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Tamil Nadu, India www.amarjothi.net



■ ISO 9001 : 2008 | GOTS-OE | OEKO TEX CERTIFIED

CIN: L17111TZ1987PLC002090

04.09.2018

To

BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai- 400 001

Dear Sirs,

**Sub: Submission of Annual Report for the year 2018-19**

**Scrip Code: 521097**

**Scrip Name: Amarjothi Spinning Mills Limited**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement), 2015, we submit herewith the Annual Report for the year 2018-19 along with the notice, attendance slip & proxy form.

The Annual Report is being dispatched/ sent to shareholders by the permitted mode(s) and is also available on the Company's website.

We request you to kindly take the same on record and acknowledge receipt.

Thanking You,

Yours Faithfully,

**For Amarjothi Spinning Mills Limited,**

A handwritten signature in blue ink, appearing to read 'K. Mohanapriya'.

**K.Mohanapriya**  
Company Secretary.

**ANNUAL REPORT 2018-2019**



**AMARJOTHI SPINNING MILLS LIMITED**



**AMARJOTHI SPINNING MILLS LIMITED**  
**31<sup>st</sup> Annual Report**

**BOARD OF DIRECTORS**

<b>CHAIRMAN</b>	Sri. N. RAJAN
<b>MANAGING DIRECTOR</b>	Sri. R. PREMCHANDER
<b>JOINT MANAGING DIRECTOR</b>	Sri. R. JAICHANDER
<b>DIRECTORS</b>	Dr. V. SUBRAMANIAM Sri. N. RADHAKRISHNAN Sri. V.T. SUBRAMANIAN Sri. M. MOORTHY Sri. V. MANIKANDAN Sri. M.S. SIVAKUMAR Smt. M. AMUTHA
<b>CHIEF FINANCIAL OFFICER</b>	Sri. P. SINGARAVELU
<b>COMPANY SECRETARY</b>	Smt. K. MOHANAPRIYA
<b>STATUTORY AUDITOR</b>	Sri. P.S. SITARAM, B.Sc., F.C.A. Chartered Accountant, Coimbatore
<b>BANKERS</b>	Bank of Baroda Karur Vysya Bank Limited
<b>REGD. OFFICE</b>	"AMARJOTHI HOUSE" 157, Kumaran Road, Tirupur - 641 601 Phone : +91-421-4311600 - 01 Fax : 91 421-4326694 Email : <a href="mailto:mill@amarjothi.net">mill@amarjothi.net</a> ; <a href="mailto:arun@amarjothi.net">arun@amarjothi.net</a> Website : <a href="http://www.amarjothi.net">www.amarjothi.net</a> CIN: L17111TZ1987PLC002090
<b>FACTORIES AT</b>	Pudusuripalayam, Nambiyur - 638 458 Gobi Taluk (Spinning Unit) SIPCOT, Perundurai, Erode Dist (Processing unit)
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	M/s. S.K.D.C. Consultants Ltd. Kanapathy Towers, 3 <sup>rd</sup> Floor 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006



<b>Contents</b>	<b>Page No.</b>
1. Notice to the Members	03
2. Director's Report	19
3. Management Discussion and Analysis Report	31
4. Report on Corporate Governance	35
5. Annual Report on the CSR Activities	54
6. Secretarial Audit Report	55
7. Extract of Annual Return in Form MGT-9	59
<b><u>Standalone</u></b>	
8. Auditor's Report	70
9. Balance Sheet	77
10. Statement of Profit and Loss	78
11. Notes Forming Part of Financial Statements	80
12. Cash Flow Statement	95
<b><u>Consolidated</u></b>	
13. Auditor's Report	99
14. Balance Sheet	104
15. Statement of Profit and Loss	105
16. Notes Forming Part of Financial Statements	107
17. Cash Flow Statement	122
18. Proxy Form	125
19. Attendance Slip	127



### NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 31<sup>st</sup> Annual General Meeting of the Shareholders of the Company will be held on Monday, the 30<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 23<sup>rd</sup> 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 (31<sup>st</sup>) Annual General Meeting until the conclusion of the Thirty Fourth (34<sup>th</sup>) 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 04<sup>th</sup> 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. 05<sup>th</sup> September 2019 to 4<sup>th</sup> 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 04<sup>th</sup> 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. 05<sup>th</sup> September 2019 to 4<sup>th</sup> 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 07<sup>th</sup> 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 04<sup>th</sup> 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. 05<sup>th</sup> September 2019 to 4<sup>th</sup> 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 04<sup>th</sup> 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. 05<sup>th</sup> September 2019 to 4<sup>th</sup> 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 24<sup>th</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive). The dividend, if declared at the meeting, will be paid on or before 30<sup>th</sup> 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 31<sup>st</sup> 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 28<sup>th</sup> September 2018 (date of last Annual General Meeting) on the website of the Company ([www.amarjothi.net](http://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](http://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 23<sup>rd</sup> September 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 29<sup>th</sup> 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 23<sup>rd</sup> 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(23<sup>rd</sup> 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 30<sup>th</sup> 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. 20<sup>st</sup> September 2019, may obtain the login Id and Password by sending a request to [helpdesk.evoting@cdslindia.com](mailto: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](http://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](mailto: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.cdslindia.com](http://www.cdslindia.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 04<sup>th</sup> 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 05<sup>th</sup> September 2014, under Section 149 and Schedule IV of the Companies Act, 2013 for a term of five years till 4<sup>th</sup> 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 05<sup>th</sup> September 2014, under



Section 149 and Schedule IV of the Companies Act, 2013 for a term of five years till 4<sup>th</sup> September 2019.

He is a Retired Tahsildar who served to the welfare of the society. He is the General Secretary of "Tirupur Art and Cultural Society" and also the General Secretary of "Padigal", an organization for development of reading habits among people. He is the Author of many books on social subjects. He is actively involved in many social activities. He is the Chairman of Audit Committee and Stakeholder Relationship Committee and member of Remuneration Committee of the Company.

The brief resume of the aforesaid directors is part of the notice of the meeting.

All incumbents are in good physical condition and of sound and alert mind and the Board is confident about them being able to function and discharge their duties in an able and competent manner. Considering their seniority, expertise and vast experience in their respective fields, which has benefited the Company immensely, the Board recommends their continuation as directors till their current terms end.

Except Mr.N.Rajan, Dr.V.Subramaniam and Mr.V.T.Subramanian and their relatives none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolutions. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

**ITEM No. 7:**

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 23rd Annual General Meeting held on 05th September, 2014, Mr.V.Manikandan was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 04th September, 2019. Since, Mr.V.Manikandan has completed his initial term as an Independent Director of the Company on 04<sup>th</sup> September, 2019, he is eligible for re-appointment for one more term.

Sri.V.Manikandan is a Commerce Graduate and has rich experience in Capital Market Activities for than 30 years. His rich experience in the Capital market will help the Company in the shareholder related areas and capital market areas. His other directorship included Mount Housing And Infrastructure Limited. He is member of CSR Committee of the Company. He does not hold any shares of the Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of



the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr.V.Manikandan (DIN:01920550) as an Independent Non-Executive Director of the Company for the second term of 5 (five) years w.e.f. 5<sup>th</sup> September, 2019 upto 04<sup>th</sup> September, 2024 and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr.V.Manikandan, being eligible for re-appointment as Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules,

2014, as amended from time to time. The Company has also received a declaration from Mr.V.Manikandan confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr.V.Manikandan is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature of Mr.V.Manikandan to be re-appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013.

A copy of the draft letter for re-appointment of Mr.V.Manikandan setting out the terms and conditions of re-appointment is available for inspection without any fees by the members during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations is set out in the Annexure to the Explanatory Statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Mr.V.Manikandan as an Independent Director of the Company.

Except Mr.V.Manikandan being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.



**ITEM No. 8:**

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 23rd Annual General Meeting held on 05th September, 2014, Mr.M.S.Sivakumar was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 04th September, 2019. Since, Mr.V.Manikandan has completed his initial term as an Independent Director of the Company on 04<sup>th</sup> September, 2019, he is eligible for re-appointment for one more term.

Mr.M.S.Sivakumar (DIN: 06930290) is a practicing Chartered Accountant having rich experience in Income Tax, Bank Audit, Company Audit, etc., for the past 12 years. He does not hold any shares of the Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr.M.S.Sivakumar (DIN: 06930290) as an Independent Non-Executive Director of the Company for the second term of 5 (five) years w.e.f. 5<sup>th</sup> September, 2019 upto 04<sup>th</sup> September, 2024 and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr.M.S.Sivakumar, being eligible for re-appointment as Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules,

2014, as amended from time to time. The Company has also received a declaration from Mr.M.S.Sivakumar confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr.M.S.Sivakumar is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature of Mr.M.S.Sivakumar to be re-



appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013.

A copy of the draft letter for re-appointment of Mr.M.S.Sivakumar setting out the terms and conditions of re-appointment is available for inspection without any fees by the members during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations is set out in the Annexure to the Explanatory Statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Mr.M.S.Sivakumar as an Independent Director of the Company.

Except Mr.M.S.Sivakumar being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

**ITEM No. 9:**

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment of and remuneration payable to Shri. M. Nagarajan, Practicing Cost Accountant, Coimbatore, for auditing the cost accounting records of the Company pursuant to the Companies (Cost Records and Audit ) Rules 2014 for the Financial Year 2019-20 at a remuneration of Rs. 40,000/- per annum excluding the applicable service tax and reimbursement of out of pocket expenses incurred by him in connection with the audit .

As per Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the members of the Company. Board recommends this resolution for the approval of the members.

Other than the appointee none of the Directors and other Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

**By order of the board**

Place : Tirupur  
Date : 30.05.2019

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

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





**PROCEDURE AND INSTRUCTION FOR E-VOTING:**

- 1) The voting period begins on <27.09.2019 – 9.00 AM> and ends on <29.09.2019-5.00 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 <23.09.2019> 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](http://www.evotingindia.com).
- 4) Click on Shareholders.
- 5) Now Enter your User ID
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul> <p>In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>





Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/ Details or Date yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
--	--

- 9) After entering these details appropriately, click on “SUBMIT” tab.
- 10) Members holding shares in physical form will then directly reach the Company selection screen.  
  
 However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 11) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 12) Click on the EVSN relevant for <AMARJOTHI SPINNING MILLS LIMITED>
- 13) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 14) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 15) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- 16) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- 17) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 18) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



## AMARJOTHI SPINNING MILLS LIMITED

- 19) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m- voting app can be downloaded from Google play Store. Apple and windows phone users can download the app from the App Store and the Windows phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 20) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 21) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

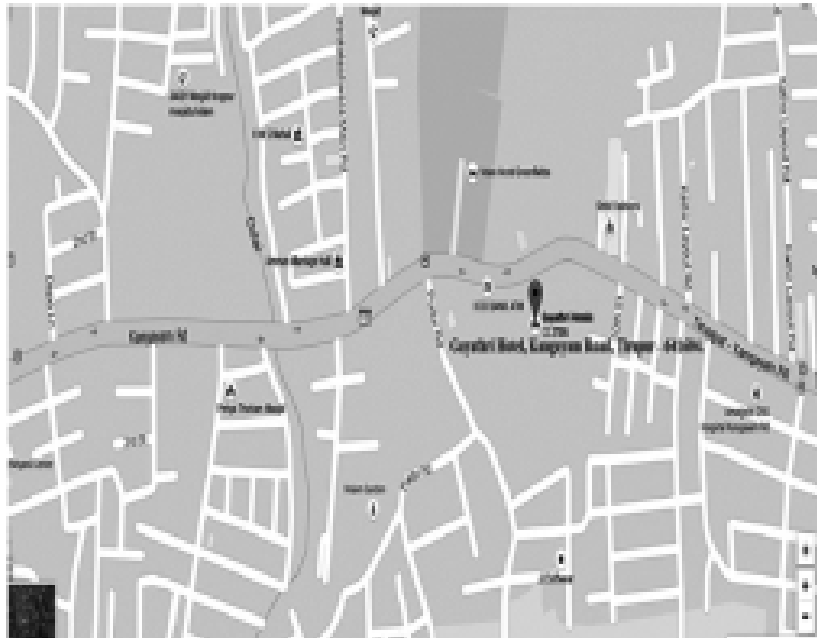
### By order of the board

Place : Tirupur  
Date : 30.05.2019

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

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

**AMARJOTHI SPINNING MILLS LIMITED**



**31st ANNUAL GENERAL MEETING**  
Monday, 30<sup>th</sup> September, 2019  
at 11.00 A.M. at Gayathri Hotel, Kangeyam Road, Tirupur- 641604.

## AMARJOTHI SPINNING MILLS LIMITED



### Particulars of the Directors seeking re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015.

Item -4,5,6,7,8,

Name of the director	Mr.N.Rajan	Dr.V.Subramaniam	Mr.V.T.Subramanian	Mr.V.Manikandan	Mr.M.S.Sivakumar
DIN	00390813	00781690	02311576	01920550	06930290
Date of Birth	14/03/1939	24/04/1940	07/06/1945	10/05/1966	25/09/1978
Expertise in specific functional areas	Practicing Chartered Accountant with over 5 decades	Textile Technologist with an experience of over four decades	Has more than 40 year experience in social work	Has more than 30 years experience in Capital Market Activities	Practicing Chartered Accountant
Qualifications	B.Com., FCA	Ph.D	B.Com	B.Com	B.Com., FCA
List of other companies in which directorship held as on 31 <sup>st</sup> March 2019.	1. Amarjothi Power Generation And Distribution Company Limited, 2. R P J Textiles Limited, 3. Premchander Wind Farms Private Limited, 4. Puvaneswari Enterprises Wind Farms Private Limited, 5. Jaichander Wind Farms Private Limited 6. Jayanthi Wind Farms Private Limited, 7. Sarojarajan Green Energy Private Limited, 8. Jayanthi Green Energy Private Limited, 9. Premchander Green Energy Private Limited, 10. APGL Green Energy Private Limited, 11. AJSM Green Energy Private Limited, 12. AFCM Wind Farms Private Limited, 13. Sushmitha Titikshaa Green Energy Private Limited	Nil	Nil	Mount Housing And Infrastructure Limited	Nil
Chairman/ Members of the Committees of the board of other Companies in which he is a director as on 31 <sup>st</sup> March 2019	Nil	Nil	Nil	Nil	Nil
Shareholding as on 31 <sup>st</sup> March 2019:					
a) held individually	1164980	Nil	Nil	Nil	Nil
b) held as Karta of HUF	Nil	Nil	Nil	Nil	Nil
c) held jointly with others	Nil	Nil	Nil	Nil	Nil
d) held as Executor/ Trustee	Nil	Nil	Nil	Nil	Nil
Relationship with other Directors	Brother of Mr.N.Radha krishnan Director, Father of Mr.R.Prem chander, Managing Director and Mr.R.Jaichander, Joint-Managing Director	Nil	Nil	Nil	Nil



**DIRECTORS' REPORT TO THE MEMBERS OF  
AMARJOTHI SPINNING MILLS LIMITED**

Your Directors have pleasure in presenting the Thirty First Annual Report together with the audited accounts of your Company for the year ended 31st March 2019.

**FINANCIAL RESULTS**

	2018-2019 Rs.	2017-2018 Rs.
Revenue from Operations	2121960532.61	1894514522.87
Other Income	76075164.95	43714528.21
<b>Total Revenue</b>	<b>2198035697.56</b>	<b>1938229051.08</b>
Less: Total Expenses	1994387722.11	1808487817.76
<b>Profit before Tax</b>	<b>203647975.45</b>	<b>129741233.32</b>
<b>Profit after Tax</b>	<b>144131975.45</b>	<b>119266233.32</b>
Surplus brought forward	881359003.05	793306528.86
<b>Amount available for appropriation</b>	<b>1025490978.50</b>	<b>912572762.18</b>
Appropriations to :		
General Reserve	14413000.00	11927000.00
Dividend paid including Tax	16248282.00	16248282.00
Previous year Income tax adjusted	1691300.00	3038477.13
Surplus carried to balance sheet	993138396.50	881359003.05
<b>TOTAL</b>	<b>1025490978.50</b>	<b>912572762.18</b>

**STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:**

**OPERATIONS**

The Company's sales increased by 12.62% to Rs.21219.60 Lakhs during the year under review as against Rs.18945.14 Lakhs in the previous year. Profitability of the company also decreased due to this. This reduction resulted due to local market condition.

**1) YARN DIVISION**

Your Directors inform you that yarn division continues to perform well. We hope that in future also our performance will improve.

**2) PROCESSING UNIT**

The Processing unit is fully utilized for the dyeing of material of our spinning unit. In addition to our own dyeing, we process our material in outside dyeing also.



**FUTURE PROSPECTS:**

The Company will continue to perform well in the domestic market. The Company is in the process of implementing several cost saving measures including modernization, which will make the product more competitive.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

There were no changes in Nature of Business during the year 2018-2019.

**DIVIDEND**

Your Directors are glad to recommend a dividend of Rs. 2.00 per share (20% on the Face value) for the year ended 31st March 2019 absorbing a sum of Rs. 1,35,00,000/- for the approval of the share holders at the ensuing Annual General Meeting. The dividend will be free of tax in the hands of shareholders since the Company will be paying the Dividend Distribution Tax at the prescribed rate.

**GENERAL RESERVE**

During the year, your Company has transferred an amount of Rs. 1,44,13,000.00 to the General Reserve.

**CHANGES IN SHARE CAPITAL:**

There were no changes in Share Capital of the Company during the Financial Year 2018-2019.

**DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any Equity Shares with Differential Rights during the Financial Year 2018-2019.

**DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:**

The Company has not provided any Stock Option Scheme to the employees during the year Under Review.

**DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES :**

The Company has not issued any Sweat Equity Shares during the year under review.

**EXTRACT OF ANNUAL RETURN :**

As required pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in the Form MGT-9 is annexed as a part of this report vide "ANNEXURE VI" and available in the Company's Website [www.amarjothi.net](http://www.amarjothi.net).

**NUMBER OF BOARD MEETINGS:**

During the Financial Year 2018-19, 6 (Six) Meetings of the Board of Directors of the company were held on as given below. The details of Board Meeting and Attendance of Directors are disclosed in the Corporate Governance Report.



**Date of meetings:**

21.04.2018	30.05.2018	30.07.2018	31.10.2018	22.01.2019	30.01.2019
------------	------------	------------	------------	------------	------------

**PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186:**

The Company has not provided any Loan/Guarantee during the year under review. However the Company has made investments for a sum of Rs. 74000 in M/s. Premchander Green Energy Private Limited as 27% of share capital, a sum of Rs. 74,000/- in M/s. Jayanthi Green Energy Private Limited as 27% of Share Capital, a sum of Rs. 74,000/- in APGL Green Energy Private limited as 27% of Share Capital and a sum of Rs.98,000 in M/s. AJSM Green Energy Private Limited as 49% of Share Capital and a sum of Rs.98,000 in M/s. AFCM Wind Farms Private Limited as 49% of Share Capital for the purpose of captive consumption of power generated by their wind mills.

**RELATED PARTY TRANSACTIONS:**

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013, during the year. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report, vide Annexure III (i). Further, the Company's policy on Related Party Transactions is attached as part of this report, vide Annexure III (ii).

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:**

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors for the year.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

**SECRETARIAL AUDIT:**

In terms of Section 204 of the Companies Act, 2013 and the rules there under, the Company has appointed Mr. R.Ramchandrar B.com, ACS, LLB as the Secretarial Auditor of the Company. Secretarial Audit Report in Form MR-3 as provided by Mr. R. Ramchandrar is annexed to this Report vide "ANNEXURE V".

**REMUNERATION OF DIRECTORS & KMP:**

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed vide "ANNEXURE VII".



**ANNUAL EVALUATION BY THE BOARD**

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3) (p) of the Companies Act, 2013.

**DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

During the year 2018-19, no significant and material Orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

**STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets, (c) prevention and detection of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

**DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information relating to Conservation of Energy, Foreign Exchange Earning and Out Go, Technology Absorption pursuant to section 134(3) (m) of the Act, read with rule 8 sub rule 3 of the Companies (Accounts) Rules, 2014 is attached as ANNEXURE -I which forms part of the report.

**RISK MANAGEMENT POLICY:**

This annual report has got a detailed chapter on management discussion and analysis on risk management stating about risk management by the Company. The Company has in place a Risk Management Policy and the risk management policy is periodically reviewed by the Board. The Company's business model has Comprehensive and integrated risk management framework that comprises a clear understanding of strategy, policy initiatives, prudential norms, proactive mitigation and structured reporting. In addition, the Board periodically reviews and discusses all assets with significant risks, including deliberating on the sector- specific and systemic risks in the business environment. Other key variables monitored for risk are market condition and product costing.





**CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report.

The consolidated net profit for the year was Rs. 15.238 cr. as against Rs. 12.926 cr. in the previous year. The Company's consolidated net worth stood at Rs. 124.782 cr. as on 31st March 2019.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company has one wholly owned subsidiary company M/s.RPJ Textiles Ltd., in which our company holds 100% of equity shares. The details are mentioned in AOC-1.

The Company has Five Associate Companies M/s. APGL Green Energy Private Limited, Jayanthi Green Energy Private Limited, Premchander Green Energy Private Limited, in which our company holds 27% shares and AFCM Wind Farms Private Limited, AJSM Green Energy Private Limited in which our company holds 49% shares for the purpose of captive consumption of wind power. The details are mentioned in AOC-1.



Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

As on/ for the year ended 31.03.2019

Sl.No	1
Name of the subsidiary	M/s.R P J TEXTILES LIMITED.
The date since when subsidiary was acquired	28/07/2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
Share capital	500000/-
Reserves and surplus	9673594.81/-
Total assets	55103967.88/-
Total Liabilities	42949914.08
Investments	NIL
Turnover	347473645.40/-
Profit before taxation	8442730.74/-
Profit after taxation	6247620.75
Proposed Dividend	NIL
Extent of shareholding (in percentage)	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : NIL
- Names of subsidiaries which have been liquidated or sold during the year. NIL



**Part B: Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S.No	Name of Associates or Joint Ventures	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated Sheet	Networth attributable to share holding as per latest audited Balance	Profit or Loss for the year	
		No.	Amount of Investment in Associates or Joint Venture	Extent of Holding (in per centage)				Consi dered in Consoli dation	Not Consi dered in Consoli dation
1.	APGL Green Energy Private Limited	7400	74000	27%	By Virtue of Holdings being 20% or more shares	N.A.	274000	(-) 9.56	(-) 25.84
2.	Jayanthi Green Energy Private Limited	7400	74000	27%	By Virtue of Holdings being 20% or more shares	N.A.	274000	(-) 6.37	(-) 17.23
3.	Premchander Green Energy Private Limited	7400	74000	27%	By Virtue of Holdings being 20% or more shares	N.A.	274000	(-) 6.37	(-) 17.23
4.	AFCM Wind Farms Private Limited	9800	98000	49%	By Virtue of Holdings being 20% or more shares	N.A.	200000	(-) 11.56	(-) 12.04
5.	AJSM Green Energy Private Limited	9800	98000	49%	By Virtue of Holdings being 20% or more shares	N.A.	200000	(-) 11.56	(-) 12.04

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified”.

By Order of the Board

Place : Tirupur  
Date : 30.05.2019

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

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



**RECEIPT OF ANY COMMISSION BY MD/WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION/ REMUNERATION FROM ITS HOLDING OR SUBSIDIARY.**

The MD/WTD has not received any commission from other company/ its subsidiary.

**REAPPOINTMENT OF INDEPENDENT DIRECTOR:**

As there were vacation of office of Independent Directors falling in this AGM, the board had proposed to reappoint Independent Directors for the another term of 5 years.

**DECLARATION BY INDEPENDENT DIRECTOR:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

**BOARD & AUDIT COMMITTEE:**

The details regarding number of board meetings held during the financial year and composition of Audit Committee is furnished in the Corporate Governance Report.

**NOMINATION AND REMUNERATION COMMITTEE POLICY:**

The details regarding Nomination and Remuneration Committee Meeting held during the financial year is annexed to the Corporate Governance Report.

**DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM:**

During the year, the Company adopted a Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report concerns about unethical behavior. The mechanism provides for adequate safeguards against victimization. Further, no person has been denied access to the Audit Committee.

The Whistle Blower Policy is available under the following web site: <http://www.amarjothi.net>

**AUDITORS:**

Mr. P.S.Sitaram, B.Sc., F.C.A., Chartered Accountant, Coimbatore, (Membership No.023033), retires and is eligible for re-appointment for the term of 3 (three) years from the conclusion of 31<sup>st</sup> Annual General Meeting until the conclusion of 34<sup>th</sup> Annual General Meeting of the Company. A certificate from the Auditors that they satisfy the Eligibility conditions prescribed under the Companies Act, 2013 and the Rules made there under (including satisfaction of criteria under section 141 of the Companies Act, 2013), has been received from them.

**INTERNAL AUDITORS**

Mr.M.S Sivakumar, Chartered Accountant, is appointed as internal auditor of the Company. He has played an important role in strengthening the Systems and internal Controls within the Company.

**DISCLOSURE OF COST AUDITOR AND COST AUDIT REPORT**

As per Section 148 of the Companies Act, 2013 read with Rules framed there under,



M/s. Nagarajan & Co, Practicing Cost Accountants, ( Firm's Membership No; 000088) were appointed as Cost Auditors for the financial year 2018-2019 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. They have also been appointed as Cost Auditors for financial year 2019-20 by the Board of Directors, upon recommendation of Audit Committee, to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2018-19, issued by M/s. Nagarajan & Co, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules will be filed within the due date prescribed by the Act.

#### **CORPORATE GOVERNANCE**

A detailed report on corporate governance, together with a certificate from the Statutory Auditors, in compliance with Reg 15(2) of the SEBI (LODR) Regulations, 2015 is attached as part of this report vide "ANNEXURE II".

#### **CORPORATE SOCIAL RESPONSIBILITY**

Based on last three years average Net Profit, the Company is required to spend a sum of Rs.28,04,840, in the year 2019-20. The Company could not spend the money before finalizing this report as the time was too short to identify suitable projects for spending the same. The Company has decided to pay to the Prime Ministers Relief Fund.

List of CSR Activities and Composition of CSR Committee is annexed herewith as "ANNEXURE IV"

#### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

##### **PREAMBLE**

At Amarjothi, CSR policy is to reach out and contribute to the social and economic development of the underserved in which we operate.

We believe in the trusteeship concept and provide skill development, advancement of education, medical relief, research and development, relief of the poor, advancement of any other object of public.

In doing so, we build a better, sustainable way of life for the weaker sections of society and raise country's human development index.

"We have provided for the required amount. However, we could not start spending on any specific project. The amount will be spent on the projects as per CSR Committee's suggestions in the ensuing year."



### **CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT**

The Company shall seek to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programmes based on the identified needs of the community, education and healthcare shall remain our priority. Across the different programme areas identified by the company, it would be our endeavour to reach the disadvantaged and the marginalised sections of the society to make a meaningful impact on their lives. We are committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like to underprivileged;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development; Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programme;
- Promotion of rural sports, nationally recognized sports, paralympic sports and Olympic sports through training of sportspersons;
- Undertake rural development projects;
- Any other programme that falls under CSR purpose listed in SCHEDULE VII of the Companies Act, 2013 amended from time to time which are aimed at the empowerment of disadvantaged sections of the society.

### **SCOPE**

This policy will apply to all projects/programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the rules framed there under.

### **GOVERNANCE**

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee is to formulate the policy and to administer the policy through implementing partner(s) or via self-implementation. The CSR Committee shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable. The CSR committee is to ensure that projects/programmes are compliant with regulations and are monitored and reported effectively. As the Company's CSR activities evolve, the policy may be revised by the CSR committee and approved by the Board of Directors.



#### **CSR EXPENDITURE**

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company as approved by the Board. In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company.

#### **IMPLEMENTATION**

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects:

- 1) Through an implementation partner that can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act 2013; or
- 2) On its own, through the relevant HR or CSR department or through its own foundation (if applicable) specifically created for implementing its CSR initiatives.

The Company may enter into partnerships or alliances with NGOs, Trusts, or other Corporate Foundations etc. to effectively implement its CSR programmes/projects.

The Company can also implement programme(s) in collaboration with other company(ies), if permissible and feasible in such a manner that the CSR Committee is in a position to report separately on such projects / programs.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

#### **MONITORING AND REPORTING**

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the Board. The Company will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
2. Clear targets, time lines and measurable indicators, wherever possible;

A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules.

#### **PERSONNEL**

In term of the provision of Section 197(12) of Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are annexed to this report as "ANNEXURE VIII".



**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2018-19.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your directors confirm that

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis;
5. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

Your directors gratefully acknowledge the support and co-operation extended to your Company by all the customers, shareholders and bankers.

Your directors also place on record their appreciation of the tireless efforts of Team Amarjothi, a dedicated and loyal band of people who have displayed unswerving commitment to their work in these challenging times and helped the Company deliver good results.

The Company extends its thanks to the Central and State Government authorities for their continued co-operation and assistance.

**MAY LORD VENKATESWARA SHOWER HIS BLESSINGS FOR THE CONTINUED PROSPERTIY OF THE COMPANY.**

By Order of the Board

Place : Tirupur  
Date : 30.05.2019

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

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



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****1. INDUSTRY STRUCTURE AND DEVELOPMENT:**

Textile industry is India's major industry and one of the age old industry. With the modernization of the industry substantial capacity expansion has taken place in the textile sector. Industry has gone through rising raw material cost, scarcity of power, labour, market fluctuation and fluctuation in currency rates etc.

**2. OPPORTUNITIES AND THREATS:**

This Company being a major supplier of melange yarn to the Tirupur market with its local presence, there is good scope for improved turnover and profitability. The Company has been improving its share of value added yarn in the market in the form of Dyed fibre yarn, Dyed cotton yarn, PC yarn, etc. The Company offers competitive price due to low power cost through windmills, low interest cost, low processing cost, etc. The Company has obtained ISO 9001:2000 Certification, MGMT.SYS RVA C 216 Certification for quality management and systems and OEKO TEX STANDARD- 100 Certification for not using harmful substances in the product.

Though presently there is a certain lack of clarity in the general market conditions, no unit - specific threat to the operations and performance of the Company is perceived in the long run. However any major changes in export / import policies related to cotton and yarn and foreign currency fluctuations will have their impact on textile sector. Current Price fluctuations in yarn will affect the Market of our product in the forthcoming period. More over we are facing Labour scarcity and it will have impact on our production. Power generated by wind mills are not fully utilized by the Electricity Board and due to this wind mills were kept idle for some times.

**3. SEGMENT-WISE PERFORMANCE:**

The Company operates only in one segment and the operational results are mentioned elsewhere in this report.

**4. OUTLOOK:**

The Company will continue to perform well in the domestic market. The Company is in the process of implementing several cost saving measures, which will make the product more competitive.

**RISKS AND CONCERNS:**

With our presence in three continents we are exposed to risks which can adversely impact our operating performance, cash flows, financial performance, management performance and overall sustainability. We have an active risk management strategy in the place for the company, whose role is to identify potential risks, create mitigation strategies and monitor the occurrence of risk.

The risks that may affect us include, but are not limited to:

- Economic conditions.
- Inflationary pressure and other factors affecting demand for our products.
- Increase in costs of raw material, transport and storage.



- Supplier and distributor relationships and retention of distribution channels.
- Competitive market conditions and new entrants to the market.
- Labour shortages and attrition of key staff.
- Exchange rate fluctuation and arbitrage risk.
- Compliance and regulatory pressures including changes to tax laws.
- Seasonal fluctuations.
- Political risks associated with unrest and instability in countries where we have a presence or operation
- Power shortage

**5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate internal control systems and procedures commensurate with its size and nature of its business for the purchase of raw materials, plant and machinery, components and other items and for sale of goods. The adequacy of the internal control system is also periodically reviewed by the Audit Committee.

**6. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The financial performance of the Company has been discussed at length in the directors' report to the members.

**7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT :**

The Company has required number of skilled / semi-skilled persons and places emphasis on training for improving quality and productivity.

**8. HEALTH AND SAFETY MEASURES :**

The Company has taken medical insurance cover for all workers. Adequate safety measures have been taken in all our plants for prevention of any untoward incidents.

**9. CAUTIONARY STATEMENT :**

Statements made in this report regarding the Company's objectives, projections, expectations and predictions may be forward looking statements under the applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Some of the important factors that could make a difference to the Company's operations include global and domestic demand- supply conditions, finished goods prices, raw material costs and availability, interest rates, fuel prices, fluctuations in exchange rates, changes in government regulations and tax structure, economic developments in the domestic and overseas market and other incidental factors.

By Order of the Board

Place : Tirupur

Date : 30.05.2019

**Sd/-) N. RAJAN**

Chairman  
DIN: 00390813

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

Managing Director  
DIN: 00390795



**CEO/CFO CERTIFICATION**

To

The Board of Directors  
Amarjothi Spinning Mills Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Executive Officer of Amarjothi Spinning Mills Limited ("the Company"), to the best of our knowledge and belief certify that:

- 1) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2019 and based on our knowledge and belief, we state that :
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 2) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - 1) significant changes, If any, in the internal control over financial reporting during the year;
  - 2) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Tirupur  
Date: 30.05.2019

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

(Sd/-) **P.SINGARAVELU**  
Chief Financial Officer



## AMARJOTHI SPINNING MILLS LIMITED

### ANNEXURE – I TO DIRECTOR'S REPORT

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (accounts) Rules 2014 as follows :

#### A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

##### CONSERVATION OF ENERGY:

1. The steps taken or impact on conservation of energy : Started power saving methods in humidification plant.
2. The steps taken by the Company for utilising alternate sources of energy:  
Made power purchase contract with APGL Green Energy Private Limited, Premchander Green Energy Private Limited, Jayanthi Green Energy Private Limited and Kanagathara Wind Farms.
3. The capital investment on energy conservation equipments: NIL
4. a) Measures taken
  - 1) Continuous monitoring of energy consumption.
  - 2) Optimization of power parameters.
  - 3) Improving power factorb) Proposed measures  
Installed Humifogg system for power saving purpose after trial is satisfactory last year.

#### B. RESEARCH AND DEVELOPMENT

The Company is a member of SITRA (South India Textile Research Association) and is being benefited from their R & D activities. Significant improvements have been made in the quality of the melange yarn.

#### C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- a. **The efforts made towards technology absorption**  
The latest technology has been/is being adopted in various stages
- b. **The benefits derived as a result of above efforts**
  - Increase in productivity
  - product quality improvement
  - reduction in consumption of power.
- c. **Imported Technology** : None

#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings : Rs. 1616.39 Lakhs  
Foreign Exchange outgo : Rs. 176.02 Lakhs



**ANNEXURE – II**

**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes in systematic approach, professionalism, accountability and transparency. It will constantly endeavor to improve in all spheres of activity.

**2. BOARD OF DIRECTORS**

All the members of the Board are eminent persons with considerable expertise and experience in the engineering, banking, finance, accounts and audit, Legal consulting and Capital Market. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The Composition of the Board is in conformity with the listing agreement requirements as on 31st March 2019.

Name of the Director	DIN	Attendance Particulars		Directorships in other Public Limited Companies		Committees in which Chairman / Member of other Public Limited Companies*	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
Promoter Directors							
Sri. N.Rajan	00390813	6	No	-	2	-	-
Sri. R.Premchander (Executive)	00390795	6	Yes	-	3	-	-
Sri. R.Jaichander (Executive)	00390836	6	Yes	-	2	-	-
Sri. N.Radhakrishnan Independent- Non-Executive Directors	00390913	6	Yes	-	-	-	-
Dr. V.Subramaniam	00781690	6	Yes	-	-	-	-
Sri. V.T.Subramanian	02311576	6	Yes	-	-	-	-
Sri. V.Manikandan	01920550	6	Yes	-	1	-	-
Sri. M.S.Sivakumar	06930290	6	Yes	-	-	-	-
Smt. M.Amutha	07137884	6	Yes	-	-	-	-
Non-Executive Directors							
Sri. M.Moorthi	06801357	6	Yes	-	-	-	-

\*Audit Committee and Stakeholders' Relationship Committee considered.

All Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.



## AMARJOTHI SPINNING MILLS LIMITED

### 3. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model etc. through a familiarisation programme. Details of the familiarisation programme have been disclosed on the company's website : <http://www.amarjothi.net/>

### 4. BOARD MEETINGS

The Board of Directors formulates the broad business and operational policies, periodically reviews the performance and engages itself with strategic issues concerning the Company.

During the year under review, 6 meetings of the Board of Directors were held as given below:

21 <sup>st</sup> April 2018	30 <sup>th</sup> May 2018	30 <sup>th</sup> July 2018	31 <sup>st</sup> October 2018
22 <sup>nd</sup> January 2019	30 <sup>th</sup> January 2019		

### 5. AUDIT COMMITTEE

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and systems audit and interacts with the statutory auditors, internal auditors and system auditors. Senior Executives and functional heads are invited to the committee meetings. Besides, the Committee reviews the audit plans, interim and annual financial results, management discussion and analysis of financial condition and results of operations, related party transactions, observations of the management and internal / external auditors on internal control and follow-up reports of the management.

Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name of Director	Designation	No. of meetings attended	Meeting dates
Sri. V.T. Subramanian	Chairman	6	21 <sup>st</sup> April 2018
Dr. V. Subramaniam	Member	6	30 <sup>th</sup> May 2018
Sri. N. Rajan	Member	6	30 <sup>th</sup> July 2018
			31 <sup>st</sup> October 2018
			22 <sup>nd</sup> January 2019
			30 <sup>th</sup> January 2019

### 6. NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

The Nomination Compensation and Remuneration Committee has formulated criteria for evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors. Further, the Committee has recommended a policy relating to the remuneration of the directors, key managerial personnel and other employees which, inter alia, includes the principles for identification of persons who are qualified to become directors.



The criteria laid down for evaluation of the directors and the remuneration policy, as approved and adopted by the Board, are attached as part of this report vide Annexures II (i).

Composition of the Nomination, Compensation and Remuneration Committee and attendance of the members at Committee Meetings are as follows

Name of the Member	Designation	No. of Meetings Attended	Meeting dates
Dr.V.Subramaniam	Chairman	1	30.05.2018
Sri.V.T.Subramanian	Member	1	
Sri. N. Rajan	Member	1	

#### 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 30<sup>th</sup> January, 2019 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

- I. reviewed the performance of non-independent directors and the Board as a whole;
- II. reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non- executive directors;
- III. assessed the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### 8. REMUNERATION OF DIRECTORS

The Remuneration, Commission and Sitting Fees paid to the Directors for the year 2018-2019 was as follows:

Directors	Salary and Perquisites (Rupees)	Commission (Rupees)	Sitting Fees (Rupees)	Number of shares held individually	Relationship with other Directors
1) Sri. N. Rajan	Nil	1562549	4500	1164980	Father of Mr. Premchander & Mr. Jaichander
2) Sri. R. Premchander	720000	7092743	Nil	1275653	Son of Mr. N. Rajan & Brother of Mr. Jaichander
3) Sri. R. Jaichander	720000	7092743	Nil	1275498	Son of Mr. N. Rajan & Brother of Mr. Premchander
4) Dr. V. Subramaniam	Nil	Nil	4500	Nil	-



Directors	Salary and Perquisites (Rupees)	Commission (Rupees)	Sitting Fees (Rupees)	Number of shares held individually	Relationship with other Directors
5) Sri. N. Radhakrishnan	Nil	Nil	4500	Nil	Brother of Mr. N. Rajan
6) Sri. V.T. Subramanian	Nil	Nil	4500	Nil	-
7) Sri. M. Moorthi	209167	Nil	4500	Nil	-
8) Sri. V. Manikandan	Nil	Nil	4500	Nil	-
9) Sri. M.S. Sivakumar	Nil	Nil	4500	Nil	-
10) Smt. M. Amutha	Nil	Nil	4500	Nil	-

**9. STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee

- I. approves and monitors transfer, transmission, splits and consolidation of securities of the Company,
- II. reviews the redressal of grievances / complaints from shareholders and debenture holders on matters relating to transfer of shares, non-receipt of annual report, dividends, interest etc., and
- III. reviews the compliances with various statutory and regulatory requirements.

Composition of the Stakeholders Relationship Committee and attendance of the members at Committee meetings are as follows:

Name of the Member	Designation	No. of Meetings Attended	Meeting dates
Sri. V.T. Subramanian	Chairman	4	30 <sup>th</sup> May 2018
Sri. R. Premchander	Member	4	30 <sup>th</sup> July 2018
Sri. R. Jaichander	Member	4	31 <sup>st</sup> October 2018
			30 <sup>th</sup> January 2019

No share transfer requests were pending as on 31st March 2019. During the year 3 letters were received from investors regarding non-receipt of dividend warrants, annual reports, share certificates, etc. and all of them were replied to/ resolved to the satisfaction. None was pending unresolved as on 31st March 2019.

Smt.K.Mohanapriya, Company Secretary, is the Compliance Officer.

Contact Details of Compliance Officer:

Smt.K.Mohanapriya,

Company Secretary & Compliance Officer, Amarjothi House,

157, Kumaran Road, Tirupur – 641 601. E-mail : [mill@amarjothi.net](mailto:mill@amarjothi.net)

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the company in accordance with Schedule VII to the Companies Act, 2013. The terms of reference of





the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, as approved and adopted by the Board, has been posted on the website of the Company.

Composition of the Corporate Social Responsibility Committee and attendance of the members at Committee meetings are as follows:

Name of the Member	Designation	No. of Meetings Attended	Meeting dates
Sri. M.Moorthi	Chairman	1	30.05.2018
Sri.R.Jaichander	Member	1	
Sri. V.Manikandan	Member	1	

**11. GENERAL BODY MEETINGS**

The location and time of the annual general meetings held during the last three years are as follows:

Year	Date	Time	Venue	No. of Special Resolutions Passed
2016	28 <sup>th</sup> September, 2016	11.00A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL
2017	25 <sup>th</sup> September, 2017	11.00A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL
2018	28 <sup>th</sup> September, 2018	11.00A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL

The results of the postal ballots were announced by Sri N Rajan, Chairman, at the Registered Office of the Company and posted on the website of the Company.

No Special resolution is proposed to be passed through postal ballot at the ensuing AGM.

**12. WHISTLE BLOWER POLICY**

During the year the Company adopted the Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report concerns about unethical behavior. The mechanism provides for adequate safeguards against victimization. Further, no person has been denied access to the Audit Committee. The Whistle Blower Policy is available under the following website : <http://www.amarjothi.net/>



**13. DISCLOSURES**

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- All the mandatory requirements specified under Regulation have been compiled with. The Company will continue to adopt other non-mandatory requirements as appropriate. The Company has a record of unqualified financial statements since inception.

