

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 : 33AAFCA7082C1ZO

CIN: L17111TZ1987PLC002090

31.08.2021

To

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

Dear Sirs,

**Sub: Submission of Annual Report for the year 2020-21**

**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 2020-21 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,**

A handwritten signature in blue ink, appearing to read "M. Mohana Priya.M", is written over a faint blue circular stamp.

**Mohana Priya.M  
Company Secretary.**

**ANNUAL REPORT 2020-2021**



**AMARJOTHI SPINNING MILLS LIMITED**



**CORPORATE INFORMATION**

**AMARJOTHI SPINNING MILLS LIMITED**  
(CIN: L17111TZ1987PLC002090)  
**33<sup>rd</sup> ANNUAL GENERAL MEETING**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Sri. P. Singaravelu

**COMPANY SECRETARY**

Smt. Mohana Priya M

**REGISTERED OFFICE**

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

**LISTING OF EQUITY SHARES**

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

**STATUTORY AUDITOR**

Sri. P.S. Sitaram

**SECRETARIAL AUDITOR**

Sri.R.Ramchandrar

**COST AUDITOR**

Sri. M.Nagarajan

**REGISTRAR AND SHARE TRANSFER AGENTS**

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

**FACTORIES AT**

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

**BANKERS**

Bank of Baroda  
Karur Vysya Bank Limited  
HDFC Bank Limited

Date of AGM: **23<sup>rd</sup> September 2021**

Day: **Thursday**

Time: **11.00 A.M**

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



<b>Contents</b>	<b>Page No.</b>
1. Notice to the Members	3
2. Director's Report	23
3. Management Discussion and Analysis Report	34
4. Annexure to Director's Report	37
5. Report on Corporate Governance	51
<b><u>Standalone</u></b>	
6. Auditor's Report	67
7. Balance Sheet	75
8. Statement of Profit and Loss	76
9. Notes Forming Part of Financial Statements	78
10. Cash Flow Statement	97
<b><u>Consolidated</u></b>	
11. Auditor's Report	100
12. Balance Sheet	106
13. Statement of Profit and Loss	107
14. Notes Forming Part of Financial Statements	109
15. Cash Flow Statement	129



### **NOTICE OF ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Shareholders of Amarjothi Spinning Mills Limited will be held on Thursday, 23<sup>rd</sup> September, 2021 at 11.00 A.M through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) from the Registered Office of the Company situated at Amarjothi House, 157, Kumaran Road, Tirupur -641601 to transact the following business:

#### **ORDINARY BUSINESS**

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

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

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

**2. Declaration of Dividend**

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

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

**3. Appointment of Director who retires by rotation**

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

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

#### **SPECIAL BUSINESS**

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

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

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



**MEMORANDUM OF TERMS AND CONDITIONS**

- (a) Salary of Rs.60, 000/- (Rupees Sixty Thousand only) per month.
- (b) Telephone at his residence
- (c) Other benefits, allowances, facilities, and amenities as per the Company's rules.
- (d) Commission on net profits, as may be determined by the remuneration committee, within the limits prescribed under the Companies Act, 2013, provided such commission together with the other components of the remuneration paid to the Managing Director shall not exceed 5.5% of the net profits of the Company as computed in accordance with the relevant provisions of the Act"

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

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

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

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

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

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

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

**MEMORANDUM OF TERMS AND CONDITIONS**

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



- (c) Other benefits, allowances, facilities and amenities as per the Company's rules.
- (d) Commission on net profits, as may be determined by the remuneration committee, within the limits prescribed under the Companies Act, 2013, provided such commission together with the other components of the remuneration paid to the Joint Managing Director shall not exceed 5.5% of the net profits of the Company as computed in accordance with the relevant provisions of the Act".

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

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

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

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

**6. Ratification of Remuneration payable to Cost Auditor**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force),

Sri. M.Nagarajan, Practicing Cost Accountant (Firm No: 000088), who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year 2021-22 on a remuneration of Rs.40, 000/- (Rupees Forty Thousand Only) as also the payment of Goods and Services tax as applicable be and is hereby ratified and confirmed."

**By order of the Board**

Place: Tirupur  
Date: 12.08.2021

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

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



**NOTES:**

- 1) THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED HERETO.
- 2) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020 and 13th January, 2021 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide their circulars dated 12th May, 2020 and 15th January, 2021 (collectively referred to as "SEBI Circulars"). The deemed venue for the AGM shall be the Corporate Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars the AGM of the Company is being held through VC / OAVM.
- 3) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Since the ensuing AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. In case of Joint Holders, the member whose name appears as First Holder in the order of names on the Register of Members of the Company will be entitled to vote. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 5) The Register of Members and share transfer books of the Company will remain closed from Friday, the 17<sup>th</sup> September 2021 to Thursday, the 23<sup>rd</sup> September 2021 (both days inclusive) as per Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) The dividend as recommended by the Board of Directors, if declared at the AGM will be paid, subject to deduction of tax at source, whose names appear in the Register of Members as on 16<sup>th</sup> September 2021 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on or before 23<sup>rd</sup> October, 2021.
- 7) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with Share Transfer Agents, M/s. SKDC Consultants Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).





A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in **FormNo.15G/15H**, to avail the benefit of non-deduction of tax at source by email to [green@skdc-consultants.com](mailto:green@skdc-consultants.com) on or before the end of the business hours of 16<sup>th</sup> September 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an email to [green@skdc-consultants.com](mailto:green@skdc-consultants.com).

The afore said declarations and documents need to be submitted by the shareholders on or before the end of business hour of 16th September 2021.

- 8) Members may note that Mr.P.S.Sitaram, Chartered Accountant, Coimbatore, (Membership No.023033), the statutory auditors of the company were appointed by the shareholders at 31st Annual General Meeting (AGM) held on 30.09.2019, to hold office for a period of 3 years till the conclusion of AGM to be held during the year 2022. However, the Ministry of Corporate Affairs vide its notification dated 07.05.2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the Members for appointment of statutory auditors at every AGM. Hence, no resolution is being proposed for ratification of appointment of statutory auditors at this 33rd Annual General Meeting.
- 9) Pursuant to Section 124 (5) and 125, read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, of the Companies Act, 2013, all unclaimed dividends shall be transferred to the 'Investor Education and Protection Fund' of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2013-14, 2014-15, 2015- 16, 2016-17, 2017-18, 2018-19 & 2019-20 are requested to write to the Registrar and Share Transfer Agents of the Company, M/s. S.K.D.C. Consultants Limited, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028 for claiming the dividend. The details of shareholders whose unclaimed dividend / shares are liable to be transferred to IEPF are available at the Company's website – [www.amarjothi.net](http://www.amarjothi.net).
- 10) Company's share transfer work and dematerialisation of shares, is done by Registrar and Share Transfer Agents(RTA) - M/s. S.K.D.C. Consultants Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
- 11) Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA – M/s. S.K.D.C. Consultants Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, by quoting their Folio Number or the Client ID No. with DP ID No.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat account(s). Members



holding shares in physical form can submit their PAN details to the company or to the Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants Ltd.

- 13) International Securities Identification Number of the company is INE484D01012.
- 14) Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed Companies to offer Electronic Clearing Service (ECS) facilities/ NEFT for payment of dividend, wherever applicable. In view of this provision, Shareholders who are interested to avail the facility of Dividend payment by National Electronic Clearing Service (NECS)/NEFT are requested to fill the prescribed form and send it along with the original cancelled cheque leaf to the Company's Registrar and Share Transfer Agents M/s. S.K.D.C. Consultants Ltd, "Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
- 15) Members holding shares in Physical form are requested to intimate the email id, change of address and their bank account details such as bank name, branch with address and account number for incorporating the same in the records of the Company to the Company's Registrar and Share Transfer Agents - M/s. S.K.D.C. Consultants Limited quoting their respective folio number. Members holding shares in Demat form are requested to intimate the email id, change of address notifications and updates of bank account details to their respective Depository Participants.
- 16) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.
- 17) Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file nomination forms in respect of their physical shareholdings. Any Member wishing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed statutory form. Should any assistance be desired, Members should get in touch with the Company's Registrar & Share Transfer Agents.
- 18) Members who require any clarifications on accounts or operations of the Company are requested to write to the Company before 15<sup>th</sup> September 2021 (5.00 pm IST). The queries will be answered accordingly.
- 19) In compliance with aforesaid MCA Circulars and SEBI Circulars electronic copy of the AGM Notice and the Annual Report containing Financial Statements, Boards Report, Auditors Report, Corporate Governance Report and other documents is being **sent only by email to members** of the Company who have registered their e-mail id with their depository participants (for members holding shares in demat form) and to their e-mail id registered with the Registrar and Share Transfer Agent of the Company (for members holding shares in physical form). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.amarjothi.net](http://www.amarjothi.net) and website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com).
- 20) The results of the Remote e-voting and e-voting during the Annual General Meeting will be announced by the Chairperson Or person authorized by the Chairperson within 48 hours from the date of conclusion of the Annual General Meeting at the Registered office of the



Company. A copy of which will be posted on the Company's website and forwarded to the Stock Exchange.

***Voting through electronic means***

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

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

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

- i) The Board of Directors has appointed Sri. RAMCHANDAR.R(Membership.No.10097), Company Secretary in Practice as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner
- ii) The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period.
- iii) **The remote e-voting would commence on Monday, the 20th September 2021 (9:00 am) and end on Wednesday, the 22nd September 2021 (5:00 pm).**

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 22nd September 2021. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

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



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

- 1) The voting period begins on <20.09.2021 – 9.00 AM> and ends on <22.09.2021-5.00 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 <16.09.2021> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**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 in order 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 <b>CDSL</b>	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>1) 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.</p> <p>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 &amp; voting during the meeting.</p> <p>Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>1) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p>



	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a></li> <li>3) The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under ‘<b>IDeAS</b>’ 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile.</li> <li>4) 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.</li> </ol>



	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 <b>Depository Participants</b>	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.

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.

<b>Login type</b>	<b>Helpdesk details</b>
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 022- 23058738 and 22-23058542-43.
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](http://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](http://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"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>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</li> </ul>
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 (v).</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.
- 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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](mailto: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.
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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@amarjothi.net](mailto:secretarial@amarjothi.net). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@amarjothi.net](mailto: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.

**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 [secretarial@amarjothi.net](mailto:secretarial@amarjothi.net) / [info@skdc-consultants.com](mailto:info@skdc-consultants.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.

**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](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.**

**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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.**



## **ANNEXURE TO NOTICE**

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

#### **ITEM NO.4**

The Board of Directors of the Company at their meeting held on 12th August 2021, on the recommendation of the Nomination and Remuneration Committee, have considered the re-appointment of Sri.R.Premchander (DIN: 00390795) Managing Director of the Company for a further period of 5 years on such remuneration with effect from 01.09.2021 as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors of the Company.

