

Amarjothi House
157, Kumaran Road,
Tirupur 641601
Tamil Nadu, India

T + 91 421 4311600
info@amarjothi.net
www.amarjothi.net



ISO 9001 : 2008 | GOTS OE | OEKO TEX CERTIFIED
GST : 33AAFCA7082C1Z0

CIN: L17111TZ1987PLC002090

04.09.2023

To

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

Dear Sirs,

Sub: Submission of Annual Report for the year 2022-23

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 2022-23 along with the notice.

The Annual Report is being sent to shareholders through electronic 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,

MOHANA Digitally signed by
MOHANA PRIYA M
PRIYA M Date: 2023.09.04
15:09:11 +05'30'

Mohana Priya.M
Company Secretary.

ANNUAL REPORT 2022-2023



AMARJOTHI SPINNING MILLS LIMITED



CORPORATE INFORMATION

AMARJOTHI SPINNING MILLS LIMITED
(CIN: L17111TZ1987PLC002090)
35th ANNUAL GENERAL MEETING

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Sri.P.Singaravelu (Resigned on 30.06.2022)
Sri.K. Elango (w.e.f. 11.08.2022)

COMPANY SECRETARY

Smt. Mohana Priya M

REGISTERED OFFICE

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

LISTING OF EQUITY SHARES

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

STATUTORY AUDITOR

Sri. V. Narayanaswami

SECRETARIAL AUDITOR

M/s R.Ramchandrar & Associates
Sri.R.Ramchandrar

COST AUDITOR

Sri. M.Nagarajan

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Cameo Corporate Services Limited.
"Subramanian Building" No.1,
Club House Road, Chennai -600002
Phone: +91 044 4002 0700/ 0702/ 0710/ 0780
Email: cameo@cameoindia.com

PLANT LOCATIONS

Spinning unit : Pudusuripalayam, Nambiyur
Gobi Taluk, Processing Unit : SIPCOT,
Perundurai, Erode district
Wind Mills : Tirunelveli, Ramanathapuram
and Theni district

BANKERS

Karur Vysya Bank Limited
HDFC Bank Limited

Date of AGM: **27th September 2023**

Day: **Wednesday**

Time: **11.00 A.M**

Book Closure date: **21st September, 2023 to 27th September, 2023**
(both days inclusive)



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of Amarjothi Spinning Mills Limited will be held on Wednesday, 27th September, 2023 at 11.00 A.M through Video Conferencing("VC") / Other Audio-Visual Means ("OAVM") from the Registered Office of the Company situated at Amarjothi House, 157, Kumaran Road, Tirupur -641601 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon

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

RESOLVED that the standalone and consolidated Annual Financial Statements including Statement of Profit and Loss (including Other Comprehensive Income), along with the Statement of Cash Flows and the Statement of Changes in Equity for the financial year ended 31st March 2023, the Balance Sheet as at that date, the Report of the Board of Directors and the Auditors thereon as circulated to the members be and are hereby adopted.

2. Declaration of Dividend

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

RESOLVED that a final dividend of Rs.2.20/- per share (22% on the face value of Rs.10/-), as recommended by the Board of Directors be and is hereby declared on 67,50,000 equity shares of Rs.10/- each for the year ended March 31, 2023, and that the same be paid to the members whose names appeared in the Register of Members of the company as on 20th September 2023.

3. Appointment of Director who retires by rotation

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

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

SPECIAL BUSINESS

4. Ratification of Remuneration payable to Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), Sri. M.Nagarajan, Practicing Cost Accountant (Firm No: 000088), who was appointed as Cost Auditor by the Board of Directors of the Company on the

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recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year 2023-24 on a remuneration of Rs.40, 000/- (Rupees Forty Thousand Only) as also the payment of Goods and Services tax as applicable be and is hereby ratified and confirmed.”

By order of the Board

Place : Tirupur

Date : 07.08.2023

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

Managing Director

DIN: 00390795

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

Joint Managing Director

DIN: 00390836

NOTES:

- 1) The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR), in respect of Director seeking re-appointment at the Annual General Meeting (AGM) is annexed as Annexure to this Notice.
- 2) This AGM is convened through Video Conferencing (VC/Other Audio-Visual Means (OAVM) pursuant to General Circular issued by the Ministry of Corporate Affairs (MCA) circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 May 5, 2022 and December 28, 2022 respectively and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/ CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 respectively and all other relevant circulars issued from time to time by MCA and SEBI, which allow the companies to hold AGMs through VC/OAVM. The deemed venue of the AGM shall be registered office of the Company.
- 3) In compliance with the aforesaid circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report for the Financial Year 2022 - 2023 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. No physical copies of the Annual Report will be sent to Members, except to those Members who have requested for physical copy of the Annual Report for FY 2022 – 23. Notice and Annual Report for the Financial Year 2022-2023 are also available on the website of the Company www.amarjothi.net. and website of the BSE Limited at www.bseindia.com.

Members holding shares in physical mode and whose email IDs are not registered, are requested to register their email ID with Cameo Corporate Services Limited (RTA) at investor@cameoindia.com, kandhimathi@cameoindia.com or mill@amarjothi.net, by sending a duly signed Form ISR-1 mentioning their Name as registered with the RTA, Address, email ID, Mobile Number, self-attested copy of PAN, DPID/Client ID or Folio Number and number of shares held. Shareholders holding shares in dematerialized mode are requested to register/ update their email address with the relevant Depository Participants.

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- 4) Since the AGM is being held pursuant to the Circulars issued by the Ministry of Corporate Affairs through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly the facility to appoint a proxy by a Member will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 5) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM and participate there at and cast their vote through remote e-voting. In case of Joint Holders, the member whose name appears as First Holder in the order of names on the Register of Members of the Company will be entitled to vote. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 6) The facility of joining the 35th AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 35th AGM and will be available for 1,000 members on a first come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
- 7) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing's body resolution/authorization etc., authorizing their representative to attend the 35th AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said resolution/ authorization shall be sent to the Scrutinizer by email through its registered email address to ramcsoffice@gmail.com and may also upload the same at evoting@cdslindia.com.
- 8) The Register of Members and share transfer books of the Company will remain closed from Thursday, the 21st September 2023 to Wednesday, the 27th September 2023 (both days inclusive) as per Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.
- 9) Payment of Dividend: The dividend on Equity Shares, if declared at the AGM, will be paid, subject to deduction of tax at source, on or before October 26, 2023 to the Members whose names appear on the Company's Register of Members as on the close of business hours on Wednesday, September 20, 2023 and whose bank mandate are registered in the records of the Depository Participants/RTA. For Members whose bank mandates are not updated with the Depository Participants /RTA as on the book closure date, warrants or cheques shall be sent through post.
- 10) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
- 11) In view of the above, the Company would be deducting tax as per applicable provisions and TDS rates, while paying dividend in the Financial Year 2023-24. However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by them during any Financial Year (FY) does not exceed Rs.5,000. TDS will be deducted @10% for those resident shareholders with valid Permanent Account Number (PAN) and TDS will be deducted @20%. i.e. at twice the applicable rate on the amount of dividend payable for the resident shareholders who

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- (a) have not furnished PAN or invalid PAN; or
- (b) have not filed with the income Tax Department their return of income for the previous two financial years and were subject to tax deduction/ collection at source aggregating Rs.50,000/- or more in each of those financial years.

Hence, the shareholders are requested to update their PAN with Share Transfer Agents, M/s. Cameo Corporate Services Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in **Form No.15G/15H**, to avail the benefit of non-deduction of tax at source by email to investor@cameoindia.com, kandhimathi@cameoindia.com or mill@amarjothi.net on or before the end of the business hours of 16th September 2023.

Non resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an email to investor@cameoindia.com, kandhimathi@cameoindia.com or mill@amarjothi.net. The aforesaid declarations and documents need to be submitted by the shareholders on or before the end of business hour of 16th September 2023.

- 12) Members seeking further information about the accounts are requested to write at least 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
- 13) Pursuant to Section 124 (5) and 125, read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, of the Companies Act, 2013, all unclaimed dividends shall be transferred to the 'Investor Education and Protection Fund' of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2015- 16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 are requested to write to the Registrar and Share Transfer Agents of the Company, M/s Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai -600002, for claiming the dividend. The details of shareholders whose unclaimed dividend / shares are liable to be transferred to IEPF are available at the Company's website – www.amarjothi.net.
- 14) Members who have not encashed their dividend warrants are advised to write to the Company immediately for claiming dividends declared by the Company, which are yet to be transferred to IEPF Authority.
- 15) Members are requested to note that the company has changed our Registrar and Share Transfer Agents (RTA) to - M/s Cameo Corporate Services Limited. Hereafter Members are requested to make all correspondence in connection with shares held by them to the RTA of the Company, at:

Name : M/s Cameo Corporate Services Limited
Address : "Subramanian Building" No.1, Club House Road, Chennai -600002
Email ID : cameo@cameoindia.com, kandhimathi@cameoindia.com or investor@cameoindia.com
Telephone : +91 044 4002 0700/ 0702/ 0710/ 0780
Website : www.cameoindia.com
SEBI Registration No.: INR000003753

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- 16) Company's share transfer work and dematerialisation of shares is done by Registrar and Share Transfer Agents (RTA) - M/s Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai 600002. Members are requested to inform the Company's Registrar and Share Transfer Agent i.e. M/s Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai -600002 / or via email at investor@cameoindia.com, kandhimathi@cameoindia.com about the changes, if any, in their registered address along with the Pin Code, quoting their Folio Number and DP ID/ Client ID and email address.
- 17) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. The Company has sent intimation for furnishing the required details. Members may also refer to website of the Company www.amarjothi.net for more details.
- 18) Further, SEBI vide its circular dated 3rd November, 2021, read with clarification dated 14th December, 2021 and circular dated 16th March, 2023 introduced common and simplified norms for processing investor's service request by Registrar and Transfer Agent(s) (RTAs) and norms for furnishing PAN, KYC details and Nomination. Accordingly, effective 1st January, 2022, the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents/details are updated. On or after 1st October, 2023, in case of any of the above cited documents/details are not available in the folios; RTA shall be constrained to freeze such folios. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. In view of this requirement and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to update their KYC details (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) and consider converting their holdings to dematerialized form. The said forms are available on our website at www.amarjothi.net
 - (i) As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with RTA or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DPs. The relevant forms are available on the company website at www.amarjothi.net
 - (ii) Members are requested to notify change in their address, if any, immediately to the Company's Registrar, M/s Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai -600002.

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- 19) As per Regulations 39 and 40 of the Listing Regulations, as amended, Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.
- 20) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- 21) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy), without any fee, by the Members from the date of circulation of this Notice up to the date of AGM i.e. 27th September, 2023. Members seeking to inspect such documents can send an email to mill@amarjothi.net
- 22) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the company or to the Registrar and Share Transfer Agents - M/s Cameo Corporate Services Limited.
- 23) International Securities Identification Number of the company is INE484D01012.
- 24) Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed Companies to offer Electronic Clearing Service (ECS) facilities/ NEFT for payment of dividend, wherever applicable. In view of this provision, Shareholders who are interested to avail the facility of Dividend payment by National Electronic Clearing Service (NECS)/NEFT are requested to fill the prescribed form and send it along with the original cancelled cheque leaf to the Company's Registrar and Share Transfer Agents M/s Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai -600002.
- 25) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.
- 26) Members who require any clarifications on accounts or operations of the Company are requested to write to the Company before 18th September 2023 (5.00 pm IST). The queries will be answered accordingly.



- 27) The results of the Remote e-voting and e-voting during the Annual General Meeting will be announced by the Chairperson Or person authorized by the Chairperson within 48 hours from the date of conclusion of the Annual General Meeting at the Registered office of the Company. A copy of which will be posted on the Company's website and forwarded to the Stock Exchange.

Voting through electronic means

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.amarjothi.net. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

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

- i) The Board of Directors has appointed Sri. RAMCHANDAR.R (Membership.No.10097), Company Secretary in Practice as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner
- ii) The e-voting facility will be available at the link www.evotingindia.com during the following voting period.



- iii) **The remote e-voting would commence on Sunday, the 24th September 2023 (9:00 am) and end on Tuesday, the 26th September 2023 (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 20th September 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 26th September 2023. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

- v) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- v) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The Members, who has not cast their vote by remote e-voting, shall vote through e-voting system in the AGM.
- vi) The Scrutinizer will submit his report to the Board after completion of the Scrutiny and the results of the e-voting will be announced by the Company on its website - www.amarjothi.net within 48 hours of the conclusion of the AGM.

THE INSTRUCTIONS FOR THE MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- 1) The voting period begins on <24.09.2023 – 9.00 AM> and ends on <26.09.2023-5.00 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 <20.09.2023> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) The Members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM facility but shall not be entitled to cast their vote again.
- 3) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



A) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE CDSL/NSDL IS GIVEN BELOW

In terms of SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. <ol style="list-style-type: none"> 1) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 2) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting



	is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option.



	Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

B) LOGIN METHOD FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.



6) If you are a first-time user follow the steps given below:

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"> • 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. • 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
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/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 (5).</p>

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN relevant for <AMARJOTHI SPINNING MILLS LIMITED>
- 11) 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.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) 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.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) 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.

ADDITIONAL FACILITY FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS –FOR REMOTE VOTING ONLY

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mill@amarjothi.net , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **seven** days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at mill@amarjothi.net /secretarial@amarjothi.net. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven** days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at mill@amarjothi.net /secretarial@amarjothi.net. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to mill@amarjothi.net/RTA email id – investor@cameoindia.com, kandhimathi@cameoindia.com.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.



ANNEXURE TO NOTICE

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

ITEM NO.5

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment of and remuneration payable to Sri. 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 2022-23 at a remuneration of Rs. 40,000/- per annum excluding the applicable Goods and service tax (GST) 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 : 07.08.2023

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

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

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Details of Director(s) seeking re-appointment at the Annual General Meeting in pursuance of Secretarial Standards (SS-2) and Regulation 36 of SEBI (LODR) Regulations, 2015.

Item No. 3 & 5

Name of the director	M. MOORTHY
DIN	06801357
Date of Birth	03/05/1975
Date of appointment and re-appointment on the board	05.09.2014
Board position held	Non-Executive Non Independent Director
Qualifications	M.B.A.
Terms and conditions of appointment	Retires by rotation and eligible for re-appointment
List of other companies in which directorship held as on 31 st March 2023	Chairman: Nil Managing Director: Nil
	Director: Nil
Chairman/ Members of the Committees of the board of other Companies in which he is a director as on 31 st March 2023	Chairman : Nil Member: Nil
No. of Shares held	Nil
Relationship with other Directors	Not related to any other Director

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

The Board of Directors of your Company are pleased to present the Thirty Fifth Annual Report on the business and operations of the Company along with the summary of Financial Statements for the year ended 31st March, 2023.

THE STATE OF AFFAIRS OF THE COMPANY, DIVIDEND AND RESERVE**FINANCIAL RESULTS****(Rs.in lakhs)**

	Standalone		Consolidated	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations	20945.73	25029.27	21014.41	25747.08
Other Income	124.32	163.27	132.35	175.86
Total Income	21070.05	25192.54	21146.76	25922.94
Less: Total Expenses	19464.80	23156.55	19494.91	23753.68
Profit before Tax	1605.25	2035.99	1651.85	2169.26
Profit after Tax	1013.07	2108.91	1029.68	2177.32
Surplus brought forward	13795.08	12053.65	13966.41	12156.56
Amount available for appropriation	14808.15	14162.56	14996.09	14333.88
Appropriations to:				
General Reserve	101.31	210.89	61.72	210.89
Others	0.00	0.00	234.76	0.00
Dividend paid	148.50	141.75	148.50	141.75
Previous year Income tax adjusted	0.39	14.84	22.94	14.83
Surplus carried to balance sheet	14557.95	13795.08	14528.17	13966.41
TOTAL	14808.15	14162.56	14996.09	14333.88

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

During the year under review, the Company's revenue from operations (net of GST) has decreased by Rs. 4083.54 lakhs over the previous financial year and recorded a revenue of Rs.21070.05 lakhs for the financial year ended 31st March 2023. The profit after tax is Rs. 1013.07 Lakhs as against Rs. 2108.91 Lakhs for the previous financial year.

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.

3) WINDMILLS:

Companies windmills are fully utilized for captive consumption of yarn division and processing division's power usage. The wind farm has generated 264.97 Lakhs Kwh as compared to

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283.66 Lakhs Kwh of the previous year. The wind availability / velocity were better during initial wind season of the financial year 2022-23 as compared to the last financial year. During the financial year 2022-23, the Company was able to consume power from its own wind farms to the extent of 90% of total power requirement. The income during the year from the Wind Mill Division was Rs.17.61 Crores as against Rs.18.55 Crores of previous year.

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 2022-2023.

INDUSTRIAL RELATIONS

Relationship with employees was cordial throughout the year.

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 Secretarial Audit report of the Subsidiary company is annexed herewith as **ANNEXURE – VIII** and forms an integral part of this Report.

The Company has one Associate Firm named Kanagathara Wind Farms in which our company holds 26 % for the purpose of captive consumption of wind power. The details are mentioned in Form AOC-1 as annexed as a part of this report vide **ANNEXURE-II**.

DIVIDEND

The Directors have recommended a dividend of Rs. 2.20 per share (22% on the Face value) for the year ended 31st March 2023 absorbing a sum of Rs.1,48,50,000/- for the approval of the shareholders at the ensuing Annual General Meeting. Pursuant to the Income-tax Act, 1961 read with the Finance Act, 2020. Dividend income is taxable in the hands of the Members with effect from 1st April, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The unclaimed Dividend relating to the financial year 2015-16, is due for remittance during September, 2023 to the Investor Education and Protection Fund (IEPF) established by the Central Government. During the year under review, as per the requirements of the Investor Education and Protection Fund Authority Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules) **11295** equity shares of Rs.10/- each on which dividend had remained unclaimed for a period of 7 years have been transferred to the credit of the demat account identified by the IEPF Authority.

**GENERAL RESERVE**

During the year, your Company has transferred an amount of Rs.101.31 lakhs to the General Reserve.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2023 was Rs. 6,75,00,000/- comprising 67,50,000 shares of Rs. 10/- each. During the year under review, the company has not made any fresh issue of shares.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any Equity Shares with Differential Rights during the Financial Year 2022-2023.

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.

ANNUAL RETURN:

As required pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in the prescribed form is available at the web link <https://tinyurl.com/AmarjothiAnnualReturn> and available in the website of the Company www.amarjothi.net.

NUMBER OF BOARD MEETINGS:

During the year under review Seven (7) meetings of the Board of Directors were held. Further details regarding the number of meetings of Board of Directors and Committees thereof and the attendance of the Directors at such meetings are provided under the Corporate Governance Report.

Date of meetings:

30.05.2022	13.06.2022	11.08.2022	07.11.2022
01.02.2023	13.02.2023	15.02.2023	

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3) (c) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that-

- a. In the preparation of the annual accounts for the year ended 31.03.2023, the applicable accounting standards have been followed and there are no material departures from those standards;
- b. the Directors have 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 loss of the Company for that period;
- c. the Directors have 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;
 - d. the Directors have prepared the annual accounts on a going concern basis;
 - e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 - f. the Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively.

NO FRAUDS REPORTED BY STATUTORY AUDITORS

There is no instance of frauds reported by the statutory auditors of the Company for the financial year under review under sub-Section (12) of Section 143 of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) / Listing Regulations'] so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) / Listing Regulations']. Further, they have also declared that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Independent Directors of the Company have complied with the requirements of the provisions in relation to Independent Directors Databank as stated in the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time

The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics. Board of Directors have evaluated the Independent Directors appointed / re-appointed during the year 2022-23 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

Nomination and Remuneration Committee of Directors has been formed and has been empowered and authorized to exercise power as entrusted under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements),



Regulations, 2015 (both as amended from time to time). The Company has a policy on Directors' / Senior Management appointment and remuneration which specifies criteria for determining the qualification, positive attributes for Senior Management and Directors. The policy also specifies the criteria for determination of independence of a Director and other matters provided under sub-section (3) of Section 178. The above policy has been posted on the website of the Company at – www.amarjothi.net and the web link for the same is <https://tinyurl.com/NRC-POLICY>

AUDITORS COMMENTS

There are no adverse comments in the reports of Statutory Auditors (appearing elsewhere in the Annual Report) and that of the Secretarial Auditors (annexed hereto as Annexure III).