**14. MEANS OF COMMUNICATION**

- Quarterly unaudited and annual audited results of the Company were published in “Trinity Mirror” (English) and “Makkal Kural” (Tamil).
- The results and press release were also displayed on the Company’s website at <http://www.amarjothi.net>
- Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form.

**15. GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting**

Date	Time	Venue
30 <sup>th</sup> September 2019 (Monday)	11.00 AM	Meeting Hall, Gayathri Hotel, Opp. Velan Hotels, Kangayam Road, Tirupur – 641 604. Phone : 0421–2234734

- Financial Year – 1<sup>st</sup> April to 31<sup>st</sup> March
- Book Closure Dates – 24<sup>th</sup> September 2019 to 30<sup>th</sup> September 2019 (both days inclusive)
- Date of payment of dividends Final – on or before 30<sup>th</sup> October 2019 - Rs. 2/- per share (20%)
- The Company’s shares are listed on: Bombay Stock Exchange of India Limited
- The Company has paid the listing fees for the financial year 2018-19 to the above stock exchange.
- Stock Code: BSE is 521097
- Details of outstanding shares in Amarjothi Spinning Mills Limited Unclaimed Shares Suspense Account.

## AMARJOTHI SPINNING MILLS LIMITED

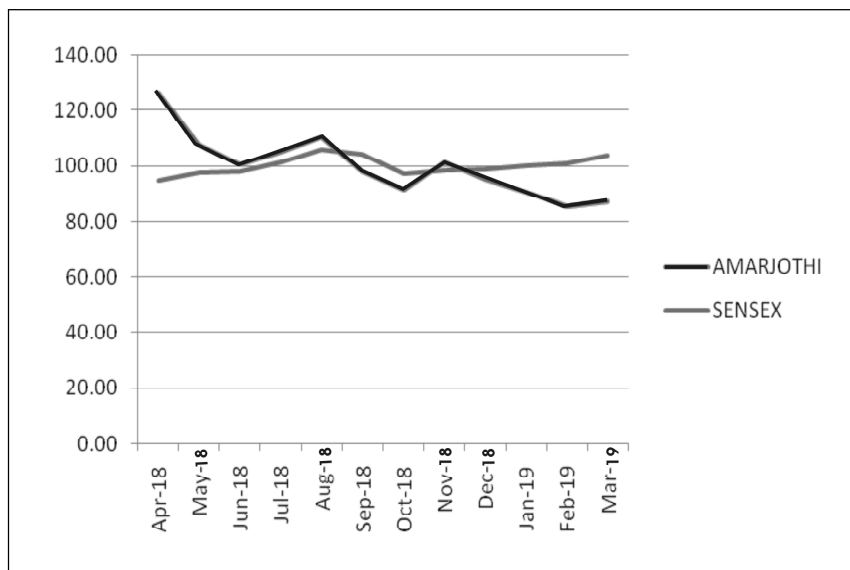


Particulars	No. of Shareholders	Total no. of Shares	
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	5	500	
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil	
Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil	
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	5	500	
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares		Yes	
<p>Following Dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Sections 124(5) and 125 of the Companies Act, 2013.</p>			
Amount of Dividend	Dividend for the Financial Year	Due date of credit to the Central Government	Date of Transfer to the Central Government
403132	2011-12	27-Oct-2019	27-Oct-2019
<p>Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis. Members who have not yet made claims are, therefore, requested to contact the Registrar and Share Transfer Agents immediately.</p>			
<p><b>MARKET PRICE DATA</b></p>			
<p>The Company's stock code in BSE is 521097. The High and Low quotations of the Company's shares on the (BSE) from April 2018 to March 2019 are given below:</p>			
Month	BSE		
	High (Rs.)	Low (Rs.)	
Apr 2018	148.85	117.15	
May 2018	124.80	102.00	
June 2018	112.85	99.10	
July 2018	129.40	91.75	
Aug 2018	124.90	108.00	
Sep 2018	115.75	91.00	
Oct 2018	112.00	79.95	
Nov 2018	122.70	91.00	
Dec 2018	106.00	94.05	
Jan 2019	102.85	87.40	
Feb 2019	102.00	78.10	
Mar 2019	98.95	84.50	



**Performance in comparison to broad based indices**  
**Amarjothi Share performance (April 2018 to March 2019)**

BSE Sensex Vs Amarjothi Share Price



Share transfers were processed and share certificates dispatched within 15 days from lodgment in accordance with the stock exchange listing agreement.

Dematerialisation requests have been confirmed within 21 days from the date of request.

M/s SKDC Consultants Limited, Registrars and Share Transfer Agents of the company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

M/s SKDC Consultants Limited  
 Kanapathy Towers, 3rd Floor, 1391/A-1 ,  
 Sathy Road, Ganapathy, Coimbatore – 641 006.  
 Telephone : 0422-4958995,2539835 Fax No. : 0422-2539837  
 E-mail : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

Contact Persons : Mr. K. NARENDRA , Managing Director,  
 Mr. MARIMUTHU

**AMARJOTHI SPINNING MILLS LIMITED****DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019**

Slab of Shareholding	Shareholders	%	No. of Shares	%
0-5000	7786	99.39	1810361	26.82
5001 – 10000	29	0.37	196802	2.92
10001 and above	19	0.24	4742837	70.26
Total	7834	100.00	6750000	100.00

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2019**

Category	No. of Shares held	%
Indian Promoters	3716131	55.054
Bodies Corporate	90890	1.347
Indian Public	2549193	37.765
NRI	75874	1.124
Clearing Members	12122	0.180
HUF	149195	2.21
IEPF	156595	2.32
Total	6750000	100.00

Mode	No. of Shares	% of Listed Capital
Depository	6444819	95.48
Physical	305181	4.52
Total	6750000	100.00

**SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31<sup>ST</sup> MARCH 2019**

Sri.N.Rajan, Chairman holds 1164980 equity shares. The other non-executive directors do not hold any shares.

**PLANT LOCATIONS:**

Spinning unit : Puduripalayam, Nambiyur-638458, Gobi Taluk.  
Processing Unit : SIPCOT, Perundurai, Erode Dist.

**INVESTOR CORRESPONDENCE:**

The Company Secretary & Compliance officer,  
Amarjothi Spinning Mills Limited, Amarjothi House,  
157, Kumaran Road, Tirupur-641601.

**By order of the board**

Place : Tirupur  
Date : 30.05.2019

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

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



**AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of AMARJOTHI SPINNING MILLS LIMITED,

I have examined the compliance of conditions of Corporate Governance by AMARJOTHI SPINNING MILLS LIMITED, for the year ended 31.03.2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as stipulated in Regulations 17 to 27 of Chapter IV.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement/Listing Regulations.

I state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Tirupur  
Date : 30.05.2019

**(Sd/-) P.S.Sitaram B.Sc., F.C.A**  
Chartered Accountant  
Membership No. 023033



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

The Members  
Amarjothi Spinning Mills Limited  
(CIN:L17111TZ1987PLC002090)  
157, Kumaran Road,  
Tirupur-641601.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Amarjothi Spinning Mills Limited having CIN: L17111TZ1987PLC002090, and having Regd.Office at 157, Kumaran Road, Tirupur-641601, TamilNadu, India (here in after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number(DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore  
30<sup>th</sup> May 2019

Sd/-  
R.Ramchandar & Associates  
Company Secretaries  
R.Ramchandar  
Proprietor  
FCS No: 10097  
C.P.No:12240



**CRITERIA FOR EVALUATION**

(As approved by the Board on 30<sup>th</sup> January 2019)

**Criteria for evaluation of the Board and non-independent directors at a separate meeting of independent directors:**

1. Composition of the board and availability of multi-disciplinary skills.  
Whether the Board comprises of directors with sufficient qualifications and experience in diverse fields to make SF a versatile institution.
2. Commitment to good Corporate Governance Practices
  - (a) Whether the company practices high ethical and moral standards.
  - (b) Whether the company is fair and transparent in all its dealings with the stake holders.
3. Adherence to Regulatory Compliance  
Whether the company alters to the various Government regulations.....Local, state and central, in time.
4. Track record of financial performance
  - (a) Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to share holder value.
  - (b) Whether the Company is transparent in all its disclosures on financial data.
5. Grievance redressal mechanism  
Whether a proper system is in place to attend to the complaints /grievances from the shareholders, depositors, customers, employees and others quickly and fairly.
6. Existence of integrated Risk management system  
Whether the company has integrated risk management system to cover the business risks.
7. Use of Modern Technology  
Whether the Company has an integrated IT strategy and whether there is any system for periodical technology up gradation covering both hardware and software.
8. Commission to CSR  
Whether the Company is committed to social clauses and CSR and whether there is a system to identify, finance and monitor such social activities.

**Criteria for evaluation of chairman at separate meeting of Independent Directors:**

1. Leadership qualities
2. Standard of Integrity
3. Understanding of Macroeconomic trends and Micro industry trends.
4. Public Relations
5. Future Vision and Innovation

**Criteria for evaluating of Independent Directors by the entire Board:**

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings/AGM
4. Understanding of Company's business
5. Value addition in Board Meetings

**Criteria for evaluating of the Audit Committee by the Board:**

1. Qualification & Experience of members
2. Depth of review of financial parameters
3. Oversight of Audit & Inspection
4. Review of Regulatory compliance
5. Fraud monitoring





**ANNEXURE II (i)**

**NOMINATION, REMUNERATION AND EVALUATION POLICY INTRODUCTION**

In terms of section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the company with Stock Exchange, as amended from time to time, this policy on nomination and remuneration of directors, Key Managerial Personnel (KMP), senior management and other employees of the company has been formulated by the nomination and remuneration committee of the company and approved by the board of directors vide its resolution dated 30.05.2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the directors, KMP and Senior Management Personnel including functional heads (one level below the Board).

**OBJECTIVE OF THE POLICY**

The policy is framed with the objective(s):

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP, Senior Management Personnel of the quality required to run the company successfully.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to directors, KMP, and Senior Management Personnel (one level below the Board) of the company involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goals.
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-executive) and persons who may be appointed in Senior Management (one level below the Board), key managerial positions and to determine their remuneration.
5. To determine remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
6. To carry out evaluation of the performance of directors, as well as key managerial and Senior Management Personnel (one level below the Board) and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the company's operations; and
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To lay down criteria for appointment and removal of directors, KMP and Senior Management Personnel (one level below the Board) and evaluation of their performance.

In the context of the aforesaid criteria the following policy has been formulated by the nomination and remuneration committee and adopted by the board of directors at its meeting held on 30.05.2014.

**DEFINITIONS**

In this policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules there under
2. 'Board of directors' or 'board', in relation to the company, means the collective body of the directors of the company



## AMARJOTHI SPINNING MILLS LIMITED

3. 'Committee' means Nomination and Remuneration Committee of the company as constituted or reconstituted by the board
4. 'Company' means Amarjothi Spinning Mills Limited
5. 'Directors' means directors of the company
6. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013
7. 'Key Managerial Personnel' (KMP) means:
  - 1) Chief Executive Officer and / or Managing Director
  - 2) Whole-time Director
  - 3) Chief Financial Officer
  - 4) Company Secretary
  - 5) Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs
9. 'Regulations' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this policy
10. 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding board of directors. It would comprise all members of management one level below the Board, including the functional heads.
11. Senior Management means executive positions one level below the Board of Directors including functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time, shall have the meaning respectively assigned to them therein.

### **CONSTITUTION OF THE COMMITTEE**

The committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the company may be appointed as a member of this committee but shall not chair the committee.

The committee will meet at such intervals as it may deem fit to carry out the objectives set out in the policy. A quorum of two members is required to be present for the proceedings to take place. The committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as secretary to the committee.

### **FUNCTIONS OF THE COMMITTEE**

The committee shall, inter-alia, perform the following functions:



## AMARJOTHI SPINNING MILLS LIMITED

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every director's performance
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel, Senior Management Personnel and other employees
3. Ensure that the board comprises of a balanced combination of executive directors and non-executive directors and also the independent directors
4. Devise framework to ensure that directors are inducted through suitable familiarization process covering their roles, responsibility and liability
5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI guidelines
6. Decide/ approve details of fixed components and performance linked incentives along with the performance criteria
7. Formulate the criteria for evaluation of independent directors and the board
8. The committee shall assist the board in ensuring that plans are in place for orderly succession for appointments to the board and to senior management

The chairman of the committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the chairman to decide who should answer the queries.

Provided that committee may set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the directors and / or officers of the company, as deemed necessary for proper and expeditious execution.

### **APPLICABILITY**

This policy is applicable to:

1. Directors (Executive and Non-executive)
2. KMP
3. Senior management personnel

### **APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or at senior management level and recommend to the board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
3. Appointment of independent directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under
4. The company shall not appoint or continue the employment of any person as whole-time director who has attained the age of seventy years. Provided that the term of the person



holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**MANAGING DIRECTOR / WHOLE-TIME DIRECTOR**

The company shall appoint or re-appoint any person as its managing director, whole time director or executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**INDEPENDENT DIRECTOR**

Subject to the provisions of the applicable Regulations, an independent director shall hold office for a term up to five consecutive years on the board of the company and will be eligible for re-appointment on passing of a special resolution by the company.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after expiry of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

At the time of appointment of independent director, it should be ensured that number of boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time director of a listed company or such prescribed number by the statutory authority from time to time

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR**

1. The company shall familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. through various programs
2. The details of such familiarization programs shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report

**EVALUATION**

Following are the criteria for evaluation of performance of independent directors and the board:

**1. Executive Directors**

The executive directors shall be evaluated on the basis of targets/ criteria given to executive directors by the board from time to time

**2. Non-Executive Director**

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a) Act objectively and constructively while exercising their duties;
- b) Effectively deploy knowledge and expertise;
- c) Maintain confidentiality and Integrity and Independence of behavior and judgment;
- d) Exercise their responsibilities in a bona fide manner in the interest of the company;
- e) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;



- f) Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) Refrain from any action that would lead to loss of his independence
- h) Inform the board immediately when they lose their independence,
- i) Assist the company in implementing the best corporate governance practices.
- j) Strive to attend all meetings of the board of directors and the committees;
- k) Participate constructively and actively in the committees of the board in which they are chairpersons or members;
- l) Keep themselves well informed about the company and the external environment in which it operates;
- m) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- n) Abide by company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

**DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTORS**

A person shall not be eligible for appointment as a director of the company, if he is disqualified under section 164 of the Companies Act, 2013 or under any other regulations.

**REMOVAL**

The committee may recommend, to the board with reasons recorded in writing, removal of a director, KMP or senior management personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

**RETIREMENT**

The Director, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the company. The board will have the discretion to retain the director, KMP, senior management personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

**BOARD DIVERSITY**

The board of directors shall have the optimum combination of directors from the different areas / fields like management, finance, marketing, legal etc. or as may be considered appropriate.

The board shall have at least one board member who has accounting or related financial management expertise and at least three members who are financially literate.

**MATTERS RELATING TO THE REMUNERATION, PERQUISITES FOR THE DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL**

1. The remuneration/ compensation/ profit-linked commission etc. to the executive and non-executive directors will be determined by the committee and recommended to the board for approval. The remuneration/ compensation/ profit-linked commission etc. shall be in accordance with the percentage/ slabs/ conditions laid down in the Act and shall be subject to the prior/ post approval of the shareholders of the company and Central Government, wherever required.
2. The committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the



## AMARJOTHI SPINNING MILLS LIMITED

attainment of certain financial or other objectives set by the board. The amount payable is determined by the committee, based on performance against pre-determined financial and non-financial metrics.

3. As regards the remuneration of KMP, senior management personnel and other employees, the determination shall be effected by way of presentation before the committee, which would have requisite details. The committee shall peruse the same and approve accordingly.

### **REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR Remuneration**

The whole-time director shall be eligible for remuneration as may be approved by the shareholders of the company on the recommendation of the committee and the board of directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the board on the recommendation of the committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

#### **Minimum remuneration**

If, in any financial year, the company has no profits or its profits are inadequate, the company shall pay remuneration to its whole-time director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

### **REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR Sitting Fees**

The non-executive independent directors of the company shall be paid sitting fees and such other variable pay, if any, as per the applicable regulations. The quantum of sitting fees and variable pay, if any, will be determined as per the recommendation of the committee and approved by the board of directors of the company. The boarding and lodging expenses shall be reimbursed.

#### **Stock Options**

Pursuant to the provisions of the Act, an independent director shall not be entitled to any stock option of the company.

### **REMUNERATION TO KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

The Remuneration to be paid to KMPs/ senior management personnel shall be based on the experience, qualification and expertise of the related personnel.

The KMP, senior management personnel and other employees of the company shall be paid monthly remuneration as per the company's HR policies and/or as may be approved by the committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be as per the company's HR policies.

The remuneration details shall be presented before the committee which would have requisite details setting out the proposed increments for the next financial year. The committee shall peruse and forward the same to the board of directors of the company.

This remuneration policy shall apply to all future/ continuing employment/ engagement(s) with the company. In other respects, the remuneration policy shall be of guidance for the board. Any departure from the policy shall be recorded and reasoned in the committee and board meeting minutes.



**DISSEMINATION**

The details of the policy and the evaluation criteria as applicable shall be published on company's website and accordingly disclosed in the annual report as part of board's report therein.

**AMENDMENT TO THE POLICY**

The board of directors on its own and / or as per the recommendations of the committee can amend this policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**ANNEXURE III**

**ANNEXURE –III (i)– AOC-2**

**PARTICULARS OF CONTRACTS /ARRANGEMENTS MADE WITH RELATED PARTIES**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 )**

The Form pertains to the disclosure of particulars of contracts /arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:  
All transactions entered into by the Company during the year with related parties were on an arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:  
The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

**ANNEXURE III(ii)**

**POLICY ON RELATED PARTY TRANSACTIONS**

**(As per Regulation 23(1) of SEBI (LODR) Regulations, 2015)**

The Company shall enter into transactions with related parties only on arm's length basis, supported by agreement or formal letter. If the transaction is not on arm's length basis, then, necessary compliances under Companies Act, 2013 and / or Listing Agreement will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.



<b>ANNEXURE -IV</b>	
<b>THE ANNUAL REPORT ON THE CSR ACTIVITIES</b>	
<b>(Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014)</b>	
<b>S.NO.</b>	<b>PARTICULARS</b>
1.	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
	Refer Sections: Corporate Social Responsibility in Director's Report
2.	The Composition of the CSR Committee
	Chairman - Sri. M. Moorthi Members - Sri. R. Jaichander Sri. V. Manikandan
3.	Average net profit of the company for last three financial years
	Rs. 14,02,41,980
4.	Prescribed CSR expenditure (two percent of the amount)
	Rs. 28,04,840
5.	Details of CSR spent during the financial year.
	Total Amount to be spent for the financial year
	Amount unspent.
	Manner in which the amount spent during the financial year is detailed below.
	- Rs. 28,04,840/- The Company has planned to pay to The Prime Minister's National Relief Fund.
6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount its Board report.
	NA
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR objectives and Policy of the Company.
	Yes
	(Sd/-) M. MOORTHY Chairman
	(Sd/-) V. MANIKANDAN Independent Director
	Place : Tirupur
	Date : 30.05.2019





**ANNEXURE V**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31.03.2019

**Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
The Members,  
AMARJOTHI SPINNING MILLS LIMITED  
Tirupur.

I have conducted the SECRETARIAL AUDIT of the compliance of applicable statutory provisions and the adherence to good corporate practices by AMARJOTHI SPINNING MILLS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



## AMARJOTHI SPINNING MILLS LIMITED

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other Applicable Laws specifically applicable to the Company, namely:
- (a) Air (prevention and Control of pollution) Act, 1981
  - (b) Hazardous Waste (Management Handling and Transboundary Movement) Third Amendment Rules, 2000
  - (c) Tamil Nadu Pollution Control Board – Norms, Rules and Regulations – from time to time amendment and relevant notification / modifications.
  - (d) Other labour laws applicable to the extent.

I have also examined compliance with the applicable clauses of the following :

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable the provisions of Act/ Regulations/Directions as mentioned above in respect of:

- a) Issue of securities both equity and/or debt.
- b) Share based employee benefits.
- c) Foreign Direct Investment, External Commercial Borrowings and overseas Direct investment.
- d) Buy-back of securities.
- e) Delisting of securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors.