Sri R.Premchander has been a Director in the Company since 1987. He has over 30 years experience in marketing, finance and management and provides a professional touch to the company's management. Considering his professional commitment to the Company, the Board of Directors have re-appointed him as the Managing Director of the Company for a further period of 5 years on the terms and conditions as set out in the Resolution given under Item No. 4 of the Notice. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

As per Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee at their meeting held on 12th August, 2021 had in the best interest and progress of the Company, proposed the re-appointment of Sri R.Premchander as Managing Director of the Company for a further period of 5 years commencing from 1st September, 2021 and determined his remuneration as set out in the Resolution and recommended the same to the Board.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Audit Committee of the Board of Directors at their meeting held on 12th August, 2021 have also approved the remuneration payable to Sri R.Premchander as Managing Director of the Company and have recommended the same to the Board.

Pursuant to the provisions of the Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, the re-appointment of Managing Director shall be subject to the approval of the Shareholders of the Company in the General Meeting. Hence, the necessary Resolution has been set out as Item No. 4 of the Notice for the approval of the Members.

Based on the above points, the Board of Directors have recommended the Resolution as set out in Item No. 4 of the Notice for approval of the Members as a Special Resolution.

The disclosures as required under Schedule V of the Companies Act, 2013, Regulation 36 of Listing Regulations and Secretarial Standard 2 are furnished and form a part of this Notice.

#### **Interest of Directors:**

Except Sri R.Premchander, being the beneficiary appointee and Sri.R.Jaichander and Sri.N. Radhakrishnan, being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the Resolution set out in Item No.4 of the accompanying Notice of the AGM.



**ITEM NO.5**

The Board of Directors of the Company at their meeting held on 12th August 2021, on the recommendation of the Nomination and Remuneration Committee, have considered the re-appointment of Sri.R.Jaichander (DIN: 00390836) as a Joint Managing Director of the Company for a further period of 5 years on such remuneration with effect from 01.12.2021 as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors of the Company.

Sri R.Jaichander has been a Director in the Company since 1993. He has over 28 years experience in production planning, technical, and financial, cost management and monitoring and factory management. Considering the persistent efforts of Sri R.Jaichander towards the growth of the company and his ever increasing responsibilities the Board of Directors have re-appointed him as a Joint Managing Director of the Company for a further period of 5 years on the terms and conditions as set out in the Resolution given under Item No. 5 of the Notice. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

As per Section 178 of the Companies Act, 2013, the Nomination and R and progress of the Company, proposed the re-appointment of Sri R.Jaichander as a Joint Managing Director of the Company for a further period of 5 years commencing from 1st December, 2021 and determined his remuneration as set out in the Resolution and recommended the same to the Board.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Audit Committee of the Board of Directors at their meeting held on 12th August, 2021 have also approved the remuneration payable to Sri R.Jaichander as a Joint Managing Director of the Company and have recommended the same to the Board.

Pursuant to the provisions of the Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, the re-appointment of Managing Director shall be subject to the approval of the Shareholders of the Company in the General Meeting. Hence, the necessary Resolution has been set out as Item No. 5 of the Notice for the approval of the Members.

Based on the above points, the Board of Directors have recommended the Resolution as set out in Item No. 5 of the Notice for approval of the Members as a Special Resolution.

The disclosures as required under Schedule V of the Companies Act, 2013, Regulation 36 of Listing Regulations and Secretarial Standard 2 are furnished and form a part of this Notice.

**Interest of Directors:**

Except Sri R.Jaichander, being the beneficiary appointee and Sri.R.Premchander and Sri. N. Radhakrishnan, being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the Resolution set out in Item No.5 of the accompanying Notice of the AGM.

**ITEM NO.6**

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 2021-22 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: 12.08.2021

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

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



**Annexure to Notice of AGM**

**(Statement of information as per Schedule V of the Companies Act, 2013 Relevant to re-appointment of Sri R.Premchander as Managing Director and Sri R.Jaichander as Joint Managing Director, pursuant to Item NO.4 and 5 of the Notice)**

**I. GENERAL INFORMATION**

**1. Nature of Industry**

The Company manufactures and distributes yarn to domestic and international textile companies. The Company provides a variety of shades and styles of yarn. Amarjothi produces good quality color melange yarn for hosiery, woven and home textiles. The manufacturing unit is located at Nambiyur and dyeing unit is located in Perundurai.

**2. Date of commencement of commercial production – 16.12.1987**

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable

**4. Financial performance based on given indicators**

**(Rs. in lakhs, except EPS)**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Sales & other income	17487.80	18521.26
Profit/ (Loss) before tax	1645.34	1499.83
Profit/ (Loss) after tax	1631.42	1032.62
Paid-up equity capital	675.00	675.00
Reserves and Surplus	13958.95	12462.53
Basic Earnings per share (EPS)	24.17	15.30

**5. Export Performance and Net foreign exchange earnings**

- Inflow (Fob value of exports) Rs. 1458.57 lakhs
- Outflow (Imports & charges) Rs. 811.42 lakhs

**6. Foreign Investments or collaborations, if any.**

Nil

**II. Information about the appointee Directors**

**Sri R.Premchander, Managing Director**

Sri R.Premchander is the Managing Director of the Company. His present tenure comes to an end on 01.09.2021. Sri R.Premchander was appointed as Managing Director on the Board on 01.09.2016 for a period of 5 years. He takes care of day to day operations of the Company including diversification and global export market.



Past Remuneration : Rs.60, 000/- per month

Remuneration Proposed: Rs.60,000/- per month

Commission : 5.5% on the Net Profit of the Company, as may be applicable

The remuneration proposed is commensurate with the size of the Company, the responsibilities and the industry norms.

No. of shares held in the Company: 1858043 equity shares of Rs.10/- each

No. of shares held in Subsidiary Company: 1 equity share of Rs.100/- each

Board position held: Managing Director

**Relationship with the managerial personnel:**

Sri R.Premchander is related to Sri R.Jaichander, Joint Managing Director and Sri. N. Radhakrishnan, Director

**Sri R.Jaichander, Joint Managing Director**

Sri R.Jaichander is the Joint Managing Director of the Company. His present tenure comes to an end on 01.12.2021. Sri R. Jaichander was appointed as Joint Managing Director on the Board on 01.12.2016 for a period of 5 years. He is responsible for overall operations of the entire organization.

Past Remuneration : Rs.60, 000/- per month

Remuneration Proposed : Rs.60,000/- per month

Commission : 5.5% on the Net Profit of the Company, as may be applicable

The remuneration proposed is commensurate with the size of the Company, the responsibilities and the industry norms.

No. of shares held in the Company: 1857888 equity shares of Rs.10/- each

No. of shares held in Subsidiary Company: 1 equity share of Rs.100/- each

Board position held: Joint Managing Director

**Relationship with the managerial personnel:**

Sri R.Jaichander is related to Sri R.Premchander, Managing Director and Sri. N. Radhakrishnan, Director

**III. Other information**

Amarjothi produces good quality color melange yarn for hosiery, woven and home textiles. Amarjothi has established itself as house hold name in the melange yarn industry the world over. The equity shares of Rs.10/- each of the Company were quoted at around Rs. 100/- per share on 31.03.2021.

The working of the Company for the financial year 2020-21 has resulted in a consolidated net profit of Rs.1574.46 Lakhs and is expected to grow in future years considering the improvement in productivity in the manufacturing units.

**IV. Disclosures**

1. The shareholders of the Company are informed of the remuneration package of the managerial persons.
2. All elements of remuneration package such as salary, benefits etc. of all the Directors are mentioned in the Board of Directors' Report.



**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, 4 and 5**

<b>Name of the director</b>	<b>M. MOORTHY</b>	<b>R. PREMCHANDER</b>	<b>R.JAICHANDER</b>
DIN	06801357	00390795	00390836
Date of Birth	03/05/1975	16/11/1968	13/08/1974
Date of appointment and re-appointment on the board	05.09.2014	01.09.2016	01.12.2016
Board position held	Non-Executive Non Independent Director	Executive Director	Executive Director
Qualifications	M.B.A.	B.Com., MBA.	B.Com.
Terms and conditions of appointment	Retires by rotation and eligible for re-appointment	As per the Resolution as stated in Item No. 4 of the Notice	As per the Resolution as stated in Item No.5 of the Notice
List of other companies in which directorship held as on 31 <sup>st</sup> March 2021.	<b>Chairman: Nil Managing Director: Nil</b>	<b>Chairman: Nil Managing Director:-</b> Vinformax Systems India Private Limited Viroka Finance Private Limited	<b>Chairman: Nil Managing Director: Nil</b>
		<b>**No. of Directorship in private companies: 11 Directorship in unlisted companies : 2</b> - Amarjothi Power Generation and Distribution Company Limited - R P J Textiles Limited	<b>**No. of Directorship in private companies : 11 Directorship in unlisted companies : 2</b> - Amarjothi Power Generation and Distribution Company Limited - R P J Textiles Limited
Chairman/ Members of the Committees of the board of other Companies in which he is a director as on 31 <sup>st</sup> March 2021	<b>Chairman : Nil Member: Nil</b>	<b>Chairman : Nil Member: Nil</b>	<b>Chairman : Nil Member: Nil</b>
No. of Shares held	Nil	1858043	1857888
Relationship with other Directors	Not related to any other Director	Brother of Sri.R.Jaichander, Joint Managing Director	Brother of Sri R.Premchander, Managing Director.



**\*\* DETAILS OF DIRECTORSHIP IN PRIVATE COMPANIES**

<b>R. PREMCHANDER</b>	<b>R.JAICHANDER</b>
TWISS DRINKS INDIA PRIVATE LIMITED	JAYANTHI WIND FARMS PRIVATE LIMITED
AFCM WIND FARMS PRIVATE LIMITED	SAROJARAJAN GREEN ENERGY PRIVATE LIMITED
PREMCHANDER GREEN ENERGY PRIVATE LIMITED	JAYANTHI GREEN ENERGY PRIVATE LIMITED
PREMCHANDER WIND FARMS PRIVATE LIMITED	APGL GREEN ENERGY PRIVATE LIMITED
AJSM GREEN ENERGY PRIVATE LIMITED	AFCM WIND FARMS PRIVATE LIMITED
PROPIN INDIA DEVELOPERS PRIVATE LIMITED	SUSHMITHA TITIKSHAA GREEN ENERGY PRIVATE LIMITED
AARUDHRA PHARMACEUTICALS PRIVATE LIMITED	PREMCHANDER GREEN ENERGY PRIVATE LIMITED
VIXTA SOLUTIONS PRIVATE LIMITED	PREMCHANDER WIND FARMS PRIVATE LIMITED
VINFORMAX TECHNOLOGY SYSTEMS PRIVATE LIMITED	PUVANESWARI ENTERPRISES WIND FARMS PRIVATE LIMITED
AARUDHRA BUSINESS CONSULTANCY SERVICES PRIVATE LIMITED	JAICHANDER WIND FARMS PRIVATE LIMITED
VINFORMAX DIMENSIONS TECHNOLOGY PRIVATE LIMITED	AJSM GREEN ENERGY PRIVATE LIMITED



**AMARJOTHI SPINNING MILLS LIMITED**

Annual Report 2020-21

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

The Board of Directors of your Company are pleased to present the Thirty Third Annual Report on the business and operations of the Company along with the summary of Financial Statements for the year ended 31st March, 2021.