PARTICULARS OF LOANS/GUARANTEE/INVESTMENTS

The Company has not given / made any Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, during the year under review. Details of investments made in the earlier years have been disclosed in the notes to the financial statements

PARTICULARS OF CONTRACTS WITH RELATED PARTY

The transactions entered by the Company with the related parties during the financial year 2022-23 are in the ordinary course of business and at arm's length basis. The Company had entered material transaction with its wholly owned subsidiary, under Section 188 of the Companies Act, 2013, during the year. The particulars of related party transactions are provided in the form AOC 2 and annexed to the Boards' Report as **ANNEXURE - III**. The Policy on Related Party is available on the Company's website at www.amarjothi.net and the web link for the same is <https://tinyurl.com/RPT-POLICY>

MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF FINANCIAL YEAR (MARCH 31, 2023) TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS DIRECTORS' 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.

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

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:

This annual report has got a detailed chapter on management discussion and analysis on risk management stating about risk management by the Company. It 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.

EVALUATION OF BOARD'S PERFORMANCE:

On the advice of the Board of Directors, the Nomination and Remuneration Committee of Board of Directors of the Company have formulated the criteria for the evaluation of the performance of Board of Individual Directors, Board, Committees of Directors, Independent Directors, Non-Independent Directors, and the Chairperson of the Board. Based on that performance evaluation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated to the Chairperson of the Board of Directors.

DIRECTORS' & KEY MANAGERIAL PERSONNEL**DIRECTORS:****RE-APPOINTMENT OF RETIRING DIRECTOR**

Sri.M.Moorthi (DIN: 06801357), Director who retires by rotation at the ensuing Annual General Meeting, being eligible offers himself for re-appointment. The Board recommends his re-appointment in the forthcoming Annual General Meeting.

KEY MANAGERIAL PERSONNEL:

As on 31st March, 2023 following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed there under.

1. Sri. R. Premchander- Managing Director,
2. Sri. R. Jaichander-Joint Managing Director,
3. Sri.P.Singaravelu - Chief Financial Officer (Till 30.06.2022)
Sri.K.Elango - Chief Financial Officer (from 11.08.2022)
4. Smt. Mohana Priya.M – Company Secretary

**DEPOSITS**

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

REMUNERATION OF DIRECTORS & KMP:

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

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

During the year 2022-23, 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.

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.1029.68 lakh as against Rs. 2177.32 lakh. in the previous year. The Company's consolidated net worth stood at Rs.18087.75 lakh as on 31st March 2023.

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.

**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.

COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM / WHISTLE BLOWER POLICY

The composition and attendance of the Audit Committee of the Board of Directors of the Company are disclosed elsewhere in the Annual Report. The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 as explained in the Corporate Governance Report and posted on the website of company and can be accessed at the link <https://tinyurl.com/AJSMWhistleBlowerpolicy>. During the year under review, there were no complaints received under this mechanism.

CORPORATE SOCIAL RESPONSIBILITY

Based on last three years average Net Profit, the Company is required to spend a sum of Rs.34,36,068/- in the year 2022-23. The Company has spent the amount towards contribution to the Prime Ministers Relief Fund.

The company has adopted a Corporate Social Responsibility Policy defining therein the CSR activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Committee of the Board is responsible for the implementation and effective monitoring of the CSR activities of the Company. The Annual Report on Company's CSR activities of the Company is furnished in the prescribed format as "ANNEXURE V" to this report. The policy on CSR is available in our company website www.amarjothi.net and the web link for the same is <https://tinyurl.com/AMARJOTHI-CSR-POLICY>

AUDITORS:**STATUTORY AUDITORS**

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Mr. V. Narayanaswami, Chartered Accountant, Coimbatore, (Membership No.023661) were appointed as the Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of the 34th Annual General Meeting held on September 29, 2022 till the conclusion of the 39th Annual General Meeting of the Company to be held in year 2027. The Audit Report of the Statutory Auditors forms part of the Annual Report. The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. R. Ramchandrar, B.com, FCS, LLB, Company Secretary in Practice (C.P No.



12240) to conduct the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **ANNEXURE – IV** and forms an integral part of this Report.

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 2022-23 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 2023-24 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 2022-23, 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.

COST RECORDS

The Company has maintained the Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

POSTAL BALLOT

During the year under review, the Company has not passed any transaction through Postal Ballot.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report, Report on Corporate Governance and Auditors Certificate regarding compliance of conditions of Corporate Governance provided elsewhere in this Report, forms part of the Directors' Report. A detailed report on corporate governance, together with a certificate from the Statutory Auditors, in compliance with Regulation 15(2) of the SEBI (LODR) Regulations, 2015 is attached as part of this annual report.



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 2022-23.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016, DURING THE FINANCIAL YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the Financial Year 2022-23, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the Financial Year 2022-23, the Company has not made any settlement with its bankers for any loan(s) / facility(ies) availed or / and still in existence.

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 PROSPERTY OF THE COMPANY.

By order of the Board

Place : Tirupur
Date : 07.08.2023

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Directors present the Report on Management Discussion and Analysis Report for the financial year ended 31st March 2023, in terms of Regulation 34(2) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015[SEBI LODR].

1. ECONOMIC SCENARIO

The financial year 2022-23 opened with a firm belief that the pandemic was rapidly on the wane and that India was poised to grow at a fast pace and quickly ascend to the pre-pandemic growth path. The economy was expected to grow at 6.5 to 7% for FY23 despite pandemic recovery and the Russia-Ukraine war. India's economic growth in FY23 has been principally led by private consumption and capital formation. Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The consumers in US, Europe and other major markets have cut spending on clothing following a surge in inflation after the Ukraine war.

However, the overall Indian economy is relatively strong and is outperforming major economies; the textile sector is a notable exception. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparels. The performance of Textile Division was adversely impacted due to various headwinds faced by it during the year.

2. INDUSTRY SCENARIO AND DEVELOPMENT:

The Indian Textile Industry is one of the largest in the World, enjoying its presence in the entire value chain i.e. cotton, yarn, fiber and apparel. 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.

The Textile Industry is facing exceptional and unprecedented challenging conditions. Industry scenario is very much influenced by the Impact of macroeconomics headwinds on textile industry in FY24 which is very crucial in determining the Industry behavior /growth and also depends on the following factors such as Impact of anticipated domestic cotton shortage, Impact of support initiatives under the Foreign Trade Policy 2023 for Textile Sector and lastly by the Timeliness and Impact of high capex announced by most large industry players

Indian polyester, viscose yarn notice mixed trend, PC remains down In the Indian market, trends for polyester, viscose, and cotton yarn have been mixed, with polyester-cotton (PC) yarn showing a declining trend. Despite the majority of the market experiencing a usual low demand, there's an expectation among traders that the recent drop in yarn prices might draw in buyers. Buyers remain cautious due to uncertain market conditions. Industry experts predict a prolonged slowdown in the textile value chain, given that retail garment demand is unlikely to see an increase this year. In North India, PC yarn prices fell due to lacklustre demand, whereas polyester spun yarn was traded higher.

The FY 22-23 was challenging year when compared to FY 21-22. Many of the mills in Tamilnadu State and also in other States, have either stopped their production totally or



have reduced their production capacity, for want of sufficient orders for yarn and also due to labour shortage. This has to be also studied further thoroughly, for assessing the situation, as how the price of cotton would behave in the coming days, even though there is no much fluctuation seen in the raw cotton prices nowadays.

3. OPPORTUNITIES AND THREATS:

Your Management is quite optimistic that Industry with the support of favorable Government Policies and Programs will capitalize on this opportunity to increase its share in Global Textile Markets. Hence, there is an optimism that post geopolitical stabilization, textile sector will show positive trends due to new opportunities and technological innovations supported by domestic & global demand, investment incentives (PLI) and strong balance sheets of companies. Further, China plus one policy adopted by USA / Europe will give a boost to Indian Textile Sector.

According to Industry association TASMA, unless the Russian-Ukraine War sees a cease-fire, the matter may not settle down so easily. It looks that the War is getting intensified and therefore, the War has to come to a halt very soon. Unless the demand for yarn is seen again to the original levels, the recession both in the Spinning Industry, as well as in other Value-Added Chains in cotton segment would continue as such. Even the Man Made Fibre segment is also found affected considerably like cotton segment and it is also in the grip of recession.

There is a rise of demand for low-cost products having sustainable and environment - friendly production processes. The recovery of demand for textile products during the last year could not be sustained for long due to various factors like an increase in the cotton prices, geopolitical conditions and high inflation across the globe. However, the Company's focus on producing a flexible and wide range products helped it to protect its sales volume during this sluggish period.

The Company's focus on strengthening its infrastructure to produce diverse products, including various high-quality value-added yarn and collaborating with customers to manufacturer innovative products helped it maintain an optimum level of capacity utilization and grow sales volume in export market. The opportunities are China plus one policy, Economic collapse / volatility in Sri Lanka, Myanmar, Bangladesh, and Pakistan has played out in favour of India as the world has started looking at India as reliable partner for their requirement. Rising demand for low cost, sustainable and eco-friendly products. This presents an opportunity for textile manufacturers to develop new products that are made from renewable materials and produced using sustainable manufacturing processes. Cost can be reduced by blending with cheaper man-made fibre.

The biggest threat to cotton products is competition from other low-cost man-made fibres. Consumers are shifting their focus to low-cost products which has led to intense competition and pricing pressure in the global textile industry. There is a high cost to comply with environmental, social and labour regulations which can be costly and time - consuming. Further the textile industry is highly sensitive to global economic conditions and can be significantly impacted by global demand and pricing

4. SEGMENT-WISE PERFORMANCE:

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

**TRADE CONDITIONS****COTTON**

At the beginning of the cotton season, the CAI estimated that the cotton crop for the new season will be higher at 344 Lakh bales (PY: 307 Lakh bales). However, cotton arrivals in the market were very slow during the first 6 months of the new cotton season as the cotton growers held back the kappas, expecting better prices. The arrivals of cotton from October, 2022 to March, 2023 were lower by 30% as compared to the last season due to the holding of stocks by the farmers. The CAI also revised the cotton crop size for the season 2022-23 from its earlier estimate of 344 Lakh bales to 313 Lakh bales. All these factors triggered speculation over cotton prices and it did not come down to the expected level. Though there was some price correction in the cotton, the fall in yarn prices was much sharper than that of cotton, leading to wider disparity that affected the margins of yarn spinners across India.

The consumption of imported cotton for the financial year was 1674361.00 in Kgs. The volume of imported cotton consumption for the financial year 2022-23 has increased by 281.37% as compared to the last financial year. This strategy has helped the Company to procure diversified varieties of cotton across the globe and to quote competitive prices for our yarn, which helped the Company to protect the operating margin in the financial year 2022-23.

YARN PRODUCTION

Due to considerable volatility in cotton prices and low demand for fabrics, the yarn prices fell substantially. In some cases, the traders quoted prices below the contribution level. The production volume of yarn has decreased to 58.99 Lakhs Kgs during the financial year 2022-23 as against 70.33 Lakhs Kgs of last year .

SALE OF YARN

The Company's focus on new product development, innovation and cost-effective production has started yielding results. The sale volume for the FY 2022-23 stood at 52.83 Lakh Kgs as compared to 62.41 Lakh Kgs of last year, registering a decline of 9.58% due to recession. The Company is taking various steps to expand its market presence both in domestic and international markets and hope to achieve higher volume of sales in value added yarns in the forthcoming years.

EXPORTS

The Company has made export of Cotton Yarn (including merchant exports) for a value of Rs.1.22 lakh kgs as against Rs.3.54 lakh kgs of the previous year, registering a decline of 65.53%.

POWER COST

During the financial year 2022-23, the Company was able to consume power from its own wind farms to the extent of 90% of total power requirement. The power cost has decreased during the financial year 2022-23 to Rs.8.80 Crores as compared to Rs.10.32 Crores incurred during previous year.

FINANCE COST

The Finance cost has increased to Rs.5.86 Crores during the financial year 2022-23 from Rs.5.03 Crores of previous financial year.

AMARJOTHI SPINNING MILLS LIMITED

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5. OUTLOOK:

The coming year will be challenging with respect to pricing. We have to focus more on offering new products and meeting customer retail price points. Overall, the textile market is sombre and expected to take around one quarter to stabilize. Further, we must navigate the challenging period by differentiating ourselves through innovation and quality. The manufacturers who will be able to address these challenges, while also differentiating themselves through innovation and quality, are likely to be successful in times to come.

We expect that in this challenging period, Government will support the Spinning industry in the form of favorable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry. 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.

6. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The SEBI LODR (Listing Obligation and disclosure requirements) (Amendment) Regulations, 2018 has mandated that Company should provide detail of Significant Changes in Key Sector Financial ratios. We would like to inform you that in the following key financial ratios, there has been Significant Change as compared to the last year:

S. NO	PARTICULARS	Standalone		CHANGE (%)	EXPLANATION FOR CHANGE OF 25% OR MORE
		31.03.2023	31.03.2022		
1.	Current Ratio	2.80	2.07	35.42%	Company has utilised less working capital at the year end.
2.	Debt-Equity Ratio	0.48	0.68	(29.64)%	Company has repaid its bank loans to the maximum extent.
3.	Debt Service Coverage Ratio	4.10	1.20	240.14 %	Company has repaid its bank loans to the maximum extent.
4.	Return on Networth	5.81	12.71	(6.91) %	-
5.	Inventory turnover ratio	0.48	0.60	(20.45) %	-
6.	Trade Receivable turnover ratio (Times)	5.94	6.90	(13.96) %	-
7.	Trade Payable turnover ratio (Times)	11.07	19.80	(44.08)%	Company has reduced purchases due to price fluctuations.
8.	Net capital turnover ratio	2.92	4.19	(30.33)%	Turnover during the year reduced due to market & price fall.
9.	Net profit ratio	4.84	8.43	(3.59)%	
10.	Return on Capital employed	10.05	11.41	(1.36) %	
11.	Return on investment	28.67	73.65	(44.98)%	Return on investment reduced due to market & price fall.

7. 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.

2. 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.

3. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT :

The Company has good HR Policies for employees in place. The Company provides skill building trainings to employees internally. The hiring of experienced employees from outside is the last priority and first opportunity is provided to employees in line function or cross function as well.

The Management has developed very good cordial Industrial relations and has been able to carry out operations successfully despite continued challenges of market down turn, fierce competition having high input cost by achieving flexibility in operations suitable to the requirements of business.

4. HEALTH AND SAFETY MEASURES :

As a responsible corporate citizen, the Company is fully dedicated to human health and safety. Our factories follow Occupational Health and Safety management standards that integrate occupational health, hygiene and safety responsibilities into everyday business. We give highest priority to our employees' health and safety and conduct comprehensive safety inspections and audits at every plant and project sites. At each location, we promote health and safety among all employees and organize different awareness and training programs.

Further, the Company had taken all precautionary and safety measures for its employees during pandemic and continue to ensure all preventive and protective safeguards for all employees against such threats.

5. 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 : 07.08.2023

(Sd/-) R. PREMCHANDER

Managing Director

DIN: 00390795

(Sd/-) R. JAICHANDER

Joint Managing Director

DIN: 00390836

AMARJOTHI SPINNING MILLS LIMITED

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ANNEXURE – I TO THE DIRECTOR'S REPORT

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2023 is given below and forms part of the Directors' Report.

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

The Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices:

1. The steps taken or impact on conservation of energy :
 - Energy conservation is an ongoing process in our organization. Continuous monitoring, planning, development and modifications for energy conservation are done at the plants.
 - The Company continued efforts for improving energy efficiency through innovative measures to reduce wastage and optimize consumption.
 - Maintenance of the machines as per schedule.
 - Energy Audit is also being carried out by external agencies.
 - 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 Kanagathara Wind Farms.
3. The capital investment on energy conservation equipments: Nil

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

- Inflow (Fob value of exports) Rs. 611.23 lakhs
- Outflow (Imports & charges) Rs. 3,606.74 lakhs

By Order of the Board

Place : Tirupur
Date : 07.08.2023

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

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

AMARJOTHI SPINNING MILLS LIMITED

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**ANNEXURE – II TO THE DIRECTOR'S REPORT****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 - Wholly owned Subsidiary

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

As on/ for the year ended 31.03.2023

Sl.No	1
Name of the wholly owned 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	5.00
Reserves and surplus	211.22
Total assets	304.09
Total Liabilities	87.87
Investments	NIL
Turnover	1830.72
Profit before taxation	21.98
Profit after taxation	16.45
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

By Order of the Board

Place : Tirupur
Date : 07.08.2023

(Sd/-) R. PREMCHANDER **(Sd/-) R. JAICHANDER**
Managing Director Joint Managing Director
DIN: 00390795 DIN: 00390836



Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
(Rs. in Lakhs)

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.	Kanagathara Wind Farms	N.A	154.64	27.01%	By Virtue of share in Partnership for more than 20%	N.A.	154.64	9.04	24.44

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which has been ceased to be an associate companies 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 : 07.08.2023

(Sd/-) R. PREMCHANDER (Sd/-) R. JAICHANDER
Managing Director Joint Managing Director
DIN: 00390795 DIN: 00390836



ANNEXURE – III TO THE DIRECTOR’S REPORT

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:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ or transactions including the value, if any	Salient terms of the contracts or arrangements if any.	Date(s) of approval by the Board,	Amount paid as advances, if
R.P.J. TEXTILES LIMITED-WHOLLY OWNED SUBSIDIARY	Purchase of goods, Sale of goods,	1 st April 2022 – 31 st March 2023	Rs. 50 Crores	30.05.2022	-

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.

By Order of the Board

Place : Tirupur
Date : 07.08.2023

(Sd/-) R. PREMCHANDER **(Sd/-) R. JAICHANDER**
Managing Director Joint Managing Director
DIN: 00390795 DIN: 00390836



ANNEXURE –IV TO THE DIRECTOR'S REPORT

Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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 M/s. 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 2023 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 31.03.2023 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;- Not Applicable
- 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;
 - 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; - Not Applicable
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable
- 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; - Not Applicable and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable
- v. Other Applicable Laws specifically applicable to the Company, namely:
 - a) Air (prevention and Control of pollution) Act, 1981
 - b) Hazardous Waste (Management Handling and Trans boundary 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 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, subject to the following observations:

1. Regulation 31(4) of the SEBI (SAST) Regulations, 2011 - Non Submission of Declaration
The promoter or promoter group has not submitted any declaration to the effect that they have not made any encumbrance of shares held by them. However, the same was complied with after the due date.
2. Regulation 23(9) of the SEBI (LODR) Regulations, 2015 - Delay in submission of report by 11 days from the actual due date The SEBI has levied a fine of Rs.64900/- consequent to non-compliance of Regulation 23(9) of the SEBI (LODR) Regulations, 2015.

AMARJOTHI SPINNING MILLS LIMITED

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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.

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 : 07.08.2023

R. RAMCHANDAR

Company Secretary in Practice

FCS.No. 10097, CP No. 12240

UDIN: F010097E000751673

Peer Review Cert no: 2401/2022

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.

AMARJOTHI SPINNING MILLS LIMITED

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ANNEXURE A

To

The members
Amarjothi Spinning Mills Limited
Tirupur.

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 : 07.08.2023

R. RAMCHANDAR
Company Secretary in Practice
FCS.No. 10097, CP No. 12240
UDIN: F010097E000751673
Peer Review Cert no: 2401/2022



ANNEXURE – V TO THE DIRECTOR’S REPORT

[Annexure -II]

THE ANNUAL REPORT ON THE CSR ACTIVITIES

(Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company.