## AMARJOTHI SPINNING MILLS LIMITED



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Coimbatore  
Date : 30.05.2019

(Sd/-) RAMCHANDAR.R  
Company Secretary in Practice  
FCS No.10097, CP No.12240

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



ANNEXURE A

To

The Members

Amarjothi Spinning Mills Limited, Tirupur.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company.  
Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore

Date : 30.05.2019

(Sd/-) RAMCHANDAR.R  
Company Secretary in Practice  
FCS No.10097, CP No.12240

**AMARJOTHI SPINNING MILLS LIMITED**



**ANNEXURE VI**

**Form No. MGT - 9**

**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March, 2019**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L17111TZ1987PLC002090
ii)	Registration Date	16/12/1987
iii)	Name of the Company	AMARJOTHI SPINNING MILLS LIMITED
iv)	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
v)	Address of the Registered office and Contact Details	Amarjothi House 157, Kumaran Road Tirupur, Tirupur District Tamil Nadu - 641 601 India Mail ID: <a href="mailto:mill@amarjothi.net">mill@amarjothi.net</a>
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1 , Sathy Road, Ganapathy, Coimbatore – 641 006. Telephone : 0422-4958995,2539835; Fax No. : 0422-2539837 E-mail : <a href="mailto:info@skdc-consultants.com">info@skdc-consultants.com</a>

**II. Principal Business Activities of the Company**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Spinning	1311	100%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	RPJ Textiles Limited, Amarjothi house, 157, Kumaran road, Tirupur – 641601.	U17120TZ2013PLC019661	Wholly owned subsidiary	100%	2(87)(ii)
2.	Premchander Green Energy Private Limited, Amarjothi house, 157, Kumaran road, Tirupur – 641601.	U40108TZ2019PTC031579	Associate	27%	2(6)
3.	Jayanthi Green Energy Private Limited Amarjothi house, 157, Kumaran road, Tirupur – 641601.	U40106TZ2019PTC031577	Associate	27%	2(6)

## AMARJOTHI SPINNING MILLS LIMITED



III. Particulars of Holding, Subsidiary and Associate Companies					
Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4.	APGL Green Energy Private Limited Amarjothi house, 157, Kumaran road, Tirupur – 641601	U40106TZ2019PTC031582	Associate	27%	2(6)
5.	AFCM Wind Farms Private Limited Amarjothi house, 157, Kumaran road, Tirupur – 641601	U40106TZ2019PTC031611	Associate	49%	2(6)
6.	AJSM Green Energy Private limited Amarjothi house, 157, Kumaran road, Tirupur – 641601	U40300TZ2019PTC031612	Associate	49%	2(6)

### I. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding as on 31<sup>st</sup> March 2019

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individuals/ Hindu Undivided Family	3716131	0	3716131	55.054	3716131	0	3716131	55.054	0.00
b) Central Government/ State Government(s)	0	0	0	0.000	0	0	0	0	0.000
c) Bodies Corporate	0	0	0	0.000	0	0	0	0	0.000
d) Financial Institutions/ Banks	0	0	0	0.000	0	0	0	0	0.000
e) Any Others(Specify)	0	0	0	0.000	0	0	0	0	0.000
TRUSTS	0	0	0	0.000	0	0	0	0	0.000
<b>Sub Total(A)(1)</b>	<b>3716131</b>	<b>0</b>	<b>3716131</b>	<b>55.054</b>	<b>3716131</b>	<b>0</b>	<b>3716131</b>	<b>55.054</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.000
b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
c) Institutions	0	0	0	0.000	0	0	0	0.000	0.000
d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
e) Any Others(Specify)	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3716131</b>	<b>0</b>	<b>3716131</b>	<b>55.054</b>	<b>3716131</b>	<b>0</b>	<b>3716131</b>	<b>55.054</b>	<b>0.00</b>
<b>(B) Public shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	100	100	0.001	0	0	0	0	-0.001
b) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0.000
c) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0.000
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
e) Insurance Companies	0	0	0	0	0	0	0	0	0.000
f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0.000
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.000
h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.000
i) Any Other (specify)	0	0	0	0	0	0	0	0	0.000
FOREIGN PORTFOLIO INV ( CORP.CAT )	0	0	0	0	0	0	0	0	0.000
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.001</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.001</b>	<b>0.000</b>

**AMARJOTHI SPINNING MILLS LIMITED**

**i) Category-wise Share Holding as on 31<sup>st</sup> March 2019**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	212970	9200	222170	3.291	82790	8100	90890	1.347	-1.944
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	1362163	487481	1849644	27.404	1461724	297081	1758805	26.056	-1.348
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	693387	0	693387	10.272	790388	0	790388	11.709	1.437
<b>c) Others (specify)</b>									
NON RESIDENT INDIANS	103586	0	103586	1.534	75874	0	75874	1.124	-0.410
CLEARING MEMBERS	43625	0	43625	0.646	12122	0	12122	0.180	-0.466
HINDU UNDIVIDED FAMILIES	121357	0	121357	1.798	149195	0	149195	2.210	0.412
Inv. Education and Protection . Fund Auth					156595	0	156595	2.320	2.320
<b>Sub-Total (B)(2)</b>	<b>2537088</b>	<b>496681</b>	<b>3033769</b>	<b>44.945</b>	<b>2728688</b>	<b>305181</b>	<b>3033869</b>	<b>44.946</b>	<b>0.001</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2537088</b>	<b>496781</b>	<b>3033869</b>	<b>44.946</b>	<b>2728688</b>	<b>305181</b>	<b>3033869</b>	<b>44.946</b>	<b>0.000</b>
<b>C.Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>6253219</b>	<b>496781</b>	<b>6750000</b>	<b>100.000</b>	<b>6444819</b>	<b>305181</b>	<b>6750000</b>	<b>100.000</b>	<b>0.000</b>

**ii) Shareholding of Promoter as on 31<sup>st</sup> March 2019 :**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	PREMCHANDER.R	1275653	18.899	0.000	1275653	18.899	0.000	0.000
2	JAICHANDER.R	1275498	18.896	0.000	1275498	18.896	0.000	0.000
3	RAJAN.N	1164980	17.259	0.000	1164980	17.259	0.000	0.000
	<b>TOTAL</b>	<b>3716131</b>	<b>55.054</b>	<b>0.000</b>	<b>3716131</b>	<b>55.054</b>	<b>0.000</b>	<b>0.000</b>

**iii) Change in Promoters' Shareholding**

NIL

**AMARJOTHI SPINNING MILLS LIMITED**

**iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)**

Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
ANIL KUMAR GOEL	At the beginning of the year	200000	2.963	200000	2.963
	Market purchase on 07.09.2018	5095	0.075	205095	3.038
	Market purchase on 14-09-2018	1640	0.025	206735	3.063
	Market purchase on 21-09-2018	265	0.004	207000	3.067
	Market purchase on 28-09-2018	3000	0.044	210000	3.111
	Market purchase on 05.10.2018	6193	0.092	216193	3.203
	Market purchase on 12-10-2018	807	0.012	217000	3.215
	Market purchase on 19-10-2018	1600	0.024	218600	3.239
	Market purchase on 15-02-2019	1400	0.020	220000	3.259
	Market purchase on 22-02-2019	25	0.001	220025	3.260
	At the End of the year			220025	3.260
SUBRAMANIAN P	At the beginning of the year	146000	2.163	146000	2.163
	Market purchase on 15-02-2019	3560	0.053	149560	2.216
	Market purchase on 22-02-2019	990	0.014	150550	2.230
	Market purchase on 01-03-2019	2340	0.035	152890	2.265
	Market purchase on 08-03-2019	900	0.013	153790	2.278
	At the End of the year			153790	2.278
CH KIRON	At the beginning of the year	100495	1.489	100495	1.489
	Market purchase on 09-11-2018	70721	(0.74)	171216	2.537
	At the End of the year			171216	2.537
ANIRUDH MOHTA	At the beginning of the year	93000	1.378	93000	1.378
	Market sale on 26-10-2018	(93000)	(1.378)	0	0
	Market purchase on 26-10-2018	93000	1.378	93000	1.378
	At the End of the year			93000	1.378
ZENSECURITIESLTD and ZENSECURITIES BSE CLIENTS	At the beginning of the year	74821	1.108	74821	1.108
	Market sale on 09-11-2018	(71121)	(1.054)	3700	0.055
	Market purchase on 11.01.2019	3250	0.048	6950	0.103
	Market sale on 29.03.2019	(2135)	(0.032)	4815	0.071
	At the End of the year			4815	0.071
FINQUEST FINANCIAL SOLUTIONS PVT. LTD.	At the beginning of the year	44446	0.658	44446	0.658
	Market sale on 13-04-2018	(44446)	(0.658)	0	0
	At the End of the year			0	0
SATYA PRAKASH MITTAL (HUF)	At the beginning of the year	44384	0.658	44384	0.658
	Market Purchase on 06.04.2018	1092	0.016	45476	0.674
	Market Purchase on 22-06-2018	2967	0.043	52323	0.775
	Market purchase on 03-08-2018	8719	0.129	61544	0.912



**AMARJOTHI SPINNING MILLS LIMITED**


Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
	Market purchase on 19-10-2018	509	0.008	62321	0.923
	Market sale on 26-10-2018	(361)	(0.005)	61960	0.918
	Market purchase on 09-11-2018	2384	0.035	64344	0.953
	Market purchase on 09-11-2018	76	0.001	64723	0.959
	At the End of the year			64723	0.959
DOLLY KHANNA	At the beginning of the year	42555	0.63	42555	0.63
	Market sale on 18-05-2018	(3000)	(0.044)	38555	0.571
	Market purchase on 16-11-2018	6000	0.089	49555	0.734
	Market sale on 15-02-2019	(7300)	(0.108)	30755	0.456
	Market sale on 29-03-2019	(4000)	(0.059)	20755	0.307
	Market sale on 30-03-2019	1000	0.015	19755	0.293
	At the End of the year			19755	0.293
PRADEEP AGGARWAL	At the beginning of the year	27579	0.409	27579	0.409
	Market purchase on 09-11-2018	8296	0.122	35875	0.531
	At the End of the year			35875	0.531
KISHAN GOPAL MOHTA	At the beginning of the year	15500	0.23	15500	0.23
	At the End of the year			15500	0.23

## AMARJOTHI SPINNING MILLS LIMITED



### v) Shareholding of Directors and Key Managerial Personnel:

Name	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
Premchander. R	At the beginning of the year	1275653	18.899	1275653	18.899
	At the End of the year			1275653	18.899
Jaichander. R	At the beginning of the year	1275498	18.896	1275498	18.896
	At the End of the year			1275498	18.896
Rajan. N	At the beginning of the year	1164980	17.259	1164980	17.259
	At the End of the year			1164980	17.259

### vi) Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount	395918688.27	753576552.19	0.00	1149495240.46
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>395918688.27</b>	<b>753576552.19</b>	<b>0.00</b>	<b>1149495240.46</b>
Change in Indebtedness during the financial year				
Addition	18712050.33		0.00	18712050.33
Reduction	0.00	468907064.23	0.00	468907064.23
<b>Net change</b>	<b>18712050.33</b>	<b>-468907064.23</b>	<b>0.00</b>	<b>-450195013.90</b>
Indebtedness at the end of the financial year.				
i. Principal Amount	414630738.60	284669487.96	0.00	699300226.56
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>414630738.60</b>	<b>284669487.96</b>	<b>0.00</b>	<b>699300226.56</b>

## AMARJOTHI SPINNING MILLS LIMITED



### vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A Remuneration to Managing Director, Whole-time Director and / or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		R. Premchander	R. Jaichander	
1.	Gross salary			
	a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	720000	720000	1440000
	b) Value of perquisites u/s 17(2)Income-tax Act,1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as% of profit	7092743	7092743	14185486
	- others, specify ...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total (A)	7812743	7812743	15625486
	Ceiling as per the Act	7812743	7812743	15625486

#### B. Remuneration to key Managerial Personnel other than MD/Manager/WTD

Sl.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		K. Mohanapriya Company Secretary	P. Singaravelu Chief Financial Officer	
1.	Gross salary			
	a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	247013	400750	647763
	b) Value of perquisites u/s 17(2)Income-tax Act,1961	Nil	188660	188660
	c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as% of profit	Nil	Nil	Nil
	- others, specify ...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total	247013	589410	836423



**C. Remuneration to other Directors :**

Particulars of Remuneration	Name of Director								Total Amount	
	Rajan N	V.Subra maniam	N. Radha krishnan	V.T.Subra manian	M. Moorthi	V. Manikandan	M. S. Sivakumar	M.Amutha		
Independent Directors										
- Fee for attending board committee meetings	0	4500	0	4500	0	4500	4500	4500	4500	22500
-Commission	0	0	0	0	0	0	0	0	0	0
-Others, please specify	0	0	0	0	0	0	0	0	0	0
Total (1)	0	4500	0	4500	0	4500	4500	4500	4500	22500
Other Non-Executive Directors										
-Fee for attending board committee meetings	4500	0	4500	0	4500	0	0	0	0	13500
-Commission	1562549	0	0	0	0	0	0	0	0	1562549
-Others, please specify	0	0	0	0	0	0	0	0	0	0
Total (2)	1567049	0	4500	0	4500	0	0	0	0	1576049
Total (C) = (1+2)	1567049	4500	4500	4500	4500	4500	4500	4500	4500	1598549

Overall Ceiling as per the Act in terms of the provisions of the Companies Act 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board/ Committee Meetings as may be decided by the Board. The Board has fixed Rs.750/- as Sitting fees for Board/Committee Meetings.

**D. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

Applicable – Mentioned in Table "B"

Note : During the year 2018-19, The Company has appointed Company Secretary and Chief Financial officer as Key Managerial Personnel under the sec 203 of Companies Act, 2013.

**VII. Penalties / Punishment / Compounding of Offences :**  
Nil



ANNEXURE – VII

**Disclosure pursuant to Rule 5 of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

<b>Names of the Directors / Key Managerial Personnel</b>	<b>Ratio to Median Remuneration (times)</b>	<b>Ratio to Mean Remuneration (times)</b>	<b>Increase / Decrease in Remuneration</b>
Sri. N. Rajan, Chairman	10.65	7.57	20.54%
Sri. R. Premchander, Managing Director	53.26	37.85	20.54%
Sri. R. Jaichander	53.26	37.85	20.54%
Dr. V. Subramaniam	0	0	0
Sri. N. Radhakrishnan	0	0	0
Sri. V.T. Subramanian	0	0	0
Sri. M. Moorthi	1.43	1.01	6.12%
Sri. V. Manikandan	0	0	0
Sri. M.S. Sivakumar	0	0	0
Smt. M. Amutha	0	0	0
Smt .K. Mohanapriya, Company secretary	1.68	1.20	3.48%
Sri.P. Singaravelu, Chief Financial Officer	4.02	2.86	4.84%

2. The percentage increase in the median remuneration of employees in the financial year: 24%
3. The Number of permanent employees on the rolls of the Company: 368
4. Explanation on the relationship between average increase in remuneration and company performance:  
The remuneration components include a fair proportion of fixed and variable pay. The increase in fixed pay is periodically reviewed while the increase in variable pay is broadly aligned to the company's performance during the financial year.
5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company – Profit before Tax – Rs.2036.48 Lakhs



(Rs. in lakhs)

Particulars	Chairman	Managing Director	Whole time Director	Total
Remuneration	15.62	78.13	78.13	171.88
Remuneration (as % of PBT)	1.00	5.00	5.00	11.00

6. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	As at 31.03.2019	As at 31.03.2018	Increase
Closing price of share at BSE (Rs.)	86.45	118.35	(-)26.95%
Market Capitalisation (Rs. in cr.)	58.35	79.89	(-)26.96%
Price Earnings ratio	4.05	6.70	(-)39.55%
Net worth (Rs. in cr.)	122.45	109.83	11.49%

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2018-19 was 11%. Managerial remuneration is increased for the year by 20.54%.

8. Comparison of the each remuneration of the Key managerial personnel against the performance of the company;

Please refer point no. (vi)

9. The key parameters for any variable component of remuneration availed by the directors; Commission within the ceiling of 11% of the net profits of the Company, as approved by the shareholders.

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; Not applicable.

11. Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that remuneration is as per the remuneration policy of the company.



**ANNEXURE – VIII**

**Statement u/s.197 (12) of the Companies Act, 2013 read with the Companies  
(Appointment and remuneration of Managerial Personnel) rules, 2014**

- a) Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum.  
None
- b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 8,50,000/- per month :  
None



**INDEPENDENT AUDITOR'S REPORT**

**To The Members of M/s. Amarjothi Spinning Mills Limited,**

**Report on the Audit of the Standalone Financial Statements:-**

**Opinion:**

I have audited the accompanying standalone financial statements of **Amarjothi Spinning Mills Limited.**, ("the company"), which comprise the Balance sheet as at **31st March, 2019**, the statement of Profit and Loss, statement of changes in equity, the Cash Flow Statement for the year ended, and notes to the final statement including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31<sup>st</sup> March 2019**, its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

I conducted my Audit in accordance with the **Standards on Auditing** (SAs) specified U/ S. 143(10) of the companies Act, 2013 ("The Act"). My responsibilities under those standards are further described in the **Auditor's Responsibilities** for the Audit of the Financial Statements section of my report. I am independent of the company in accordance with the code of ethics issued by the institute of Chartered Accountants of India together with the ethical requirements that are the rules thereunder and I have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and my auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to





read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Management’s Responsibility for the Standalone Financial Statements:**

The company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Ind AS specified u\ 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company’s financial reporting process.

**Auditor’s Responsibilities for the Audit of the Standalone Financial statements:**

My objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

**Report on other legal and regulatory requirements**

1. As required by the Companies [Auditors report] Order,2016 (“the Order”), issued by the Central Government of India in terms of S.143(11) of the Act, I give in the “Annexure-A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## AMARJOTHI SPINNING MILLS LIMITED



2. As required by section 197(16) of the Act, as amended in my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 187 of the Act.
3. As required by sec.143 (3) of the Act, I report that:
  - a. I have sought and obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of my Audit.
  - b. in my opinion, proper books of accounts as required by law have been kept by the company so far as it appears from my examination of those books
  - c. The Balance Sheet, the statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account
  - d. In my opinion, the aforesaid standalone financial statements comply with the Ind AS specified u/s. 133 of the Act, read with Rule 7 of the Companies [Accounts] Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of sec.164(2) of the Act.
  - f. with respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in 'Annexure-B'.
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies [Audit and Auditors] Rules, 2014 (as amended), in my opinion and to the best of my information and according to the explanations given to me;
    - 1) The Company does not have any pending litigations which would impact its financial position.
    - 2) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - 3) There has been no delay in transferring amounts, required to be transferred to the Investor Education and protection Fund by the Company.

Place : Coimbatore  
Date : 30.05.2019

**P.S.SITARAM, B.Sc., F.C.A.**  
Chartered Accountant.  
Membership No: 023033.



**ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AMARJOTHI SPINNING MILLS LIMITED.**

(Referred to in paragraph (1) under ‘Report on other legal and regulatory requirements’ of my report of even date)

In terms of the information and explanations sought by me and given by the company and the books and records examined by me in the normal course of audit and to the best of my knowledge and belief, I report the following:-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.  
b) The property, plant and equipment have been physically verified by the management during the year, which in my opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
c) The title deeds of all the immovable properties of the company shown under the property, plant and equipment schedule are held in the name of the company.
2. The inventories have been physically verified by the management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.
3. The Company has not granted loans, secured or unsecured, to Companies, Firms, LLPs or other parties covered in the register maintained under section 189 of the Act.
4. In respect of loans, investments and guarantees, the provisions of Sections 185 and 186 of the Act have been complied with.
5. The Company has not accepted any deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and the Directions issued by the RBI are applicable. Hence paragraph 3 (V) of CARO is not applicable to the company.
6. I have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act and I am of the opinion that prima facie the prescribed accounts and records have been made and maintained. I have not however made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
7. (a) Undisputed statutory dues including PF, or ESI, Income Tax, GST, customs duty, cess etc have been regularly deposited by the Company with the appropriate authorities in all cases during the year.  
b) There are no dues of income tax, GST, customs duty, excise duty, or cess etc, which have not been deposited on account of any dispute. A sum of Rs.4553445



has not been paid being Generation tax payable on electricity charges. The matter is under dispute and pending with the honourable high court of Madras. No provision has been made for this in the books.

8. The Company has not defaulted in repayment of loans taken from Financial Institution, Banks, Government or dues to Debenture holders.
9. The Company has not raised any money by way of Initial Public offer/Further Public offer during the year. In my opinion, the moneys raised by way of Term Loans during the year have been applied for the purposes for which those are raised.

Place : Coimbatore

Date : 30.05.2019

**P.S.SITARAM, B.Sc., F.C.A.**

Chartered Accountant.

Membership No: 023033.

**ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AMARJOTHI SPINNING MILLS LIMITED.**

**(Referred to in paragraph 3(f) under 'Report on other regulatory requirements' of my report of even date)**

**Report on the Internal Financial Controls under clause (i) of sub section 3 of Section 143 of the Companies Act 2013 (“The Act”).**

I have audited the internal financial controls over financial reporting of Amarjothi Spinning Mills Limited (“the Company”) as of **31<sup>st</sup> March 2019** in conjunction with my audit of the standalone financial statements of the company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

**Auditors’ Responsibility:**

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section



143(10) of the Companies' Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting, included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting:**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:-**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because



of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:-**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2019**, based on “the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Place : Coimbatore  
Date : 30.05.2019

**P.S.SITARAM, B.Sc., F.C.A.**  
Chartered Accountant.  
Membership No: 023033.

# AMARJOTHI SPINNING MILLS LIMITED



STANDALONE BALANCE SHEET AS AT 31st MARCH 2019		Rupees in Lakhs	
		As at	
ASSETS	Note no.	31.03.2019	31.03.2018
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	1.A	10815.54	12292.29
(b) Capital work-in-progress	1.B	496.67	535.49
(c) Investment Property		0.00	0.00
(d) Goodwill		0.00	0.00
(e) Other Intangible assets	1.C	1.05	1.65
(f) Intangible assets under development		0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00
(h) Financial Assets			
(i) Investments	2	115.89	174.04
(ii) Trade receivables		0.00	0.00
(iii) Loans		0.00	0.00
(iv) Others (to be specified)	3	104.91	171.79
(i) Deferred tax assets (net)		0.00	0.00
(j) Other non-current assets	4	93.67	206.51
Total Non-current assets		<b>11627.73</b>	<b>13381.77</b>
<b>2 Current assets</b>			
(a) Inventories	5	5430.35	7136.77
(b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables	6	2960.90	2928.42
(iii) Cash and cash equivalents	7	68.23	32.79
(iv) Bank balances other than (iii) above	8	35.98	39.15
(v) Loans		0.00	0.00
(vi) Others (to be specified)		0.00	0.00
(c) Current Tax Assets (Net)	9	0.00	31.27
(d) Other current assets	10	2637.18	1539.76
Total Current assets		<b>11132.64</b>	<b>11708.16</b>
<b>TOTAL ASSETS</b>		<b>22760.37</b>	<b>25089.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	11	675.00	675.00
(b) Other Equity		11570.29	10308.36
Total equity		<b>12245.29</b>	<b>10983.36</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	6412.22	10787.24
(ii) Trade payables		0.00	0.00
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0.00	0.00
(b) Provisions		0.00	0.00
(c) Deferred tax liabilities (Net)	13	1415.76	1163.60
(d) Other non-current liabilities		0.00	0.00
Total Non-current liabilities		<b>7827.98</b>	<b>11950.84</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	580.78	707.71
(ii) Trade payables	15	892.72	436.73
(iii) Other financial liabilities (other than those specified in item (c))	16	888.32	679.15
(b) Other current liabilities		0.00	0.00
(c) Provisions	17	289.56	332.14
(d) Current tax liabilities (Net)	18	35.72	0.00
Total Current liabilities		<b>2687.10</b>	<b>2155.73</b>
Total Liabilities		<b>10515.08</b>	<b>14106.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22760.37</b>	<b>25089.93</b>
<b>Notes to the financial statements 1-27</b>			
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date		On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>	<b>N. RAJAN</b>	<b>R. PREMCHANDER</b>	
Chartered Accountant	Chairman	Managing Director	
Membership No.023033			
Place : Tirupur		<b>R.JAICHANDER</b>	
Date : 30/05/2019		Joint Managing Director	

**AMARJOTHI SPINNING MILLS LIMITED**


<b>STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019</b>		Rupees in Lakhs	
	Note no.	For the year ended	
		31.03.2019	31.03.2018
I. Revenue from operations	19	21219.60	18945.15
II. Other Income	20	760.75	437.15
<b>III. Total Income (I+II)</b>		<b><u>21980.35</u></b>	<b><u>19382.30</u></b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	21	10996.88	9010.45
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	22	169.76	-200.07
Employee Benefits Expenses	23	1399.84	1382.23
Finance Costs	24	1284.49	1164.62
Depreciation and Amortization Expenses	1	1542.52	1328.71
Other Expenses	25	4550.38	5398.95
<b>Total Expenses</b>		<b><u>19943.87</u></b>	<b><u>18084.89</u></b>
V. Profit Before Exceptional Items and Tax (III-IV)		2036.48	1297.41
VI. Exceptional Items		0.00	0.00
<b>VII Profit Before Tax (V-VI)</b>		<b><u>2036.48</u></b>	<b><u>1297.41</u></b>
VIII Tax Expense:			
[1] Current Tax		343.00	245.00
[2] Deferred Tax		252.16	-140.25
IX Profit (Loss) for the year from Continuing Operations (VII-VIII)		1441.32	1192.66
X Profit (Loss) from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
XII Profit (Loss) from Discontinued Operations (after tax) (X-XI)		0.00	0.00
<b>XIII Profit (Loss) for the year (IX+XII)</b>		<b><u>1441.32</u></b>	<b><u>1192.66</u></b>
XIV Other Comprehensive income		0.00	0.00
<b>XV Total Comprehensive Income for the year (XIII+XIV)</b>		<b><u>1441.32</u></b>	<b><u>1192.66</u></b>
XVI. Earnings Per Equity Share(for Continuing operation)			
[1] Basic & Diluted		21.35	17.67
<b>Notes to the financial statements</b>	<b>1-27'</b>		
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date	On behalf of the Board of Directors		
<b>P.S.SITARAM, B.Sc., F.C.A.</b> Chartered Accountant Membership No.023033	<b>N. RAJAN</b> Chairman	<b>R. PREMCHANDER</b> Managing Director	
Place : Tirupur Date : 30/05/2019		<b>R.JAICHANDER</b> Joint Managing Director	



**AMARJOTHI SPINNING MILLS LIMITED**

**Standalone Statement of Changes in Equity For the year ended March 31, 2019 Rupees in Lakhs**
**A. Equity Share Capital**

Balance as at 31.03.2018	Changes in equity share capital during the year	Balance as at 31.03.2019
675.00	0.00	675.00

Balance as at 31.03.2017	Changes in equity share capital during the year	Balance as at 31.03.2018
675.00	0.00	675.00

**B. Other Equity**

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as at 31.03.2017</b>	0.00	225.00	0.00	1150.50	7933.06	0.00	9308.56
Changes in accounting policy/prior period errors					-30.38		-30.38
Restated balance at the beginning of the reporting period	0.00	225.00	0.00	1150.50	7902.68	0.00	9278.18
Profit for the year					1192.66		1192.66
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1192.66		1192.66
Transactions with owners in capacity as owners:							0.00
Dividends					-162.48		-162.48
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year		0.00		119.27	-119.27		0.00
<b>Balance as at 31.03.2018</b>	<b>0.00</b>	<b>225.00</b>	<b>0.00</b>	<b>1269.77</b>	<b>8813.59</b>	<b>0.00</b>	<b>10308.36</b>

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as at 31.03.2018</b>	0.00	225.00	0.00	1269.77	8813.59	0.00	10308.36
Changes in accounting policy/prior period errors					-16.91		-16.91
Restated balance at the beginning of the reporting period	0.00	225.00	0.00	1269.77	8796.68	0.00	10291.45
Profit for the year					1441.32		1441.32
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1441.32		1441.32
Transactions with owners in capacity as owners:							0.00
Dividends					-162.48		-162.48
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year		0.00		144.13	-144.13		0.00
<b>Balance as at 31.03.2019</b>	<b>0.00</b>	<b>225.00</b>	<b>0.00</b>	<b>1413.90</b>	<b>9931.39</b>	<b>0.00</b>	<b>11570.29</b>

**The accompanying notes form an integral part of these financial statements**

As per my report of even date

**P.S.SITARAM, B.Sc., F.C.A.**

 Chartered Accountant  
 Membership No.023033

 Place : Tirupur  
 Date : 30/05/2019

On behalf of the Board of Directors

**N. RAJAN**  
 Chairman

**R. PREMCHANDER**  
 Managing Director

**R.JAICHANDER**  
 Joint Managing Director



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019**

1 Property, Plant and Equipment, Capital work-in-progress, Investment Property and Intangible Assets: Rupees in Lakhs

S. No.	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block			
		Gross cost/ Value as on 01.04.2018	Acquisition	Addition Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2019	Total as on 01.04.2018	For this year	Sale during this year	Total as on 31.03.2019	W.D.V. as on 31.03.2019	W.D.V. as on 31.03.2018
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	78.75	78.75	
2	Land: Free Hold	97.93	0.00	0.00	0.00	1.56	96.37	0.00	0.00	0.00	96.37	97.93	
3	Building	2462.41	120.38	0.00	120.38	0.00	2582.79	1023.22	87.61	0.00	1471.96	1439.19	
4	Plant & Equipment	25231.30	47.56	0.00	47.56	2246.07	23032.79	14731.89	1415.69	2131.70	9016.91	10499.41	
5	Furniture & Fixtures	45.24	0.06	0.00	0.06	0.00	45.30	36.33	1.25	0.00	7.72	8.91	
6	Vehicles	285.87	0.62	0.00	0.62	0.00	286.49	162.31	26.59	0.00	97.59	123.56	
7	Office Equipment	315.02	12.48	0.00	12.48	0.00	327.50	270.48	10.78	0.00	46.24	44.54	
	<b>Total</b>	<b>28516.52</b>	<b>181.10</b>	<b>0.00</b>	<b>181.10</b>	<b>2247.63</b>	<b>26493.99</b>	<b>16224.23</b>	<b>1541.92</b>	<b>2131.70</b>	<b>10015.54</b>	<b>12292.29</b>	
B	Capital work-in-progress	535.49	2.82	0.00	2.82	41.64	496.67	0.00	0.00	0.00	496.67	535.49	
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	0.00	13.31	11.66	0.60	0.00	1.05	1.65	



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019**

1 Property, Plant and Equipment, Capital work-in-progress, Investment Property and Intangible Assets: Rupees in Lakhs

S. No	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block			
		Gross cost/ Value as on 01.04.2017	Acquisition	Addition Other Adjust- ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2018	Total as on 01.04.2017	For this year	Sale during this year	Total as on 31.03.2018	W.D.V. as on 31.03.2017	W.D.V. as on 31.03.2018
A	Property, Plant and Equipment:												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	0.00	78.75	78.75
2	Land: Free Hold	97.93	0.00	0.00	0.00	0.00	97.93	0.00	0.00	0.00	0.00	97.93	97.93
3	Building	2462.41	0.00	0.00	0.00	0.00	2462.41	947.64	75.58	0.00	1023.22	1439.19	1514.77
4	Plant & Equipment	20103.64	5187.09	0.00	5187.09	59.43	25231.30	13570.19	1213.12	51.42	14731.89	10499.41	6533.45
5	Furniture & Fixtures	45.16	0.08	0.00	0.08	0.00	45.24	34.93	1.40	0.00	36.33	8.91	10.23
6	Vehicles	237.75	50.42	0.00	50.42	2.30	285.87	140.44	24.06	2.19	162.31	123.56	97.31
7	Office Equipment	306.56	8.46	0.00	8.46	0.00	315.02	256.53	13.95	0.00	270.48	44.54	50.03
	<b>Total</b>	<b>233220</b>	<b>524605</b>	<b>0.00</b>	<b>524605</b>	<b>61.73</b>	<b>2851652</b>	<b>1494873</b>	<b>1328.11</b>	<b>53.61</b>	<b>1622423</b>	<b>1229229</b>	<b>838247</b>
B	Capital work-in-progress	493.84	41.65	0.00	41.65	0.00	535.49	0.00	0.00	0.00	0.00	535.49	493.84
C	Other intangible assets												
1	Computer software	12.62	0.69	0.00	0.69	0.00	13.31	11.06	0.60	0.00	11.66	1.65	1.56

**AMARJOTHI SPINNING MILLS LIMITED**


NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019	Rupees in Lakhs	
	Year ended	
	31.03.2019	31.03.2018
<b>[2] NON-CURRENT INVESTMENTS (AT COST):</b>		
<b>Investment in Fully paid equity Instruments: (Quoted)</b>		
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd.. (Market value – Rs.2200)	0.09	0.09
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs.770)	0.05	0.05
<b>Investment in Fully paid equity Instruments: (unquoted)</b>		
8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)	83.08	83.08
<b>Investment in Subsidiaries and Associates in Fully paid equity Instruments: - (unquoted)</b>		
520(4600) Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd.	7.71	69.00
5000 Equity shares of Rs.100 each fully paid of RPJ Textiles Ltd.	20.00	20.00
130 (7400) Equity shares of Rs.10 each fully paid of Premchander Wind Farms Private Ltd.	0.01	0.74
9800 Equity shares of Rs.10 each fully paid of AFCM Wind Farms Private Ltd.,	0.98	0.00
9800 Equity shares of Rs.10 each fully paid of AJSM Green Energy private Ltd.,	0.98	0.00
7400 Equity shares of Rs.10 each fully paid of APGL Green Energy private Ltd.,	0.74	0.00
30 Equity shares of Rs.10 each fully paid of Jaichander wind Farms Pvt Ltd.,	0.00	0.00
32 Equity shares of Rs.10 each fully paid of Jayanthi wind Farms Pvt Ltd.,	0.00	0.00
7400 Equity shares of Rs.10 each fully paid of Jayanthi Green Energy Pvt Ltd.,	0.74	0.00
7400 Equity shares of Rs.10 each fully paid of Premchander Green Energy Pvt Ltd.,	0.74	0.00
230 Equity shares of Rs.10 each fully paid of Puvaneswari Enterprises Wind Farms Pvt. Ltd	0.02	0.00
<b>Investment in Associate Partnersip Firms:</b>		
Partnership Capital @27% share in Kanagadhara wind Farms	0.75	0.54
Partnership Capital @27% share in South West Wind Farms	0.00	0.54
<b>Total</b>	<b>115.89</b>	<b>174.04</b>

## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
Note:	31.03.2019	31.03.2018	
a) Aggregate amount of quoted investments	0.14	0.14	
b) Aggregate market value of quoted investments	0.03	0.05	
c) Aggregate amount of unquoted investments	115.75	172.82	
d) Aggregate amount of impairment in value of investments.	0.00	0.00	
<b>[3] OTHER NON-CURRENT FINANCIAL ASSETS:</b>			
Bank Deposit Accounts (for bank guarantee - EPCG)	104.91	171.79	
	<u>104.91</u>	<u>171.79</u>	
<b>[4] OTHER NON-CURRENT ASSETS:</b>			
(Unsecured & considered good)			
Balance with Excise Department	0.10	0.10	
Deposit with Government Departments	93.57	206.41	
	<u>93.67</u>	<u>206.51</u>	
<b>[5] INVENTORIES :</b>			
a) Raw Materials	4010.91	5541.19	
b) Work-in-Progress	291.18	410.91	
c) Finished Goods	1042.41	1092.44	
d) Waste Stock	25.01	38.52	
e) Stores, Tools, Spares & Packing Materials	60.84	53.71	
	<u>5430.35</u>	<u>7136.77</u>	
<b>[6] TRADE RECEIVABLES :</b>			
1 Due for More than 6 months (Unsecured)			
(a) Considered Good	2.30	3.37	
(b) Considered Doubtful	32.00	32.41	
2 Others (Unsecured and considered good)	<u>2959.44</u>	2993.74	<u>2925.48</u> 2961.26
Less : Provision for Doubtful Receivables		<u>32.84</u>	<u>32.84</u>
		<u>2960.90</u>	<u>2928.42</u>
<b>[7] CASH AND CASH EQUIVALENTS:</b>			
Cash on Hand	1.83	1.30	
Balances with Scheduled Banks In Current Accounts	66.40	31.49	
	<u>68.23</u>	<u>32.79</u>	
<b>[8] BANK BALANCES OTHER THAN [7] ABOVE:</b>			
Unpaid Dividend Warrant Account	35.98	39.15	
	<u>35.98</u>	<u>39.15</u>	
<b>[9] CURRENT TAX ASSETS(NET):</b>			
Income tax Assets (Net of provision of Rs.245 lakhs)	<u>0.00</u>	<u>31.27</u>	

## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs		
		Year ended		
		31.03.2019	31.03.2018	
<b>[10] OTHER CURRENT ASSETS:</b> (Unsecured & considered good)				
Advances recoverable in cash or in kind or for value to be received		<u>2637.18</u>	<u>1539.76</u>	
<b>[11] SHARE CAPITAL:</b>				
<b>Equity Shares:</b>				
<b>Authorised:</b>				
9750000 Equity Shares of Rs.10 each		<u>975.00</u>	<u>975.00</u>	
<b>Issued, Subscribed &amp; Paid-up Capital :</b>				
6750000 Equity Shares of Rs.10 each fully paid		<u>675.00</u>	<u>675.00</u>	
<b>Notes:</b>				
1 Reconciliation of Equity shares at the end of the year				
	<b>No.of shares</b>	<b>Amount</b>	<b>No.of shares</b>	<b>Amount</b>
Balance at the beginning of the year	6750000	675.00	6750000	675.00
Additions	0	0.00	0	0.00
Deletions	0	0.00	0	0.00
Balance at the end of the year	6750000	675.00	6750000	675.00
2 List of shareholders holding more than 5%				
<b>Name</b>	<b>No.of shares</b>	<b>%</b>	<b>No.of shares</b>	<b>%</b>
Rajan.N	1164980	17.26	1164980	17.26
Premchander.R	1275653	18.90	1275653	18.90
Jaichander.R	1275498	18.90	1275498	18.90
Total	<u>3716131</u>	<u>55.06</u>	<u>3716131</u>	<u>55.06</u>
3 During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares or for Consideration other than cash.				
4 The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to voting rights, dividends and share in the Company's residual assets.				
<b>[12] LONG TERM BORROWINGS:</b>				
(a) Term Loan From Banks (Secured)		3565.53		3251.47
(b) Loan from Directors (Unsecured)		<u>2846.69</u>		<u>7535.77</u>
		<u>6412.22</u>		<u>10787.24</u>
<b>Notes:</b>				
1 Long Term Loans From Banks were taken for the purchase of new wind mills and these loans are required to be repaid before July 2023.				
2 Loan from Directors have been brought in pursuant to the terms of sanction of Loans by Bankers and retained as unsecured loans.				

## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[13] DEFERRED TAX LIABILITIES (NET)</b>			
As per last year Balance Sheet		1163.60	1303.85
Add/less : Transfer from / to P&L a/c for current year		<u>252.16</u>	<u>-140.25</u>
		<b>1415.76</b>	<b>1163.60</b>
<b>[14] SHORT TERM BORROWINGS</b>			
(a) Loan Repayable on Demand from Banks (Secured)		<u>580.78</u>	<u>707.71</u>
		<b>580.78</b>	<b>707.71</b>
<b>[15] TRADE PAYABLES</b>			
(a) Sundry Creditors		<u>892.72</u>	<u>436.73</u>
		<b>892.72</b>	<b>436.73</b>
<b>[16] OTHER FINANCIAL LIABILITIES</b>			
(a) Current Maturities of Long Term Debts		715.19	498.40
(b) Unclaimed Dividend		35.98	39.15
(c) GST(VAT) Payable		0	0
(d) Disputed Electricity Charges		45.53	26.42
(e) Others		<u>91.62</u>	<u>115.18</u>
		<b>888.32</b>	<b>679.15</b>
<b>[17] SHORT TERM PROVISIONS</b>			
(a) Provision for Employee Benefits		90.17	90.39
(b) Others			
1 Provision for Outstanding Liability		199.39	206.12
2 Provision for CSR expenditure		<u>0.00</u>	<u>35.63</u>
		<b>289.56</b>	<b>332.14</b>
Proposed Dividend per share (in Rs.)		2.00	2.00
Number of Shares		6750000	6750000
Total Proposed Dividend		135.00	135.00
<b>[18] CURRENT TAX LIABILITIES:</b>			
For Taxation net of advances		<u>35.72</u>	<u>0.00</u>
		<b>35.72</b>	<b>0.00</b>
<b>[19] REVENUE FROM OPERATIONS</b>			
a) Sale of Products		21219.60	18945.15
b) Sale of Services		0.00	0.00
c) Other Operating Revenues		<u>0.00</u>	<u>0.00</u>
		<b>21219.60</b>	<b>18945.15</b>

## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[20] OTHER INCOME</b>			
a) Interest Income (TDS Rs.10.25 lakh (Rs.13.83 lakh)		107.47	147.40
b) Dividend Income & Profit from Firms		-1.97	194.13
c) Net gain / Loss on sale of Fixed assets		473.96	1.11
d) Foreign Exchange Rate Gain		60.59	-4.86
e) Insurance Claims		37.65	31.01
f) Other Non-Operating Income		83.05	68.36
		<u>760.75</u>	<u>437.15</u>
<b>[21] COST OF MATERIALS CONSUMED :</b>			
<b>Opening Stock :</b>			
Raw Materials	5541.19		5703.44
Waste Stock	38.52	5579.71	72.20
			<u>5775.64</u>
<b>ADD : Purchases</b>		<u>9453.08</u>	<u>8814.52</u>
		<b>15032.80</b>	<b>14590.16</b>
<b>LESS : Closing Stock :</b>			
Raw Materials	4010.91		5541.19
Waste Stock	25.01	4035.92	38.52
		<u>4035.92</u>	<u>5579.71</u>
		<b>10996.88</b>	<b>9010.45</b>
<b>[22] CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE:</b>			
<b>Inventories at the Beginning of the year</b>			
Finished Goods	1092.44		902.11
Work-in-Progress	410.91	1503.35	401.17
			<u>1303.28</u>
<b>Inventories at the end of the year</b>			
Finished Goods	1042.41		1092.44
Work-in-Progress	291.18	1333.59	410.91
		<u>1333.59</u>	<u>1503.35</u>
Net (increase) / decrease		<u>169.76</u>	<u>-200.07</u>
<b>[23] EMPLOYEE BENEFITS EXPENSES</b>			
i) Salaries & Wages		1123.53	1059.71
ii) Contribution to Provident & Other Funds		21.88	30.00
iii) Expense on ESOP & ESPP		0.00	0.00
iv) Staff Welfare Expenses		254.43	292.52
		<u>1399.84</u>	<u>1382.23</u>



## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[24]</b>	<b>FINANCE COSTS</b>		
	a) Interest on Term Loans	368.80	0.00
	b) Interest on Other Loans	915.69	1164.62
		<u>1284.49</u>	<u>1164.62</u>
<b>[25]</b>	<b>OTHER EXPENSES</b>		
	a) Consumption of Stores & Spare Parts	734.21	944.52
	b) Power & Fuel	734.56	1857.69
	c) Rent	78.80	65.66
	d) Repairs to Building	57.15	49.68
	e) Repairs to Machinery	546.96	885.34
	f) Insurance	39.85	53.55
	g) Rates and Taxes	72.53	52.53
	h) Processing Expenses	1645.29	974.85
	i) Miscellaneous Expenses:		
	Advertisement	15.74	15.03
	Bank Charges	19.18	22.25
	CSR Contribution to PM relief fund	30.90	0.00
	Computer Maintenance Expenses	5.13	5.98
	Freight & Other Expenses	104.99	72.12
	General Expenses	41.79	48.83
	Managerial Remuneration	171.88	142.59
	Printing, Stationery & Postage	26.48	36.60
	Professional Charges	17.21	15.70
	Remuneration to Auditors	2.31	2.69
	RF Tower Maintenance Expenses	2.64	0.16
	Sales Commissions	91.06	55.82
	Goods and Service Tax Paid	10.78	0.89
	Share Transfer Expenses	2.61	2.33
	Sitting Fees	0.36	0.24
	Telephones	8.39	12.08
	Travelling & Conveyance	30.12	24.80
	Vehicle Maintenance	59.46	57.02
	Total	<u>4550.38</u>	<u>5398.95</u>



## AMARJOTHI SPINNING MILLS LIMITED

### NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

#### **26. SIGNIFICANT ACCOUNTING POLICIES**

##### **26.1. METHOD OF ACCOUNTING:**

The financial statements have been prepared in accordance with historical cost convention and accrual system of accounting has been followed.