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

	<b>2020-2021</b>	<b>2019-2020</b>
Revenue from Operations	16730.80	18319.64
Other Income	757.00	201.62
<b>Total Revenue</b>	<b>17487.80</b>	<b>18521.26</b>
Less: Total Expenses	15842.46	17021.43
Profit before Tax	1645.34	1499.83
Profit after Tax	1631.42	1032.62
Surplus brought forward	10720.37	9931.39
<b>Amount available for appropriation</b>	<b>12351.79</b>	<b>10964.01</b>
Appropriations to :		
General Reserve	163.14	103.26
Dividend paid including Tax	135.00	162.75
Previous year Income tax adjusted	0	-22.37
Surplus carried to balance sheet	12053.65	10720.37
<b>TOTAL</b>	<b>12351.79</b>	<b>10964.01</b>

**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 1588.84 lakhs over the previous financial year and recorded a revenue of Rs.17487.80 lakhs for the financial year ended 31st March 2021. The profit after tax is Rs. 1631.42 Lakhs as against Rs. 1032.62 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) WIND MILLS:**

Companies wind mills are fully utilized for captive consumption of yarn division and processing division's power usage.

#### **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 2020-2021.

#### **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 Company has Five Associate Companies, Jayanthi Green Energy Private Limited, Premchander Green Energy Private Limited, in which our company holds 27% shares, AFCM Wind Farms Private Limited, AJSM Green Energy Private Limited in which our company holds 29 % shares and 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. 2.10 per share (21% on the Face value) for the year ended 31st March 2021 absorbing a sum of Rs.1,41,75,000/- 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 2013-14, is due for remittance during September, 2021 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) 11,900 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. 163.14 lakhs to the General Reserve.

**SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2021 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 2020-2021.

**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 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in the Form MGT-9 is available at the web link <http://tinyurl.com/AJSMAnnualReturn> and copy of the annual return is available in the website of the Company [www.amarjothi.net](http://www.amarjothi.net).

**NUMBER OF BOARD MEETINGS:**

During the year under review Eight (8) 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:**

04.05.2020	28.05.2020	08.06.2020	29.06.2020
31.07.2020	21.08.2020	29.10.2020	10.02.2021

**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 31.03.2021, 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 2020-21 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/Policies](http://www.amarjothi.net/Policies).

#### **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 2020-21 are in the ordinary course of business and at arm's length basis. The Company has enter into material transaction with its wholly owned subsidiary, under Section 188 of the Companies Act, 2013, during the year. The particulars of related party transactions is 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](http://www.amarjothi.net)

#### **MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF FINANCIAL YEAR (MARCH 31, 2021) TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS DIRECTORS' REPORT.**

The state Government (the Government of Tamilnadu) has imposed some restrictions from 10th May 2021 to 24th May 2021 in view of the sudden spurt of second wave of COVID 19. The Company has suspended the operations from 24th May 2021 to 05<sup>th</sup> June 2021. Upon further relaxations granted by government, the company resumed the operations from 06.06.2021. The restriction on movement of people and spread of COVID among local communities has affected the availability of manpower. The Company is closely monitoring the situation and trying to maintain the operations.

#### **OUR RESPONSE TO COVID 19**

Health and safety measures were taken throughout the workplace to prevent transmission



of COVID -19 include frequent hand-washing or disinfection with alcohol based hand sanitizer, respiratory hygiene such as covering coughs, physical distancing of at least 1 metre or more according to the national recommendations, wearing of masks where distancing is not possible, regular environmental cleaning and disinfection, and limiting unnecessary travel.

The Company donated Rs.3 Lakhs to Tamilnadu Chief Minister Public Relief Fund for Covid 19 relief measures during the year under review.

**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 as a whole, 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**

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



**DIRECTORS:**

**Re-Appointment Of Sri.R.Premchander, Managing Director**

Sri.R.Premchander (DIN: 00390795) was re-appointed as the Managing Director of the Company for a period commencing from 1st September 2016 until 31<sup>st</sup> August 2021 on the terms and conditions as approved by the shareholders at the 28th Annual General Meeting held on 28th September 2016.

The current tenure of the office of Sri.R.Premchander (DIN: 00390795) is valid up to 31st August 2021. As per the provisions of the Companies Act, 2013 the Board of Directors of the Company at the meeting held on 12th August 2021 had, re-appointed Sri.R.Premchander (DIN: 00390795) as Managing Director of the Company for a further period of 5 years with effect from 01st September 2021 subject to approval of shareholders in the ensuing Annual General Meeting. The terms of appointment are detailed in the AGM Notice.

**Re-Appointment Of Sri.R.Jaichander, Joint Managing Director**

Sri.R.Jaichander (DIN: 00390836) was re-appointed as the Joint Managing Director of the Company for a period commencing from 1st December 2016 until 30th November 2021 on the terms and conditions as approved by the shareholders at the 28th Annual General Meeting held on 28th September 2016.

The current tenure of the office of Sri.R.Jaichander (DIN: 00390836) is valid up to 30th November 2021. As per the provisions of the Companies Act, 2013 the Board of Directors of the Company at the meeting held on 12th August 2021 had, re-appointed Sri.R.Jaichander (DIN: 00390836) as a Joint Managing Director of the Company for a further period of 5 years with effect from 01st December 2021 subject to approval of shareholders in the ensuing Annual General Meeting. The terms of appointment are detailed in the AGM Notice.

**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, 2021 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, and
3. Sri P.Singaravelu - Chief Financial Officer.
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 2020-21, 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.1574.46 lakh as against Rs. 1088.67 lakh. in the previous year. The Company's consolidated net worth stood at Rs. 14776.45 lakh as on 31st March 2021.

#### **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 also posted on the website of company and can be accessed at the link <http://www.amarjothi.net/Policies>. 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.28,89,847 in the year 2020-21. 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](http://www.amarjothi.net).

**AUDITORS:**

**STATUTORY AUDITORS**

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

**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.Ramchandar B.com, FCS, LLB, Company Secretary in Practice (C.P No. 12240) to undertake 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 2020-21 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 2021-22 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 2020-21, 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 Reg 15(2) of the SEBI (LODR) Regulations, 2015 is attached as part of this annual report.

#### **INTIMATION REGARDING SHIFTING OF OFFICE OF S.K.D.C.CONSUULTANTS LIMITED (RTA)**

S.K.D.C. Consultants Limited is now a Wholly Owned Subsidiary of Link Intime India Private Ltd (SEBI Permanent Registration No. INR000004058 – Registrars to an Issue and

## AMARJOTHI SPINNING MILLS LIMITED

Annual Report 2020-21



Share Transfer Agents). And with a view to consolidate the operations, the Board of Directors of S.K.D.C. Consultants Limited have shifted the operations of S.K.D.C. Consultants Limited to the following address in Coimbatore and it became operational with effect from 16.07.2021.

S.K.D.C. Consultants Limited , "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road

Coimbatore – 641028. Phone: 0422 4958995, 2539835 / 836, Fax : 0422 2539837  
Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

Please note the above new address of RTA for future communication.

### **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 2020-21.

### **ACKNOWLEDGEMENT**

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

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

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

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

**By order of the Board**

Place : Tirupur  
Date : 12.08.2021

(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 2021, in terms of Regulation 34(2) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR].

**1. INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the 2nd largest producer of MMF Fibre after China. India is the 6th largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy.

Indian textiles and apparel industry contributed 2.3 percent to the GDP of India, 13 percent to industrial production, and 12 percent to export earnings. Moreover, exports of readymade garments (of all textiles) were worth US\$ 1.04 billion.

The contribution of textiles and apparels to India's GDP is 5.14 per cent including the domestic and export markets. Employment in the Indian textile and apparel sector stands at 45 million and, with an additional employment of 60 million in allied sectors, both totalling to 105 million.

Indian Textile market contracted in the FY 21 by around 30% and India's export decreased by around 15%. Apparel formal wear and semi formal wear got more hit than casual wear / lounge wear or home furnishings/ made ups since Work-From-Home became a new normal. Though 2020-21 was a challenging year for the textile industry, it has been a learning year and taught us to conduct the business in a different manner.

**2. OPPORTUNITIES AND THREATS:**

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

On positive note there have been lots of developments undertaken, including different product mix, introducing several health and hygiene products and exploring new business channels. Even during these torrid times, the business has managed the working capital well.

Currently the biggest threat is a second wave of COVID 19. It all depends how fast it can be controlled to help in boosting confidence and reducing uncertainties. Further abnormal increase in input cost and non-clarity on rates of export benefits are creating uncertainty among the manufacturers / exporters.

The post-Covid era has provided a big opportunity for the online textile industry. The sales in the online textile industry witnessed a jump in various cities and states of India due to the lockdown that was imposed to curb the spread of coronavirus-caused Covid-19 pandemic.



However any major changes in export / import policies related to cotton and yarn and foreign currency fluctuations will have their impact on textile sector. Current Price fluctuations in yarn will affect the Market of our product in the forthcoming period. More over we are facing Labour scarcity and it will have impact on our production. Power generated by wind mills are not fully utilized by the Electricity Board and due to this wind mills were kept idle for some times.

**3. SEGMENT-WISE PERFORMANCE:**

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

**4. OUTLOOK:**

Indian economy is expected to rebound in current fiscal ending March '22 and perhaps clock a growth of 9-10%, but a severe second Covid wave has increased risks to India's credit profile and rated entities. India's economy rebounded quickly from a steep contraction in 2020, but a severe second wave of the coronavirus has increased risks to the outlook with potential larger-term credit implications.

Risk to India's credit profile, including a persistent slow-down in growth, weak government finances and rising financial sector risk, have been exacerbated by the shock. There are signs of pickup in economic activity and the recovery should gather pace by the end of first quarter FY22, helped by the decline in COVID cases and faster vaccination. Going forward, capacity utilisation in polyester industry is expected to sustain at better levels in FY22. Cotton yarn realisation is expected to be strong, driven by the ban on Chinese cotton by the US. Revenue of all three segments - cotton yarn, readymade garments and home textiles is expected to recover to pre COVID levels in FY22 with good demand driven by knitted garments and home textiles segments, with operating profitability by 200-250 bps as cotton yarn spreads are expected to remain high (CRISIL).

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.

**5. RISKS AND CONCERNS:**

Major concern is volatility in yarn prices (almost 50% increase from November 20). Market takes time to absorb above increase in prices at garment / fabric stage considering MRP increase on finished product is not an option in current scenario. Further limited availability of specialty fibres like organic, Supima and Egyptian also impacts our offering to the customer.