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri. M. Moorthi	Chairman	2	2
2.	Sri. R. Jaichander	Member	2	2
3.	Sri.M.S.Sivakumar	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://tinyurl.com/AMARJOTHI-CSR-POLICY>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**
5. (a) Average net profit of the company as per section 135(5).Rs.17,18,03,423/-
 (b) Two percent of average net profit of the company as per section 135(5)- Rs.34,36,068/-
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
 (d) Amount required to be set off for the financial year, NIL
 (e) Total CSR obligation for the financial year - Rs.34,36,068/-
6. (a) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Prime Minister's Relief Fund	Prime Minister's Relief Fund	NA	NA		34.36	Direct -Date of Transfer - 05.12.2022	NA	NA
	Total					34.36			

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- (b) Amount spent in Administrative Overheads : NIL
- (c) Amount spent on Impact Assessment, if applicable Not Applicable
- (d) Total amount spent for the Financial Year (a+b+c) – Rs.34.36 lakhs
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
34.36	0	0	NA	NA	NA

- (f) Excess amount for set off, if any

Sl. No.	Particular	Amount lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	34.36
(ii)	Total amount spent for the Financial Year	34.36
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2021-22	NA	NIL	NIL	NIL	NA	NIL
2.	2020-21	NA	NIL	NIL	NIL	NA	NIL
3.	2019-20	NA	NIL	NIL	NIL	NA	NIL

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8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:- **Not Applicable**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

By Order of the Board

Place : Tirupur
Date : 07.08.2023

(Sd/-)R. PREMCHANDER	(Sd/-)M. MOORTHY
Managing Director	CSR Committee Chairman
DIN: 00390795	DIN: 06801357



ANNEXURE – VI TO THE DIRECTOR’S REPORT

**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:

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Increase / Decrease in Remuneration
Sri. R. Premchander, Managing Director	45.11	33.22	(-)13.27%
Sri. R. Jaichander, Joint Managing Director	45.11	33.22	(-)13.27%
Dr. V. Subramaniam	0	0	0
Sri. N. Radhakrishnan	0	0	0
Sri. V.T. Subramanian	0	0	0
Sri. M. Moorthi	0	0	0
Sri. M.S. Sivakumar	0	0	0
Smt. M. Amutha	0	0	0
Smt .M. Mohanapriya, Company secretary	2.78	2.05	18.94%

2. The percentage increase in the median remuneration of employees in the financial year: 26.65 %
3. The Number of permanent employees on the rolls of the Company: 335
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.1605.25 Lakhs

Particulars	Managing Director	Whole time Director
Remuneration (Rs. in Lakhs)	88.16	88.16
Remuneration (as % of PBT)	5.49	5.49

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6. 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 2022-23 was 12.26%. Managerial remuneration is decreased for the year by 13.27%.

7. Comparison of the each remuneration of the Key managerial personnel against the performance of the company; Please refer point no. (vi)
8. 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.
9. 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.
10. 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.

By Order of the Board

Place : Tirupur

Date : 07.08.2023

(Sd/-) R. PREMCHANDER

Managing Director

DIN: 00390795

(Sd/-) R. JAICHANDER

Joint Managing Director

DIN: 00390836



ANNEXURE – VII TO THE DIRECTOR’S REPORT

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

A. Particulars of Top Ten employees in terms of remuneration drawn:

S. No.	Name	Age in years	Qualification	Designation	Remuneration Rs. in Lakhs
1	Jayavel Thiyagarajan	59	D.T.T.	Spinning Master	14.53
2	Meyyappan.N	51	D.T.T.	Spinning Master	14.00
3	Selvam.S	54	D.E.E.E.	Asst.Elect. Er. Cum ESO	9.31
4	Arunkumar Senthikumararaj	47	B.Sc.	EDP-in-charge	9.22
5	Virahchetty.A.S	58	D.T.P.	Manger-Sample unit	7.91
6	Elango.K	54	M.Com.,M.B.A.	Junior Officer-Accts	7.42
7	Arun Kumar.D	40	B.A.	GM_Dyeing unit	6.58
8	Selvaraj V E	64	B.Com.	General Manager	6.41
9	Sheik Ibrahim.R	39	M.C.A.	Software Programmer	6.02
10	Sivakumar A	54	D.T.P.	Quality Assurance Officer	6.01

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

- i)** 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
- ii)** 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
- iii)** In receipt of remuneration which is in excess of that drawn by the Managing Director or Whole-time Director or Manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
None

By Order of the Board

Place : Tirupur
Date : 07.08.2023

(Sd/-) R. PREMCHANDER **(Sd/-) R. JAICHANDER**
Managing Director Joint Managing Director
DIN: 00390795 DIN: 00390836



ANNEXURE – VIII TO THE DIRECTOR'S REPORT

Form No.MR-3

SECRETARIAL AUDIT REPORT OF UNLISTED SUBSIDIARY

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

M/s. R P J Textiles Limited

Tirupur.

I have conducted the SECRETARIAL AUDIT of the compliance of applicable statutory provisions and the adherence to good corporate practices by RPJ TEXTILES 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 2023 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 31.03.2023 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; Not Applicable
- 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; Not Applicable
- v) Other Applicable Laws specifically applicable to the Company, namely: Nil

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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- (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.

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 and Non-Executive Directors. There were no changes in the composition of the Board of Directors.

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 : 07.08.2023

(Sd/-) RAMCHANDAR .R
Company Secretary in Practice
FCS.No. 10097, CP No. 12240
UDIN: F010097E000752201
Peer Review Cert.No: 2401/2022

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.

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ANNEXURE A

To

The members
RPJ TEXTILES Limited
Tirupur.

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. Wherever 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 : 07.08.2023

(Sd/-) RAMCHANDAR .R
Company Secretary in Practice
FCS.No. 10097, CP No. 12240
UDIN: F010097E000752201
Peer Review Cert.No: 2401/2022



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, 2023 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: 29.05.2023

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

(Sd/-) **K. ELANGO**
Chief Financial Officer

AMARJOTHI SPINNING MILLS LIMITED

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**CHIEF EXECUTIVE OFFICER'S DECLARATION
ON CODE OF CONDUCT**

I hereby declare that pursuant to Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior Management of the Company and that all the Board members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed compliance with the said Code of Conduct during the year 2022-23.

**Place: Tirupur
Date: 29.05.2023**

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



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. It ensures transparency in all dealings and in the functioning of the management and the Board.

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India (SEBI).

2. BOARD OF DIRECTORS AND GOVERNANCE FRAMEWORK

(i) Composition of the Board

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills.

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board composition is in conformity with Regulation 17 of Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors of the Company consists of Eight (8) Directors. Sri R. Premchander is the Managing Director, Sri R. Jaichander is the Joint Managing Director and all other Directors are Non-Executive Directors (out of which four (4) are Independent Directors including one (1) Woman Director).

Sri R. Premchander is the brother of Sri R. Jaichander. None of the other Directors are related to each Other.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 Committees nor are they the Chairman / Chairperson of more than 5 Committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Directors are in compliance with the limit on Directorships /Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

The Company has received declarations on criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on 31st March, 2023.

The Board regularly reviews and updates Corporate Governance practices to accommodate developments within the market place in general and the business in particular.

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The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board.

The Independent Directors of the Company are in compliance with the provision of Regulation 16(2) of SEBI Listing Regulations, 2015. Further, disclosures have been made by the Directors regarding their Chairmanship/ Membership of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 16(2) of SEBI Listing Regulations, 2015.

(i) Number of meeting of the Board

During FY 2022-23, 7 meetings of the Board were held. The said meetings were held on 30th May 2022, 13th June 2022, 11th August 2022, 07th November 2022, 01st February 2023, 13th February 2023 and 15th February 2023. Minutes of the meetings of all the Board and Committees are circulated to all the Directors. The gap between any two meetings has been less than one hundred and twenty days.

The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

Name of the Directors	Category	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
Sri. R.Premchander (DIN:00390795)	Executive – Managing Director	8	yes	-	3	-	-
Sri. R.Jaichander (DIN:00390836)	Executive – Joint Managing Director	8	yes	-	2	-	-
Sri. N.Radhakrishnan (DIN: 00390913)	Non-Executive- Non Independent	8	yes	-	1	-	-
Sri. M.Moorathi (DIN: 06801357)	Non-Executive- Non Independent	8	yes	-	-	-	-
Dr. V.Subramaniam (DIN: 00781690)	Non-Executive- Independent	8	yes	-	-	—	-
Sri. V.T.Subramanian (DIN: 02311576)	Non-Executive- Independent	8	yes	-	-	-	-
Sri. M.S.Sivakumar (DIN: 06930290)	Non-Executive- Independent	8	yes	-	-	-	-
Smt. M.Amutha (DIN: 07137884)	Non-Executive- Independent	8	yes	-	-	-	-

*Excludes Alternate Directorships; Directorships in Foreign Companies, Section 8 Companies and Private Companies.

**Audit Committee and Stakeholders' Relationship Committee considered.



(ii) Code of Conduct

The Company has adopted the 'Code of Conduct' which is applicable to its employees, including the Managing and Executive Directors. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent

Directors as laid down in the Act. Personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2022-23. A declaration to this effect, signed by the Managing Director & CFO, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or Directors, its Senior Management.

(iii) Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code). All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code. These Codes are posted on the Company's website at the web link: www.amarjothi.net.

iv) Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors:

The Board of Directors of the Company possess the requisite skills/expertise/competencies in the context of its businesses to function effectively. The core skills/expertise/competencies that are available with the Directors are as under:

Name of Directors	(Skills/Expertise/Competencies)
Sri. R.Premchander	Business Strategy, Planning and Corporate Management
Sri. R.Jaichander	Corporate Management and Discharge of Corporate Social Responsibility
Sri. N.Radhakrishnan	Legal Compliance and Risk Management
Sri. M.Moorthi	Accounting and Financial Skills
Dr. V.Subramaniam	Legal Compliance and Risk Management
Sri. V.T.Subramanian	Designing and Communication, Advertising and Media
Sri. M.S.Sivakumar	Production, Marketing, Accounting and Financial Skills
Smt. M.Amutha	Production, Marketing, Accounting and Financial Skills

All directors of the Company have an expertise in the field of Corporate Governance.

v) Confirmation from the Board of Directors in context to Independent Directors:

The Board of Directors has confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations. The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations



The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

(a) Meeting of Independent Directors

A separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives was held on 31st March, 2023 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

- i. reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

(b) Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis. Further, the Company also makes periodic updating at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, Performance updates Of the Company, Industry scenario, Business Strategy, Internal Control and risks involved and Mitigation Plan.

The details of the Familiarization Programme for Independent Directors for 2022-23 is disclosed on the Company's website at www.amarjothi.net.

vi) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:

No Independent Director has resigned before expiry of his/her tenure

(vii) Board and Directors' Evaluation and Criteria for Evaluation

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of Committees of the Board.

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report, which forms part of the Annual Report.

The Nomination and Remuneration Committee (NRC) has also formulated criteria for determining qualifications, positive attributes and independence of Directors in terms of Section 178(3) of the Act and the Listing Regulations.



3. COMMITTEE OF DIRECTORS

The Board has constituted the following Committee of Directors to deal with matters referred to it for timely decisions:

a) Audit Committee, b) Nomination and Remuneration Committee, c) Stakeholders Relationship Committee, d) Share Transfer Committee and e) Corporate Social Responsibility Committee.

a) 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. The terms of reference of the Audit Committee includes the matters specified under Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations.

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	4	30.05.2022
			11.08.2022
Dr. V. Subramaniam	Member	4	07.11.2022
Sri.M.Moorthi	Member	4	01.02.2023

b) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Nomination 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 terms of reference of the NRC covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations.

The Committee had formulated performance evaluation criteria for the evaluation of the Chairman, the Board as a whole, Committees of the Board, Independent Directors and Non – Independent Directors. The evaluations were carried out as per the criteria determined by this Committee.

The criteria laid down for evaluation of the directors and the remuneration policy, as approved and adopted by the Board, are available on the website of the Company at www.amarjothi.net

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

Name of the Member	Designation Attended	No.of Meetings	Meeting dates
Dr.V.Subramaniam	Chairman	3	30.05.2022
Sri.V.T.Subramanian	Member	3	11.08.2022
Sri.M.Moorthi	Member	3	01.02.2023

c) 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	5	30.05.2022
			11.08.2022
Sri.R.Premchander	Member	5	07.11.2022
			01.02.2023
Sri.R.Jaichander	Member	5	15.02.2023

No share transfer requests were pending as on 31st March 2023. No investor complaints were received during the year 2022-23.

Smt.Mohanapriya.M,

Company Secretary, is the Compliance Officer.

Contact Details of Compliance Officer:

Smt.Mohanapriya.M,

Company Secretary & Compliance Officer, Amarjothi House,

157, Kumaran Road, Tirupur – 641 601. E-mail : mill@amarjothi.net

d) 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

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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.

The Corporate Social Responsibility (CSR) Policy is available under the following website: <http://www.amarjothi.net/> and weblink for the same is <https://tinyurl.com/AMARJOTHI-CSR-POLICY>

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	2	30.05.2022 07.11.2022
Sri. R Jaichander	Member	2	
Sri. M.S.Sivakumar	Member	2	

4. REMUNERATION TO DIRECTORS

The Remuneration, Commission and Sitting Fees paid to the Directors for the year 2022-23 was as follows:

Director s	Salary and Perquisites	Commission	Sitting Fees	Number of shares held individually	Relationship with other Directors
Sri. R. Premchander	7.20	80.95	Nil	1858043	Brother of Mr. R. Jaichander
Sri. R. Jaichander	7.20	80.95	Nil	1912880	Brother of Mr. R. Premchander
Dr. V. Subramaniam	Nil	Nil	0.05	Nil	-
Sri. N. Radhakrishnan	Nil	Nil	0.05	Nil	Relative of Director
Sri. V.T. Subramanian	Nil	Nil	0.05	Nil	-
Sri. M. Moorthi	Nil	Nil	0.05	Nil	-
Sri. M.S. Sivakumar	Nil	Nil	0.05	Nil	-
Smt. M. Amutha	Nil	Nil	0.05	Nil	-

The Managing Directors are not paid any sitting fees for attending meetings of the Board and Committees. Non-Executive Directors are only paid sitting fees for Board / Committee Meetings attended by them. No Stock options were granted/convertible instruments issued to Non-executive Directors and Independent Directors during the financial year ended 31st March 2023. No service contracts were entered into with Directors. The web link for criteria of making payments to non-executive directors can be accessed at <https://tinyurl.com/Terms-non-executive-directors>

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5. GENERAL BODY MEETINGS

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

Financial Year ended	Date	Time	Venue
31.03.2020	28.09.2020	12.00 Noon.	Meeting held through Video Conferencing (VS) /Other Audio - Visual Means(OAVM) – at Registered Office
31.03.2021	23.09.2021	11.00 A.M.	Meeting held through Video Conferencing (VS) /Other Audio - Visual Means(OAVM) – at Registered Office
31.03.2022	29.09.2022	11.00 A.M.	Meeting held through Video Conferencing (VS) /Other Audio - Visual Means(OAVM) – at Registered Office

Special Resolutions passed at the last 3 Annual General Meetings

1. There was one special resolution was passed at 32nd AGM held on 28.09.2020.
 - Re- appointment of Independent Director Smt.M.Amutha
2. There was no special resolution was passed at 33rd AGM held on 23.09.2021.
3. There were three special resolution was passed at 34th AGM held on 29.09.2022.
 - Continuation of Directorship of Mr.N.Radhakrishnan, Non Executive Director upon attaining the age of Seventy-five years.
 - Increase in the borrowing powers of the company under section 180(1)(c) of Companies Act, 2013.
 - Creation of the security for the loan/ credit facility by mortgage/ creation of charge under section 180(1)(a) of Companies Act, 2013.

6. EGM AND POSTAL BALLOT

No EGM was held during the year under review.

No Special Resolution was required to be put through postal ballot during the year under review.

No Special Resolution on matters requiring Postal Balloting is placed for Shareholders approval at the ensuing Annual General Meeting.

7. 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/> and weblink for the same is <https://tinyurl.com/AJSMWhistleBlowerpolicy>

**8. MEANS OF COMMUNICATION**

The quarterly and annual financial results are published in the "Trinity Mirror" (English) and "Makkal Kural"(Tamil).In accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

The Company Profile, Corporate information, Shareholding Pattern, Financial Statements, Code of Conduct for Directors and Officers and Product range are displayed in the Company's website www.amarjothi.net.

Quarterly Financial Results and Quarterly Shareholding Pattern are intimated to the Stock Exchange periodically and also posted in the portal hosted by BSE - www.bseindia.com. Whenever there are any important developments, the Company makes news releases and the same will be displayed in the Company's website www.amarjothi.net and also forward a copy of the same to the Stock Exchange. The Company has not made any presentations to the institutional investors or to the analysts during the year under review.

Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form.

9. SHAREHOLDERS INFORMATION 35th ANNUAL GENERAL MEETING

Day & Date	: Wednesday, 27th September 2023
Time	: 11.00 A.M.
Venue	: Annual General Meeting (AGM) to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), pursuant to MCA and SEBI circulars without physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company – Amarjothi House, 157, Kumaran Road, Tirupur – 641601.

FINANCIAL CALENDAR

Financial Year	: 1st April, 2022 to 31st March, 2023
Announcement of Annual Results 2022-23	: 29.05.2023
Mailing of Annual Reports 2022-23	: On or before 5th, September 2023
E-voting period	: 24.09.2023 - 9.00 AM to 26.09.2023 - 5.00 PM
Date of Book Closure	: 21.09.2023 - Thursday to 27.09.2023 – Wednesday (Both days inclusive)
Date of payment of dividend	: On or before 27 th October 2023 – Rs.2.20/- per share (22% on the face value)

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed at	: BSE Limited, Mumbai – 400 001
BSE Limited, Stock Code	: 521097
ISIN No.	: INE484D01012
Listing fee for 2022-2023 has been paid in respect of BSE Ltd.	

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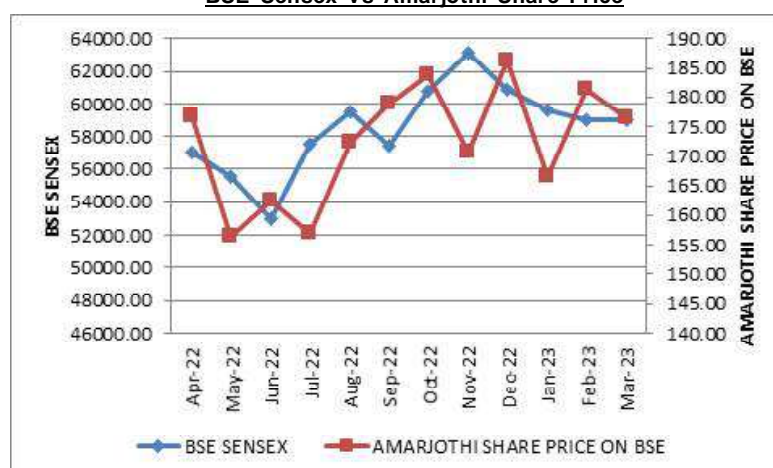


MARKET PRICE DATA

The Company's stock code in BSE is 521097. The High and Low quotations of the Company's shares on the (BSE) from April 2022 to March 2023 are given below:

Month	High(Rs.)	Low(Rs.)
Apr 2022	209.95	174.05
May 2022	182.75	144.00
June 2022	170.00	147.05
July 2022	172.75	151.05
Aug 2022	174.90	153.35
Sep 2022	205.00	168.60
Oct 2022	185.00	170.00
Nov 2022	203.00	160.30
Dec 2022	188.00	156.80
Jan 2023	195.00	163.70
Feb 2023	190.00	150.25
Mar 2023	189.95	168.20

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES AMARJOTHI SHARE PERFORMANCE (April 2022 to March 2023) 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. Cameo Corporate Services 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:

Name : M/s Cameo Corporate Services Limited
Address : "Subramanian Building" No.1, Club House Road, Chennai -600002
Email ID : cameo@cameoindia.com, kandhimathi@cameoindia.com or investor@cameoindia.com
Telephone : +91 044 4002 0700/ 0702/ 0710/ 0780
Website : www.cameoindia.com

Contact Person : Ms.Sreepriya, Company Secretary

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**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023**

Slab of Share holding	Shareholders	%	No. of Shares	%
1 - 100	5427	73.92	368847	5.46
101 - 500	1401	19.08	374114	5.54
501 - 1000	260	3.54	209847	3.10
1001 - 2000	144	1.96	220340	3.26
2001 - 3000	36	0.49	89934	1.33
3001 - 4000	22	0.29	79800	1.18
4001 - 5000	8	0.10	37866	0.56
5001 - 10000	22	0.29	163204	2.41
10001 AND ABOVE	21	0.28	5206048	77.12
Total	7462	100.00	6750000	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2023

Category	No. of Shares held	%
Indian Promoters	4008414	59.38
Bodies Corporate	268093	3.97
Indian Public	2443499	36.19
NRI	29994	0.44
Total	6750000	100.00

Mode	No. of Shares	% of Listed Capital
Depository	6508909	96.43
Physical	241091	3.57
Total	6750000	100.00

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH 2023:

No shares were held by non-executive directors.