##### **26.2. FIXED ASSETS:**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on Straight Line Method on the basis of useful lives and in the manner specified in Schedule II to the Companies Act, 2013.

##### **26.3. INVENTORIES :**

Finished Goods are stated at lower of cost or net realisable value as specified in Ind AS-2 prescribed by the Institute of Chartered Accountants of India. Other inventories are stated at cost and waste at net realisable value.

##### **26.4. SALES :**

Sales are recognized when goods are supplied and are net of GST and other levies.

##### **26.5. FOREIGN CURRENCY TRANSACTIONS :**

Foreign currency transactions are recorded in the books by applying the exchange rates as on the date of transaction. Foreign currency assets are converted at the exchange rate prevailing on the last working day of the accounting year and the exchange is adjusted to the Profit & Loss Account.

##### **26.6. INVESTMENTS :**

Investments are stated at cost and are long term in nature and hence no provision has been made for the diminution in the value, if any, during the year. Income from investments is accounted on receipt basis.

##### **26.7. TAXATION :**

Income tax for the current year has been calculated based on the current year's working. Provision has been made in the accounts for Income tax and Deferred Tax for the current year.



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2019**

**27.1. SECURED LOANS FROM BANKS:**

Sl.No.	Name of the Bank	Limit Rs. In lakhs.	Nature of Facility	Security Offered
1	Karur Vysya Bank	1045.00	Working Capital Facility	First Charge on Current Assets and second charge on the other fixed assets.
2	Bank of Baroda	1005.00	Working Capital Facility	
3	Karur Vysya Bank	5000.00	Raw Material Key Loan	Exclusive charge on the Cotton purchased.
4	Karur Vysya bank	4000.00	Machinery Term Loan	EM charge on 4 nos of Wind Mill along with land at Kayathar, Tuticorin.

All the above loans are personally guaranteed by the Chairman, Managing Director and Joint Managing Director of the Company.

As at  
31.03.2019      As at  
31.03.2018

**27.2. CONTINGENT LIABILITIES :**

a)	Bills discounted	Nil	Nil
b)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	Nil	Nil

27.3. Income Tax assessments have been completed up to the Assessment Year 2016–2017.

27.4. The Company declared Dividend at Rs.2 per Equity share for the year ending March 2019. The Total Dividend payable for 6750000 Equity shares comes to Rs.13500000/- and tax payable on this amounts to Rs.2774965/- .

27.5. The Company has no overdue payments to Micro, Small and Medium scale enterprises during the year and there is no amount overdue as on the date of the Balance Sheet to such enterprises. Hence the provision of interest does not arise.

27.6. Trade receivables which are overdue for a period of 6 months and more include a sum Rs.32.00 lakhs (Rs.32.41 lakhs) for which the Company has taken legal action and is hopeful of recovery. Provision has been made for Rs.32.84 Lakhs for Doubtful receivables.

## AMARJOTHI SPINNING MILLS LIMITED



### NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

27.7. Depreciation has been calculated according to Schedule II of the Companies Act, 2013 as amended on straight-line method.

27.8. The Company has received a demand towards additional Electricity tax amounting to Rs.45.53 lakhs from TNEB against which the Company has gone on appeal to the Honourable High Court of Madras. The Company has not paid this amount due to dispute. No provision has been made in the accounts, pending disposal of appeal by the Honourable High Court of Madras.

	Rupees in Lakhs	
	As on	
	31.03.2019	31.03.2018
27.9. a) Counter Guarantee given by the Chairman, Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Company from its bankers	7050.00	2050.00
b) Counter Guarantee given by Chairman, Managing Director and Joint-Managing Director for Term Loan from its bankers	4000.00	4000.00

## AMARJOTHI SPINNING MILLS LIMITED



### NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

#### 27.10. QUANTITATIVE PARTICULARS

		As at	
		31.03.2019	31.03.2018
i.	Licensed Capacity*		
	Spindles	75000	75000
	Rotor	4768	4768
ii)	Installed Capacity*		
	Spindles	29280	29280
	Rotor	4768	4768
iii)	Actual Production - Yarn	7004562	6397599
iv)	Turnover - Yarn		
	Kgs.	6918680	6119340
	Rs.	2105517445	1869610001
	Turnover - Waste		
	Kgs.	1629305	1365661
	Rs.	16443086	24904521
v)	Opening Yarn Stock		
	Kgs.	950406	664135
	Rs.	109244147	90211050
vi)	Closing Yarn Stock		
	Kgs.	1011432	950406
	Rs.	104241282	109244147
* As certified by Management not verified by Auditor			
vii)	Consumption of Raw Materials		
	Kgs.	8327238	7771364
	Rs.	1099688085	901044590
viii)	Consumption of Stores & Spares		
	Indigenous (76.58%/65.82%)	Rs. 56225511	62160310
	Imported (23.42%/34.18%)	Rs. 17195790	32291784
<b>27.11. EARNINGS IN FOREIGN CURRENCY :</b>			
	FOB Value of Exports	Rs. 161639571	79919467
<b>27.12. EXPENDITURE IN FOREIGN CURRENCY :</b>			
a)	Traveling	Rs. 331474	522406
b)	CIF Value of Imports	Rs. 17195790	32291784
c)	Certification charges	Rs. 75190	409515
<b>27.13. REMUNERATION TO DIRECTORS :</b>			
a)	Managing Director (Salary)	Rs. 720000	720000
b)	Joint Managing Director (Salary)	Rs. 720000	720000
c)	Managing Director (Commission)	Rs. 7092743	5761502
d)	Joint Managing Director (Commission)	Rs. 7092743	5761502
e)	Chairman (Commission)	Rs. 1562549	1296300
	Total	<u>17188035</u>	<u>14259304</u>

**AMARJOTHI SPINNING MILLS LIMITED****NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2019**

	<b>As at</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
Computation of Remuneration to Directors:		
Net Profit before tax as per Profit & Loss account	203651304	129741233
Add: Remuneration debited to Profit & Loss account	17188035	14259304
(Less) / Add: (Profit) / Loss on sale of Assets	<u>-47396449</u>	<u>-111183</u>
Net Profit available	173442890	143889354
Managerial Remuneration eligible	<u>17188034</u>	<u>14259304</u>

**27.14. PAYMENT TO AUDITOR : (Inclusive of GST)**

Audit Fees	Rs.	206500	201250
Reimbursement of Expenses	Rs.	20000	20000
Other Services	Rs.	<u>42480</u>	<u>47399</u>
Total		<u>268980</u>	<u>268649</u>

27.15. Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

As per my report of even date

**P.S.SITARAM, B.Sc., F.C.A.**

Chartered Accountant  
Membership No.023033

Place : Tirupur

Date : 30/05/2019

On behalf of the Board of Directors

**N. RAJAN**  
Chairman

**R. PREMCHANDER**  
Managing Director

**R.JAICHANDER**  
Joint Managing Director



**NOTES FORMING PART OF STANDALONE ACCOUNTS – DISCLOSURE**

**I. Segment-wise Reporting:**

The Company is engaged mainly in the manufacture of yarn. The Company owns Ten wind mills mainly for captive consumption purpose only. During the year the value of power generated through these mills is Rs. 17,15,88,686.00 (27393778 units) and this is adjusted with the power cost of the Company. The processing division is operating mainly for captive utilization and hence segment- wise reporting as defined in Ind AS 108 is not required.

**II. Deferred Tax Assets / Liability:**

Deferred tax provision for the current year has been debited to the profit and loss account for the year. The Balance of deferred Tax liability is being disclosed as a liability. Deferred Taxation Liability on account of Timing Difference : (Rs.)

As on 01.04.2018	116360000
Less: Transfer from Profit & Loss a/c	<u>25216000</u>
Balance of Liability as on 31.03.2019	<u>141576000</u>

**III. Employee Benefits: Ind AS 19 :**

Provident Fund Contribution:

During the year the Company has contributed Rs.1111706/- to Government Provident fund after adjustment of PMR PF claim. The Company does not have a separate exempted provident fund.

Gratuity:

As per the records of the Company none of the employees come under the purview of Payment of Gratuity Act.

With regard to other terminal benefits payable to employees the Company makes a payment of such benefits every year and hence no provision is required.

**IV. Related Party Disclosure as per Ind AS 24 :**

1. Related Parties: Associates: N.Rajan & Sons  
 Subsidiaries: 1. Kanagadhara wind Farms ,  
 2. AJSM Green Energy Pvt.Ltd.,  
 3. AFCM Wind Farms Pvt Ltd.,  
 4. Premchander Green Energy Pvt Ltd.,  
 5. Jayanthi Green Energy Pvt Ltd.,  
 6. APGL Green Energy Pvt Ltd.,  
 7. RPJ Textiles Ltd.

Key Management Personnel : Sri. R. Premchander, Managing Director  
 Sri. R. Jaichander, Joint Managing Director

**AMARJOTHI SPINNING MILLS LIMITED**



**Transactions:**

<b>Particulars</b>	<b>Related Parties/ Associates</b>	<b>Key Management Personnel &amp; Relatives</b>	<b>Directors</b>
Remuneration	-	Rs.1,71,88,035	-
Sitting fees	-	-	Rs.36,000
Purchase(Power)	Rs.83,98,261		
Payment of Interest	Rs.9,14,90,142	-	-
Credit Balance as at 31.03.2019	Rs.28,46,69,487	-	-

**V. Earning Per share as per Ind AS 33 :**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
a) Net Profit after tax (Rs.)	14,41,31,975	11,92,66,233
b) Number of Equity shares	67,50,000	67,50,000
c) Earning Per Share (Rs.) (a/b)	21.35	17.67



**AMARJOTHI SPINNING MILLS LIMITED**



<b>STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED</b>		Rupees in Lakhs	
<b>31st MARCH 2019</b>		Year ended 31.03.2019	Year ended 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
NET Profit before Taxation		2036.48	1297.41
Adjustments for:			
Depreciation and amortisation	1542.52		1328.71
Loss /(Profit) on Sale of Assets	-473.96		-1.11
Interest Income	-107.47		-147.40
Finance costs	<u>1284.49</u>		<u>1164.62</u>
		<u>2245.58</u>	<u>2344.82</u>
Operating Profit before Working Capital Changes		4282.06	3642.23
Adjustments for:			
Trade & other Receivables	-248.35		-591.30
Inventories	1706.42		-12.40
Trade Payable & Other Liabilities	<u>531.37</u>	1989.44	<u>-567.39</u> -1171.09
Cash Generated from Operations		6271.50	2471.14
Direct Taxes provisions / paid		16.91	-649.09
Net Cash from Operating activities <b>A</b>		<u><b>6288.41</b></u>	<u><b>1822.05</b></u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>			
Purchase of Fixed Assets		-181.10	-5246.74
Sale of Fixed Assets		-358.02	7.01
Payment for Capital Projects in Progress		-2.81	-41.64
Investments made		-49.31	48.19
Adjustments for other non current assets		179.72	-23.77
Interest Received		107.47	147.40
<b>Net Cash from Investment activities      B</b>		<u><b>-304.05</b></u>	<u><b>-5109.55</b></u>

**AMARJOTHI SPINNING MILLS LIMITED**

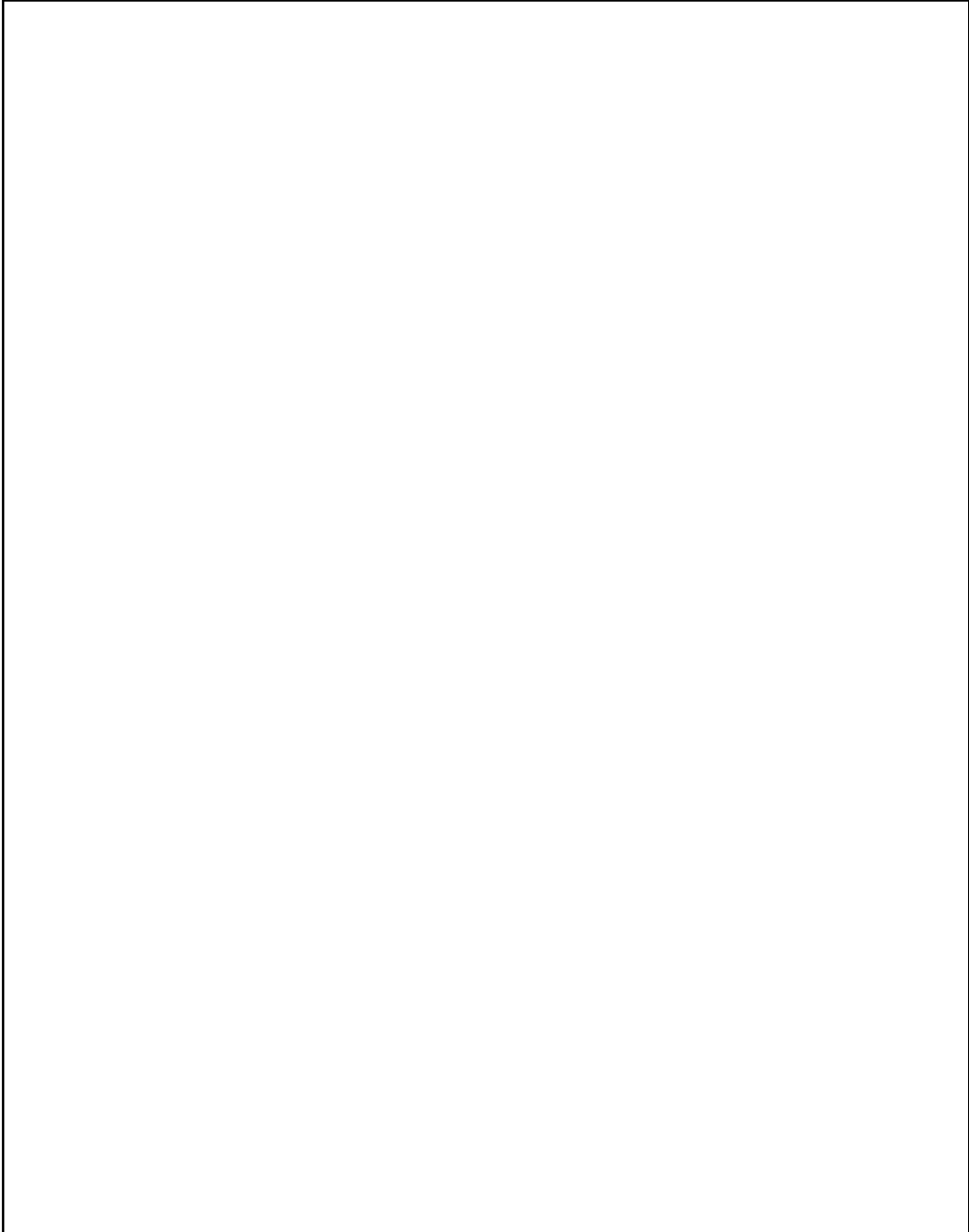


	Rupees in Lakhs	
	Year ended 31.03.2019	Year ended 31.03.2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings (net)	-4501.96	4600.59
Dividend paid including tax	-162.48	-162.48
Finance costs	-1284.49	-1164.62
<b>Net Cash from Financing Activities</b> <b>C</b>	<b>-5948.93</b>	<b>3273.49</b>
Net Increase/ (Decrease) in cash and cash equivalents <b>(A+B+C)</b>	<b>35.43</b>	<b>-14.01</b>
Cash and Cash Equivalents as at the beginning of the period	32.79	46.80
Cash and Cash Equivalents as at the end of the period	<b>68.22</b>	<b>32.79</b>
<hr/>		
As per my report of even date	On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>	<b>N. RAJAN</b>	<b>R. PREMCHANDER</b>
Chartered Accountant	Chairman	Managing Director
Membership No.023033		
Place : Tirupur		<b>R.JAICHANDER</b>
Date : 30/05/2019		Joint Managing Director
<hr/>		
<b>AUDITOR'S CERTIFICATE</b>		
To		
The Board of Directors, Amarjothi Spinning Mills Ltd.,		
I have examined the attached Cash Flow Statement of Amarjothi Spinning Mills Ltd., for the year ended <b>31st March 2019</b> . The Statement has been prepared by the Company in accordance with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Statement and Balance Sheet of the Company covered by my report of 30 <sup>th</sup> May, 2019 to the members of the Company.		
Place : Coimbatore	<b>P.S.SITARAM. B.Sc., F.C.A.</b>	
Date : 30.05.2019	Chartered Accountant Membership no.023033	



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2018-19**

**AMARJOTHI SPINNING MILLS LIMITED**





**INDEPENDENT AUDITOR'S REPORT**

**To The Members of M/s. Amarjothi Spinning Mills Limited,  
Report on the Audit of the Consolidated Financial Statements**

**Opinion:**

I have audited the accompanying consolidated financial statements of **Amarjothi Spinning Mills Limited.**, (hereinafter referred to as "the Holding company") and its subsidiaries and associates (the holding company and its subsidiaries and associates together referred to as "the Group"), which comprise the Consolidated Balance sheet as at **31st March, 2019**, the Consolidated statement of Profit and Loss, Consolidated statement of changes in equity, the Consolidated Cash Flow Statement for the year ended, and notes to the final statement including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of state of affairs of the Group as at **31st March 2019**, its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

I conducted my Audit in accordance with the **Standards on Auditing** (SAs) specified U/S. 143(10) of the companies Act, 2013 ("The Act"). My responsibilities under those standards are further described in the **Auditor's Responsibilities** for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the code of ethics issued by the institute of Chartered Accountants of India together with the ethical requirements that are the rules thereunder and I have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon:**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and my auditor's report thereon.

My opinion on the Consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.



In connection with my audit of the Consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements:**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified u/s 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial statements:**

My objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

**Report on other legal and regulatory requirements**

1. As required by section 197(16) of the Act, as amended, in my opinion and to the best



of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

2. As required by sec.143 (3) of the Act, I report that:
- a. I have sought and obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of my Audit of the aforesaid consolidated financial statements.
  - b. In my opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the company so far as it appears from my examination of those books
  - c. The Consolidated Balance Sheet, the consolidated statement of Profit and Loss, and the consolidated Cash Flow statement dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - d. In my opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified u/s. 133 of the Act, read with Rule 7 of the Companies [Accounts] Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding company as on 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of the associate and subsidiary companies, none of the directors of the group is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of sec.164(2) of the Act.
  - f. with respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to my separate report in 'Annexure-A'.
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies [Audit and Auditors] Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me;
    - 1) The Group does not have any pending litigations which would impact its financial position.
    - 2) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - 3) There has been no delay in transferring amounts, required to be transferred to the Investor Education and protection Fund by the Group.

