consider fit, any sum or sums of money not exceeding **Rs. 200 Crore** (Rupees Two hundred Crore only) on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and are hereby authorized to arrange to fix the terms and conditions of all such borrowings from time to time as it may deem fit and to sign and execute all such deeds, contracts, instruments, agreements and any other documents as may be required and to do all such acts, deeds, matters, things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred by this resolution to any committee of Directors and/or Directors and/or Officers of the Company to give effect to this resolution.”

7. Creation of the security for the loan/ credit facility by mortgage/ creation of charge under section 180(1)(a) of Companies Act, 2013

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

“RESOLVED THAT in supersession of earlier resolutions passed in this regard, the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and



other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) to the Board of Directors to mortgage, pledge, create charges or hypothecation and to provide securities as may be necessary on all movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any Bank(s) or Financial Institutions or any other Lender(s), Agent(s) and Trustee(s) whether shareholders of the Company or not, to secure borrowing availed or to be availed by the Company or subsidiary(ies) or associates of Company, whether by way of debentures, loans, credit facilities, debts, financial obligations or any other securities or otherwise by the Company, in foreign currency or in Indian rupees, within the overall limits of the borrowing powers of the Board as determined from time to time by members of the Company, pursuant to Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorized to finalize with the Banks or Financial Institutions or any other Lender(s), Agent(s) and Trustee(s) all such deeds, contracts, instruments, agreements and any other documents for creating the aforesaid mortgages, pledge, charges and /or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the existing deeds, contracts, instruments, agreements documents and to do all such acts, deeds, matters, things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred by this resolution to any committee of Directors and/ or Directors and/or officers of the Company to give effect to this resolution."

8. 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 2022-23 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: 11.08.2022

(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 ('MCA') vide its general circular no. 02/2022 dated May 05, 2022 circular no.20/2020 dated May 5, 2020 read with general circular No. 14/ 2020 dated April 8, 2020 and general circular no. 17/ 2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') read with SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13,2022 has permitted the holding of the AGM through Video Conferencing ('VC')/Other Audio Visual means('OAVM'), without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') SEBI Circular and MCA Circulars, the AGM of the Company is being held through Video Conferencing ('VC'). The deemed venue for this AGM shall be the Registered 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 23rd September 2022 to Thursday, the 29th September 2022 (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 22nd September 2022 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 29th October 2022.
- 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).

- 8) 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 22nd September 2022. 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 22nd September 2022.

- 9) Members may note that Mr. V. Narayanaswami, Chartered Accountant, Coimbatore, (Membership No.023661) be and are hereby appointed as the statutory auditor of the company in place of the retiring Auditor Mr.P.S.Sitaram, Chartered Accountant, Coimbatore, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company to be held in the year 2027.
- 10) 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 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 & 2020-21 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.
- 11) 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.
- 12) 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.
- 13) 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

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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.

- 14) International Securities Identification Number of the company is INE484D01012.
- 15) 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.
- 16) 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.
- 17) 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.
- 18) 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.
- 19) Members who require any clarifications on accounts or operations of the Company are requested to write to the Company before 21st September 2022 (5.00 pm IST). The queries will be answered accordingly.
- 20) 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 2021-22 will also be available on the Company's website www.amarjothi.net and website of the BSE Limited at www.bseindia.com.
- 21) 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 34th Annual General Meeting scheduled to be held on Thursday, the 29th September 2022 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 26th September 2022 (9:00 am) and end on Wednesday, the 28th September 2022 (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 22nd September 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 28th September 2022. 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.