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

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

- Economic conditions.
- Inflationary pressure and other factors affecting demand for our products.
- Increase in costs of raw material, transport and storage.
- Supplier and distributor relationships and retention of distribution channels.
- Competitive market conditions and new entrants to the market.



- Labour shortages and attrition of key staff.
- Exchange rate fluctuation and arbitrage risk.
- Compliance and regulatory pressures including changes to tax laws.
- Political risks associated with unrest and instability in countries where we have a presence or operation
- Power shortage

**6. 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.

**7. 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.

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

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

**9. HEALTH AND SAFETY MEASURES :**

Employers and managers, in consultation with workers carrying out regularly and update the risk assessment for work-related exposure to COVID-19, preferably with the support of occupational health services.

Safety Measures were taken to prevent transmission of COVID-19 that apply to all people at the workplace include frequent hand-washing or disinfection with alcohol based hand sanitizer, respiratory hygiene such as covering coughs, physical distancing of at least 1 metre or more according to the national recommendations, wearing of masks where distancing is not possible, regular environmental cleaning and disinfection, and limiting unnecessary travel. Adequate safety measures have been taken in all our plants for prevention of any untoward incidents.

**10. 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 : 12.08.2021

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



**ANNEXURE – I TO 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, 2021 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 Amarjothi Power Generation and Distribution Company Limited, Jaichander Wind Farms Private Limited and Kanagathara Wind Farms.
3. The capital investment on energy conservation equipments: The Company has acquired two windmills with the capacity of 4.2 MW at the cost of Rs.17 crores.

**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.1458.57 lakhs
- Outflow (Imports & charges) Rs.811.42 lakhs



**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 31.03.2021

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	121.01
Total assets	885.59
Total Liabilities	759.70
Investments	NIL
Turnover	3312.34
Profit before taxation	18.81
Profit after taxation	15.07
Proposed Dividend	NIL
Extent of shareholding (in percentage)	100%

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

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





**Part B: Associates and Joint Ventures**

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

(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 percentage)				Considered in Consolidation	Not Considered in Consolidation
1.	Jayanthi Green Energy Private Limited	8991	0.89	27.00%	By Virtue of Holdings being 20% or more shares	N.A.	(-)63.93	(-)44.87	(-)121.31
2	Premchander Green Energy Private Limited	8991	0.89	27.00%	By Virtue of Holdings being 20% or more shares	N.A.	(-)60.96	(-)42.31	(-)114.40
3.	AFCM Wind Farms Private Limited	9800	0.98	29.43%	By Virtue of Holdings being 20% or more shares	N.A.	0.98	0.00	0.00
4.	AJSM Green Energy Private Limited	9800	0.98	29.43%	By Virtue of Holdings being 20% or more shares	N.A.	4.84	3.84	9.30
5.	Kanagathara Wind Farms	N.A	101.97	26.36%	By Virtue of share in Partnership for more than 20%	N.A.	101.97	7.57	20.47

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

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

By Order of the Board

Place : Tirupur  
Date : 12.08.2021

**(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 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 <sup>st</sup> April 2020 – 31 <sup>st</sup> March 2021	Price charged for the transactions shall be based on the prevailing marketprice and shall not be less than the price charged for such transactions to unrelated third party customers having such dealings or transactions with them.	29.06.2020	-

**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.



**ANNEXURE – IV TO THE DIRECTOR'S REPORT**

**Form No.MR-3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

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

To  
The Members  
Amarjothi Spinning Mills Limited  
Tirupur.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 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 31.03.2021 according to the provisions of:

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



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

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

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

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive

**AMARJOTHI SPINNING MILLS LIMITED**  
**Annual Report 2020-21**



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 : 12.08.2021**

**(Sd/-) RAMCHANDAR.R**  
**Company Secretary in Practice**  
**FCS.No. 10097, CP No. 12240**  
**UDIN: F010097C000772144**

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



**ANNEXURE A**

To

The members  
Amarjothi Spinning Mills Limited  
Tirupur.

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: 12/08/2021**

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



**ANNEXURE – V TO THE DIRECTOR’S REPORT**

**THE ANNUAL REPORT ON THE CSR ACTIVITIES**  
**(Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014)**

<b>S.NO.</b>	<b>PARTICULARS</b>
1.	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
	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.	The Composition of the CSR Committee
	Chairman - Sri. M. Moorthi Members - Sri. R. Jaichander Sri. M. S. Sivakumar
3.	Average net profit of the company for last three financial years
	Rs. 14,44,92,372/-
4.	Prescribed CSR expenditure (two percent of the amount)
	Rs. 28,89,847/-
5.	Details of CSR spent during the financial year.
	Total Amount to be spent for the financial year
	Rs. 28,89,847/-
	Amount unspent, if any
	Nil
	Manner in which the amount spent during the financial year is detailed below.
	The Company has paid to The Prime Minister's National Relief Fund.
6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount its Board report.
	NA
7.	Responsibility statement of the CSR Committee.
	In the opinion of the CSR Committee, the implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.

(Sd/-) M. MOORTHY  
Chairman

Place : Tirupur  
Date : 12.08.2021

(Sd/-) M.S.SIVAKUMAR  
Independent Director



**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:

<b>Names of the Directors / Key Managerial Personnel</b>	<b>Ratio to Median Remuneration (times)</b>	<b>Ratio to Mean Remuneration (times)</b>	<b>Increase / Decrease in Remuneration</b>
Sri. R. Premchander, Managing Director	54.28	36.27	16.69%
Sri. R. Jaichander, Joint Managing Director	54.28	36.27	16.69%
Dr. V. Subramaniam	0	0	0
Sri. N. Radhakrishnan	0	0	0
Sri. V.T. Subramanian	0	0	0
Sri. M. Moorthi	1.34	0.89	(-)5.94%
Sri. M.S. Sivakumar	0	0	0
Smt. M. Amutha	0	0	0
Smt .M. Mohanapriya, Company secretary	2.20	1.47	NA

2. The percentage increase in the median remuneration of employees in the financial year: (-)13.15%
3. The Number of permanent employees on the rolls of the Company: 314
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.1645.33 Lakhs

<b>Particulars</b>	<b>Managing Director</b>	<b>Whole time Director</b>
Remuneration (Rs. in Lakhs)	82.26	82.26
Remuneration (as % of PBT)	5.00	5.00

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 2020-21 was (-)7.20%. Managerial remuneration is increased for the year by 16.69%.

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.



**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	57	D.T.T.	Spinning Master	11.86
2	Meyyappan.N	49	D.T.T.	Spinning Master	10.88
3	Arunkumar Senthikumararaj	45	B.Sc.	EDP-in-charge	10.72
4	Selvam.S	52	D.E.E.E.	Asst.Elect. Er. Cum ESO	7.43
5	Elango.K	52	M.Com.,M.B.A.	Junior Officer-Accts	7.10
6	Virahchetty.A.S	56	D.T.P.	Manger-Sample unit	6.39
7	Arun Kumar D	38	B.A.	GM-Dyeing unit	5.36
8	Selvaraj V E	62	B.Com.	General Manager	4.77
9	Jayaraj.G	46	B.Sc.	Maint. officer	4.66
10	Sivakumar A	52	D.T.P.	Quality Assurance Officer	4.51

**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



**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, 2021 and based on our knowledge and belief, we state that :
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 2) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - 1) significant changes, If any, in the internal control over financial reporting during the year;
  - 2) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Tirupur  
Date: 30.06.2021

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

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



**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 2020-21.

**Place: Tirupur**  
**Date: 30.06.2021**

**(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, 2021, 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 and relative of Sri. N. Radhakrishnan. 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, 2021.

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

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.

**(ii) Number of meeting of the Board**

During FY 2020-21, 8 meetings of the Board were held. The said meetings were held on 04<sup>th</sup> May 2020, 28<sup>th</sup> May 2020, 8<sup>th</sup> June 2020, 29<sup>th</sup> June 2020, 31<sup>st</sup> July 2020, 21<sup>st</sup> August 2020, 29<sup>th</sup> October 2020 and 10<sup>th</sup> February 2021. 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.Moorthi (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.

**(iii) 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 2020-21. 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.



**(iv) 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](http://www.amarjothi.net).

**(v) Independent Directors**

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.

**Resignation of Independent Director during the year 2020-2021**

Sri.V.Manikandan who was appointed as Non- executive Independent Director with effect from 05.09.2014, served his valuable services till 29.06.2020.

The Board hereby noted the resignation of Sri.V.Manikandan and recorded his invaluable contribution made by him during his period of association with the company. The company has given intimation to Stock Exchange as per Regulation 30 of SEBI(LoDR) Regulations and filed his resignation with Registrar of Companies on 06.07.2020.

**(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, 2021 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 2020-21 is disclosed on the Company's website at [www.amarjothi.net](http://www.amarjothi.net).

**(vi) 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.

**1. 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.

**AMARJOTHI SPINNING MILLS LIMITED**

Annual Report 2020-21



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

Name of Director	Designation	No. of meetings attended	Meeting dates
Sri. V.T. Subramanian	Chairman	6	28.05.2020
			29.06.2020
			31.07.2020
Dr. V. Subramaniam	Member	6	21.08.2020
			29.10.2020
Sri.M.Moorthi	Member	6	10.02.2021

**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](http://www.amarjothi.net)

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

Name of the Member	Designation	No.of Meetings Attended	Meeting dates
Dr.V.Subramaniam	Chairman	4	28.05.2020
			29.06.2020
Sri.V.T.Subramanian	Member	4	21.08.2020
Sri.M.Moorthi	Member	4	10.02.2021

**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	4	29.06.2020 31.07.2020
Sri.R.Premchander	Member	4	29.10.2020 10.02.2021
Sri.R.Jaichander	Member	4	

No share transfer requests were pending as on 31st March 2021. None was pending unresolved as on 31st March 2021.

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](mailto: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 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/>

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

Name of the Member	Designation	No.of Meetings Attended	Meeting dates
Sri. M. Moorthi	Chairman	1	21.08.2020
Sri. R Jaichander	Member	1	
Sri. M.S.Sivakumar	Member	1	



**2. REMUNERATION TO DIRECTORS**

The Remuneration, Commission and Sitting Fees paid to the Directors for the year 2020-21 was as follows:

Director s	Salary and Perquisites	Commission	Sitting Fees	Number of shares held individually	Relationship with other Directors
Sri. R. Premchander	5.40	76.86	Nil	1858043	Brother of Mr. R. Jaichander
Sri. R. Jaichander	5.40	76.86	Nil	1857888	Brother of Mr. R. Premchander
Dr. V. Subramaniam	Nil	Nil	0.06	Nil	-
Sri. N. Radhakrishnan	Nil	Nil	0.06	Nil	Relative of Mr. R. Premchander and Mr. R. Jaichander
Sri. V.T. Subramanian	Nil	Nil	0.06	Nil	-
Sri. M. Moorthi	Nil	Nil	0.06	Nil	-
Sri. M.S. Sivakumar	Nil	Nil	0.06	Nil	-
Smt. M. Amutha	Nil	Nil	0.06	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 2021. No service contracts were entered into with Directors.