Place : Coimbatore  
Date : 30.05.2019

**P.S.SITARAM, B.Sc., F.C.A.**  
Chartered Accountant.  
Membership No: 023033.



**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AMARJOTHI SPINNING MILLS LIMITED.**

**(Referred to in paragraph 2(f) under 'Report on other regulatory requirements' of my report of even date)**

**Report on the Internal Financial Controls under clause (i) of sub section 3 of Section 143 of the Companies Act 2013 ("The Act").**

I have audited the internal financial controls over financial reporting of the Holding Company and its Subsidiaries and Associates as of **31<sup>st</sup> March 2019** in conjunction with my audit of the consolidated financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls:**

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

**Auditors' Responsibility:**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies' Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





I believe that the audit evidence I have obtained and the audit evidence obtained by the other auditor is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting:**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:-**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:-**

In my opinion, the Holding Company and its Subsidiary and Associate companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2019**, based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place : Coimbatore  
Date : 30.05.2019

**P.S.SITARAM, B.Sc., F.C.A.**  
Chartered Accountant.  
Membership No: 023033.

# AMARJOTHI SPINNING MILLS LIMITED



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2019		Rupees in Lakhs	
		31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>		
(a)	Property, Plant and Equipment	18571.36	16453.67
(b)	Capital work-in-progress	496.67	535.49
(c)	Investment Property	0.00	0.00
(d)	Goodwill	0.00	0.32
(e)	Other Intangible assets	1.05	1.65
(f)	Intangible assets under development	0.00	0.00
(g)	Biological Assets other than bearer plants	0.00	0.00
(h)	Financial Assets		
(i)	Investments	90.96	83.22
(ii)	Trade receivables	0.00	0.00
(iii)	Loans	0.00	0.00
(iv)	Others (to be specified)	104.91	171.79
(j)	Deferred tax assets (net)	0.00	0.00
(k)	Other non-current assets	93.81	206.50
	Total Non-current assets	<b>19358.76</b>	<b>17452.64</b>
<b>2</b>	<b>Current assets</b>		
(a)	Inventories	5499.52	7285.74
(b)	Financial Assets		
(i)	Investments	0.00	0.00
(ii)	Trade receivables	2915.74	2833.44
(iii)	Cash and cash equivalents	168.12	510.33
(iv)	Bank balances other than (iii) above	35.98	39.15
(v)	Loans	0.00	0.00
(vi)	Others (to be specified)	0.00	0.00
(c)	Current Tax Assets (Net)	0.00	14.87
(d)	Other current assets	4701.90	2054.82
	Total Current assets	<b>13321.26</b>	<b>12738.35</b>
	<b>TOTAL ASSETS</b>	<b>32680.02</b>	<b>30190.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a)	Equity Share capital	675.00	675.00
(b)	Other Equity	11803.25	10400.70
	Equity Attributable to shareholders of the Company	12478.25	11075.70
	Non Controlling Interest	809.05	405.61
	Total equity	<b>13287.30</b>	<b>11481.31</b>
<b>Liabilities</b>			
<b>1</b>	<b>Non-current liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	10262.87	15232.73
(ii)	Trade payables	0.00	0.00
(iii)	Other financial liabilities (other than those specified in item (b), to be specified)	0.00	0.00
(b)	Provisions	0.00	0.00
(c)	Deferred tax liabilities (Net)	1415.76	1163.60
(d)	Other non-current liabilities	0.00	0.00
	Total Non-current liabilities	<b>11678.63</b>	<b>16396.33</b>
<b>2</b>	<b>Current liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	580.78	707.72
(ii)	Trade payables	5960.14	568.39
(iii)	Other financial liabilities (other than those specified in item (c))	868.58	677.76
(b)	Other current liabilities	0.00	0.00
(c)	Provisions	291.00	359.48
(d)	Current tax liabilities (Net)	13.59	0.00
	Total Current liabilities	<b>7714.09</b>	<b>2313.35</b>
	Total Liabilities	<b>19392.72</b>	<b>18709.68</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32680.02</b>	<b>30190.99</b>
<b>Notes to the financial statements</b>		<b>1-27'</b>	
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date		On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>		<b>N. RAJAN</b>	
Chartered Accountant		Chairman	
Membership No.023033		<b>R. PREMCHANDER</b>	
Place : Tirupur		Managing Director	
Date : 30/05/2019		<b>R.JAICHANDER</b>	
		Joint Managing Director	

**AMARJOTHI SPINNING MILLS LIMITED**


<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019</b>		Rupees in Lakhs	
	Note no.	For the year ended	
		31.03.2019	31.03.2018
I. Revenue from operations	19	21399.13	18967.14
II. Other Income	20	929.02	338.20
<b>III. Total Income (I+II)</b>		<b><u>22328.15</u></b>	<b><u>19305.34</u></b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	21	11022.29	9001.38
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	22	203.62	-218.63
Employee Benefits Expenses	23	1413.03	1391.03
Finance Costs	24	1402.45	1189.67
Depreciation and Amortization Expenses	1	1676.15	1333.34
Other Expenses	25	4497.01	4579.55
<b>Total Expenses</b>		<b><u>20214.55</u></b>	<b><u>17276.34</u></b>
V. Profit Before Exceptional Items and Tax (III-IV)		2113.60	2029.00
VI. Exceptional Items		0.00	0.00
<b>VII Profit Before Tax (V-VI)</b>		<b><u>2113.60</u></b>	<b><u>2029.00</u></b>
VIII Tax Expense:			
[1] Current Tax		343.00	384.68
[2] Deferred Tax		252.16	-140.25
IX Profit (Loss) for the year from Continuing Operations (VII-VIII)		<u>1518.44</u>	<u>1784.57</u>
X Profit (Loss) from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
XII Profit (Loss) from Discontinued Operations (after tax) (X-XI)		0.00	0.00
<b>XIII Profit (Loss) for the year (IX+XII)</b>		<b><u>1518.44</u></b>	<b><u>1784.57</u></b>
XIV Non-controlling Interest		0.00	201.04
XV Share of Profit of associates		-5.34	290.85
<b>XVI Profit (Loss) after Non-controlling interest and share of profit of associates</b>		<b><u>1523.78</u></b>	<b><u>1292.68</u></b>
XVII Other Comprehensive income		0.00	0.00
<b>XVIII Total Comprehensive Income for the year (XVI+XVII)</b>		<b><u>1523.78</u></b>	<b><u>1292.68</u></b>
XIX. Earnings Per Equity Share(for Continuing operation)			
[1] Basic & Diluted		22.57	19.15
<b>Notes to the financial statements</b>	<b>1-27'</b>		
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date		On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b> Chartered Accountant Membership No.023033		<b>N. RAJAN</b> Chairman	<b>R. PREMCHANDER</b> Managing Director
Place : Tirupur Date : 30/05/2019			<b>R.JAICHANDER</b> Joint Managing Director

**AMARJOTHI SPINNING MILLS LIMITED**

**Consolidated Statement of Changes in Equity** **Rupees in Lakhs**  
**For the year ended March 31, 2019**
**A. Equity Share Capital**

Balance as at 31.03.2018	Changes in equity share capital during the year	Balance as at 31.03.2019
675.00	0.00	675.00

Balance as at 31.03.2017	Changes in equity share capital during the year	Balance as at 31.03.2018
675.00	0.00	675.00

**B. Other Equity**

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as at 31.03.2017</b>	15.70	225.00	0.00	1150.50	7916.11	0.00	9307.31
Changes in accounting policy/prior period errors					-30.39		-30.39
Restated balance at the beginning of the reporting period	15.70	225.00	0.00	1150.50	7885.72	0.00	9276.92
Profit for the year					1292.68		1292.68
Other comprehensive income for the year					0.00		0
Total comprehensive income for the year					1292.68		1292.68
<b>Transactions with owners in capacity as owners:</b>							0
Dividends					-162.49		-162.49
Transferred to retained earnings							0
Bonus shares							0
Movement during the year	-6.41	0	0.00	119.27	-119.27		-6.41
<b>Balance as at 31.03.2018</b>	<b>9.29</b>	<b>225.00</b>	<b>0.00</b>	<b>1269.77</b>	<b>8896.64</b>	<b>0.00</b>	<b>10400.70</b>

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as at 31.03.2018</b>	9.29	225.00	0.00	1269.77	8896.64	0.00	10400.70
Changes in accounting policy/prior period errors					-16.91		-16.91
Restated balance at the beginning of the reporting period	9.29	225.00	0.00	1269.77	8879.73	0.00	10383.79
Profit for the year					1523.78		1523.78
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1523.78		1523.78
<b>Transactions with owners in capacity as owners:</b>							0.00
Dividends					-162.48		-162.48
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year	58.16	0.00	0.00	144.13	-144.13		58.16
<b>Balance as at 31.03.2019</b>	<b>67.45</b>	<b>225.00</b>	<b>0.00</b>	<b>1413.90</b>	<b>10096.90</b>	<b>0.00</b>	<b>11803.25</b>

**The accompanying notes form an integral part of these financial statements**

As per my report of even date

**P.S.SITARAM, B.Sc., F.C.A.**  
Chartered Accountant  
Membership No.023033

Place : Tirupur  
Date : 30/05/2019

On behalf of the Board of Directors

**N. RAJAN** **R. PREMCHANDER**  
Chairman Managing Director

**R.JAICHANDER**  
Joint Managing Director



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019**

1 Property, Plant and Equipment, Capital work-in-progress, Investment Property and Intangible Assets: Rupees in Lakhs

S. No	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block			
		Gross cost/ Value as on 01.04.2018	Acquisition	Addition Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2019	Total as on 01.04.2018	For this year	Sale during this year	Total as on 31.03.2019	W.D.V. as on 31.03.2019	W.D.V. as on 31.03.2018
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	78.75	78.75	
2	Land: Free Hold	294.46	55.52	0.00	55.52	198.09	151.89	0.00	0.00	0.00	151.89	294.46	
3	Building	2462.41	120.38	0.00	120.38	0.00	2582.79	1023.22	87.61	0.00	1471.96	1439.19	
4	Plant & Equipment	30518.89	7750.24	0.00	7750.24	6210.92	32058.21	16054.62	1549.31	2262.95	16717.23	14464.27	
5	Furniture & Fixtures	45.23	0.06	0.00	0.06	0.00	45.29	36.33	1.25	0.00	37.58	7.71	8.90
6	Vehicles	285.87	0.62	0.00	0.62	0.00	286.49	162.30	26.60	0.00	188.90	97.59	123.57
7	Office Equipment	315.01	12.48	0.00	12.48	0.00	327.49	270.48	10.78	0.00	281.26	46.23	44.53
	<b>Total</b>	<b>34000.62</b>	<b>7938.30</b>	<b>0.00</b>	<b>7938.30</b>	<b>6408.01</b>	<b>35309.1</b>	<b>17546.95</b>	<b>1675.55</b>	<b>2262.95</b>	<b>16860.55</b>	<b>16871.36</b>	<b>16456.67</b>
B	Capital work-in-progress	535.49	2.82	0.00	2.82	41.64	496.67		0.00	0.00	496.67	535.49	
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	0.00	13.31	11.66	0.60	0.00	12.26	1.05	1.65



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

1 Property, Plant and Equipment, Capital work-in-progress, Investment Property and Intangible Assets: Rupees in Lakhs

S. No.	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block			
		Gross cost/ Value as on 01.04.2017	Acquisition	Addition Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2018	Total as on 01.04.2017	For this year	Sale during this year	Total as on 31.03.2018	WD.V as on 31.03.2018	WD.V as on 31.03.2017
A	Property, Plant and Equipment:												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	0.00	78.75	78.75
2	Land: Free Hold	286.55	7.91	0.00	7.91	0.00	294.46	0.00	0.00	0.00	0.00	294.46	286.55
3	Building	2462.41	0.00	0.00	0.00	0.00	2462.41	947.64	75.58	0.00	1023.22	1439.19	1514.77
4	Plant & Equipment	22718.06	7860.25	0.00	7860.25	59.42	30518.89	14888.29	1217.75	51.42	16054.62	14464.27	7829.77
5	Furniture & Fixtures	45.15	0.08	0.00	0.08	0.00	45.23	34.93	1.40	0.00	36.33	8.90	10.22
6	Vehicles	237.75	50.42	0.00	50.42	2.30	285.87	140.43	24.06	2.19	162.30	123.57	97.32
7	Office Equipment	306.55	8.46	0.00	8.46	0.00	315.01	256.53	13.95	0.00	270.48	44.53	50.02
	<b>Total</b>	<b>26135.22</b>	<b>7927.12</b>	<b>0.00</b>	<b>7927.12</b>	<b>61.72</b>	<b>34000.62</b>	<b>16267.82</b>	<b>1332.74</b>	<b>53.61</b>	<b>17546.95</b>	<b>16453.67</b>	<b>9867.40</b>
B	Capital work-in-progress	493.85	41.64	0.00	41.64	0.00	535.49	0.00	0.00	0.00	0.00	535.49	493.85
C	Other intangible assets												
1	Computer software	12.62	0.69	0.00	0.69	0.00	13.31	11.06	0.60	0.00	11.66	1.65	1.56

## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[2] NON-CURRENT INVESTMENTS (AT COST):</b>			
<b>Investment in Fully paid equity Instruments: (Quoted)</b>			
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd. (Market value – Rs.2200)	0.09	0.09	
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs.770)	0.05	0.05	
<b>Investment in Fully paid equity Instruments: (unquoted)</b>			
8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)	83.08	83.08	
520 Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd.	7.71	0.00	
130 Equity shares of Rs.10 each fully paid of Premchander Wind Farms Private Ltd.	0.01	0.00	
30 Equity shares of Rs.10 each fully paid of Jaichander wind Farms Pvt Ltd.,	0.00	0.00	
32 Equity shares of Rs.10 each fully paid of Jayanthi wind Farms Pvt Ltd.,	0.00	0.00	
230 Equity shares of Rs.10 each fully paid of Puvaneswari Enterprises Wind Farms Pvt. Ltd	0.02	0.00	
Total	<u>90.96</u>	<u>83.22</u>	
<b>Note:</b>			
a) Aggregate amount of quoted investments	0.14	0.14	
b) Aggregate market value of quoted investments	0.03	0.03	
c) Aggregate amount of unquoted investments	90.82	83.08	
d) Aggregate amount of impairment in value of investments.	0.00	0.00	
<b>[3] OTHER NON-CURRENT FINANCIAL ASSETS:</b>			
Bank Deposit Accounts (for bank guarantee - EPCG)	104.91	171.79	
	<u>104.91</u>	<u>171.79</u>	
<b>[4] OTHER NON-CURRENT ASSETS:</b>			
(Unsecured & considered good)			
Balance with Excise Department	0.10	0.10	
Deposit with Government Departments	93.71	206.40	
	<u>93.81</u>	<u>206.50</u>	

**AMARJOTHI SPINNING MILLS LIMITED**


NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs		
		Year ended		
		31.03.2019	31.03.2018	
<b>[5] INVENTORIES :</b>				
a) Raw Materials		4010.91	5541.19	
b) Work-in-Progress		291.18	410.91	
c) Finished Goods		1074.87	1158.76	
d) Waste Stock		61.72	121.17	
e) Stores, Tools, Spares & Packing Materials		60.84	53.71	
		<u>5499.52</u>	<u>7285.74</u>	
<b>[6] TRADE RECEIVABLES :</b>				
1 Due for More than 6 months (Unsecured)				
(a) Considered Good	2.30		3.37	
(b) Considered Doubtful	32.00		32.41	
2 Other (Unsecured and considered good)	<u>2914.28</u>	2948.58	<u>2830.50</u>	
Less : Provision for Doubtful Receivables		<u>32.84</u>	<u>32.84</u>	
		<u>2915.74</u>	<u>2833.44</u>	
<b>[7] CASH AND CASH EQUIVALENTS:</b>				
Cash on Hand		1.83	1.71	
Balances with Scheduled Banks In Current Accounts		<u>166.29</u>	<u>508.62</u>	
		<u>168.12</u>	<u>510.33</u>	
<b>[8] BANK BALANCES OTHER THAN [7] ABOVE:</b>				
Unpaid Dividend Warrant Account		<u>35.98</u>	<u>39.15</u>	
		<u>35.98</u>	<u>39.15</u>	
<b>[9] CURRENT TAX ASSETS (NET):</b>				
Advance payment of tax (Net of provision)		<u>0.00</u>	<u>14.87</u>	
		<u>0.00</u>	<u>14.87</u>	
<b>[10] OTHER CURRENT ASSETS: (Unsecured &amp; considered good)</b>				
Advances recoverable in cash or in kind or for value to be received		<u>4701.90</u>	<u>2054.82</u>	
		<u>4701.90</u>	<u>2054.82</u>	
<b>[11] SHARE CAPITAL:</b>				
<b>Equity Shares:</b>				
<b>Authorised:</b>				
9750000 Equity Shares of Rs.10 each		<u>975.00</u>	<u>975.00</u>	
<b>Issued, Subscribed &amp; Paid-up Capital :</b>				
6750000 Equity Shares of Rs.10 each fully paid		<u>675.00</u>	<u>675.00</u>	
<b>Notes:</b>				
1 Reconciliation of Equity shares at the end of the year				
	<b>No.of shares</b>	<b>Amount</b>	<b>No.of shares</b>	<b>Amount</b>
Balance at the beginning of the year	6750000	675.00	6750000	675.00
Additions	0	0.00	0	0.00
Deletions	0	0.00	0	0.00
Balance at the end of the year	6750000	675.00	6750000	675.00



## AMARJOTHI SPINNING MILLS LIMITED



### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

Rupees in Lakhs

Year ended  
31.03.2019      31.03.2018

#### 2 List of shareholders holding more than 5%

Name	No.of shares	%	No.of shares	%
Rajan.N	1164980	17.26	1164980	17.26
Premchander.R	1275653	18.90	1275653	18.90
Jaichander.R	1275498	18.90	1275498	18.90
Total	3716131	55.06	3716131	55.06

3 During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares or for Consideration other than cash.

4 The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to voting rights, dividends and share in the Company's residual assets.

#### [12] LONG TERM BORROWINGS:

(a) Term Loan From Banks (Secured)	5765.52	4319.92
(b) Loan from Directors (Unsecured)	4497.35	10912.81
	<u>10262.87</u>	<u>15232.73</u>

#### Notes:

1 Long Term Loans From Banks were taken for the purchase of new wind mills and these loans are required to be repaid before July 2023.

2 Loan from Directors have been brought in pursuant to the terms of sanction of Loans by Bankers and retained as unsecured loans.

#### [13] DEFERRED TAX LIABILITIES (NET)

As per last year Balance Sheet	1163.60	1303.85
Add/less : Transfer from / to P&L a/c for current year	252.16	-140.25
	<u>1415.76</u>	<u>1163.60</u>

#### [14] SHORT TERM BORROWINGS

(a) Loan Repayable on Demand from Banks (Secured)	580.78	707.72
	<u>580.78</u>	<u>707.72</u>

**AMARJOTHI SPINNING MILLS LIMITED**



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[15] TRADE PAYABLES</b>			
(a) Sundry Creditors		5960.14	568.39
		<u>5960.14</u>	<u>568.39</u>
<b>[16] OTHER FINANCIAL LIABILITIES</b>			
(a) Current Maturities of Long Term Debts		715.19	498.40
(b) Unclaimed Dividend		35.98	39.15
(c) GST(VAT) Payable		0.00	0.00
(d) Disputed Electricity Charges		45.53	26.42
(e) Others		71.88	113.79
		<u>868.58</u>	<u>677.76</u>
<b>[17] SHORT TERM PROVISIONS</b>			
(a) Provision for Employee Benefits		90.16	90.39
(b) Others			
1 Provision for Outstanding Liability		200.84	233.46
2 Provision for CSR expenditure		0.00	35.63
		<u>291.00</u>	<u>359.48</u>
Proposed Dividend per share (in Rs.)		2.00	2.00
Number of Shares		6750000	6750000
Total Proposed Dividend		135.00	135.00
<b>[18] CURRENT TAX LIABILITIES:</b>			
For Taxation net of advances		13.59	0.00
		<u>13.59</u>	<u>0.00</u>

**AMARJOTHI SPINNING MILLS LIMITED**


NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[19] REVENUE FROM OPERATIONS</b>			
a) Sale of Products		21399.13	18967.14
b) Sale of Services		0.00	0.00
c) Other Operating Revenues		0.00	0.00
		<u>21399.13</u>	<u>18967.14</u>
<b>[20] OTHER INCOME</b>			
a) Interest Income (TDS Rs.10.25 lakh (Rs.13.83 lakh))		264.50	146.35
b) Dividend Income & Profit from Firms		-1.97	89.91
c) Net gain / Loss on sale of Fixed assets		473.97	1.11
d) Foreign Exchange Rate Gain		60.59	-4.86
e) Insurance Claims		37.65	31.01
f) Other Non-Operating Income		94.28	74.68
		<u>929.02</u>	<u>338.20</u>
<b>[21] COST OF MATERIALS CONSUMED :</b>			
<b>Opening Stock :</b>			
Raw Materials	5541.19		5703.44
Waste Stock	<u>121.17</u>	5662.36	<u>72.20</u> 5775.64
<b>ADD : Purchases</b>		<u>9432.56</u>	<u>8888.10</u>
		15094.92	14663.74
<b>LESS : Closing Stock :</b>			
Raw Materials	4010.91		5541.19
Waste Stock	<u>61.72</u>	4072.63	<u>121.17</u> 5662.36
		<u>11022.29</u>	<u>9001.38</u>
<b>[22] CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:</b>			
<b>Inventories at the Beginning of the year</b>			
Finished Goods	1158.76		902.11
Work-in-Progress	<u>410.91</u>	1569.67	<u>448.93</u> 1351.04
<b>Inventories at the end of the year</b>			
Finished Goods	1074.87		1158.76
Work-in-Progress	<u>291.18</u>	1366.05	<u>410.91</u> 1569.67
Net (increase) / decrease		<u>203.62</u>	<u>-218.63</u>

## AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019		Rupees in Lakhs	
		Year ended	
		31.03.2019	31.03.2018
<b>[23]</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	i) Salaries & Wages	1136.72	1068.51
	ii) Contribution to Provident & Other Funds	21.88	30.00
	iii) Expense on ESOP & ESPP	0.00	0.00
	iv) Staff Welfare Expenses	254.43	292.52
		<b>1413.03</b>	<b>1391.03</b>
<b>[24]</b>	<b>FINANCE COSTS</b>		
	a) Interest on Term Loans	416.52	0.97
	b) Interest on Other Loans	985.93	1188.70
		<b>1402.45</b>	<b>1189.67</b>
<b>[25]</b>	<b>OTHER EXPENSES</b>		
	a) Consumption of Stores & Spare Parts	734.21	944.52
	b) Power & Fuel	643.53	954.72
	c) Rent	90.91	74.13
	d) Repairs to Building	57.15	49.68
	e) Repairs to Machinery	548.96	941.75
	f) Insurance	41.11	57.53
	g) Rates and Taxes	73.80	52.53
	h) Dyeing and Processing Expenses	1645.29	974.84
	i) Miscellaneous Expenses:		
	Advertisement	18.40	19.75
	Bank Charges	19.26	22.41
	CSR Contribution to PM relief fund	30.90	0.00
	Computer Maintenance Expenses	5.13	5.98
	Freight & Other Expenses	109.90	72.78
	General Expenses	44.18	50.97
	Managerial Remuneration	171.88	142.59
	Preliminary expenses w/o	0.00	0.02
	Printing, Stationery & Postage	26.86	36.73
	Professional Charges	17.22	16.30
	Remuneration to Auditors	2.31	2.76
	RF Tower Maintenance Expenses	2.64	0.16
	Sales Commissions	101.32	57.81
	Goods and Service Tax Paid	10.78	5.11
	Share Transfer Expenses	2.61	2.33
	Sitting Fees	0.36	0.24
	Telephones	8.40	12.08
	Travelling & Conveyance	30.43	24.81
	Vehicle Maintenance	59.47	57.02
	<b>Total</b>	<b>4497.01</b>	<b>4579.55</b>



**26. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019:**

**SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS:**

**26.1. PRINCIPLES OF CONSOLIDATION:**

The consolidated financial statements relate to Amarjothi Spinning Mills Ltd (the “company”) and its subsidiary and associate companies. The consolidated financial statements have been prepared on the following basis:

The financial statements of the company and its subsidiary and associate companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profit or losses. Subsidiaries are Consolidated from the date control commences until the date control ceases.