PLANT LOCATIONS:

Spinning unit :Pudusuripalayam, Nambiyur-638458, Gobi Taluk.

Processing Unit : SIPCOT, Perundurai, Erode Dist.

Wind Mills : Tirunelveli, Ramanathapuram and Theni district.

INVESTOR CORRESPONDENCE:

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

10. DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

All the related party transactions were entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the



Companies Act, 2013 and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years:

There was one fine imposed on the Company by the Stock Exchange during the last three years.

- In the year 2022 - The SEBI has imposed a fine in respect of delay in submitting the Related party transactions under Regulation 23 of SEBI LODR and had levied a fine for such non-compliance and the fine has been duly paid by the Company. The company has applied for waiver or reduction of fine by remitting the waiver application amount for review/clarification of fine.

The Board took note of the same and advised the concerned officials / department to monitor the compliance requirements minutely and strictly adhere the provisions of the applicable laws/regulations/rules.

c) Details of establishment of vigil mechanism / Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee:

A Whistle Blower Policy is adopted by the Company to provide adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's code of conduct. The Audit Committee has been authorized to review the cases received under the Whistle Blower Policy of the Company and address the grievances of all the personnel in the Company. The whistle blower mechanism is in operation and no personnel has been denied access to the Audit Committee.

The Whistle Blower policy can be accessed on the Company's website at www.amarjothi.net and weblink for the same is <https://tinyurl.com/AJSMWhistleBlowerpolicy>

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has taken cognizance of the non-



mandatory requirements and shall consider adopting the same as and when necessary. The Company will continue to adopt other non-mandatory requirements as appropriate. The Company has a record of unqualified financial statements since inception.

e) Web link where policy for determining 'material' subsidiaries is disclosed:

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 and hence the the Company has framed web link of policy for determining 'material' subsidiaries and the same is placed on the Company's website www.amarjothi.net and the web link for the same is <https://tinyurl.com/MaterialSubsidiary>

f) Web link where policy on dealing with related party transactions is disclosed:

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website www.amarjothi.net and the web link for the same is <https://tinyurl.com/RPTPolicy>

g) Disclosure of commodity price risks and commodity hedging activities:

The Company is not undertaking any commodity hedging activities; hence there is no risk of commodity hedging to the Company.

h) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the financial year – NIL
- Number of complaints disposed of during the financial year – NIL
- Number of complaints pending as on the end of the financial year – NIL

i) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL

j) Disclosure on accounting treatment:

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

k) Disclosure on risk management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

All the requirements of Corporate Governance Report of sub – paragraphs (2) to (10) of Schedule V has been duly complied with. None of the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been adopted.

The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub – Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- l) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). NIL**

OTHER DISCLOSURES

- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- A certificate from a Company Secretary in whole time practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- The Company has paid a sum of Rs.2.65 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory Auditor is a party for the services rendered by them.

11. CODE OF CONDUCT

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down and posted on the Website of the Company. The compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2022-23 has been affirmed by the Chairman and Managing Director (CEO).

12. DECLARATION FOR CODE OF CONDUCT

I hereby confirm that the Company has obtained from the members of the Board and Senior Management Personnel their affirmation on compliance of the Code of conduct laid down by the Company for the financial year 2022-2023.

By Order of the BOARD

Place : Tirupur
Date: 07.08.2023

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

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



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 31.03.2023, 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 : 29.05.2023

(Sd/-) V. Narayanaswami M.A., F.C.A

Chartered Accountant

Membership No. 023661



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) 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, 2023 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
07.08.2023

Sd/-
Ramchandar .R
Company Secretary in Practice
FCS No: 10097
C.P.No:12240
UDIN: F010097E000751805

**CRITERIA FOR EVALUATION**(As approved by the Board on 1st February 2023)**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

By Order of the Board

Place : Tirupur

Date : 07.08.2023

(Sd/-) R. PREMCHANDER

Managing Director

DIN: 00390795

(Sd/-) R. JAICHANDER

Joint Managing Director

DIN: 00390836



INDEPENDENT AUDITOR'S REPORT

To the Members of 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, (hereinafter referred to as "the Company"), which comprise the STANDALONE Balance Sheet as at 31st March, 2023, and the STANDALONE Statement of Profit and Loss account, STANDALONE Statement of changes in equity and STANDALONE Statement of CASH FLOWS for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The STANDALONE Financial Statements").

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 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 31st March, 2023, and 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 of Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 relevant to my audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have not identified any key audit matters to be communicated in my report.

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, 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 are 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.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the Standalone financial position, Standalone financial performance, Standalone changes in equity and Standalone cash flows of the company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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, the Board of Directors of the company are 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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

My objective is 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.

As part of an audit in accordance with SAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive



to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of subsection (ii) of section 143 of the Companies Act, 2013, I give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 the Section 197 of the Act.

3. As required by Section 143(3) of the Act, I report that:
- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid Standalone financial statements.
 - (b) In my opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone financial statement have been kept by the Company so far as it appears from my examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Standalone Financial Statements.
 - (d) In my opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 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 company as on 31st March, 2023 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls 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:
 - a. The Company does not have any pending litigations which would impact its financial position
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i). The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other

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persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii). The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii). Based on such audit procedures that I have considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- e. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

Place :- Coimbatore
Date:- 29th May 2023

V. NARAYANASWAMI, M.A., F.C.A.
Chartered Accountant
Membership No:- 023661
UDIN:- 23023661BGYXBE9626

**ANNEXURE – A To the Independent Auditors 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 section 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) (i) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
(ii) The company has maintained proper records showing full particulars of intangible assets.
- (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 nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all immovable properties (other than lease hold land) shown under the property, plant and equipment schedule are held in the name of the company.
- (d) The company has not revalued its property, plant and equipment (including right of use of assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In my opinion, the coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed at the time of verification.
- (b) The company has been sanctioned working capital limits in excess of 5 crores in aggregate from banks or financial institutions on the basis of security of current assets and quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of accounts of the company.
3. The company has not provided any guarantee or security or granted any loans or advances in the nature of loans or advances, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The company has made investments in one wholly owned subsidiary company and invested more than 26% capital in one associate partnership firm which prima facie are not prejudicial to the interests of the company.
4. In my opinion and according to the information and explanation given to me, the company has not given any loans or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the company, the provisions of section 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted any deposits to which the provisions of section 73 to 76 or any other relevant provisions of the act and rules framed thereunder and the directions

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issued by the RBI are applicable. Hence paragraph no, 3(v) of CARO is not applicable to the company.

6. I have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and I am of the opinion prima facie the prescribed accounts and records have been made and maintained. However, I have not 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 provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess etc. have been generally regularly deposited by the company with the appropriate authorities in all the cases during the year.
(b) There are no dues of income-tax, goods and service tax, customs duty, or cess etc., which have not been deposited on account of any dispute except a sum of Rs. 70,53,163 has not been paid, being generation tax payable on electricity charges. The matter is under dispute and is pending with the Honourable High Court of Madras.
8. There are no transactions which were not recorded in the books of accounts, and have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (43 of 1961).
9. (a) The company has not defaulted in repayment of loans or other borrowings taken from or in the payment of interest thereon to any lender.
(b) The company is not a declared defaulter for any banks or financial institutions or other lender.
(c) The term loans were applied for the purpose for which the loans were obtained by the company.
(d) No funds raised on short-term basis have been utilised for long-term purposes by the company.
(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate entities.
(f) The company has not raised loans during the year on pledge of securities held in its subsidiaries or associate entities.
10. (a) The company has not raised any money by way of initial public offer or follow on public offer during the year
(b) The company has not made any preferential allotment or private placement of shares (both preference and equity) or fully or partly or optionally convertible debentures during the year.
11. (a) Based on the audit procedures performed and according to the information and explanations given to me, no fraud by the company or on the company has been noticed or reported during the year that causes the financial statements to be materially misstated.
(b) According to the information and explanations given to me, No report under sub-

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- section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to me, no whistle-blower complaints were received during the year by the company.
12. The Company is not a Nidhi Company and hence clause 3(xii) of the order is not applicable.
13. According to the information and explanations given to me and based on the examination of records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) According to the information and explanations given to me, and based on my examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors of the company for the period under audit are considered by me and no material adverse points are there in that report.
15. According to the information and explanations given to me and based on my examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.
16. (a) & (b) According to the information and explanations given to me and based on my examination of the records of the company, the company is not required to be registered under section 45-IB of the Reserve bank of India Act of 1934 as the company is not a non-banking financial company. Accordingly, clause 3(xvi(a)) and clause 3(xvi(b)) of the order are not applicable.
- (c) & (d) According to the information and explanations given to me and based on my examination of the records of the company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi(c)) and clause 3(xvi(d)) of the order are not applicable.
17. According to the information and explanations given to me and based on my examination of the records of the company, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. According to the information and explanations given to me and based on my examination of the records of the company, the provision of sub-section 2 of section 139 of the Companies Act, 2013 with regard to the appointment of Statutory Auditors have been complied with.
19. According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the board of directors, and the management plans, I am of the opinion that no material uncertainty exists as on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date. I further state that this is not an assurance as to the future viability of the company. I further state that my reporting is based on the facts up to

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the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of 1 year from the date of balance sheet, will get discharged by the company as and when they fall due.

20. According to the information and explanations given to me and based on my examination of the records of the company, the company is contributing to the Prime Minister's National Relief Fund for the purpose of CSR compliance and hence there is no requirement of transfer of unspent amount to the fund specified in schedule VII of the Companies Act.

V. NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant

Membership No:- 023661

UDIN:- 23023661BGYXBE9626

Place :- Coimbatore

Date:- 29th May 2023

**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 control over financial reporting of M/s Amarjothi Spinning Mills Limited (“the Company”) as of 31st March 2023 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 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.

Auditor’s Responsibility

My responsibility is to express an opinion on the Company’s internal controls over the financial reporting based on my audit. I conducted my audit in accordance with the guidance note of internal financial controls over financial reporting (“the guidance note”) and the standards on auditing issued by the Institute of Chartered Accountants of India 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 guidance notes require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance of 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 procedure to obtain audit 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 and material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence 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 authorisation 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 may not be detected. Also projections of any evaluations of the 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 and 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 31st March 2023, 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.

V. NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant

Membership No:- 023661

UDIN:- 23023661BGYXBE9626

Place :- Coimbatore

Date:- 29th May 2023

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STANDALONE BALANCE SHEET AS AT 31st MARCH 2023		Rupees in Lakhs	
		31.03.2023	As at 31.03.2022
ASSETS			
1	Non-Current Assets	Note no.	
	(a) Property, Plant and Equipment	1.A	13644.58
	(b) Capital work-in-progress	1.B	495.00
	(c) Other Intangible assets	1.C	0.44
	(d) Financial Assets		
	(i) Investments	2	265.67
	(ii) Others	3	4.53
	(e) Other non-current assets	4	178.06
	Total Non-current assets		<u>14588.28</u>
2	Current assets		
	(a) Inventories	5	6033.70
	(b) Financial Assets		
	(i) Trade receivables	6	3497.64
	(ii) Cash and cash equivalents	7	182.73
	(iii) Bank balances other than (ii) above	8	27.28
	(c) Other current assets	9	1488.41
	Total Current assets		<u>11229.76</u>
	TOTAL ASSETS		<u>25818.04</u>
EQUITY AND LIABILITIES			
Equity			
	(a) Equity Share capital	10	675.00
	(b) Other Equity	11	16775.45
	Total equity		<u>17450.45</u>
LIABILITIES			
1	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	12	3171.88
	(b) Deferred tax liabilities (Net)	13	1190.15
	Total Non-current liabilities		<u>4362.03</u>
2	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	14	2599.24
	(ii) Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises;	15a	44.08
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15b	989.91
	(iii) Other financial liabilities	16	199.17
	(b) Provisions	17	164.91
	(c) Current tax liabilities (Net)	18	8.25
	Total Current liabilities		<u>4005.56</u>
	Total Liabilities		<u>8367.59</u>
	TOTAL EQUITY AND LIABILITIES		<u>25818.04</u>

The accompanying notes 1-27 form an integral part of these financial statements

As per my report of even date

On behalf of the Board of Directors

V. NARAYANASWAMI, M.A., F.C.A.
Chartered Accountant
Membership No.023661

R. PREMCHANDER
Managing Director
DIN : 00390795

R.JAICHANDER
Joint Managing Director
DIN : 00390836

Place : Tirupur
Date : 29/05/2023

AMARJOTHI SPINNING MILLS LIMITED

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**STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2023**

Rupees in Lakhs

	Note no.	For the year ended	
		31.03.2023	31.03.2022
I. Revenue from operations	19	20945.73	25029.27
II. Other Income	20	124.32	163.27
III. Total Income (I+II)		<u>21070.05</u>	<u>25192.54</u>
IV. Expenses			
Cost of Materials Consumed	21	12573.41	15030.28
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Stock-in -Trade and work-in-progress	22	-661.73	-976.57
Employee Benefits Expenses	23	1710.87	1579.70
Finance Costs	24	586.14	503.75
Depreciation and Amortization Expenses	1	828.44	946.29
Other Expenses	25	4427.67	6073.10
Total Expenses		<u>19464.80</u>	<u>23156.55</u>
V. Profit Before Exceptional Items and Tax (III-IV)		1605.25	2035.99
VI. Exceptional Items		0.00	0.00
VII Profit Before Tax (V-VI)		<u>1605.25</u>	<u>2035.99</u>
VIII Tax Expense:			
[1] Current Tax		279.00	357.00
[2] Deferred Tax		313.18	-429.92
IX Profit (Loss) for the period from Continuing Operations (VII-VIII)		1013.07	2108.91
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
XIII Profit (Loss) for the Period (IX+XII)		<u>1013.07</u>	<u>2108.91</u>
XIV Other Comprehensive income		0.00	0.00
XV Total Comprehensive Income for the period (XIII+XIV)		<u>1013.07</u>	<u>2108.91</u>
XVI. Earnings Per Equity Share(for Continuing operation)			
[1] Basic & Diluted		15.01	31.24

The accompanying notes 1-27 form an integral part of these financial statements

As per my report of even date

On behalf of the Board of Directors

V. NARAYANASWAMI, M.A., F.C.A.**R. PREMCHANDER****R.JAICHANDER**

Chartered Accountant

Managing Director

Joint Managing Director

Membership No.023661

DIN : 00390795

DIN : 00390836

Place : Tirupur

Date : 29/05/2023

AMARJOTHI SPINNING MILLS LIMITED

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Standalone Statement of Changes in Equity For the year ended March 31, 2023 Rupees in Lakhs

A. Equity Share Capital

Balance as at 31.03.2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31.03.2023
675.00	0.00	675.00	0.00	675.00
Balance as at 31.03.2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31.03.2022
675.00	0.00	675.00	0.00	675.00

B. Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at 31.03.2022	225.00	1891.19	13795.08	15911.27
Changes in accounting policy/prior period errors			-0.39	-0.39
Restated balance at the beginning of the reporting period	225.00	1891.19	13794.69	15910.88
Total comprehensive income for the year			1013.07	1013.07
Dividends			-148.50	-148.50
Transferred to retained earnings				0.00
Transfer to General Reserve		101.31	-101.31	0.00
Balance as at 31.03.2023	225.00	1992.50	14557.95	16775.45

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at 31.03.2021	225.00	1680.30	12053.65	13958.95
Changes in accounting policy/prior period errors			-14.84	-14.84
Restated balance at the beginning of the reporting period	225.00	1680.30	12038.81	13944.11
Total comprehensive income for the year			2108.91	2108.91
Dividends			-141.75	-141.75
Transferred to retained earnings				0.00
Transfer to General Reserve		210.89	-210.89	0.00
Balance as at 31.03.2022	225.00	1891.19	13795.08	15911.27

As per my report of even date

V. NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant
Membership No.023661

Place : Tirupur

Date : 29/05/2023

On behalf of the Board of Directors

R. PREMCHANDER

Managing Director
DIN : 00390795

R.JAICHANDER

Joint Managing Director
DIN : 00390836



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED		Rupees in Lakhs	
31st MARCH 2023		Year ended 31.03.2023	Year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:			
NET Profit before Taxation		1605.25	2035.99
Adjustments for:			
Depreciation and amortisation		828.44	946.29
Loss /(Profit) on Sale of Assets		-2.42	-3.17
Interest Income		-78.42	-97.88
Finance costs		<u>586.14</u>	<u>503.75</u>
		<u>1333.74</u>	<u>1348.99</u>
Operating Profit before Working Capital Changes		2938.99	3384.98
Adjustments for:			
Trade & other Receivables		-65.70	-1155.51
Inventories		577.15	-1609.80
Trade Payable & Other Liabilities		<u>-283.80</u>	<u>227.65</u>
		<u>227.65</u>	<u>1238.74</u>
Cash Generated from Operations		3166.64	1858.41
Direct Taxes provisions / paid		-357.00	-290.00
Net Cash from Operating activities	A	<u>2809.64</u>	<u>1568.41</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES:			
Purchase of Fixed Assets		-248.85	-194.64
Sale of Fixed Assets		2.99	142.37
Payment for Capital Projects in Progress		-1.16	-3172.49
Investments made		47.08	-116.34
Adjustments for other non current assets		1111.41	225.54
Interest Received		78.42	97.88
Net Cash from Investment activities	B	<u>989.89</u>	<u>-3017.68</u>

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	Rupees in Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (net)	-2965.72	2081.28
Dividend paid	-148.50	-141.75
Finance costs	-586.14	-503.75
Net Cash from Financing Activities	C	
	-3700.36	1435.78
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	99.17	-13.49
Cash and Cash Equivalents as at the beginning of the period	83.56	97.05
Cash and Cash Equivalents as at the end of the period	182.73	83.56
As per my report of even date		
On behalf of the Board of Directors		
V. NARAYANASWAMI, M.A., F.C.A. Chartered Accountant Membership No.023661	R. PREMCHANDER Managing Director (DIN : 00390795)	R.JAICHANDER Joint Managing Director (DIN : 00390836)
Place : Tirupur		
Date : 29/05/2023		



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 st MARCH 2023

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			
		Grosscost/ Values as on 01.04.2022	Acquisition	Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2023	Total as on 01.04.2022	For this year	Sale during this year	Total as on 31.03.2023	W.D.V. as on 31.03.2023	W.D.V. as on 31.03.2022
A	Property, Plant and Equipment												
1	Land: Lease Hold	134.92	0.00	0.00	0.00	0.00	134.92				134.92	134.92	
2	Land: Free Hold	124.97	83.28	0.00	83.28	0.00	208.25				208.25	124.97	
3	Buildings	2582.79	0.00	0.00	0.00	0.00	2582.79	1381.27	79.39	0.00	1460.66	1122.13	1201.52
4	Plant & Equipment	26277.57	3098.83	0.00	3098.83	24.83	29351.47	16791.10	712.77	23.68	17480.19	11871.28	9486.47
5	Furniture & Fixtures	47.13	0.22	0.00	0.22	0.00	47.35	40.36	0.50	0.00	40.86	6.49	6.77
6	Vehicles	293.47	229.13	0.00	229.13	2.59	520.01	252.71	21.77	0.85	273.63	246.38	40.76
7	Office Equipment	372.41	9.88	0.00	9.88	0.00	382.29	313.15	14.01	0.00	327.16	55.13	59.26
	Total	29833.26	3421.34	0.00	3421.34	27.52	33227.08	18776.59	828.44	24.53	19582.50	13644.58	11054.67
B	Capital work-in-progress	3666.33	1.16	0.00	1.16	3172.49	495.00	0.00	0.00	0.00	0.00	495.00	3666.33
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	0.00	13.31	12.87	0.00	0.00	12.87	0.44	0.44