**3. 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
31.03.2018	28.09.2018	11.00A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604
31.03.2019	30.09.2019	11.00A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604
31.03.2020	28.09.2020	12.00 Noon.	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. No special resolution were passed at 30<sup>th</sup> AGM held on 28.09.2018.
2. There were five special resolution were passed at 31<sup>st</sup> AGM held on 30.09.2019.
  - Approval for the Continuation of Directorship Sri.N.Rajan aged about 80 years as Non-Executive Director of the Company.
  - Re- appointment of Independent Director Dr.V.Subramaniam and approval for the Continuation of Directorship aged about 79 years as Non-Executive Independent Director of the Company.
  - Re- appointment of Independent Director Sri.V.T.Subramanian and approval for the Continuation of Directorship aged about 75 years as Non-Executive Independent Director of the Company.
  - Re- appointment of Independent Director Sri.V. Manikandan
  - Re- appointment of Independent Director Sri.M.S.Sivakumar
3. There was one special resolution was passed at 32<sup>nd</sup> AGM held on 28.09.2020.
  - Re- appointment of Independent Director Smt.M.Amutha

**4. 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.

**5. 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/>

**6. DISCLOSURES**

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



## **7. MEANS OF COMMUNICATION**

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

## **8. SHAREHOLDERS INFORMATION 33rd ANNUAL GENERAL MEETING**

<b>Day &amp; Date</b>	: Thursday, 23 <sup>rd</sup> September 2021
<b>Time</b>	: 11.00 A.M.
<b>Venue</b>	: Annual General Meeting (AGM) to be conducted through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), pursuant to MCA circular dated 13.01.2021 (General Circular No. 02/21) read with circulars dated 08.04.2020, 13.04.2020 and 05.05.2020, 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, 2020 to 31st March, 2021
Announcement of Annual Results 2020-21	: 30.06.2021
Mailing of Annual Reports 2020-21	: On or before 1st, September 2021
E-voting period	: 20.09.2021 - 9.00 AM to 22.09.2021 - 5.00 PM
Date of Book Closure	: 17.09.2021 - Friday to 23.09.2021 – Thursday (Both days inclusive)
Date of payment of dividend	: On or before 23 <sup>rd</sup> October 2021 – Rs.2.10/- per share (21% 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 2020-2021 has been paid in respect of BSE Ltd.	

## AMARJOTHI SPINNING MILLS LIMITED

Annual Report 2020-21



Following Dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Sections 124(5) and 125 of the Companies Act, 2013.

Amount of Dividend	Dividend for the Financial Year	Due date of credit to the Central Government	Date of Transfer to the Central Government
558046	2013-14	25-Oct-2021	25-Oct-2021

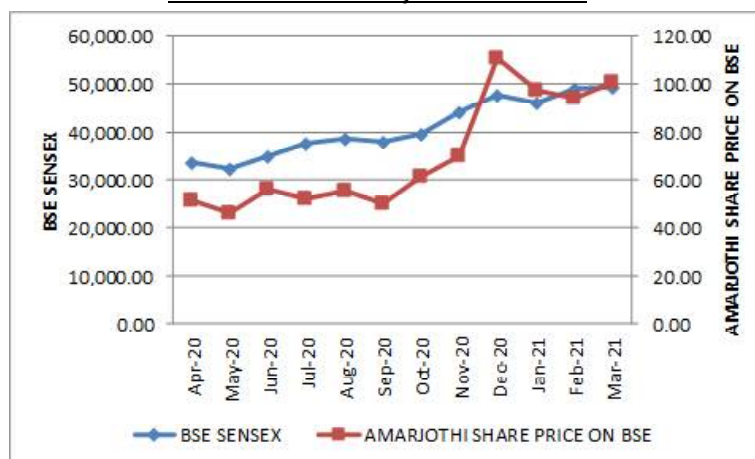
Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis. Members who have not yet made claims are, therefore, requested to contact the Registrar and Share Transfer Agents immediately.

### 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 2020 to March 2021 are given below:

Month	High(Rs.)	Low(Rs.)
Apr 2020	60.50	44.00
May 2020	52.25	42.90
June 2020	61.00	46.05
July 2020	57.20	48.15
Aug 2020	65.10	49.10
Sep 2020	56.70	45.45
Oct 2020	64.50	46.05
Nov 2020	70.40	55.00
Dec 2020	120.40	70.90
Jan 2021	126.50	95.30
Feb 2021	114.95	90.00
Mar 2021	118.90	95.45

### PERFORMANCE IN COMPARISON TO BROAD BASED INDICES AMARJOTHI SHARE PERFORMANCE (April 2020 to March 2021) BSE Sensex Vs Amarjothi Share Price



**AMARJOTHI SPINNING MILLS LIMITED**

Annual Report 2020-21



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

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

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

M/s. SKDC Consultants Limited  
Surya 35, Mayflower Avenue  
Behind Senthil Nagar,  
Sowripalayam Road, Coimbatore – 641 028.  
Telephone : 0422-4958995,2539835 Fax No. : 0422-2539837  
E-mail : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

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

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021**

Slab of Share holding	Shareholders	%	No. of Shares	%
1 - 500	6323	90.86	788201	11.68
501 - 1000	294	4.22	238358	3.53
1001 - 2000	187	2.69	287940	4.26
2001 - 3000	62	0.89	155856	2.31
3001 - 4000	25	0.36	89777	1.33
4001 - 5000	20	0.29	93079	1.38
5001 - 10000	28	0.40	183533	2.72
10001 AND ABOVE	20	0.29	4913256	72.79
<b>Total</b>	<b>6959</b>	<b>100.00</b>	<b>6750000</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2021**

Category	No. of Shares held	%
Indian Promoters	3728754	55.241
Bodies Corporate	82140	1.217
Indian Public	2503197	37.085
NRI	66221	0.981
Clearing Members	17099	0.253
HUF	173899	2.576
IEPF	178690	2.647
<b>Total</b>	<b>6750000</b>	<b>100.00</b>



**AMARJOTHI SPINNING MILLS LIMITED**

Annual Report 2020-21



Mode	No.of Shares	% of Listed Capital
Depository	6479034	95.99
Physical	270966	4.01
Total	6750000	100.00

**SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH 2021:**

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.

**By Order of the BOARD**

Place :Tirupur  
Date: 12.08.2021

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

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



**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 31.03.2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as stipulated in Regulations 17 to 27 of Chapter IV.

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

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

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

Place: Tirupur  
Date : 30.06.2021

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



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number(DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 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  
12.08.2021

Sd/-  
Ramchandar .R  
Company Secretary in Practice  
FCS No: 10097  
C.P.No:12240  
UDIN: F010097C000777391



**CRITERIA FOR EVALUATION**

(As approved by the Board on 10<sup>th</sup> February 2021)

**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



### **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 2021, 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 31<sup>st</sup> March, 2021, 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 on 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 our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not identified any key audit matters to be communicated in our 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, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the Standalone financial statements and my auditor's report thereon.



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

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

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

**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 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 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 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 objectives 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 judgment and maintain professional skepticism 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) 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 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.
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 Accounting Standards 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, 2021 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2021 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:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**Place : Coimbatore**  
**Date : 30<sup>th</sup> June 2021**

**P.S. SITARAM**  
**Proprietor**  
**Membership No.023033**  
**UDIN: 21023033AAAAAP6134**





**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) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments.  
(b) The property, plant and equipment have been physically verified by the management during the year, which in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) The title deeds, of all immovable properties are in the name of the Company shown under the property, plant and equipment schedule and are held in the name of the company.
- (2) The inventory has been physically verified by the management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.
- (3) The company has not granted loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (4) In my opinion and according to information and explanation given to me, the company has complied with the provision of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (5) The company has not accepted any deposits to which the provision of Sections 73 to 76 are any other relevant provisions of the Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CAREO 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 that prima facie, the prescribed accounts and records have been made and maintained. However, I have not however made a detailed examination of the Cost records with a view to determining whether they are accurate or complete.
- (7) (a) Undisputed statutory dues including 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 cases during the year.  
(b) There are no dues of income-tax, sales- tax, goods and service tax, customs duty, excise duty or cess etc., which have not been deposited on account of any dispute. A sum of Rs. 58,88,365/- has not been paid being Generation tax payable on electricity charges. The matter is under dispute and pending with the Honourable High court of Madras. No Provision has been made for this in the books.

## AMARJOTHI SPINNING MILLS LIMITED

Annual Report 2020-21



- (8) The company has not defaulted in repayment of loans taken from financial institution, banks, Government or dues to debenture holders.
- (9) The Company has not raised any money by way of initial public offer or further public offer during the year. In my opinion, the moneys raised by way of term loans during the year have been applied for the purpose for which those are raised.
- (10) Based upon the audit procedures performed and according to the information and explanations given to me, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of my audit that causes the financial statements to be materially misstated.
- (11) As required by Section 197(16) of the Act, as amended in my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 187 of the Act.
- (12) The company is not a Nidhi Company hence this clause is not applicable.
- (13) According to the information and explanations given to me and based on my examination of the 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) According to the information and explanations given to me and based on my examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- (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. Accordingly, paragraph 3(xv) of the order is not applicable.
- (16) 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-IA of the Reserve Bank of India Act 1934.

**P.S. SITARAM**

**Proprietor**

**Membership No.023033**

**UDIN: 21023033AAAAAP6134**

**Place : Coimbatore**

**Date : 30<sup>th</sup> June 2021**



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

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

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

I have audited the internal financial controls over financial reporting of M/s Amarjothi Spinning Mills Limited (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safe guarding 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 financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by the 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 the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain 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 of material misstatement of the financial statements, whether due to fraud or error.

