

ANNUAL REPORT 2015-2016



AMARJOTHI SPINNING MILLS LIMITED



AMARJOTHI SPINNING MILLS LIMITED
28th 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. A. MANJUSRI

STATUTORY AUDITOR Sri. V. NARAYANASWAMI M.A., 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 28th Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 28th September, 2016 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 2016 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 2016 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 21st September 2016, 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 2015-16.”

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 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. N.Radhakrishnan (Holding DIN: 00390913), Director, who retires by rotation at the 28th Annual General Meeting, be and is hereby re-appointed as Director of the Company.

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 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, Mr. V. Narayanaswami, Chartered Accountant, Coimbatore, (Membership No.023661), be and are hereby Re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of Twenty Eighth (28th) Annual General Meeting to until the conclusion of the Twenty Ninth (29th) Annual General Meeting of the Company, as per the provisions of the Companies Act, 2013.



FURTHER RESOLVED THAT a remuneration of 1.98 Lakhs (including expenses, if any, incurred by them in connection with the said audit) be paid to the Statutory Auditors for the financial year 2016-17.

SPECIAL BUSINESS

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

“RESOLVED THAT, The approval of the Company be and is hereby accorded in terms of sections 196, 197 & 203 of the Companies Act, 2013 read with Schedule V of the said Act and other applicable provisions of Companies Act, 2013 for the reappointment of Sri.R.Premchander as Managing Director of the Company for a further period of 5(Five) years with effect from 01.09.2016, 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, 2013, 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 V to the Companies Act, 2013”

“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 Nomination and Remuneration committee be and is hereby authorized 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, 2013 in vogue for the time being”.

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

“RESOLVED THAT, The approval of the Company be and is hereby accorded in terms of sections 196, 197 & 203 of the Companies Act, 2013 read with Schedule V



of the said Act and other applicable provisions of Companies Act, 2013 for the reappointment of Sri.R.Jaichander as Joint Managing Director of the Company for a further period of 5(Five) years with effect from 01.12.2016, 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, 2013, 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 V to the Companies Act, 2013"

"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 Nomination and Remuneration Committee be and is hereby authorized 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, 2013 in vogue for the time being".

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

"RESOLVED THAT, the approval of the Company be and is hereby accorded in terms of section 197(6) and other applicable provisions of the Companies Act, 2013 for the payment of remuneration by way of commission to Shri.N.Rajan, Chairman Cum Non-Executive Director, up to an amount not exceeding 1% of the net profits per annum, computed in 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 01st April 2016, on the terms and conditions including remuneration as set out in Explanatory Statement annexed to the Notice convening this meeting.



8. 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(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the financial year 2016-17 to M/s. Nagarajan & Co., Mr. M Nagarajan, 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 2016-17, 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

(Sd/-) **N. RAJAN**

(Sd/-) **R. PREMCHANDER**

Date : 27.05.2016

Chairman

Managing Director

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 22nd September, 2016 to 28th September, 2016 (both days inclusive). The dividend, if declared at the meeting, will be paid on or before 28th October, 2016.
3. Pursuant to the provisions of Sections 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed and unpaid dividends upto the financial year 31st March 2008, 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 25th September 2015 (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 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 Sunday, the 25th September 2016 (9:00 am) and end on Tuesday, the 27th September 2016 (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 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 27th September 2016. 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 21st September 2016. 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 (21st September 2016) 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 23rd August 2016.

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. 21st September 2016, 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,

- i) shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
 - ii) Shareholders holding shares in physical mode can approach M/s. S.K.D.C Consultants Limited, our Registrar & Share Transfer Agent – Tel. No. 0422-6549995, 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 National Securities Depository Limited on its website www.nsdl.co.in and Central Depository Services (India) Limited on its website www.cdslindia.com.

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

Item No. 5:

Sri R.Premchander, B.Com, M.B.A., aged 47 years, is the Managing Director of the Company from 16.12.1987. He has over 26 years experience in marketing, finance and management and provides a professional touch to the company's management. He is a member of Stake Holder Relationship Committee. He is also a Managing Director of Amarjothi Power Generation and Distribution Company Ltd and he is holding 250 shares (1.32% of total paid-up capital of the company). He is a Director of RPJ Textiles Ltd and he is holding 500 shares (10.00% of total paid-up capital of the company).

His present tenure as the Managing Director of the Company comes to an end on 31st August 2016. The Board of Directors at its meeting held on 27th May 2016, has reappointed Sri.R.Premchander as Managing Director for a further period of 5(Five) years with effect from 1st September 2016. His remuneration has also been approved by the Nomination and Remuneration Committee of the Board. In terms of Schedule V to the



AMARJOTHI SPINNING MILLS LIMITED

Companies Act, 2013, 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 190 of the Companies Act,2013.

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

ITEM NO :6

Sri R.Jaichander, B.Com, aged 42 years, is the Joint Managing Director of the Company from 30.09.1993. He has over 22 years experience in production planning, technical, financial, cost management and monitoring and factory management. He is a member of Stake Holder Relationship Committee. He is also a Director of Amarjothi Power Generation and Distribution Company Ltd and he is holding 350 shares (1.85% of total paid-up capital of the company). He is a Director of RPJ Textiles Ltd and he is holding 250 shares (5.00% of total paid-up capital of the company).

His present tenure as the Joint Managing Director of the Company comes to an end on 30th November 2016. The Board of Directors, at its meeting held on 27th May 2016, has reappointed Sri.R.Jaichander as Joint Managing Director for a further period of 5(Five) years with effect from 1st December 2016. His remuneration has also been approved by the Nomination and Remuneration Committee of the Board. In terms of Schedule V to the Companies Act, 2013, 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 190 of the Companies Act, 2013.

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

ITEM No: 7

Sri N.Rajan, B.Com, F.C.A., aged 77 years, is the Chairman of the Company from the 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. He is also a Director of Amarjothi Power Generation and Distribution Company Ltd and he is holding 3250 shares (17.11% of total paid-up capital of the Company). He is a Director of RPJ Textiles Ltd and he is holding 1750 shares (35.00% of total paid-up capital of the company).