Capital-work-in progress aging schedule

Particulars	Amount in CWIP as on 31.03.2023 for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.16	0.00	0.00	0.00	1.16
Projects temporarily suspended	0.00	0.00	0.00	493.84	493.84
Total	1.16	0	0	493.84	495.00

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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			
		Grosscost/ Values on 01/04/2021	Acquisition	Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2022	Total as on 01/04/2021	For this year	Sale during this year	Total as on 31.03.2022	W.D.V. as on 31.03.2022	W.D.V. as on 31.03.2021
A	Property, Plant and Equipment												
1	Land: Lease Hold	134.92	0.00	0.00	0.00	134.92					134.92	134.92	
2	Land: Free Hold	124.97	17.35	0.00	17.35	124.97					124.97	124.97	
3	Buildings	2582.79	0.00	0.00	0.00	2582.79	1301.88	79.39	0.00	1381.27	1201.52	1280.91	
4	Plant & Equipment	26325.93	151.45	0.00	151.45	26277.57	16024.00	838.72	71.62	16791.10	9486.47	10301.93	
5	Furniture & Fixtures	46.44	0.69	0.00	0.69	47.13	39.56	0.80	0.00	40.36	6.77	6.88	
6	Vehicles	291.66	1.81	0.00	1.81	293.47	237.66	15.05	0.00	252.71	40.76	54.00	
7	Office Equipment	349.07	23.34	0.00	23.34	372.41	300.82	12.33	0.00	313.15	59.26	48.25	
	Total	29855.78	194.64	0.00	194.64	29833.26	17903.92	946.29	71.62	18778.59	11054.67	11951.86	
B	Capital work-in-progress	493.84	3172.49	0.00	3172.49	3666.33	0.00	0.00	0.00	0.00	3666.33	493.84	
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	13.31	12.87	0.00	0.00	12.87	0.44	0.44	

Capital-work-in progress aging schedule

Particulars	Amount in CWIP as on 31.03.2022 for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3172.49	0.00	0.00	0.00	3172.49
Projects temporarily suspended	0.00	0.00	0.00	493.84	493.84
Total	3172.49	0	0	493.84	3666.33

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023	Rupees in Lakhs	
	Year ended	
	31.03.2023	31.03.2022
[2] NON-CURRENT INVESTMENTS (AT COST):		
Investment in Fully paid equity Instruments: (Quoted)		
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd.. (Market value – Rs.9080(15647))	0.09	0.09
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs.1399(882))	0.05	0.05
Investment in Fully paid equity Instruments: (unquoted)		
8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)	83.08	83.08
Investment in Subsidiaries and Associates in Fully paid equity Instruments: - (unquoted)		
520 Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd.	7.80	7.80
5000 Equity shares of Rs.100 each fully paid of RPJ Textiles Ltd. (Including premium)	20.00	20.00
13 Equity shares of Rs.10 each fully paid of Premchander Wind Farms Private Ltd.	0.00	0.00
44 Equity shares of Rs.10 each fully paid of Jaichander wind Farms Pvt Ltd.,	0.00	0.00
23 Equity shares of Rs.10 each fully paid of Jayanthi wind Farms Pvt Ltd.,	0.00	0.00
60 Equity shares of Rs.10 each fully paid of Puvaneswari Enterprises Wind Farms Pvt. Ltd	0.01	0.01
Investment in Associate Partnership Firms:		
Partnership Capital @27% share in Kanagadhara wind Farms	154.64	123.30
Total	<u>265.67</u>	<u>234.33</u>

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

Note:	Year ended	
	31.03.2023	31.03.2022
a) Aggregate amount of quoted investments	0.14	0.14
b) Aggregate market value of quoted investments	0.10	0.17
c) Aggregate amount of unquoted investments	265.53	234.19
d) Aggregate amount of impairment in value of investments.	0.00	0.00
[3] OTHER NON-CURRENT FINANCIAL ASSETS:		
Bank Deposits with more than 12 months maturity	4.53	1247.77
[4] OTHER NON-CURRENT ASSETS:		
(Unsecured & considered good)		
Deposit with Government Departments & others	178.06	46.23
[5] INVENTORIES :		
a) Raw Materials	3236.73	4404.26
b) Work-in-Progress	228.74	399.19
c) Finished Goods	2464.90	1632.72
d) Waste Stock	34.96	51.79
e) Stores, Tools, Spares & Packing Materials	68.37	122.90
	6033.70	6610.86
[6] TRADE RECEIVABLES :		
(a) Unsecured Considered Good	3497.58	3557.20
(b) Unsecured Considered Doubtful	32.90	32.84
Less : Provision for Doubtful Receivables	32.84	32.84
	3497.64	3557.20

Note. Trade receivable which are doubtful include a sum of Rs.32.90 lakhs (Rs.32.90 lakhs) for which the Company has taken legal action and is hopeful of recovery. Existing provision has been maintained for Rs.32.84 Lakhs for Doubtful Receivables.

Trade Receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding as on 31.03.2023 from due date of payment for;					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3304.73	21.47	0.00	42.02	129.36	3497.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables – considered good				32.90		32.90
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						
Total	3304.73	21.47	0.00	74.92	129.36	3530.48

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Trade Receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding as on 31.03.2022 from due date of payment for;					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3404.26	0.00	30.78	122.16	0.00	3557.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good			32.84			32.84
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						
Total	3404.26	0.00	63.62	122.16	0.00	3590.04

Rupees in Lakhs

Year ended

	31.03.2023	31.03.2022
[7] CASH AND CASH EQUIVALENTS:		
Cash on Hand	1.37	1.31
Balances with Scheduled Banks In Current Accounts	181.36	82.25
	182.73	83.56
[8] BANK BALANCES OTHER THAN [7] ABOVE:		
Unpaid Dividend Warrant Account	27.28	30.14
[9] OTHER CURRENT ASSETS: (Unsecured & considered good)		
Advances to suppliers & others	46.35	193.63
Prepaid expenses	71.37	58.21
Balances on account of indirect taxes	1360.15	1094.93
Advances to employees	4.40	0.20
Income receivable	6.14	11.70
	1488.41	1358.67
[10] SHARE CAPITAL:		
Equity Shares:		
Authorised:		
9750000 Equity Shares of Rs.10 each	975.00	975.00
Issued, Subscribed & Paid-up Capital :		
6750000 Equity Shares of Rs.10 each fully paid	675.00	675.00

Notes:

1 Reconciliation of Equity shares at the end of the year

	No. of shares	Amount	No. of shares	Amount
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

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

2	List of shareholders holding shares more than 5%	Year ended			
		31.03.2023		31.03.2022	
Name	No. of shares	%	No. of shares	%	
Premchander.R	1858043	27.53	1858043	27.53	
Jaichander.R	1912880	28.34	1941184	28.76	
Anil Kumar Goel	457000	6.77	457000	6.77	

3. List of shareholding of Promoters

Name	As on 31/03/2023			As on 31/03/2022		
	No. of shares	% to total shares	% Change	No. of shares	% to total shares	% Change
Premchander.R	1858043	27.53	0.00	1858043	27.53	0.00
Jaichander.R	1912880	28.34	-0.42	1941184	28.76	1.24
Total	3770923	55.87	-0.42	3799227	56.29	1.24

4 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.

5 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.

[11] OTHER EQUITY

(a) General Reserve						
As per last year Balance Sheet	1891.19			1680.30		
Add : Additions during the year	<u>101.31</u>			<u>210.89</u>		
			1992.50			1891.19
(b) Securities Premium						
As per last year Balance Sheet	225.00			225.00		
Add : Additions during the year	<u>0.00</u>			<u>0.00</u>		
			225.00			225.00
[c] Retained Earnings						
As per last year Balance Sheet	13795.08			12053.65		
Add: Net Profit during the year	<u>1013.07</u>			<u>2108.91</u>		
Profit available for Appropriation	<u>14808.15</u>			<u>14162.56</u>		
Less: Appropriations during the year						
Transfer to General Reserve	101.31			210.89		
Dividend paid	148.50			141.75		
Previous year Income tax adjusted	<u>0.39</u>			<u>14.84</u>		
	<u>250.20</u>		14557.95	<u>367.48</u>		13795.08
Total			<u>16775.45</u>			<u>15911.27</u>

[12] LONG TERM BORROWINGS:

(a) Term Loan From Banks (Secured)		314.38		2022.78
(b) Hire Purchase Loans (Secured)	199.66			
Less: Interest Suspense a/c	<u>22.62</u>		177.04	0.00
(c) Loan from Directors (Unsecured)		<u>2680.46</u>		<u>2781.53</u>
		<u>3171.88</u>		<u>4804.31</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 Oct 2025.
2. Loan from banks are secured by Wind mills purchased along with land and also personal guarantee given by Managing director and Joint managing director.
3. Loan from Directors have been brought in pursuant to the terms of sanction of Loans by Bankers and retained as unsecured loans.

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

Year ended

	31.03.2023	31.03.2022
[13] DEFERRED TAX LIABILITIES (NET)		
As per last year Balance Sheet	876.97	1306.89
Add/(-)less : Transfer from / to P&L a/c for current year	313.18	-429.92
	1190.15	876.97
[14] SHORT TERM BORROWINGS		
(a) Loan Repayable on Demand from Banks (Secured)	2413.49	3495.91
(b) Current Maturities of Long Term borrowings	185.75	436.62
	2599.24	3932.53
1. These loans are secured by first charge on current asstes and second charge on the other fixed assets.		
2. All bank loans are personally guaranteed by Managing director and Joint managing director.		
[15] TRADE PAYABLES		
(a) Due to Micro and Small Enterprises(MSE)	44.08	30.39
(b) Due to othes	989.91	992.53
	1033.99	1022.92

Trade Payables ageing schedule

Rs in Lakhs

Particulars	Outstanding as on 31.03.2023 from due date of payment for;				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	44.08				44.08
(ii) Others	989.91				989.91
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues - Others					0.00
Total	1033.99				1033.99

Trade Payables ageing schedule

Particulars	Outstanding as on 31.03.2022 from due date of payment for;				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	30.39				30.39
(ii) Others	984.84	7.67	0.02		992.53
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues - Others					0.00
Total	1015.23	7.67	0.02		1022.92

[16] OTHER FINANCIAL LIABILITIES

(a) Unclaimed Dividend	27.28	30.14
(b) GST(VAT) Payable	0	0
(c) Disputed Electricity Charges	70.53	64.42
(d) Others	101.36	113.44
	199.17	208.00

[17] SHORT TERM PROVISIONS

(a) Provision for Employee Benefits	92.66	108.10
(b) Provision for Outstanding Liability	72.25	345.02
	164.91	453.12

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023		Rupees in Lakhs	
		Year ended	
		31.03.2023	31.03.2022
[18] CURRENT TAX LIABILITIES:			
For Taxation net of advances		8.25	6.08
		<u>8.25</u>	<u>6.08</u>
[19] REVENUE FROM OPERATIONS			
a) Sale of Products:			
Domestic sales		20200.85	23298.96
Export sales		619.30	1664.96
	A	<u>20820.15</u>	<u>24963.92</u>
b) Other Operating Revenues:			
Sale of scrap		57.25	16.18
Duty Drawback		3.40	27.77
Miscellaneous income		64.93	21.40
	B	<u>125.58</u>	<u>65.35</u>
Revenue from operations	(A+B)	<u>20945.73</u>	<u>25029.27</u>
[20] OTHER INCOME			
a) Interest Income (TDS Rs.6.13 lakh (Rs.8.30 lakh)		78.42	97.88
b) Profit from Firms		9.04	15.20
c) Net gain on sale of Fixed assets		2.42	3.17
d) Foreign Exchange Rate Gain		13.91	30.38
e) Insurance Claims		20.25	16.39
f) Other Non-Operating Income		0.28	0.25
		<u>124.32</u>	<u>163.27</u>
[21] COST OF MATERIALS CONSUMED :			
Opening Stock :			
Raw Materials	4404.26		3740.94
Waste Stock	<u>51.79</u>	4465.05	<u>39.73</u> 3780.67
ADD : Purchases		<u>11389.05</u>	<u>15705.66</u>
		15845.10	19486.33
LESS : Closing Stock :			
Raw Materials	3236.73		4404.26
Waste Stock	<u>34.96</u>	<u>3271.69</u>	<u>51.79</u> 4456.05
Total cost of Raw material consumed		<u>12573.41</u>	<u>15030.28</u>

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023		Rupees in Lakhs	
		Year ended	
		31.03.2023	31.03.2022
[22]	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK- IN- TRADE:		
	Inventories at the Beginning of the year		
	Finished Goods	1632.72	710.14
	Work-in-Progress	<u>399.19</u>	<u>345.20</u>
		2031.91	1055.34
	Inventories at the end of the year		
	Finished Goods	2464.90	1632.72
	Work-in-Progress	<u>228.74</u>	<u>399.19</u>
		2693.64	2031.91
	Net (increase) / decrease	<u>-661.73</u>	<u>-976.57</u>
[23]	EMPLOYEE BENEFITS EXPENSES		
	i) Salaries & Wages	1366.13	1193.07
	ii) Contribution to Provident & Other Funds	29.64	21.42
	iii) Staff Welfare Expenses	315.10	365.21
		<u>1710.87</u>	<u>1579.70</u>
[24]	FINANCE COSTS		
	a) Interest on Term Loans	124.42	101.47
	b) Interest on Other Loans	461.72	402.28
		<u>586.14</u>	<u>503.75</u>
[25]	OTHER EXPENSES		
	Manufacturing expenses:		
	Consumption of Stores & Spare Parts	995.36	1352.48
	Dyeing and Processing Expenses	804.92	802.20
	Power & Fuel	880.08	1032.74
	Repairs to Building	81.03	328.01
	Repairs to Machinery	584.56	1385.49
	Total	<u>3345.95</u>	<u>4900.92</u>
	Administrative & selling expenses:		
	Advertisement	25.19	35.36
	Bank Charges	90.00	65.83
	Computer Maintenance Expenses	16.29	16.76
	CSR Contribution to PM relief fund	34.36	64.12
	Freight & Other Expenses	77.37	248.95
	General Expenses	62.47	84.72
	Goods and Service Tax Paid	29.17	11.05
	Insurance	137.08	104.85

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	Rupees in Lakhs	
	Year ended	
	31.03.2023	31.03.2022
Managerial Remuneration	176.31	203.28
Printing, Stationery & Postage	18.05	15.73
Professional Charges	23.46	18.03
Rates and Taxes	98.82	61.68
Remuneration to Auditors	2.26	2.21
Rent	66.11	60.96
Sales Commissions	74.10	96.98
Share Transfer Expenses	1.98	2.12
Sitting Fees	0.32	0.36
Telephones	6.40	7.63
Travelling & Conveyance	57.33	14.07
Vehicle Maintenance	84.65	57.49
Total	B <u>1081.72</u>	<u>1172.18</u>
Total other expenses	(A+B) <u>4427.67</u>	<u>6073.10</u>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023****26. CORPORATE INFORMATION:**

Amarjothi Spinning Mills Limited was incorporated under the Companies Act, 1956 in December 1987 and converted into a public limited company in December 1991. The registered office of the company is situated at Tirupur, Tamilnadu. The company issued shares to the public in January 1993. The company's shares are listed in Bombay Stock Exchange. The Company is engaged in the business of manufacturing of Yarn. The company has its own processing unit for yarn and fiber and own Wind Power generation plants which are mainly used for own captive use. The Company has its manufacturing facilities in India and sells both in India and across the globe. The standalone financial statements for the year ended 31 March, 2023 were approved by the Board of Directors and authorised for issue on 29 May, 2023.

27. SIGNIFICANT ACCOUNTING POLICIES**27.1. Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules 2015. The presentation of the Financial Statements is based on Schedule III of the Companies Act, 2013.

27.2. Basis of preparation and presentation of financial statements

The financial statements are presented in Indian Rupees which is the functional currency and presentation currency of the Company and all values are rounded to the nearest lakhs, except where otherwise indicated. These financial statements have been prepared on a historical cost basis and on accrual and going concern basis. All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

27.3. Property Plant and Equipment (PPE)

Property Plant and Equipment are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the Standalone financial statements.



Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM"). During the year the company has adopted useful life of the following assets purchased during the year as per the details given below.

S.No	Name of the Asset	Useful life as per Schedule III	Useful life adopted
1	Plant & Machinery	15 Years	10 Years
2	Wind Mill	22 Years	20 Years

27.4. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset with finite useful life that are acquired separately and where the useful life is 2 years or more is capitalised and carried at cost less accumulated amortization. Amortization is recognised on a straight line basis over the useful life of the asset. A life of 6 years is estimated for Computer software acquired by the company.

27.5 Impairment of assets

At the end of each reporting period, the company determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

27.6. Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company leases land and buildings for warehouse facilities.

27.7. Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, less impairment losses if any. Age wise capital work in progress is given in note no.1B to balance sheet.

27.8. Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e., expected cash shortfall. Age wise trade receivable is given in note no.6 to balance sheet.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in standalone financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Investments in subsidiaries**

A subsidiary is an entity that is controlled by the Company. The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

In respect of investment in equity share capital of group captive power companies which are made to comply with the provisions of Electricity Rules 2003, these investments are carried at cost as these investments can be sold back only at par.

Derivative financial instruments

The Company has no derivative contracts to hedge risks during the year.

Impairment of financial assets

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

27.9. Inventories

The Company uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Cost includes direct materials, labour and a portion of manufacturing overheads. Saleable scrap is valued at lowest of the net realisable value in the last two months.

27.10. Revenue recognition**Sale of goods**

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Rendering of services

Revenue from rendering of services is recognised overtime as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

Other Operating revenues

Other operating revenues comprise income from ancillary activities incidental to the operations of the Company and are recognised when the right to receive the income is established as per the terms of the contract.

Dividend and Interest Income

Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).



Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Government Grants

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

27.11. Employee Benefits**Defined contribution plans****Provident fund (PF)**

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

Defined benefit plans

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.

Compensated leave absences

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy. All leave remaining to be encashed at period end are fully provided.

27.12 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognized in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

27.13. 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.

**27.14. Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

27.15 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items.

27.16 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company is engaged in manufacture and sale of yarn and thus the company has only one reportable segment (i.e.) Textile business.

27.17. Provisions, Contingent liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

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Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

OTHER NOTES FORMING PART OF ACCOUNTS

27.18. Income tax expense for the year reconciled to accounting profit (Rs. in lakhs)

Particulars	Year Ended	
	31.03.2023	31.03.2022
Profit before tax	1605.25	2035.99
Income tax rate applicable	17.47%	27.82%
Income tax expenses at the above rate	278.42	566.41
Tax effect on account of tax deductions	0	(-)80.82
Tax effect on account of exempt incomes	0	(-)5.18
Tax effect of other adjustments	0.58	(-)123.41
Total income tax expense recognised for the year	279.00	357.00

Deferred Taxation Liability on account of Timing Difference between WDV as per books and income tax is shown as given below.

	(Rs. in lakhs)	
	31.03.2023	31.03.2022
Opening balance	876.97	1306.89
Add/(-)Less: Transfer from/(to) Profit & Loss a/c	313.18	(-)429.92
Closing balance	1190.15	876.97

27.19. Contingent liabilities:

Claims against the company not acknowledged as debt:	As at	
	31.03.2023	31.03.2022
Additional Electricity tax (Rs. in lakhs)	70.53	64.42

The Company has received the demand towards additional Electricity tax 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.