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



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

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In my opinion, the 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : Coimbatore**  
**Date : 30<sup>th</sup> June 2021**

**P.S. SITARAM**  
**Proprietor**  
**Membership No.023033**  
**UDIN: 21023033AAAAAP6134**

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



<b>STANDALONE BALANCE SHEET AS AT 31st MARCH 2021</b>		Rupees in Lakhs	
		As at	
<b>ASSETS</b>	Note no.	31.03.2021	31.03.2020
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	1.A	11951.85	10423.04
(b) Capital work-in-progress	1.B	493.85	493.85
(c) Investment Property		0.00	0.00
(d) Goodwill		0.00	0.00
(e) Other Intangible assets	1.C	0.44	0.44
(f) Intangible assets under development		0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00
(h) Financial Assets			
(i) Investments	2	215.87	208.46
(ii) Trade receivables		0.00	0.00
(iii) Loans		0.00	0.00
(iv) Others (to be specified)	3	1335.58	108.70
(i) Deferred tax assets (net)		0.00	0.00
(j) Other non-current assets	4	183.96	49.75
Total Non-current assets		<u>14181.55</u>	<u>11284.24</u>
<b>2 Current assets</b>			
(a) Inventories	5	5001.04	4861.18
(b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables	6	3696.15	3043.98
(iii) Cash and cash equivalents	7	97.05	8.48
(iv) Bank balances other than (iii) above	8	33.05	35.20
(v) Loans		0.00	0.00
(vi) Others (to be specified)		0.00	0.00
(c) Current Tax Assets (Net)	9	0.00	21.43
(d) Other current assets	10	736.54	2617.65
Total Current assets		<u>9563.83</u>	<u>10587.92</u>
<b>TOTAL ASSETS</b>		<u>23745.38</u>	<u>21872.16</u>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share capital	11	675.00	675.00
(b) Other Equity		13958.95	12462.53
Total equity		<u>14633.95</u>	<u>13137.53</u>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	3420.64	4005.51
(ii) Trade payables		0.00	0.00
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0.00	0.00
(b) Provisions		0.00	0.00
(c) Deferred tax liabilities (Net)	13	1306.89	1582.97
(d) Other non-current liabilities		0.00	0.00
Total Non-current liabilities		<u>4727.53</u>	<u>5588.48</u>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	2738.09	742.61
(ii) Trade payables	15	563.18	1273.24
(iii) Other financial liabilities (other than those specified in item (c))	16	604.13	884.99
(b) Other current liabilities		0.00	0.00
(c) Provisions	17	463.19	245.31
(d) Current tax liabilities (Net)	18	15.31	0.00
Total Current liabilities		<u>4383.90</u>	<u>3146.15</u>
Total Liabilities		<u>9111.43</u>	<u>8734.63</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>23745.38</u>	<u>21872.16</u>
<b>Notes to the financial statements 1-27</b>			
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date		On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>	<b>R. PREMCHANDER</b>	<b>R.JAICHANDER</b>	
Chartered Accountant	Managing Director	Joint Managing Director	
Membership No.023033			
Place : Tirupur			
Date : 30/06/2021			

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



<b>STANDALONE STATEMENT OF PROFIT AND LOSS</b>		Rupees in Lakhs	
<b>FOR THE YEAR ENDED 31st MARCH 2021</b>			
	Note no.	For the year ended	
		31.03.2021	31.03.2020
I. Revenue from operations	19	16730.80	18319.64
II. Other Income	20	757.00	201.62
<b>III. Total Income (I+II)</b>		<b><u>17487.80</u></b>	<b><u>18521.26</u></b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	21	9781.26	9168.95
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Stock-in -Trade and work-in-progress	22	-102.03	380.28
Employee Benefits Expenses	23	1302.88	1336.24
Finance Costs	24	559.44	684.49
Depreciation and Amortization Expenses	1	1399.25	1554.36
Other Expenses	25	2901.66	3897.11
<b>Total Expenses</b>		<b><u>15842.46</u></b>	<b><u>17021.43</u></b>
V. Profit Before Exceptional Items and Tax (III-IV)		1645.34	1499.83
VI. Exceptional Items		0.00	0.00
<b>VII Profit Before Tax (V-VI)</b>		<b><u>1645.34</u></b>	<b><u>1499.83</u></b>
VIII Tax Expense:			
[1] Current Tax		290.00	300.00
[2] Deferred Tax		-276.08	167.21
IX Profit (Loss) for the period from Continuing Operations (VII-VIII)		1631.42	1032.62
X Profit (Loss) from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
XII Profit (Loss) from Discontinued Operations (after tax) (X-XI)		0.00	0.00
<b>XIII Profit (Loss) for the Period (IX+XII)</b>		<b><u>1631.42</u></b>	<b><u>1032.62</u></b>
XIV Other Comprehensive income		0.00	0.00
<b>XV Total Comprehensive Income for the period (XIII+XIV)</b>		<b><u>1631.42</u></b>	<b><u>1032.62</u></b>
XVI. Earnings Per Equity Share(for Continuing operation)			
[1] Basic & Diluted		24.17	15.30
<b>Notes to the financial statements</b>	<b>1-27'</b>		
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date		On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b> Chartered Accountant Membership No.023033	<b>R. PREMCHANDER</b> Managing Director	<b>R.JAICHANDER</b> Joint Managing Director	
Place : Tirupur			
Date : 30/06/2021			

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



**Standalone Statement of Changes in Equity For the year ended March 31, 2021 Rupees in Lakhs**

**A. Equity Share Capital**

Balance as at 31.03.2020	Changes in equity share capital during the year	Balance as at 31.03.2021
675.00	0.00	675.00

Balance as at 31.03.2019	Changes in equity share capital during the year	Balance as at 31.03.2020
675.00	0.00	675.00

**B. Other Equity**

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
Balance as at 31.03.2020	0.00	225.00	0.00	1517.16	10720.37	0.00	12462.53
Changes in accounting policy/prior period errors					0.00		0.00
Restated balance at the beginning of the reporting period	0.00	225.00	0.00	1517.16	10720.37	0.00	12462.53
Profit for the year					1631.42		1631.42
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1631.42		1631.42
Transactions with owners in capacity as owners							0.00
Dividends					-135.00		-135.00
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year		0.00		163.14	-163.14		0.00
Balance as at 31.03.2021	0.00	225.00	0.00	1680.30	12053.65	0.00	13958.95

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
Balance as at 31.03.2019	0.00	225.00	0.00	1413.90	9931.39	0.00	11570.29
Changes in accounting policy/prior period errors					22.37		22.37
Restated balance at the beginning of the reporting period	0.00	225.00	0.00	1413.90	9953.76	0.00	11592.66
Profit for the year					1032.62		1032.62
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1032.62		1032.62
Transactions with owners in capacity as owners							0.00
Dividends					-162.75		-162.75
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year		0.00		103.26	-103.26		0.00
Balance as at 31.03.2020	0.00	225.00	0.00	1517.16	10720.37	0.00	12462.53

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

As per my report of even date

On behalf of the Board of Directors

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

**R. PREMCHANDER**  
Managing Director

**R.JAICHANDER**  
Joint Managing Director

Place : Tirupur  
Date : 30/06/2021



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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 01.04.2020	Acquisition	Addition Other Adjust ment	Sub Total	Sale / Adjustment during this year	Gross balance as on 31.03.2021	Total as on 01.04.2019	For this year	Sale during this year	Total as on 31.03.2021	W.D.V. as on 31.03.2021	W.D.V. as on 31.03.2020
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	56.17	0.00	56.17	0.00	134.92	0.00	0.00	0.00	134.92	78.75	
2	Land: Free Hold	124.96	0.00	0.00	0.00	0.00	124.96	0.00	0.00	0.00	124.96	124.96	
3	Building	2582.79	0.00	0.00	0.00	0.00	2582.79	1222.49	79.39	0.00	1301.88	1360.30	
4	Plant & Equipment	23463.68	2862.24	0.00	2862.24	0.00	26325.92	14739.03	1284.98	0.00	16024.01	8724.65	
5	Furniture & Fixtures	46.45	0.00	0.00	0.00	0.00	46.45	38.62	0.94	0.00	39.56	7.83	
6	Vehicles	286.47	5.67	0.00	5.67	0.48	291.66	215.04	23.06	0.45	237.65	71.43	
7	Office Equipment	345.06	4.01	0.00	4.01	0.00	349.07	289.94	10.88	0.00	300.82	55.12	
	<b>Total</b>	<b>26928.16</b>	<b>2928.09</b>	<b>0.00</b>	<b>2928.09</b>	<b>0.48</b>	<b>29855.77</b>	<b>16505.12</b>	<b>1399.25</b>	<b>0.45</b>	<b>17903.92</b>	<b>11951.65</b>	<b>10423.04</b>
B	Capital work-in-progress	493.85	0.00	0.00	0.00	0.00	493.85	0.00	0.00	0.00	0.00	493.85	
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	





NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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

S. No.	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block			
		Gross cost/ Values on 01.04.2019	Acquisition	Addition Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2020	Total as on 01.04.2019	For this year	Sale during this year	Total as on 31.03.2020	W.D.V. as on 31.03.2020	W.D.V. as on 31.03.2019
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	78.75	78.75	
2	Land: Free Hold	96.37	28.89	0.00	28.89	0.30	124.96	0.00	0.00	0.00	124.96	96.37	
3	Building	2582.79	0.00	0.00	0.00	0.00	2582.79	1110.83	111.66	0.00	1222.49	1360.30	1471.96
4	Plant & Equipment	23032.79	1319.71	0.00	1319.71	888.82	23463.68	14015.88	1405.92	682.77	14739.03	8724.65	9016.91
5	Furniture & Fixtures	45.30	1.15	0.00	1.15	0.00	46.45	37.58	1.04	0.00	38.62	7.83	7.72
6	Vehicles	286.49	0.31	0.00	0.31	0.33	286.47	188.90	26.46	0.32	215.04	71.43	97.59
7	Office Equipment	327.50	17.56	0.00	17.56	0.00	345.06	281.26	8.68	0.00	289.94	55.12	46.24
	<b>Total</b>	<b>26440.99</b>	<b>1367.62</b>	<b>0.00</b>	<b>1367.62</b>	<b>889.45</b>	<b>26928.16</b>	<b>15634.45</b>	<b>1553.76</b>	<b>683.09</b>	<b>16505.12</b>	<b>10420.04</b>	<b>10815.54</b>
B	Capital work-in-progress	496.67	0.00	0.00	0.00	2.82	493.85	0.00	0.00	0.00	0.00	493.85	496.67
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	0.00	13.31	12.27	0.60	0.00	12.87	0.44	1.04

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021	Rupees in Lakhs	
	Year ended	
	31.03.2021	31.03.2020
<b>[2] NON-CURRENT INVESTMENTS (AT COST):</b>		
<b>Investment in Fully paid equity Instruments: (Quoted)</b>		
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd.. (Market value – Rs.5405(1073))	0.09	0.09
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs.700(732))	0.05	0.05
<b>Investment in Fully paid equity Instruments: (unquoted)</b>		
8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)	83.08	83.08
<b>Investment in Subsidiaries and Associates in Fully paid equity Instruments: - (unquoted)</b>		
520 Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd.	7.80	7.71
5000 Equity shares of Rs.100 each fully paid of RPJ Textiles Ltd.	20.00	20.00
233 Equity shares of Rs.10 each fully paid of Premchander Wind Farms Private Ltd.	0.02	0.02
9800 Equity shares of Rs.10 each fully paid of AFCM Wind Farms Private Ltd.,	0.98	0.98
9800 Equity shares of Rs.10 each fully paid of AJSM Green Energy private Ltd.,	0.00	0.98
430 Equity shares of Rs.10 each fully paid of APGL Green Energy private Ltd.,	0.00	0.04
294 Equity shares of Rs.10 each fully paid of Jaichander wind Farms Pvt Ltd.,	0.03	0.03
223 Equity shares of Rs.10 each fully paid of Jayanthi wind Farms Pvt Ltd.,	0.02	0.02
8991 Equity shares of Rs.10 each fully paid of Jayanthi Green Energy Pvt Ltd.,	0.90	0.90
8991 Equity shares of Rs.10 each fully paid of Premchander Green Energy Pvt Ltd.,	0.90	0.90
230 Equity shares of Rs.10 each fully paid of Puvaneswari Enterprises Wind Farms Pvt. Ltd	0.02	0.02
450 Equity shares of Rs.10 each fully paid of Saroja Rajan Green Energy Pvt Ltd.,	0.00	0.05
430 Equity shares of Rs.10 each fully paid of Susmitha Titikshaa Green Energy Pvt Ltd.,	0.00	0.04
<b>Investment in Associate Partnersip Firms:</b>		
Partnership Capital @27% share in Kanagadhara wind Farms	101.98	93.55
<b>Total</b>	<b>215.87</b>	<b>208.46</b>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