The difference between cost of investment in the subsidiary and associates, over the net assets at the time of acquisition of shares in the subsidiary and associates is recognised in the financial statements as Goodwill or Capital reserve as the case may be.

As far as possible, the consolidated financial statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.

**26.2. METHOD OF ACCOUNTING:**

The financial statements have been prepared in accordance with historical cost convention and accrual system of accounting has been followed.

**26.3. FIXED ASSETS:**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on Straight Line Method on the basis of useful lives and in the manner specified in Schedule II to the Companies Act, 2013.

**26.4. INVENTORIES:**

Finished Goods are stated at lower of cost or net realisable value as specified in Ind AS-2 prescribed by the Institute of Chartered Accountants of India. Other inventories are stated at cost and waste at net realisable value.

**26.5. SALES:**

Sales are recognized when goods are supplied and are net of GST and other levies.

**26.6. FOREIGN CURRENCY TRANSACTIONS:**

Foreign currency transactions are recorded in the books by applying the exchange rates as on the date of transaction. Foreign currency assets are converted at the exchange rate prevailing on the last working day of the accounting year and the exchange is adjusted to the Profit & Loss Account.

**26.7. INVESTMENTS:**

Investments are stated at cost and are long term in nature and hence no provision has been made for the diminution in the value, if any, during the year. Income from investments is accounted on receipt basis.



**26.8. TAXATION:**

Income tax for the current year has been calculated based on the current year's working. Provision has been made in the accounts for Income tax and Deferred Tax for the current year.

**26.9. SUBSIDIARIES AND ASSOCIATES:**

The names of subsidiaries / associates / firms considered in the consolidated financial statements are:

Sl. No.	Name of the Subsidiary / Associate / firms	Country of Incorporation	% of ownership	Reporting date
1	RPJ Textiles Ltd.	India	100.00%	31.03.2019
2	APGL Green Energy P Ltd	India	27.00%	31.03.2019
3	Jayanthi Green Energy P Ltd.	India	27.00%	31.03.2019
4	Premchander Green Energy P Ltd.	India	27.00%	31.03.2019
5	AFCM Wind Farms P Ltd.	India	49.00%	31.03.2019
6	AJSM Green Energy P Ltd.	India	49.00%	31.03.2019
7	Kanagathara Wind Farms (Partnership firm)	India	27.00%	31.03.2019

**27. OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS:**

**27.1. SECURED LOANS FROM BANKS:**

Sl.No.	Name of the Bank	Limit Rs. In lakhs.	Nature of Facility	Security Offered
1	Karur Vysya Bank	1045.00	Working Capital Facility	First Charge on Current Assets and second charge on the other fixed assets.
2	Bank of Baroda	1005.00	Working Capital Facility	
3	Karur Vysya Bank	5000.00	Raw Material Key Loan	Exclusive charge on the Cotton purchased.
4	Karur Vysya bank	6200.00	Machinery Term Loan	EM charge on the Wind Mills along with land.

All the above loans are personally guaranteed by the Chairman, Managing Director and Joint Managing Director of the Company.

## AMARJOTHI SPINNING MILLS LIMITED



	As at 31.03.2019	As at 31.03.2018
<b>27.2. CONTINGENT LIABILITIES :</b>		
a) Bills discounted	Nil	Nil
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	Nil	Nil
27.3.	Income Tax assessments have been completed up to the Assessment Year 2016–2017.	
27.4.	The Company declared Dividend at Rs.2 per Equity share for the year ending March 2019. The Total Dividend payable for 6750000 Equity shares comes to Rs.13500000/- and tax payable on this amounts to Rs.2774965/- .	
27.5.	As at the end of the year, the Company does not have small-scale industries as defined by Section 3-J of the Industries (Development and Regulation) Act, 1951 and to whom more than Rs. 1.00 lakh is due and also for more than 30 days. Hence, the provision of interest does not arise. There were no overdue payments to Micro, Small and Medium scale enterprises during the year and there is no amount overdue as on the date of the Balance Sheet to such enterprises.	
27.6.	Sundry debtors which are overdue for a period of 6 months and more include a sum Rs.32.00 lakhs (Rs.32.68 lakhs) for which the Company has taken legal action and is hopeful of recovery. Provision has been made for Rs.32.84 Lakhs for Doubtful Debtors.	
27.7.	Depreciation has been calculated according to Schedule II of the Companies Act, 2013 as amended on straight-line method.	
27.8.	The Company has received a demand towards additional Electricity tax amounting to Rs.45.53 lakhs from TNEB against which the Company has gone on appeal to the Honourable High Court of Madras. The Company has not paid this amount due to dispute. No provision has been made in the accounts, pending disposal of appeal by the Honourable High Court of Madras.	
	Rupees in Lakhs As on	
	31.03.2019	31.03.2018
27.9. a)	Counter Guarantee given by the Chairman, Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Company from its bankers	
	7050.00	2050.00
b)	Counter Guarantee given by Chairman, Managing Director and Joint-Managing Director for Term Loan from its bankers	
	6200.00	4000.00

**AMARJOTHI SPINNING MILLS LIMITED**



27.10. QUANTITATIVE PARTICULARS		As at	
		31.03.2019	31.03.2018
i. Licensed Capacity*	Spindles	75000	75000
	Rotor	4768	4768
ii) Installed Capacity*	Spindles	29280	29280
	Rotor	4768	4768
iii) Actual Production - Yarn	Kgs.	7004562	6397599
iv) Turnover - Yarn	Kgs.	6942616	5411705
	Rs.	2117920352	1740258958
Turnover - Waste	Kgs.	2699769	1365661
	Rs.	21993101	24904521
v) Opening Yarn Stock	Kgs.	950406	664135
	Rs.	109244147	90211050
vi) Closing Yarn Stock	Kgs.	1025205	950406
	Rs.	107487448	109244147
* As certified by Management not verified by Auditor			
vii) Consumption of Raw Materials	Kgs.	8327238	7771364
	Rs.	1102229223	901044590
viii) Consumption of Stores & Spares			
	Indigenous (76.58%/65.82%)	Rs.	56225511
	Imported(23.42%/34.18%)	Rs.	17195790
<b>27.11. EARNINGS IN FOREIGN CURRENCY :</b>			
FOB Value of Exports	Rs.	161639571	79919467
<b>27.12. EXPENDITURE IN FOREIGN CURRENCY :</b>			
a) Traveling	Rs.	331474	522406
b) CIF Value of Imports	Rs.	17195790	32291784
c) Certification charges	Rs.	75190	409515
<b>27.13. REMUNERATION TO DIRECTORS :</b>			
a) Managing Director (Salary)	Rs.	720000	720000
b) Joint Managing Director (Salary)	Rs.	720000	720000
c) Managing Director (Commission)	Rs.	7092743	5761502
d) Joint Managing Director (Commission)	Rs.	7092743	5761502
e) Chairman(Commission)	Rs.	1562549	1296300
<b>Total</b>		<b><u>17188035</u></b>	<b><u>14259304</u></b>



**AMARJOTHI SPINNING MILLS LIMITED**



	<b>As at</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
Computation of Remuneration to Directors:		
Net Profit before tax as per Profit & Loss account	203651304	129741233
Add: Remuneration debited to Profit & Loss account	17188035	14259304
(Less) / Add: (Profit) / Loss on sale of Assets	<u>-47396449</u>	<u>-111183</u>
Net Profit available	173442890	143889354
Managerial Remuneration eligible	<u>17188034</u>	<u>14259304</u>
 <b>27.14. PAYMENT TO AUDITOR : (Inclusive of GST)</b>		
Audit Fees	Rs. 206500	201250
Reimbursement of Expenses	Rs. 20000	20000
Other Services	Rs. 42480	47399
Total	<u>268980</u>	<u>268649</u>
27.15. Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.		
<hr/>		
As per my report of even date	On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>	<b>N. RAJAN</b>	<b>R. PREMCHANDER</b>
Chartered Accountant	Chairman	Managing Director
Membership No.023033		
Place : Tirupur		<b>R.JAICHANDER</b>
Date : 30/05/2019		Joint Managing Director



**NOTES FORMING PART OF CONSOLIDATED ACCOUNTS – DISCLOSURE**

**I. Segment-wise Reporting:**

The Company is engaged mainly in the manufacture of yarn. The Company owns ten wind mills mainly for captive consumption purpose only. During the year total value of power generated through these wind mills and the total value of power generated by wind mills owned by associates are fully utilised for captive consumption of the company and is adjusted with the power cost of the Company. The processing division is operating mainly for captive utilization and hence segment-wise reporting as defined in Ind AS 108 is not required.

**II. Deferred Tax Assets / Liability:**

Deferred tax provision for the current year has been debited to the profit and loss account for the year. The Balance of deferred Tax liability is being disclosed as a liability. Deferred Taxation Liability on account of Timing Difference : (Rs.)

As on 01.04.2018	116360000
Less: Transfer from Profit & Loss a/c	25216000
Balance of Liability as on 31.03.2019	141576000

**III. Employee Benefits: Ind AS -19 :**

Provident Fund Contribution:

During the year the Company has contributed Rs.1111706/- to Government Provident fund after adjustment of PMR PF claim. The Company does not have a separate exempted provident fund.

Gratuity:

As per the records of the Company none of the employees come under the purview of Payment of Gratuity Act.

With regard to other terminal benefits payable to employees the Company makes a payment of such benefits every year and hence no provision is required.

**IV. Related Party Disclosure as per Ind AS - 24 :**

1. Related Parties: Associates: 1) N.Rajan & Sons
  
2. Key Management Personnel : 1) Sri. R. Premchander, Managing Director  
2) Sri. R. Jaichander, Joint Managing Director



**Transactions:**

Particulars	Related Parties/ Associates	Key Management Personnel & Relatives	Directors
Remuneration	-	Rs.1,71,88,035	-
Sitting fees	-	-	Rs.36,000
Payment of Interest	Rs.9,14,90,142	-	-
Credit Balance as at 31.03.2019	Rs.28,46,69,487	-	-

**V. Earning Per share as per Ind AS 33 :**

Particulars	31.03.2019	31.03.2018
a) Net Profit after tax (Rs.)	15,23,77,318	12,92,68,733
b) Number of Equity shares	67,50,000	67,50,000
c) Earnings Per Share (Rs.) (a/b)	22.57	19.15

**AMARJOTHI SPINNING MILLS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019**

Rupees in Lakhs

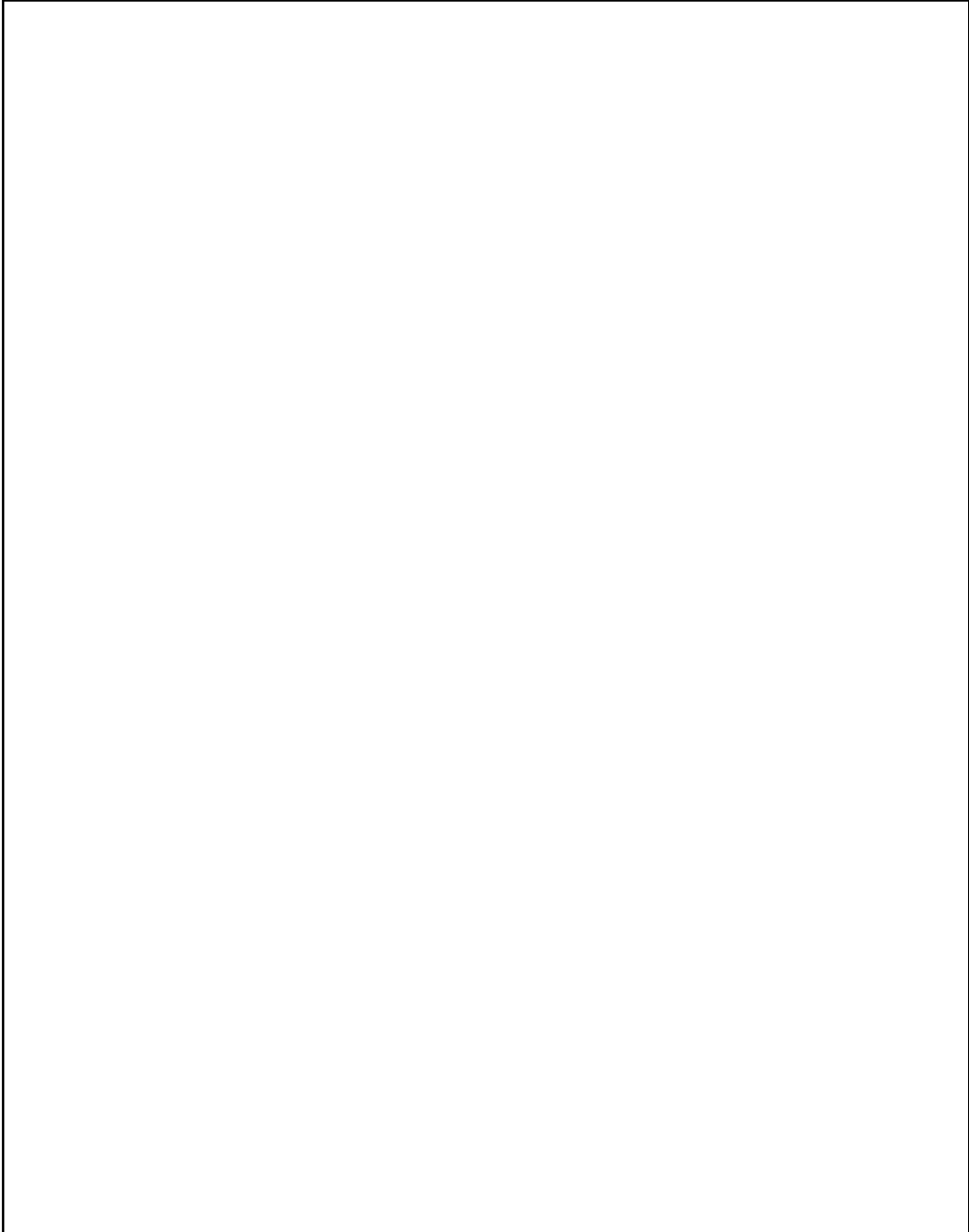
	Year ended 31.03.2019	Year ended 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET Profit before Taxation	2113.60	2029.00
Adjustments for:		
Depreciation and amortisation	1676.15	1333.34
Loss /(Profit) on Sale of Assets	-473.97	-1.11
Interest Income	-264.50	-146.35
Finance costs	1402.45	1189.67
	<u>2340.13</u>	<u>2375.55</u>
Operating Profit before Working Capital Changes	4453.73	4404.55
Adjustments for:		
Trade & other Receivables	-799.83	-1572.16
Inventories	1786.22	-113.62
Trade Payable & Other Liabilities	5384.37	6370.76
	<u>-394.29</u>	<u>-2080.07</u>
Cash Generated from Operations	10824.49	2324.48
Direct Taxes provisions / paid	-406.78	-668.36
Net Cash from Operating activities <b>A</b>	<u><b>10417.71</b></u>	<u><b>1656.12</b></u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchase of Fixed Assets	-7939.30	-7927.81
Sale of Fixed Assets	3672.10	7.01
Payment for Capital Projects in Progress	-2.82	-41.64
Investments made	-272.23	-146.09
Adjustments for other non current assets	179.57	-23.77
Interest Received	264.50	146.35
Net Cash from Investment activities <b>B</b>	<u><b>-4098.18</b></u>	<u><b>-7985.95</b></u>

**AMARJOTHI SPINNING MILLS LIMITED**



	Rupees in Lakhs	
	Year ended 31.03.2019	Year ended 31.03.2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings (net)	-5096.81	8145.28
Dividend paid including tax	-162.48	-162.49
Finance costs	-1402.45	-1189.67
<b>Net Cash from Financing Activities</b>	<b>C</b> <b>-6661.74</b>	<b>6793.12</b>
Net Increase/ (Decrease) in cash and cash equivalents	<b>(A+B+C)</b> <b>-342.21</b>	<b>463.29</b>
Cash and Cash Equivalents as at the beginning of the period	510.33	47.04
Cash and Cash Equivalents as at the end of the period	<b>168.12</b>	<b>510.33</b>
<hr/>		
As per my report of even date	On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b> Chartered Accountant Membership No.023033	<b>N. RAJAN</b> Chairman	<b>R. PREMCHANDER</b> Managing Director
Place : Tirupur	<b>R.JAICHANDER</b> Joint Managing Director	
Date : 30/05/2019		
<hr/>		
<b>AUDITOR'S CERTIFICATE</b>		
To		
The Board of Directors, Amarjothi Spinning Mills Ltd.,		
I have examined the attached Consolidated Cash Flow Statement of Amarjothi Spinning Mills Ltd., for the year ended <b>31<sup>st</sup> March 2019</b> . The Statement has been prepared by the Company in accordance with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges and is based on and is in agreement with the corresponding Consolidated Profit and Loss Statement and Consolidated Balance Sheet of the Company covered by my report of 30th May, 2019 to the members of the Company.		
Place : Coimbatore	<b>P.S.SITARAM. B.Sc., F.C.A.</b> Chartered Accountant Membership no.023033	
Date : 30.05.2019		

**AMARJOTHI SPINNING MILLS LIMITED**



**AMARJOTHI SPINNING MILLS LIMITED**



**AMARJOTHI SPINNING MILLS LIMITED**

Registered Office: "Amarjothi House", 157, Kumaran Road, Tirupur - 641 601.  
Ph: 0421 4311600 Fax: 0421 4326694. Email: mill@amarjothi.net Website: amarjothi.net  
CIN: L17111TZ1987PLC002090

**FORM NO. MGT-11**

**PROXY FORM**

Name of the member(s):

Registered address:

E-mail ID:

Folio No./Client ID: DP ID:

I/we being the member(s) holding ..... shares of the above named Company, hereby appoint:

1) Name :

Address

Email ID

Signature

or failing him/her

2) Name

Address

Email ID

Signature

or failing him/her

3) Name

Address

Email ID

Signature

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, will be held on Monday, 30th September, 2019 at 11.00 A.M. at the Meeting Hall of Gayathiri Hotel, Kangayam Road, Tirupur - 641604 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated herein:



## AMARJOTHI SPINNING MILLS LIMITED

Resolution Number	Resolution	Vote (see note 2)	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2019, the report of the Board of Directors and the Auditor's thereon.		
2.	Declaration the final Dividend of Rs.2.00 per share, which is recommended by Board of Directors of the Company on 30 <sup>th</sup> May 2019.		
3.	Appointment of Mr. P.S.Sitaram as the auditor of the Company and to fix their remuneration.		
<b>Special Business</b>			
4.	To approve the Continuation of Directorship Mr.N.Rajan, (DIN:00390813) aged about 80 years as Non-Executive Director of the Company		
5.	To appoint Independent Director Dr.V.Subramaniam (DIN: 00781690) for another term of 5 years		
6.	To appoint Independent Director Mr.V.T.Subramaniam (DIN: 02311576) for another term of 5 years		
7.	To appoint Independent Director Mr.V.Manikandan (DIN: 01920550) for another term of 5 years		
8.	To appoint Independent Director Mr.M.S.Sivakumar (DIN: 06930290) for another term of 5 years		
9.	Ratification of Remuneration payable to Cost Auditor M/s. Nagarajan & Co., Mr. M.Nagarajan, on the period of 2019-20.		
Signed this ..... day of ..... 2019.		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">           Affix Re. 1/- Revenue Stamp         </div>	
Signature of shareholder : .....			
Signature of Proxy holder (s) : .....			
<b>Note:</b>			
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.			
2. It is optional to indicate your preference, If you leave the for, against, abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem applicable.			





**AMARJOTHI SPINNING MILLS LIMITED**

"Amarjothi House", 157, Kumaran Road, Tirupur - 641 601.  
Ph: 0421 4311600 Fax: 0421 4326694. Email: mill@amarjothi.net Website: amarjothi.net  
CIN: L17111TZ1987PLC002090

**ATTENDANCE SLIP**  
**31st Annual General Meeting on 30th September, 2019**

Please complete the attendance slip and hand it over at the entrance of the hall. Only members or their proxies are entitled to present at the meeting.

Member's Ledger Folio No. .... No. of Shares held.....

Name and Address.....

NAME OF THE ATTENDING MEMBER:

NAME OF THE PROXY:

I hereby record my presence at the Thirty First Annual General Meeting held at the Meeting Hall of Gayathri Hotel, Kangayam Road, Tirupur - 641 604 at 11.00 A.M. on Monday, 30.09.2019.

\_\_\_\_\_  
Signature of the Shareholder or Proxy

**To**

***If undelivered please return to :***  
**AMARJOTHI SPINNING MILLS LIMITED**  
**"AMARJOTHI HOUSE"**  
157, Kumaran Road  
Tirupur – 641 601.