27.20. Secured Loans From Banks :

Sl.No.	Name of the Bank	Limit as on		Nature of Facility	Security Offered
		31.03.2023	31.03.2022		
1	Karur Vysya Bank	2500	1045	Working Capital Facility	First Charge on Current Assets and secondcharge on the other fixed assets.
2	HDFC Bank Ltd	3000	2000	Working Capital Facility	
3	HDFC Bank Ltd.	-	1000	Working capital loan against FD	Secured by Fixed Deposit.
4	Karur Vysya Bank	2324	4314	Machinery Term loan	EM charge on the Wind Mill purchased along with land.

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Sl.No.	Name of the Bank	Limit as on		Nature of Facility	Security Offered
		31.03.2023	31.03.2022		
5	Kotak Mahindra Prime Ltd.	200	-	Vehicle Term Loan	Hypothecation on Vehicle purchased
6	HDFC Bank Ltd.	22	-	Vehicle Term Loan	Hypothecation on Vehicle purchased

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

Rs. in lakhs

Particulars	As on	
	31.03.2023	31.03.2022
Counter Guarantee given by the Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Company from its bankers	5500.00	4045.00
Counter Guarantee given by the Managing Director and Joint Managing Director for Term loans taken by the Company from its bankers	2546.00	4314.00

27.21. Details of dividend proposed and paid:

(Rs. in lakhs)

Particulars	Year Ended	
	31.03.2023	31.03.2022
Final dividend	148.50	148.50

In respect of the current year, the directors propose that a dividend of Rs.2.20 per share (same as last year) be paid on equity shares payable to all shareholders on the Register of Members on 14th September, 2023. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend income is taxable in the hands of the shareholders and the company is required to deduct Tax at source.

27.22. Disclosure as per Schedule III

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

Rs. in lakhs

Particulars	As at	
	31.03.2023	31.03.2022
The principal amount due to Micro and Small Suppliers under this Act	44.08	30.39
Interest accrued and due to suppliers on the above amount	Nil	Nil
Interest paid to suppliers under this act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	Nil	Nil
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

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**27.23. Capital management:**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company finances its operations by a combination of retained profit and bank borrowings. The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

(Rs. in lakhs)

Particulars	As at	
	31.03.2023	31.03.2022
Debt (long-term and short-term borrowings including current maturities)	3090.66	5955.31
Cash and bank balances	(210.01)	(113.70)
Net debt	2880.65	5841.61
Total equity	17450.45	16586.27
Net debt to equity ratio	16.51%	35.22%

27.24. Corporate Social Responsibility expenditure:

Rs. in lakhs

Particulars	Year ended	
	31.03.2023	31.03.2022
Contribution to Prime Ministers Relief fund	34.36	64.12
Amount required to be spent as per Section 135 of the Companies Act, 2013	34.36	64.12
Amount spent during the year on:		
Construction / acquisition of an asset	-	-
On purposes other than above	34.36	64.12

27.25. Earnings Per Share:

Particulars	Year ended	
	31.03.2023	31.03.2022
Net Profit after Tax before OCI [Rs. In Lakhs]	1013.07	2108.91
Weighted Average Number of Equity Shares used as denominator in calculating basic earnings per share	6750000	6750000
Nominal Value per Equity Share [in Rs.]	10.00	10.00
Basic & Diluted Earnings Per Share [in Rs.]	15.01	31.24

27.26. Segment Reporting

The Company is engaged mainly in the manufacture of yarn. The Company owns fifteen wind mills which were installed mainly for captive utilization of power generated with power cost of yarn production. The following is the power generated from these wind mills which is adjusted with the power cost of the yarn division and processing division.

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Particulars	Year ended	
	31.03.2023	31.03.2022
Wind power units generated(Units in lakhs)	264.97	283.66
Wind Power Revenue (Rs. In lakhs)	1761.38	1854.96

Only small portion of excess power was sold to outsiders during the year. No internal billing is done for power adjusted for captive use. The expenses related to wind mills are not treated separately and they are part of cost of yarn production.

The processing division is operating mainly for captive utilization of yarn division.

The above facts are reviewed regularly by the entity's chief operating decision maker and he has decided that the company has only one reportable segment that is yarn manufacturing during the year.

27.27. Related party disclosure:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships.

(a) Key Management Personnel (KMP)	Sri.R.Premchander- Managing Director Sri.R.Jaichander – Whole Time Director Sri.K.Elango – Chief Financial Officer Smt.M.Mohana Priya – Company Secretary Non Executive – Non Independent Directors Sri.N.Radhakrishnan Sri.M.Moorthi Non Executive –Independent Directors Sri.V.Subramaniam Sri.V.T.Subramanian Sri.M.S.Sivakumar Smt.M.Amutha
(b) Wholly owned Subsidiary Associate Company	RPJ Textiles Limited Kanagathara Wind Farms
(c) Enterprises over which Key Managerial Personnel are able to exercise significant influence.	Amarjothi Power Generation and Distribution Company Limited Vinformax Dimensions Technology Private Limited Texin India Texknit Amarjothi Designs Puvaneswari Enterprises Wind Farms Private Limited

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Transactions with related parties during the year are set out in the table below

(Previous year figures are in brackets)

(` .in.Lakhs)

Nature of transaction	a) Key Management Personnel	b) Wholly Owned Subsidiary and Associate	c) Enterprises over which Key Managerial Personnel are able to exercise significant influence	Total
Transactions during the year				
Purchase of Goods/Assets	-	163.75	51.79	215.54
	-	(168.16)	(38.48)	(206.64)
Sale of Goods /Assets	-	1762.05	1807.75	3569.80
		(3770.99)	-	(3770.99)
Interest receipts		14.47	-	14.47
		(12.89)		(12.89)
Interest paid	403.27			403.27
	(345.78)			(345.78)
Remuneration	189.16			189.16
	(203.28)			(203.28)
Outstanding receivable from Related parties		148.54	672.16	820.70
		(325.04)		(325.04)
Outstanding payables to Related parties	2680.45		95.58	2776.03
	(2376.97)		(429.58)	(2806.55)

Disclosure in respect of Related Party Transactions during the year

- Purchase of goods/assets includes** Kanagathara Wind Farms ` 163.75 lakhs; (Previous year ` 168.16 Lakhs). Amarjothi Power Generation and Distribution Company Limited ` 50.94 Lakhs; (Previous year ` 38.48 Lakhs) Vinformax Dimensions Technology Private Limited ` 0.85 Lakhs; (Previous year ` NIL)
- Sale of Goods/assets includes** RPJ Textiles Limited ` 1762.05 Lakhs; (Previous year ` 3770.99 Lakhs). Texin India ` 646.64 Lakhs; (Previous year ` NIL) Texknit ` 216.60 Lakhs; (Previous year ` NIL) Amarjothi Designs ` 944.51 Lakhs; (Previous year ` NIL)
- Interest Receipts includes Kanagathara Wind Farms ` 14.47 Lakhs; (Previous year ` 12.89).
- Interest paid includes Sri.R.Premchander ` 24.76 Lakhs; (Previous year ` 20.94 Lakhs). Sri.R.Jaichander ` 378.51 Lakhs; (Previous year ` 324.84 Lakhs).
- Remuneration to Key Managerial Personnel includes Sri.R.Premchander ` 88.16 Lakhs; (Previous year ` 101.64 Lakhs). Sri.R.Jaichander ` 88.16 Lakhs; (Previous year ` 101.64 Lakhs). Sri.K.Elango ` 7.42 Lakhs; (Previous year ` NIL). Smt.M.Mohana Priya ` 5.44 Lakhs; (Previous year ` 4.57 Lakhs).
- Outstanding receivable from Related parties includes RPJ Textiles Limited ` 57.58 Lakhs;

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(Previous year ` 195.56 Lakhs). Kanagathara Wind Farms ` 90.96 Lakhs; (Previous year ` 129.48). Texin India ` 43.78 Lakhs; (Previous year ` NIL) Texknit ` 26.36 Lakhs; (Previous year ` NIL) Amarjothi Designs ` 602.02 Lakhs; (Previous year ` NIL)

7. Outstanding payables to Related parties includes Sri.R.Premchander ` 263.12 Lakhs; (Previous year ` 138.56 Lakhs). Sri.R.Jaichander ` 2417.33 Lakhs; (Previous year ` 2238.41 Lakhs). Puvaneswari Enterprises Wind Farms Private Limited ` 95.58 Lakhs; (Previous year ` 324.84 Lakhs).

	Rs. In lakhs	
	As at	
	31.03.2023	31.03.2022
27.28. EARNINGS IN FOREIGN CURRENCY :		
FOB Value of Exports	611.23	1632.00
27.29. EXPENDITURE IN FOREIGN CURRENCY :		
a) Traveling	6.37	Nil
b) CIF Value of Imports	3595.20	1169.54
c) Certification charges	5.17	4.63
Total	<u>3606.74</u>	<u>1174.17</u>
27.30. REMUNERATION TO DIRECTORS :		
a) Managing Director (Salary)	7.20	7.20
b) Joint Managing Director (Salary)	7.20	7.20
c) Managing Director (Commission)	80.96	94.44
d) Joint Managing Director (Commission)	80.95	94.44
Total	<u>176.31</u>	<u>203.28</u>
Computation of Remuneration to Directors:		
Net Profit before tax as per Profit & Loss account	1605.25	2035.99
Add: Remuneration debited to Profit & Loss account	176.31	203.28
Less / Add: (Profit) / Loss on sale of Assets	(-)2.42	(-)3.17
Net Profit available	1779.14	2236.10
Managerial Remuneration eligible(11/111)	176.31	203.28
27.31. PAYMENT TO AUDITOR : (Inclusive of GST)		(Rs. in lakhs)
Statutory Audit Fees	2.06	2.06
Reimbursement of Expenses	0.17	0.20
Other Services	0.42	0.35
Total	<u>2.65</u>	<u>2.61</u>

**27.32. Other statutory information:**

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company does not have any transactions with companies struck off.
- c) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- d) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- h) The Company has not have been declared as wilful defaulters by any bank or financial institution or government or any government authority.
- i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- j) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- l) The Company has borrowings from banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts



27.33. Ratios as per the Schedule III requirements :					
Particulars	Year ended 31.03.2023 Rs. In lakhs		Year ended 31.03.2022 Rs. In lakhs	Change %	Reason for Variance More than 25%
ACCOUNTING RATIOS:					
(a) Current Ratio, (Times)					
<u>Current Assets</u>	<u>11229.76</u>	=	<u>11640.43</u>		
<u>Current Liabilities</u>	<u>4005.56</u>	=	<u>5622.65</u>	= 2.07	35.42%
					Company has utilised less working capital at the year end.
(b) Debt-Equity Ratio, (Times)					
<u>Total Liabilities</u>	<u>8367.59</u>	=	<u>11303.93</u>		
<u>Shareholders equity</u>	<u>17450.45</u>	=	<u>16586.27</u>	= 0.68	-29.64%
					Company has repaid its bank loans to the maximum extent.
(c) Debt Service Coverage Ratio, (Times)					
<u>Earnings before Interest, Tax & Depreciation</u>	<u>2558.11</u>	=	<u>3083.75</u>		
<u>Interest + Principal</u>	<u>624.55</u>	=	<u>2560.87</u>	= 1.20	240.14%
					Company has repaid its term loans to the maximum extent.
(d) Return on Equity Ratio, (%)					
<u>Total comprehensive income</u>	<u>1013.07</u>	=	<u>2108.91</u>		
<u>Share holders equity</u>	<u>17450.45</u>	=	<u>16586.27</u>	= 12.71%	-6.91%
(e) Inventory turnover ratio, (Times)					
<u>Cost of goods sold</u>	<u>3019.83</u>	=	<u>3486.03</u>		
<u>Average Inventory</u>	<u>6322.28</u>	=	<u>5805.95</u>	= 0.60	-20.45%
(f) Trade Receivables turnover ratio, (Times)					
<u>Net credit sales</u>	<u>20945.73</u>	=	<u>25029.27</u>		
<u>Average Receivables</u>	<u>3527.42</u>	=	<u>3626.675</u>	= 6.90	-13.96%
(g) Trade payables turnover ratio, (Times)					
<u>Net credit purchases</u>	<u>11389.05</u>	=	<u>15705.66</u>		
<u>Average payables</u>	<u>1028.45</u>	=	<u>793.05</u>	= 19.80	-44.08%
					Company has reduced purchases due to price fluctuations.
(h) Net capital turnover ratio, (Times)					
<u>Total Income</u>	<u>21070.05</u>	=	<u>25192.54</u>		
<u>Average Working capital</u>	<u>7224.20</u>	=	<u>6017.78</u>	= 4.19	-30.33%
					Turnover during the year reduced due to market & price fall.
(i) Net profit ratio, (%)					
<u>Total comprehensive income</u>	<u>1013.07</u>	=	<u>2108.91</u>		
<u>Revenue from operations</u>	<u>20945.73</u>	=	<u>25029.27</u>	= 8.43%	-3.59%
(j) Return on Capital employed, (%)					
<u>Earnings before Interest & Tax</u>	<u>2191.39</u>	=	<u>2539.74</u>		
<u>Capital employed (Total assets-current liabilities)</u>	<u>21812.48</u>	=	<u>22267.55</u>	= 11.41%	-1.36%
(k) Return on investment. (%)					
<u>Profit from investment</u>	<u>32.55</u>	=	<u>83.63</u>		
<u>Cost of investment</u>	<u>113.55</u>	=	<u>113.55</u>	= 73.65%	-44.98%
					Return on investment reduced due to market & price fall.

AMARJOTHI SPINNING MILLS LIMITED

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

As per my report of even date

On behalf of the Board of Directors

V. NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant

Membership No.023661

R. PREMCHANDER

Managing Director

(DIN : 00390795)

R.JAICHANDER

Joint Managing Director

(DIN : 00390836)

Place : Tirupur

Date : 29/05/2023



CONSOLIDATED
FINANCIAL STATEMENTS
2022-23



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 2023, and the Consolidated statement of profit and loss account, Consolidated statement of changes in equity and Consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, 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 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 Group as at 31st March, 2023, and 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 of Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 relevant to my audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have not identified any key audit matters to be communicated in my report.

**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, 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 and 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 under section 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 controls, 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 the 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives. is 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.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

1. Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the



consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 any 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 the Section 197 of the Act.
2. As required by Section 143(3) of the Act, I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
 - b) In my opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statement 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 account maintained for the purpose of preparation of Consolidated Financial Statements.
 - d) In my opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 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 31st March, 2023 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 is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls 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 Company.
4. (i). The management of the Group has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(ii). The management of the Group has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(iii). Based on such audit procedures that I have considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
5. The dividend declared or paid during the year by the Group is in compliance with section 123 of the Companies Act, 2013.
6. There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

V. NARAYANASWAMI, M.A., F.C.A

Chartered Accountant

Membership No:- 023661

UDIN:- 23023661BGYXBD1056

Place: Coimbatore

Date . 29th MAY, 2023



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 legal and 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 control over financial reporting of M/s Amarjothi Spinning Mills Limited (“the Holding Company”) and its subsidiary and associate as of 31st March 2023 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 holding company’s board of directors 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 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.

Auditor’s Responsibility

My responsibility is to express an opinion on the Company’s internal controls over the financial reporting based on my audit. I conducted my audit in accordance with the guidance note of internal financial controls over financial reporting (“the guidance note”) and the standards on auditing issued by the Institute of Chartered Accountants of India 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 guidance notes require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance of 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 procedure to obtain audit 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 and material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence 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 authorisation 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 may not be detected. Also projections of any evaluations of the 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 and procedures may deteriorate.

Opinion

In my opinion the group 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 31st March 2023, 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.

V. NARAYANASWAMI, M.A., F.C.A

Chartered Accountant

Membership No:- 023661

UDIN:- 23023661BGYXBD1056

Place: Coimbatore

Date . 29th MAY, 2023

AMARJOTHI SPINNING MILLS LIMITED

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2023			Rupees in Lakhs	
			As at	
ASSETS	Note no.	31.03.2023	31.03.2022	
1 Non-Current Assets				
(a) Property, Plant and Equipment	1.A	14726.42	12172.03	
(b) Capital work-in-progress	1.B	497.83	3669.16	
(c) Other Intangible assets	1.C	0.45	0.45	
(d) Financial Assets				
(i) Investments	2	91.03	91.03	
(ii) Others	3	4.53	1247.77	
(e) Other non-current assets	4	178.07	46.23	
Total Non-current assets		<u>15498.33</u>	<u>17226.67</u>	
2 Current assets				
(a) Inventories	5	6201.85	6749.73	
(b) Financial Assets				
(i) Trade receivables	6	3420.98	3593.23	
(ii) Cash and cash equivalents	7	222.40	193.29	
(iii) Bank balances other than (ii) above	8	27.28	30.14	
(c) Current Tax Assets (Net)	9	0.00	5.88	
(d) Other current assets	10	1590.03	1830.27	
Total Current assets		<u>11462.54</u>	<u>12402.54</u>	
TOTAL ASSETS		<u>26960.87</u>	<u>29629.21</u>	
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	675.00	675.00	
(b) Other Equity	12	17004.20	16337.11	
Equity Attributable to shareholders of parent		17679.20	17012.11	
Non Controlling Interest		408.55	145.75	
Total equity		<u>18087.75</u>	<u>17157.86</u>	
LIABILITIES				
1 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	3677.11	5817.71	
(b) Deferred tax liabilities (Net)	14	1190.15	876.97	
Total Non-current liabilities		<u>4867.26</u>	<u>6694.68</u>	
2 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	2599.24	4084.98	
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises;	16a	44.08	30.40	
(B) total outstanding dues of other than micro enterprises and small enterprises	16b	989.77	992.66	
(iii) Other financial liabilities	17	199.17	208.52	
(b) Provisions	18	168.46	460.11	
(c) Current tax liabilities (Net)	19	5.14	0.00	
Total Current liabilities		<u>4005.86</u>	<u>5776.67</u>	
Total Liabilities		<u>8873.12</u>	<u>12471.35</u>	
TOTAL EQUITY AND LIABILITIES		<u>26960.87</u>	<u>29629.21</u>	

The accompanying notes 1-28 form an integral part of these financial statements

As per my report of even date

On behalf of the Board of Directors

V. NARAYANASWAMI, M.A., F.C.A.

R. PREMCHANDER

R.JAICHANDER

Chartered Accountant

Managing Director

Joint Managing Director

Membership No.023661

(DIN : 00390795)

(DIN : 00390836)

Place : Tirupur

Date : 29/05/2023

AMARJOTHI SPINNING MILLS LIMITED

Annual Report 2022-23



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023		Rupees in Lakhs	
		For the year ended	
	Note no.	31.03.2023	31.03.2022
I.	Revenue from operations	21014.41	25747.08
II.	Other Income	132.35	175.86
III.	Total Income (I+II)	<u>21146.76</u>	<u>25922.94</u>
IV.	Expenses		
	Cost of Materials Consumed	12580.05	15030.28
	Purchases of Stock-in-Trade	0.00	0.00
	Changes in Inventories of Finished goods, Stock-in -Trade and work-in-progress	-697.65	-438.03
	Employee Benefits Expenses	1765.41	1631.09
	Finance Costs	648.14	579.77
	Depreciation and Amortization Expenses	884.41	1005.19
	Other Expenses	4314.55	5945.38
	Total Expenses	<u>19494.91</u>	<u>23753.68</u>
V.	Profit Before Exceptional Items and Tax (III-IV)	1651.85	2169.26
VI.	Exceptional Items	0.00	0.00
VII	Profit Before Tax (V-VI)	<u>1651.85</u>	<u>2169.26</u>
VIII	Tax Expense:		
	[1] Current Tax	284.54	380.76
	[2] Deferred Tax	313.18	-429.92
IX	Profit for the period from Continuing Operations (VII-VIII)	1054.13	2218.42
X	Non-controlling Interest	0.00	0.00
XI	Share of Profit of associates	24.45	41.10
XII	Profit after Non-controlling interest and share of profit of associates (IX-X-XI)	<u>1029.68</u>	<u>2177.32</u>
XIII	Other Comprehensive income	0.00	0.00
XIV	Total Comprehensive Income for the period (XII+XIII)	<u>1029.68</u>	<u>2177.32</u>
XV.	Earnings Per Equity Share(for Continuing operation)		
	[1] Basic & Diluted	15.25	32.26