<b>NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021</b>		Rupees in Lakhs	
	<b>Year ended</b>		
Note:	<b>31.03.2021</b>	<b>31.03.2020</b>	
a) Aggregate amount of quoted investments	0.14	0.14	
b) Aggregate market value of quoted investments	0.06	0.02	
c) Aggregate amount of unquoted investments	215.73	208.32	
d) Aggregate amount of impairment in value of investments.	0.00	0.00	
<b>[3] OTHER NON-CURRENT FINANCIAL ASSETS:</b>			
Bank Deposit Accounts (for bank guarantee - EPCG)	1335.58	108.70	
	<b><u>1335.58</u></b>	<b><u>108.70</u></b>	
<b>[4] OTHER NON-CURRENT ASSETS:</b>			
(Unsecured & considered good)			
Miscellaneous expenses not written off	0.26	0.00	
Deposit with Government Departments	183.70	49.75	
	<b><u>183.96</u></b>	<b><u>49.75</u></b>	
<b>[5] INVENTORIES :</b>			
a) Raw Materials	3740.94	3758.66	
b) Work-in-Progress	345.20	203.45	
c) Finished Goods	710.14	749.86	
d) Waste Stock	39.73	25.75	
e) Stores, Tools, Spares & Packing Materials	165.03	123.46	
	<b><u>5001.04</u></b>	<b><u>4861.18</u></b>	
<b>[6] TRADE RECEIVABLES :</b>			
1 Due for More than 6 months (Unsecured)			
(a) Considered Good	3.79	1.90	
(b) Considered Doubtful	32.90	32.40	
2 Others (Unsecured and considered good)	<u>3692.30</u>	<u>3042.52</u>	3076.82
Less : Provision for Doubtful Receivables	<u>32.84</u>	<u>32.84</u>	
	<b><u>3696.15</u></b>	<b><u>3043.98</u></b>	
Note : Trade receivable which are overdue for a period of 6 months and more include a sum Rs.32.90 lakhs (Rs.32.40 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.			
<b>[7] CASH AND CASH EQUIVALENTS:</b>			
Cash on Hand	2.03	2.55	
Balances with Scheduled Banks In Current Accounts	<u>95.02</u>	<u>5.93</u>	
	<b><u>97.05</u></b>	<b><u>8.48</u></b>	
<b>[8] BANK BALANCES OTHER THAN [7] ABOVE:</b>			
Unpaid Dividend Warrant Account	<u>33.05</u>	<u>35.20</u>	
	<b><u>33.05</u></b>	<b><u>35.20</u></b>	
<b>[9] CURRENT TAX ASSETS(NET):</b>			
Income tax Assets (Net of provision)	<u>0.00</u>	<u>21.43</u>	
	<b><u>0.00</u></b>	<b><u>21.43</u></b>	

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021		Rupees in Lakhs		
		Year ended		
		31.03.2021	31.03.2020	
<b>[10] OTHER CURRENT ASSETS:</b> (Unsecured & considered good)				
Advances to suppliers & others		4.87	948.28	
Prepaid expenses		36.77	70.99	
Balances on account of indirect taxes		688.26	853.54	
Advances to employees		1.72	3.83	
Income receivable		4.92	741.01	
		<u>736.54</u>	<u>2617.65</u>	
<b>[11] SHARE CAPITAL:</b>				
<b>Equity Shares:</b>				
<b>Authorised:</b>				
9750000 Equity Shares of Rs.10 each		<u>975.00</u>	<u>975.00</u>	
<b>Issued, Subscribed &amp; Paid-up Capital :</b>				
6750000 Equity Shares of Rs.10 each fully paid		<u>675.00</u>	<u>675.00</u>	
<b>Notes:</b>				
1 Reconciliation of Equity shares at the end of the year				
	<b>No.of shares</b>	<b>Amount</b>	<b>No.of shares</b>	<b>Amount</b>
Balance at the beginning of the year	6750000	675.00	6750000	675.00
Additions	0	0.00	0	0.00
Deletions	0	0.00	0	0.00
Balance at the end of the year	6750000	675.00	6750000	675.00
2 List of shareholders holding more than 5%				
<b>Name</b>	<b>No.of shares</b>	<b>%</b>	<b>No.of shares</b>	<b>%</b>
Rajan.N	0	0.00	1164980	17.26
Premchander.R	1858043	27.53	1275653	18.90
Jaichander.R	1857888	27.52	1275498	18.90
Total	<u>3715931</u>	<u>55.05</u>	<u>3716131</u>	<u>55.06</u>
3 During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares or for Consideration other than cash.				
4 The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to voting rights, dividends and share in the Company's residual assets.				
<b>[12] LONG TERM BORROWINGS:</b>				
(a) Term Loan From Banks (Secured)		1359.63		1298.89
(b) Loan from Directors (Unsecured)		2061.01		2706.62
		<u>3420.64</u>		<u>4005.51</u>
<b>Notes:</b>				
1 Long Term Loans From Banks were taken for the purchase of new wind mills and these loans are required to be repaid before July 2023.				
2. Loan from 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**  
Annual Report 2020-21



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021	Rupees in Lakhs	
	Year ended	
	31.03.2021	31.03.2020
<b>[13] DEFERRED TAX LIABILITIES (NET)</b>		
As per last year Balance Sheet	1582.97	1415.76
Add/less : Transfer from / to P&L a/c for current year	-276.08	167.21
	<b>1306.89</b>	<b>1582.97</b>
<b>[14] SHORT TERM BORROWINGS</b>		
(a) Loan Repayable on Demand from Banks (Secured)	2738.09	742.61
	<b>2738.09</b>	<b>742.61</b>
<b>Note :</b>		
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.		
<b>[15] TRADE PAYABLES</b>		
(a) Due to Micro and Small Enterprises (MSE)	42.09	44.33
(b) Due to others	521.09	1228.91
	<b>563.18</b>	<b>1273.24</b>
<b>[16] OTHER FINANCIAL LIABILITIES</b>		
(a) Current Maturities of Long Term Debts	496.83	694.56
(b) Unclaimed Dividend	33.05	35.20
(c) GST Payable	0	0
(d) Disputed Electricity Charges	58.88	51.53
(e) Others	15.37	103.70
	<b>604.13</b>	<b>884.99</b>
<b>[17] SHORT TERM PROVISIONS</b>		
(a) Provision for Employee Benefits	89.73	83.43
(b) Provision for Outstanding Liability	373.46	161.88
	<b>463.19</b>	<b>245.31</b>
Proposed Dividend per share (in Rs.)	2.10	2.00
Number of Shares	6750000	6750000
Total Proposed Dividend	141.75	135.00
<b>[18] CURRENT TAX LIABILITIES:</b>		
For Taxation net of advances	15.31	0.00
	<b>15.31</b>	<b>0.00</b>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021		Rupees in Lakhs	
		Year ended	
		31.03.2021	31.03.2020
<b>[19] REVENUE FROM OPERATIONS</b>			
a) Sale of Products:			
Domestic sales		15196.46	17197.28
Export sales		<u>1477.05</u>	<u>1055.66</u>
	A	<u>16673.51</u>	<u>18252.94</u>
b) Other Operating Revenues:			
Sale of scrap		28.48	37.56
Duty Drawback		17.49	12.91
Miscellaneous income		<u>11.32</u>	<u>16.23</u>
	B	<u>57.29</u>	<u>66.70</u>
Revenue from operations	(A+B)	<u><b>16730.80</b></u>	<u><b>18319.64</b></u>
<b>[20] OTHER INCOME</b>			
a) Interest Income (TDS Rs.67.76 lakh (Rs.10.25 lakh))		743.12	39.13
b) Dividend Income & Profit from Firms		7.57	94.50
c) Net gain / Loss on sale of Fixed assets		0.01	23.88
d) Foreign Exchange Rate Gain		0.00	24.93
e) Insurance Claims		6.30	19.00
f) Other Non-Operating Income		<u>0.00</u>	<u>0.18</u>
		<u><b>757.00</b></u>	<u><b>201.62</b></u>
<b>[21] COST OF MATERIALS CONSUMED :</b>			
<b>Opening Stock :</b>			
Raw Materials	3758.66		4010.91
Waste Stock	<u>25.75</u>	3784.41	<u>25.01</u> 4035.92
<b>ADD : Purchases</b>		<u>9777.52</u>	<u>8917.44</u>
		13561.93	12953.36
<b>LESS : Closing Stock :</b>			
Raw Materials	3740.94		3758.66
Waste Stock	<u>39.73</u>	<u>3780.67</u>	<u>25.75</u> 3784.41
		<u><b>9781.26</b></u>	<u><b>9168.95</b></u>
<b>[22] CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE:</b>			
<b>Inventories at the Beginning of the year</b>			
Finished Goods	<u>749.86</u>		<u>1042.41</u>
Work-in-Progress	203.45	953.31	291.18 1333.59
<b>Inventories at the end of the year</b>			
Finished Goods	<u>710.14</u>		<u>749.86</u>
Work-in-Progress	<u>345.20</u>	<u>1055.34</u>	<u>203.45</u> 953.31
Net (increase) / decrease		<u><b>-102.03</b></u>	<u><b>380.28</b></u>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021		Rupees in Lakhs	
		Year ended	
		31.03.2021	31.03.2020
<b>[23] EMPLOYEE BENEFITS EXPENSES</b>			
i) Salaries & Wages		990.47	1086.00
ii) Contribution to Provident & Other Funds		19.98	23.19
iii) Staff Welfare Expenses		<u>292.43</u>	<u>227.05</u>
		<b><u>1302.88</u></b>	<b><u>1336.24</u></b>
<b>[24] FINANCE COSTS</b>			
a) Interest on Term Loans		122.69	232.77
b) Interest on Other Loans		<u>436.75</u>	<u>451.72</u>
		<b><u>559.44</u></b>	<b><u>684.49</u></b>
<b>[25] OTHER EXPENSES</b>			
<b>Manufacturing expenses:</b>			
Consumption of Stores & Spare Parts		716.03	917.14
Dyeing and Processing Expenses		517.86	934.02
Power & Fuel		532.11	912.85
Repairs to Building		50.65	80.38
Repairs to Machinery		<u>310.81</u>	<u>230.08</u>
Total	A	<u>2127.46</u>	<u>3074.47</u>
<b>Administrative &amp; selling expenses:</b>			
Advertisement		35.80	17.57
Bank Charges		24.57	37.29
Computer Maintenance Expenses		17.58	11.64
CSR Contribution to PM relief fund		32.28	28.05
Foreign Exchange Rate loss		17.58	0.00
Freight & Other Expenses		77.17	84.48
General Expenses		47.34	82.78
Goods and Service Tax Paid		2.77	2.14
Insurance		92.61	68.14
Managerial Remuneration		164.53	155.09
Printing, Stationery & Postage		13.41	34.72
Professional Charges		24.48	13.03
Rates and Taxes		33.14	43.15
Remuneration to Auditors		2.25	2.31
Rent		55.95	70.79
RF Tower Maintenance Expenses		0.18	0.19
Sales Commissions		59.45	70.03
Share Transfer Expenses		2.49	2.28
Sitting Fees		0.42	0.24
Telephones		7.31	9.41
Travelling & Conveyance		11.09	42.92
Vehicle Maintenance		<u>51.80</u>	<u>46.39</u>
Total	B	<u>774.20</u>	<u>822.64</u>
Total other expenses	<b>A+B</b>	<b><u>2901.66</u></b>	<b><u>3897.11</u></b>



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2021**

**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. 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, processing of Yarn and Fiber and generation of Wind Power. 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, 2021 were approved by the Board of Directors and authorised for issue on 30 June, 2021.