The accompanying notes 1-28 form an integral part of these financial statements

As per my report of even date

On behalf of the Board of Directors

V. NARAYANASWAMI, M.A., F.C.A. Chartered Accountant Membership No.023661	R. PREMCHANDER Managing Director (DIN : 00390795)	R.JAICHANDER Joint Managing Director (DIN : 00390836)
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Place : Tirupur
Date : 29/05/2023

AMARJOTHI SPINNING MILLS LIMITED

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Consolidated Statement of Changes in Equity For the year ended March 31, 2023 Rupees in Lakhs

A. Equity Share Capital

Balance as at 31.03.2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31.03.2023
675.00	0.00	675.00	0.00	675.00
Balance as at 31.03.2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31.03.2022
675.00	0.00	675.00	0.00	675.00

B. Other Equity

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 31.03.2022	214.92	225.00	1930.78	13966.41	16337.11
Changes in accounting policy/prior period errors				-257.70	-257.70
Restated balance at the beginning of the reporting period	214.92	225.00	1930.78	13708.71	16079.41
Total comprehensive income for the year				1029.68	1029.68
Dividends				-148.50	-148.50
Transferred to retained earnings					0.00
Transfer to General Reserve	43.61		61.72	-61.72	43.61
Balance as at 31.03.2023	258.53	225.00	1992.50	14528.17	17004.20

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 31.03.2021	0.00	225.00	1719.89	12156.56	14101.45
Changes in accounting policy/prior period errors				-14.83	-14.83
Restated balance at the beginning of the reporting period	0.00	225.00	1719.89	12141.73	14086.62
Total comprehensive income for the year				2177.32	2177.32
Dividends				-141.75	-141.75
Transferred to retained earnings					0.00
Transfer to General Reserve	214.92		210.89	-210.89	214.92
Balance as at 31.03.2022	214.92	225.00	1930.78	13966.41	16337.11

As per my report of even date

On behalf of the Board of Directors

V. NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant
Membership No.023661

Place : Tirupur
Date : 29/05/2023

R. PREMCHANDER

Managing Director
(DIN : 00390795)

R.JAICHANDER

Joint Managing Director
(DIN : 00390836)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET Profit before Taxation	1651.85	2169.26
Adjustments for:		
Depreciation and amortisation	884.41	1005.19
Loss /(Profit) on Sale of Assets	-2.42	-3.17
Interest Income	-95.49	-125.64
Finance costs	<u>648.14</u>	<u>579.77</u>
	1434.64	1456.15
Operating Profit before Working Capital Changes	3086.49	3625.41
Adjustments for:		
Trade & other Receivables	185.83	-2303.03
Inventories	547.88	-1071.28
Trade Payable & Other Liabilities	<u>-22.26</u>	<u>711.45</u>
Cash Generated from Operations	3797.94	1503.07
Direct Taxes provisions / paid	-380.76	-290.00
Net Cash from Operating activities	A <u>3417.18</u>	<u>1213.07</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of Fixed Assets	-269.30	-194.64
Sale of Fixed Assets	2.99	335.64
Payment for Capital Projects in Progress	-1.16	-3172.49
Investments made	95.49	-125.52
Adjustments for other non current assets	1111.40	629.58
Interest Received	95.49	125.64
Net Cash from Investment activities	B <u>1034.91</u>	<u>-2401.79</u>



	Rupees in Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (net)	-3626.34	1947.99
Dividend paid including tax	-148.50	-141.75
Finance costs	-648.14	-579.77
Net Cash from Financing Activities	C <u>-4422.98</u>	<u>1226.47</u>
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	29.11	37.75
Cash and Cash Equivalents as at the beginning of the period	193.29	155.54
Cash and Cash Equivalents as at the end of the period	222.40	193.29
<hr/>		
As per my report of even date	On behalf of the Board of Directors	
V. NARAYANASWAMI, M.A., F.C.A.	R. PREMCHANDER	R.JAICHANDER
Chartered Accountant	Managing Director	Joint Managing Director
Membership No.023661	(DIN : 00390795)	(DIN : 00390836)
Place : Tirupur		
Date : 29/05/2023		



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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	
		Grosscost/ Valueas on 01.04.2022	Addition			Total as on 01.04.2022	Forthis year	Sale during this year	Total as on 31.03.2023	W.D.V. as on 31.03.2023	W.D.V. as on 31.03.2022
			Acquisition	Other Adjust ment	Sub Total						
A	Property, Plant and Equipment										
1	Land: Lease Hold	78.75	0.00	0.00	78.75					78.75	78.75
2	Land: Free Hold	125.63	103.73	0.00	229.36					229.36	125.63
3	Building	2582.79	0.00	0.00	2582.79	1381.27		0.00	1460.67	1122.12	1201.52
4	Plant & Equipment	28865.88	3098.83	0.00	31964.71	18206.55		23.68	18951.60	12988.18	10659.33
5	Furniture & Fixtures	47.13	0.22	0.00	47.35	40.36		0.50	40.86	6.49	6.77
6	Vehicles	293.47	229.13	0.00	522.60	252.69		21.77	273.61	246.40	40.78
7	Office Equipment	372.40	9.88	0.00	382.28	313.15		14.01	327.16	55.12	59.25
	Total	32366.05	3441.79	0.00	35807.84	20194.02		884.41	21053.90	14726.42	2172.03
B	Capital work-in-progress	3669.16	1.16	0.00	3670.32			0.00	0.00	497.83	3669.16
C	Other intangible assets										
1	Computer software	13.31	0.00	0.00	13.31	12.86		0.00	12.86	0.45	0.45

Capital-work-in progress aging schedule

Particulars	Amount in CWIP as on 31.03.2023 for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.16	0.00	0.00	2.82	3.99
Projects temporarily suspended	0.00	0.00	0.00	493.84	493.84
Total	1.16	0	0	496.67	497.83



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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		
		Addition		Sale/ Adjustment during this year	Gross balance as on 31.03.2022	Total as on 01.04.2021	For this year	Sale during this year	Total as on 31.03.2022	W.D.V. as on 31.03.2022	W.D.V. as on 31.03.2021		
		Grosscost/ Values on 01.04.2021	Acquisition									Other Adjust ment	Sub Total
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	78.75						78.75	78.75
2	Land: Free Hold	125.63	17.35	0.00	17.35	125.63						125.63	125.63
3	Building	2582.79	0.00	0.00	0.00	2582.79	1301.88	79.39	0.00	1381.27		1201.52	1280.91
4	Plant & Equipment	29107.51	151.45	0.00	151.45	28865.88	17380.54	897.63	71.62	18206.55		10659.33	11726.97
5	Furniture & Fixtures	46.44	0.69	0.00	0.69	47.13	39.56	0.80	0.00	40.36		6.77	6.88
6	Vehicles	291.66	1.81	0.00	1.81	293.47	237.65	15.04	0.00	252.69		40.78	54.01
7	Office Equipment	349.06	23.34	0.00	23.34	372.40	300.82	12.33	0.00	313.15		59.25	48.24
	Total	32581.84	194.64	0.00	194.64	32366.05	19260.45	1005.19	71.62	20194.02		12172.03	13321.39
B	Capital work-in-progress	496.67	3172.49	0.00	3172.49	3669.16	0.00	0.00	0.00	0.00		3669.16	496.67
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	13.31	12.86	0.00	0.00	12.86		0.45	0.45

Capital-work-in progress aging schedule

Particulars	Amount in CWP as on 31.03.2022 for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3172.49	0.00	0.00	2.82	3175.32
Projects temporarily suspended	0.00	0.00	0.00	493.84	493.84
Total	3172.49	0	0	496.67	3669.16

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023		Rupees in Lakhs	
	Year ended		
	31.03.2023	31.03.2022	
[2] NON-CURRENT INVESTMENTS (AT COST):			
Investment in Fully paid equity Instruments: (Quoted)			
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd.. (Market value – Rs.9080(15647))	0.09	0.09	
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs.1399(882))	0.05	0.05	
Investment in Fully paid equity Instruments: (unquoted)			
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.	7.80	7.80	
13 Equity shares of Rs.10 each fully paid of Premchander Wind Farms Private Ltd.	0.00	0.00	
44 Equity shares of Rs.10 each fully paid of Jaichander wind Farms Pvt Ltd.,	0.00	0.00	
23 Equity shares of Rs.10 each fully paid of Jayanthi wind Farms Pvt Ltd.,	0.00	0.00	
60 Equity shares of Rs.10 each fully paid of Puvaneswari Enterprises Wind Farms Pvt. Ltd	0.01	0.01	
Total	<u>91.03</u>	<u>91.03</u>	
Note:			
a) Aggregate amount of quoted investments	0.14	0.14	
b) Aggregate market value of quoted investments	0.10	0.17	
c) Aggregate amount of unquoted investments	90.89	90.89	
d) Aggregate amount of impairment in value of investments.	0.00	0.00	

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

Year ended

31.03.2023

31.03.2022

[3] OTHER NON-CURRENT FINANCIAL ASSETS:

Bank Deposits with more than 12 months maturity	<u>4.53</u>	<u>1247.77</u>
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[4] OTHER NON-CURRENT ASSETS:

(Unsecured & considered good)

Deposit with Government Departments & others	<u>178.07</u>	<u>46.23</u>
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[5] INVENTORIES :

a) Raw Materials	3236.73	4404.26
b) Work-in-Progress	228.74	399.19
c) Finished Goods	2633.05	1764.95
d) Waste Stock	34.96	58.43
e) Stores, Tools, Spares & Packing Materials	68.37	122.90

	<u>6201.85</u>	<u>6749.73</u>
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[6] TRADE RECEIVABLES :

(a) Unsecured Considered Good	3420.92	3593.17
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(b) Unsecured Considered Doubtful	<u>32.90</u>	3453.82	<u>32.90</u>	3626.07
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Less : Provision for Doubtful Receivables		<u>32.84</u>		<u>32.84</u>
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	<u>3420.98</u>	<u>3593.23</u>
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Note. Trade receivable which are overdue for a period of 6 months and more include a sum of Rs.32.90 lakhs (Rs.32.90 lakhs) for which the Company has taken legal action and is hopeful of recovery. Existing provision has been maintained for Rs.32.84 Lakhs for Doubtful Receivables.

Trade Receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding as on 31.03.2023 from due date of payment for;					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3228.07	21.47	0.00	42.02	129.36	3420.92
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk			0.00	32.90		32.90
(vi) Disputed Trade Receivables – credit impaired						
Total	3228.07	21.47	0.00	74.92	129.36	3453.82

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

Year ended
31.03.2023 **31.03.2022**

Trade Receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding as on 31.03.2022 from due date of payment for;					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3440.29	0.00	30.78	122.16	0.00	3593.23
(ii) Undisputed Trade Receivables– which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good			32.84			32.84
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						
Total	3440.29	0.00	63.63	122.16	0.00	3626.07

[7] CASH AND CASH EQUIVALENTS:

Cash on Hand	1.48	1.47
Balances with Scheduled Banks In Current Accounts	<u>220.92</u>	<u>191.82</u>
	222.40	193.29

[8] BANK BALANCES OTHER THAN [7] ABOVE:

Unpaid Dividend Warrant Account	<u>27.28</u>	<u>30.14</u>
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[9] CURRENT TAX ASSETS(NET):

Income tax Assets (Net of provision)	<u>0.00</u>	<u>5.88</u>
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[10] OTHER CURRENT ASSETS: (Unsecured & considered good)

Advances to suppliers & others	143.33	660.85
Prepaid expenses	74.56	59.06
Balances on account of indirect taxes	1361.60	1098.45
Advances to employees	4.40	0.20
Income receivable	6.14	11.71
	<u>1590.03</u>	<u>1830.27</u>

[11] SHARE CAPITAL:

Equity Shares:

Authorised:

9750000 Equity Shares of Rs.10 each	<u>975.00</u>	<u>975.00</u>
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Issued, Subscribed & Paid-up Capital :

6750000 Equity Shares of Rs.10 each fully paid	<u>675.00</u>	<u>675.00</u>
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Notes:

1 Reconciliation of Equity shares at the end of the year

	No. of shares	Amount	No. of shares	Amount
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	<u>6750000</u>	<u>675.00</u>	<u>6750000</u>	<u>675.00</u>

AMARJOTHI SPINNING MILLS LIMITED

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

2 List of shareholders holding more than 5% shares	31.03.2023		31.03.2022	
	No. of shares	%	No. of shares	%
Premchander.R	1858043	27.53	1858043	27.53
Jaichander.R	1912880	28.34	1941184	28.76
Anil Kumar Goel	457000	6.77	457000	6.77

3. List of shareholding of Promoters

Name	As on 31/03/2023			As on 31/03/2022		
	No. of shares	% to total shares	% Change	No. of shares	% to total shares	% Change
Premchander.R	1858043	27.53	0.00	1858043	27.53	0.00
Jaichander.R	1912880	28.34	-0.42	1941184	28.76	1.24
Total	3770923	55.87	-0.42	3799227	56.29	1.24

4 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.

5 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] OTHER EQUITY

(a) General Reserve					
As per last year Balance Sheet	1930.78		1719.89		
Add : Additions during the year	<u>61.72</u>		<u>210.89</u>		
		1992.50		1930.78	
(b) Securities Premium					
As per last year Balance Sheet	225.00		225.00		
Add : Additions during the year	<u>0.00</u>		<u>0.00</u>		
		225.00		225.00	
[c] Retained Earnings:					
As per last year Balance Sheet	13966.41		12156.56		
Add: Net Profit during the year	<u>1029.68</u>		<u>2177.32</u>		
Profit available for Appropriation	<u>14996.09</u>		<u>14333.88</u>		
Less: Appropriations during the year					
Transfer to General Reserve	61.72		210.89		
Others	234.76		0.00		
Dividend paid including tax	148.50		141.75		
Previous year Income tax adjusted	<u>22.94</u>		<u>14.83</u>		
	<u>467.92</u>	14528.17	<u>367.47</u>	13966.41	
[d] Capital Reserve on Consolidation					
As per last year Balance Sheet	214.92		0.00		
Add / (-) Less : Adjustments during the year	<u>43.61</u>		<u>214.92</u>		
Total		17004.20		16337.11	

[13] LONG TERM BORROWINGS:

(a) Term Loan From Banks (Secured)		314.38	2022.78
(b) Hire Purchase Loans	199.66		
Less: Interest Suspense a/c	<u>22.62</u>	177.04	0.00
(c) Loan from Directors (Unsecured)		<u>3185.69</u>	<u>3794.93</u>
		3677.11	5817.71

1. Long Term Loans From Banks were taken for the purchase of new wind mills and these loans are required to be repaid before Oct 2025.

2. Loan from banks are secured by Wind mills purchased along with land and also personal guarantee given by Managing director and Joint managing director.

3. 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

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023		Rupees in Lakhs			
		Year ended			
		31.03.2023	31.03.2022		
[14] DEFERRED TAX LIABILITIES (NET)					
As per last year Balance Sheet		876.97	1306.89		
Add/(-)less : Transfer from / to P&L a/c for current year		313.18	-429.92		
		<u>1190.15</u>	<u>876.97</u>		
15] SHORT TERM BORROWINGS					
(a) Loan Repayable on Demand from Banks (Secured)		2413.49	3495.91		
(b) Current Maturities of Long Term borrowings		185.75	589.07		
		<u>2599.24</u>	<u>4084.98</u>		
1. These loans are secured by first charge on current asstes and second charge on the other fixed assets.					
2. All bank loans are personally guaranteed by Managing director and Joint managing director.					
[16] TRADE PAYABLES					
(a) Due to Micro and Small Enterprises(MSE)		44.08	30.40		
(b) Due to othes		989.77	992.66		
		<u>1033.85</u>	<u>1023.06</u>		
Trade Payables ageing schedule		Rupees in Lakhs			
Particulars	Outstanding as on 31.03.2023 from due date of payment for;				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	44.08				44.08
(ii) Others	989.77	0	0	0	989.77
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues - Others					0.00
Total	1033.85	0	0	0	1033.85
Trade Payables ageing schedule		Rupees in Lakhs			
Particulars	Outstanding as on 31.03.2022 from due date of payment for;				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	30.39				30.39
(ii) Others	984.97	7.67	0.02	0	992.66
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues - Others					0.00
Total	1015.36	7.67	0.02	0	1023.06
[17] OTHER FINANCIAL LIABILITIES					
(a) Unclaimed Dividend		27.28	30.14		
(b) Disputed Electricity Charges		70.53	64.42		
(c) Others		101.36	113.96		
		<u>199.17</u>	<u>208.52</u>		
[18] SHORT TERM PROVISIONS					
(a) Provision for Employee Benefits		92.66	112.24		
(b) Provision for Outstanding Liability		75.80	347.87		
		<u>168.46</u>	<u>460.11</u>		

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

	Year ended	
	31.03.2023	31.03.2022
[19] CURRENT TAX LIABILITIES:		
For Taxation net of advances	<u>5.14</u>	<u>0.00</u>
[20] REVENUE FROM OPERATIONS		
a) Sale of Products:		
Domestic sales	20268.12	24016.77
Export sales	619.30	1664.96
	A <u>20887.42</u>	<u>25681.73</u>
b) Other Operating Revenues:		
Sale of scrap	57.25	16.18
Duty Drawback	3.40	27.77
Miscellaneous income	66.34	21.40
	B <u>126.99</u>	<u>65.35</u>
Revenue from operations	(A+B) <u>21014.41</u>	<u>25747.08</u>
[21] OTHER INCOME		
a) Interest Income (TDS Rs.9.25 lakh (Rs.13.83 lakh)	95.49	125.64
b) Net gain on sale of Fixed assets	2.42	3.17
c) Foreign Exchange Rate Gain	13.91	30.38
d) Insurance Claims	20.25	16.39
e) Other Non-Operating Income	0.28	0.28
	<u>132.35</u>	<u>175.86</u>
[22] COST OF MATERIALS CONSUMED :		
Opening Stock :		
Raw Materials	4404.26	3740.94
Waste Stock	<u>58.43</u>	<u>46.37</u>
ADD : Purchases	11389.05	15705.66
	<u>15851.74</u>	<u>19492.97</u>
LESS : Closing Stock :		
Raw Materials	3236.73	4404.26
Waste Stock	<u>34.96</u>	<u>58.43</u>
	<u>3271.69</u>	<u>4462.69</u>
	12580.05	15030.28

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023		Rupees in Lakhs	
		Year ended	
		31.03.2023	31.03.2022
[23] CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE:			
Inventories at the Beginning of the year			
Finished Goods	1764.95		1380.91
Work-in-Progress	399.19	2164.14	345.20 1726.11
Inventories at the end of the year			
Finished Goods	2633.05		1764.95
Work-in-Progress	228.74	2861.79	399.19 2164.14
Net (increase) / decrease		-697.65	-438.03
[24] EMPLOYEE BENEFITS EXPENSES			
i) Salaries & Wages		1420.67	1244.46
ii) Contribution to Provident & Other Funds		29.64	21.42
iii) Staff Welfare Expenses		315.10	365.21
		1765.41	1631.09
[25] FINANCE COSTS			
a) Interest on Term Loans		129.11	124.72
b) Interest on Other Loans		519.03	455.05
		648.14	579.77
[26] OTHER EXPENSES			
Manufacturing expenses:			
Consumption of Stores & Spare Parts		995.41	1352.53
Dyeing and Processing Expenses		805.22	802.22
Power & Fuel		716.33	864.57
Repairs to Building		81.03	328.01
Repairs to Machinery		607.21	1386.49
Total	A	3205.20	4733.82
Administrative & selling expenses:			
Advertisement		28.49	38.98
Bank Charges		90.00	65.90
Computer Maintenance Expenses		16.29	16.76
CSR Contribution to PM relief fund		34.36	64.12
Freight & Other Expenses		78.57	260.86
General Expenses		64.68	85.97
Goods and Service Tax Paid		33.25	11.56
Insurance		139.47	107.13
Managerial Remuneration		176.31	203.28
Printing, Stationery & Postage		21.28	15.73
Professional Charges		23.46	18.70

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**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

Rupees in Lakhs

	Year ended	
	31.03.2023	31.03.2022
Rates and Taxes	98.82	61.68
Remuneration to Auditors	2.40	2.21
Rent	74.71	69.57
Sales Commissions	76.70	107.37
Share Transfer Expenses	1.98	2.12
Sitting Fees	0.32	0.36
Telephones	6.40	7.63
Travelling & Conveyance	57.39	14.14
Vehicle Maintenance	84.47	57.49
Total	B 1109.35	1211.56
Total other expenses	(A+B) <u>4314.55</u>	<u>5945.38</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023****27. CORPORATE INFORMATION:**

The Consolidated Financial Statements comprise of Financial Statements of **Amarjothi Spinning Mills Limited** (the Holding Company), its Subsidiaries and its Associates (collectively "the Group") for the year ended March 31 2023. Amarjothi Spinning Mills Limited was incorporated under the Companies Act, 1956 in December 1987 and converted into a public limited company in December 1991. The registered office of the company is situated at Tirupur, Tamilnadu. The company issued shares to the public in January 1993. The company's shares are listed in Bombay Stock Exchange. The Company is engaged in the business of manufacturing of Yarn. The company has its own processing unit for yarn and fiber and own Wind Power generation plants which are mainly used for own captive use. The Company has its manufacturing facilities in India and sells both in India and across the globe. The consolidated financial statements for the year ended 31 March, 2023 were approved by the Board of Directors and authorised for issue on 29 May, 2023.

28. SIGNIFICANT ACCOUNTING POLICIES**28.1. Statement of Compliance**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules 2015. The presentation of the Financial Statements is based on Schedule III of the Companies Act, 2013.

28.2. Basis of preparation and presentation of financial statements

The consolidated financial statements are presented in Indian Rupees which is the functional currency and presentation currency of the Company and all values are rounded to the nearest lakhs, except where otherwise indicated. These financial statements have been prepared on a historical cost basis and on accrual and going concern basis. All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / Non-current classification of assets and liabilities.

28.3. Principles of consolidation:

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

The financial statements of the company and its subsidiary and associates 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.



28.4. Property Plant and Equipment (PPE)

Property Plant and Equipment are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the financial statements.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM"). During the year the Group has adopted useful life of the following assets purchased during the year as per the details given below.

S.No	Name of the Asset	Useful life as per Schedule III	Useful life adopted
1	Plant & Machinery	15 Years	10 Years
2	Wind Mill	22 Years	20 Years

28.5. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset with finite useful life that are acquired separately and where the useful life is 2years or more is capitalised and carried at cost less accumulated amortization. Amortization is recognised on a straight line basis over the useful life of the asset. A life of 6 years is estimated for Computer software acquired by the Group.

28.6. Impairment of assets

At the end of each reporting period, the group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

28.7. Leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.



The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group takes on lease land and buildings for warehouse facilities.

28.8. Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, less impairment losses if any.

28.9. Non-derivative financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortized cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e., expected cash shortfall.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.



The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Investments:

In respect of investment in equity share capital of group captive power companies which are made to comply with the provisions of Electricity Rules 2003, these investments are carried at cost as these investments can be sold back only at par.

Derivative financial instruments

The Group has no derivative contracts to hedge risks during the year.

Impairment of financial assets

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Group expects to receive).

28.10. Inventories

The Group uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Cost includes direct materials, labour and a portion of manufacturing overheads. Saleable scrap is valued at lowest of the net realisable value in the last two months.

28.11. Revenue recognition**Sale of goods**

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

**Rendering of services**

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Group performance and the Group has an enforceable right to payment for services transferred.

Other Operating revenues

Other operating revenues comprise income from ancillary activities incidental to the operations of the Group and are recognised when the right to receive the income is established as per the terms of the contract.

Dividend and Interest Income

Dividend income from investments is recognized when the Group right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Government Grants

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

28.12. Employee Benefits**Defined contribution plans****Provident fund (PF)**

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

Defined benefit plans

As per the records of the Group none of the employees come under the purview of Payment of Gratuity Act. With regard to other terminal benefits payable to employees the Group makes a payment of such benefits every year and hence no provision is required.

Compensated leave absences

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy. All leave remaining to be encashed at period end are fully provided.

28.13. Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready



for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognized in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

28.14. 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.

28.15. Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

28.16. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items.

28.17. Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group is engaged mainly in the manufacture of yarn. The Group owns sixteen wind mills which were installed mainly for captive utilization of power generated with power cost of yarn production.

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The processing division is operating mainly for captive utilization of yarn division.

The above facts are reviewed regularly by the entity's chief operating decision maker and he has decided that the Group has only one reportable segment that is yarn manufacturing during the year.

28.18. Provisions, Contingent liabilities and Contingent Assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

OTHER NOTES FORMING PART OF ACCOUNTS:

28.19. Subsidiaries & Associates:

The names of subsidiaries and associate firms considered in the consolidated financial statements are:

S.No.	Name	Relationship	Country of operation	% of Ownership	
				31.03.2023	31.03.2022
1	RPJ Textiles Ltd.	Subsidiary	India	100%	100%
2	Kanagathara Wind Farms (Partnership firm)	Associate	India	27.01%	27.01%

Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries & Associates.

Net Assets:

Name of the entity	31.03.2023		31.03.2022	
	As a % of consolidated Net Assets	Rs. in lakhs	As a % of consolidated Net Assets	Rs. in lakhs
Parent company: Amarjothi Spinning Mills Ltd.	96.48%	17450.45	96.67%	16586.27
Subsidiaries – Indian: RPJ Textiles Ltd.	1.20%	216.22	1.19%	205.16
Associates – Indian: Kanagathara Wind Farms (Partnership firm)	0.85%	154.64	0.72%	123.30
Add/Less: Intragroup eliminations / adjustments	1.47%	266.44	1.42%	243.13
Total	100.00%	18087.75	100.00%	17157.86

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Share in Profit or loss:

Name of the entity	31.03.2023		31.03.2022	
	As a % of consolidated Profit or Loss	Rs. in lakhs	As a % of consolidated Profit or Loss	Rs. in lakhs
Parent company: Amarjothi Spinning Mills Ltd.	98.38%	1013.07	96.86%	2108.91
Subsidiaries – Indian: RPJ Textiles Ltd.	1.60%	16.46	3.14%	68.43
Associates – Indian: Kanagathara Wind Farms (Partnership firm)	0.88%	9.04	0.70%	15.20
Add/Less: Intragroup eliminations / adjustments	(-0.86%)	(-8.89)	(-0.70%)	(-15.22)
Total	100.00%	1029.68	100.00%	2177.32

28.20. Income tax recognised in the statement of profit and loss

Income tax expense for the year reconciled to accounting profit (Rs. in lakhs)

Particulars	Year Ended	
	31.03.2023	31.03.2022
Profit before tax	1651.85	2169.26
Income tax rate applicable	27.82%	27.82%
Income tax expenses at the above rate	459.54	603.49
Tax effect on account of tax deductions	0	(-)80.82
Tax effect on account of exempt incomes	0	(-)5.18
Tax effect of other adjustments	(-)175.00	(-)136.73
Total income tax expense recognised for the year	284.54	380.76

Deferred Taxation Liability on account of Timing Difference between WDV as per books and income tax is shown as given below.

(Rs. in lakhs)

	31.03.2023	31.03.2022
Opening balance	876.97	1306.89
Add/(-)Less: Transfer from/(to) Profit & Loss a/c	313.18	(-)429.92
Closing balance	1190.15	876.97

28.21. Contingent liabilities:

Claims against the company not acknowledged as debt:	As at	
	31.03.2023	31.03.2022
Additional Electricity tax (Rs. in lakhs)	70.53	64.42

The Group has received the demand towards additional Electricity tax from TNEB against which the Group has gone on appeal to the Honourable High Court of Madras. The Group 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.

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28.22. Secured Loans From Banks :

Sl.No.	Name of the Bank	Limit as on		Nature of Facility	Security Offered
		31.03.2023	31.03.2022		
1	Karur Vysya Bank	2500	1045	Working Capital Facility	First Charge on Current Assets and secondcharge on the other fixed assets.
2	HDFC Bank Ltd	3000	2000	Working Capital Facility	
3	HDFC Bank Ltd.	-	1000	Working capital loan against FD	Secured by Fixed Deposit.
4	Karur Vysya Bank	2524	4314	Machinery Term loan	EM charge on the Wind Mill purchased along with land.
5	Kotak Mahindra Prime Ltd.	200	-	Vehicle Term Loan	Hypothecation on Vehicle purchased
6	HDFC Bank Ltd.	22	-	Vehicle Term Loan	Hypothecation on Vehicle purchased

All the above loans are personally guaranteed by the Managing Director and Joint Managing Director of the Group.

Rs. in lakhs

Particulars	As on	
	31.03.2023	31.03.2022
Counter Guarantee given by the Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Group from its bankers	5500.00	4045.00
Counter Guarantee given by the Managing Director and Joint Managing Director for Term loans taken by the Group from its bankers	2746.00	4314.00

28.23. Details of dividend proposed and paid:

(Rs. in lakhs)

Particulars	Year Ended	
	31.03.2023	31.03.2022
Final dividend	148.50	148.50

In respect of the current year, the directors propose that a dividend of Rs.2.20 per share (same as last year) be paid on equity shares payable to all shareholders on the Register of Members on 14th September, 2023. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend income is taxable in the hands of the shareholders and the group is required to deduct Tax at source.

28.24. Disclosure as per Schedule III

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Group.

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Rs. in lakhs

Particulars	As at	
	31.03.2023	31.03.2022
The principal amount due to Micro and Small Suppliers under this Act	44.08	30.39
Interest accrued and due to suppliers on the above amount	Nil	Nil
Interest paid to suppliers under this act (Section 16)	Nil	Nil
Interest due and payable for the delay (for payment during the year beyond due date)	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed date, during the year	Nil	Nil
Interest accrued and remaining unpaid at the end of year to suppliers under this Act	Nil	Nil
Interest due and payable to suppliers under this Act for payment already made	Nil	Nil

28.25. Capital management:

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group finances its operations by a combination of retained profit and bank borrowings. The Group monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Group.

(Rs. in lakhs)

Particulars	As at	
	31.03.2023	31.03.2022
Debt (long-term and short-term borrowings including current maturities)	3090.66	6107.76
Cash and bank balances	222.40	193.29
Net debt	2868.26	5914.47
Total equity	18087.75	17157.86
Net debt to equity ratio	15.86%	34.47%

28.26. Corporate Social Responsibility expenditure:

Rs. in lakhs

Particulars	Year ended	
	31.03.2023	31.03.2022
Contribution to Prime Ministers Relief fund	34.36	64.12
Amount required to be spent as per Section 135 of the Companies Act, 2013	34.36	64.12
Amount spent during the year on:		
Construction / acquisition of an asset	-	-
On purposes other than above	34.36	64.12

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**28.27. Earnings Per Share:**

Particulars	Year ended	
	31.03.2023	31.03.2022
Net Profit after Tax before OCI [Rs. In Lakhs]	1029.68	2177.32
Weighted Average Number of Equity Shares used as denominator in calculating basic earnings per share	6750000	6750000
Nominal Value per Equity Share [in Rs.]	10.00	10.00
Basic & Diluted Earnings Per Share [in Rs.]	15.25	32.26

28.28. Related party disclosure:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships.

- (a) Key Management Personnel (KMP) Sri.R.Premchander- Managing Director
Sri.R.Jaichander – Whole Time Director
Sri.K.Elango – Chief Financial Officer
Smt.M.Mohana Priya – Company Secretary
Non Executive – Non Independent Directors
Sri.N.Radhakrishnan
Sri.M.Moorthi
Non Executive –Independent Directors
Sri.V.Subramaniam
Sri.V.T.Subramanian
Sri.M.S.Sivakumar
Smt.M.Amutha
- (b) Enterprises over which Key Managerial Personnel are able to exercise significant influence.
Amarjothi Power Generation and Distribution Company Limited
Vinformax Dimensions Technology Private Limited
Texin India
Texknit
Amarjothi Designs
Puvaneswari Enterprises Wind Farms Private Limited

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Transactions with related parties during the year are set out in the table below

(Previous year figures are in brackets)

(` .in.Lakhs)

Nature of transaction	a) Key Management Personnel	b) Enterprises over which Key Managerial Personnel are able to exercise significant influence	Total
Transactions during the year			
Purchase of Goods/Assets	-	51.79	51.79
		(38.48)	(38.48)
Sale of Goods /Assets	-	1807.75	1807.75
		-	-
Interest paid	403.27		403.27
	(345.78)		(345.78)
Remuneration	189.16		189.16
	(203.28)		(203.28)
Outstanding receivable from Related parties		672.16	672.16
			-
Outstanding payables to Related parties	2680.45	95.58	2776.03
	(2376.97)	(429.58)	(2806.55)

Disclosure in respect of Related Party Transactions during the year

- Purchase of goods/assets includes** Amarjothi Power Generation and Distribution Company Limited ` 50.94 Lakhs; (Previous year ` 38.48 Lakhs) Vinformax Dimensions Technology Private Limited ` 0.85 Lakhs; (Previous year ` NIL)
- Sale of Goods/assets includes** Texin India ` 646.64 Lakhs; (Previous year ` NIL) Texknit ` 216.60 Lakhs; (Previous year ` NIL) Amarjothi Designs ` 944.51 Lakhs; (Previous year ` NIL)
- Interest paid** includes Sri.R.Premchander ` 24.76 Lakhs; (Previous year ` 20.94 Lakhs). Sri.R.Jaichander ` 378.51 Lakhs; (Previous year ` 324.84 Lakhs).
- Remuneration to Key Managerial Personnel** includes Sri.R.Premchander ` 88.16 Lakhs; (Previous year ` 101.64 Lakhs). Sri.R.Jaichander ` 88.16 Lakhs; (Previous year ` 101.64 Lakhs). Sri.K.Elango ` 7.42 Lakhs; (Previous year ` NIL). Smt.M.Mohana Priya ` 5.44 Lakhs; (Previous year ` 4.57 Lakhs).
- Outstanding receivable** from Related parties includes Texin India ` 43.78 Lakhs; (Previous year ` NIL) Texknit ` 26.36 Lakhs; (Previous year ` NIL) Amarjothi Designs ` 602.02 Lakhs; (Previous year ` NIL)
- Outstanding payables** to Related parties includes Sri.R.Premchander ` 263.12 Lakhs; (Previous year ` 138.56 Lakhs). Sri.R.Jaichander ` 2417.33 Lakhs; (Previous year ` 2238.41 Lakhs). Puvaneswari Enterprises Wind Farms Private Limited ` 95.58 Lakhs; (Previous year ` 324.84 Lakhs).



	Rs. In lakhs	
	31.03.2023	As at 31.03.2022
28.29. EARNINGS IN FOREIGN CURRENCY :		
FOB Value of Exports	<u>611.23</u>	<u>1632.00</u>
28.30. EXPENDITURE IN FOREIGN CURRENCY :		
a) Traveling	6.37	Nil
b) CIF Value of Imports	3595.20	1169.54
c) Certification charges	5.17	4.63
Total	<u>3606.74</u>	<u>1174.17</u>
28.31. REMUNERATION TO DIRECTORS :		
a) Managing Director (Salary)	7.20	7.20
b) Joint Managing Director (Salary)	7.20	7.20
c) Managing Director (Commission)	80.96	94.44
d) Joint Managing Director (Commission)	80.95	94.44
Total	<u>176.31</u>	<u>203.28</u>
Computation of Remuneration to Directors:		
Net Profit before tax as per Profit & Loss account	1605.25	2035.99
Add: Remuneration debited to Profit & Loss account	176.31	203.28
Less / Add: (Profit) / Loss on sale of Assets	(-)2.42	(-)3.17
Net Profit available	1779.14	2236.10
Managerial Remuneration eligible(11/111)	176.31	203.28
28.32. PAYMENT TO AUDITOR : (Inclusive of GST)		(Rs. in lakhs)
Statutory Audit Fees	2.08	2.06
Reimbursement of Expenses	0.17	0.20
Other Services	0.42	0.35
Total	<u>2.67</u>	<u>2.61</u>
28.33. Other statutory information:		
a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.		
b) The Group does not have any transactions with companies struck off.		



- c) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- d) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) No funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- g) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- h) The Group has not have been declared as wilful defaulters by any bank or financial institution or government or any government authority.
- i) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- j) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- l) The Group has borrowings from banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts



28.34. Ratios as per the Schedule III requirements :

Particulars	Year ended 31.03.2023 Rs. In lakhs	Year ended 31.03.2022 Rs. In lakhs	Change %	
ACCOUNTING RATIOS:				
(a) Current Ratio, (Times)				
<u>Current Assets</u>	11462.54	12402.54		
<u>Current Liabilities</u>	4005.86 = 2.86	5776.67 = 2.15	33.28%	Group has utilised less working capital at the year end.
(b) Debt-Equity Ratio, (Times)				
<u>Total Liabilities</u>	8873.12	12471.35		
<u>Shareholders equity</u>	18087.75 = 0.49	17157.86 = 0.73	-32.51%	Group has repaid its bank loans to the maximum extent.
(c) Debt Service Coverage Ratio, (Times)				
<u>Earnings before Interest, Tax & Depreciation</u>	2665.37	3299.17		
<u>Interest + Principal</u>	629.24 = 4.24	2736.57 = 1.21	251.35%	Group has repaid its term loans to the maximum extent.
(d) Return on Equity Ratio, (%)				
<u>Total comprehensive income</u>	1029.68	2177.32		
<u>Share holders equity</u>	18087.75 = 5.69%	17157.86 = 12.69%	-7.00%	
(e) Inventory turnover ratio, (Times)				
<u>Cost of goods sold</u>	3184.40	3754.22		
<u>Average Inventory</u>	6475.79 = 0.49	6214.09 = 0.60	-18.61%	
(f) Trade Receivables turnover ratio, (Times)				
<u>Net credit sales</u>	21014.41	25747.08		
<u>Average Receivables</u>	3507.10 = 5.99	3342.79 = 7.70	-22.21%	
(g) Trade payables turnover ratio, (Times)				
<u>Net credit purchases</u>	11389.05	15705.66		
<u>Average payables</u>	1028.45 = 11.07	794.07 = 19.78	-44.01%	Group has reduced purchases due to price fluctuations.
(h) Net capital turnover ratio, (Times)				
<u>Total Income</u>	21146.76	25922.94		
<u>Average Working capital</u>	7456.68 = 2.84	6625.87 = 3.91	-27.51%	Turnover during the year reduced due to market & price fall.
(i) Net profit ratio, (%)				
<u>Total comprehensive income</u>	1029.68	2177.32		
<u>Revenue from operations</u>	21014.41 = 4.90%	25747.08 = 8.46%	-3.56%	
(j) Return on Capital employed, (%)				
<u>Earnings before Interest & Tax</u>	2299.99	2749.03		
<u>Capital employed (Total assets-current liabilities)</u>	22955.01 = 10.02%	23852.54 = 11.53%	-1.51%	
(k) Return on investment. (%)				
<u>Profit from investment</u>	0.00	0.00		
<u>Cost of investment</u>	91.03 = 0.00%	91.03 = 0.00%	0.00%	

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

As per my report of even date

V. NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant
Membership No.023661

Place : Tirupur

Date : 29/05/2023

On behalf of the Board of Directors

R. PREMCHANDER

Managing Director
(DIN : 00390795)

R.JAICHANDER

Joint Managing Director
(DIN : 00390836)

To

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