**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").

#### **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.

#### **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 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 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.

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

Particulars	Year Ended	
	31.03.2021	31.03.2020
Profit before tax	1645.34	1499.83
Income tax rate applicable	27.82%	27.82%
Income tax expenses at the above rate	457.73	417.25
Tax effect on account of tax deductions	(-)78.49	(-)77.67
Tax effect on account of exempt incomes	(-)2.11	(-)32.98
Tax effect of other adjustments	(-)87.13	(-)63.60
Total income tax expense recognised for the year	290.00	243.00

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

	(Rs. in lakhs)	
	31.03.2021	31.03.2020
Opening balance	1582.97	1415.76
Add/(-)Less: Transfer from Profit & Loss a/c	(-)276.08	167.21
Closing balance	1306.89	1582.97



**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 mainly in the manufacture of yarn. The Company owns thirteen wind mills and the following is the power generated from these wind mills which is adjusted with the power cost of the yarn division and processing division.

Particulars	Year ended	
	31.03.2021	31.03.2020
Wind power units generated(Units in lakhs)	277.65	200.03
Wind Power Revenue(Rs. In lakhs)	1775.15	1256.53

The processing division is operating mainly for captive utilization of yarn division and hence segment- wise reporting is not required.

**27.17. Contingent liabilities:**

Claims against the company not acknowledged as debt:	As at	
	31.03.2021	31.03.2020
Additional Electricity tax (Rs. in lakhs)	58.88	51.52

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.

**27.18. Secured Loans From Banks :**

Sl.No.	Name of the Bank	LimitRs. In lakhs	Nature of Facility	Security Offered
1	Karur Vysya Bank	1045	Working Capital Facility	First Charge on CurrentAssets and second charge on the other fixed assets.
2	HDFC Ltd	2000	Working Capital Facility	
3	HDFC Ltd.	1000	Working capital loan against FD	Secured by Fixed Deposit.
4	KarurVysya Bank	2789	Machinery Term loan	EM charge on one Wind Mill along with land.



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

Rs. in lakhs

Particulars	As on	
	31.03.2021	31.03.2020
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	4045.00	7050.00
Counter Guarantee given by the Managing Director and Joint Managing Director for Term loans taken by the Company from its bankers	2789.00	4000.00

**27.19.Details of dividend proposed and paid:**

(Rs. in lakhs)

Particulars	Year Ended	
	31.03.2021	31.03.2020
Final dividend	141.75	135.00

In respect of the current year, the directors propose that a dividend of Rs.2.10 per share be paid on equity shares payable to all shareholders on the Register of Members on 16th September, 2021. 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.

**27.20.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	
	31.03.2021	31.03.2020
The principal amount due to Micro and Small Suppliers under this Act	42.09	44.33
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



**27.21 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	
	31.03.2021	31.03.2020
Debt (long-term and short-term borrowings including current maturities)	4594.55	2736.06
Cash and bank balances	(130.10)	(43.68)
Net debt	4464.45	2692.38
Total equity	14633.95	13137.53
Net debt to equity ratio	30.51%	20.49%

**27.22 Corporate Social Responsibility expenditure:**

Rs. in lakhs

Particulars	Year ended	
	31.03.2021	31.03.2020
Contribution to Prime Ministers Relief fund	32.28	28.05
Amount required to be spent as per Section 135 of the Companies Act, 2013	28.90	32.28
Amount spent during the year on:		
Construction / acquisition of an asset	-	-
On purposes other than above	32.28	28.05

**27.23 Earnings Per Share:**

Particulars	Year ended	
	31.03.2021	31.03.2020
Net Profit after Tax before OCI [Rs. In Lakhs]	1631.42	1032.62
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.]	24.17	15.30





**27.24 Related party disclosure:**

Related party relationships:

Key Management Personnel: 1. Sri. R. Premchander, Managing Director  
2. Sri. R. Jaichander, Joint Managing Director

Wholly owned Subsidiaries: 1. RPJ Textiles Ltd.

Associates: 1. Kanagadhara wind farms  
2. AJSM Green Energy Pvt.Ltd.,  
3. AFCM Wind Farms Pvt Ltd.,  
4. Premchander Green Energy Pvt Ltd.,  
5. Jayanthi Green Energy Pvt Ltd.,

**Related Party Transactions:Rs. in lakhs**

Particulars	Key Management Personnel		Wholly Owned Subsidiary		Associates	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Purchase of goods			4.52		3024.46	450.31
Sale of goods			2795.27	3871.00		
Remuneration	164.53	155.09				
Sitting fees	0.42	0.24				
Interest paid	377.17	393.11				
Interest received					44.14	6.53
Outstanding payable	1977.42	2706.62				
Trade receivable			746.22	1287.04	71.82	108.63

Rs. In lakhs

As at  
31.03.2021 31.03.2020

**27.25. EARNINGS IN FOREIGN CURRENCY :**

FOB Value of Exports .1458.57 1055.66

**27.26. EXPENDITURE IN FOREIGN CURRENCY :**

a) Traveling Nil 4.21  
b) CIF Value of Imports 809.72 1948.40  
c) Certification charges 1.70 5.85

**27.27. REMUNERATION TO DIRECTORS :**

a) Managing Director (Salary) 5.40 7.20  
b) Joint Managing Director (Salary) 5.40 7.20  
c) Managing Director (Commission) 76.87 63.30  
d) Joint Managing Director (Commission) 76.86 63.30  
e) Chairman (Commission) Nil 14.09  
Total 164.53 155.09



	(Rs. in lakhs)	
	As at	
	31.03.2021	31.03.2020
Computation of Remuneration to Directors:		
Net Profit before tax as per Profit & Loss account	1645.34	1499.83
Add: Remuneration debited to Profit & Loss account	164.53	155.09
Less / Add: (Profit) / Loss on sale of Assets	<u>(-)0.01</u>	<u>(-)89.88</u>
Net Profit available	<u>1809.86</u>	<u>1565.04</u>
Managerial Remuneration eligible	164.53	155.09
<b>27.28. PAYMENT TO AUDITOR : (Inclusive of GST)</b>		<b>(Rs. in lakhs)</b>
Audit Fees	2.06	2.06
Reimbursement of Expenses	0.20	0.20
Other Services	<u>0.32</u>	<u>0.43</u>
Total	<u>2.58</u>	<u>2.69</u>
<b>27.29.</b> Income Tax assessments have been completed up to the Assessment Year 2018–2019.		
<b>27.30 Impact of COVID-19 Pandemic:</b>		
<p>The Covid-19 pandemic has impacted the businesses around the world, including India. There has been severe disruption to the regular operations of the company in the first quarter of FY 2020-21 due to Government imposed emergency restrictions and lockdown.</p> <p>The company has assessed the impact on liquidity position and carrying amounts of inventories, trade receivables, investments, property, plant and equipment and other financial assets. Our assessment based on estimates and judgements, available from internal and external sources of information including economic forecasts does not indicate any material impact on the carrying value of assets and liabilities as on the reporting date.</p> <p>The Company will continue to monitor the future economic conditions and assess its impact on the financial statements. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the standalone financial statements.</p>		
27.31. Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.		
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As per my report of even date	On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b> Chartered Accountant Membership No.023033	<b>R. PREMCHANDER</b> Managing Director	<b>R.JAICHANDER</b> Joint Managing Director
Place : Tirupur		
Date : 30/06/2021		

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



<b>STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED</b>		Rupees in Lakhs	
<b>31st MARCH 2021</b>		Year ended 31.03.2021	Year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
NET Profit before Taxation		1645.34	1499.83
Adjustments for:			
Depreciation and amortisation		1399.25	1554.36
Loss /(Profit) on Sale of Assets		-0.01	-23.88
Interest Income		-743.12	-39.13
Finance costs		559.44	684.49
		<u>1215.56</u>	<u>2175.84</u>
Operating Profit before Working Capital Changes		2860.90	3675.67
Adjustments for:			
Trade & other Receivables		620.97	-352.87
Inventories		-139.87	569.18
Trade Payable & Other Liabilities		626.97	1108.07
Cash Generated from Operations		<u>3968.97</u>	<u>4351.01</u>
Direct Taxes provisions / paid		-300.00	-81.09
Net Cash from Operating activities	<b>A</b>	<u><b>3668.97</b></u>	<u><b>4269.92</b></u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>			
Purchase of Fixed Assets		-2928.09	-1367.62
Sale of Fixed Assets		0.02	182.49
Payment for Capital Projects in Progress		0.00	0.01
Investments made		-750.53	-131.69
Adjustments for other non current assets		-1361.09	40.13
Interest Received		743.12	39.13
Net Cash from Investment activities	<b>B</b>	<u><b>-4296.57</b></u>	<u><b>-1237.55</b></u>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



	Rupees in Lakhs	
	Year ended 31.03.2021	Year ended 31.03.2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings (net)	1410.61	-2244.88
Dividend paid including tax	-135.00	-162.75
Finance costs	-559.44	-684.49
<b>Net Cash from Financing Activities</b>	<b>C</b> <b>716.17</b>	<b>-3092.12</b>
Net Increase/ (Decrease) in cash and cash equivalents	<b>(A+B+C)</b> <b>88.57</b>	<b>-59.75</b>
Cash and Cash Equivalents as at the beginning of the period	<b>8.48</b>	<b>68.23</b>
Cash and Cash Equivalents as at the end of the period	<b>97.05</b>	<b>8.48</b>
<hr/>		
As per my report of even date	On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b> Chartered Accountant Membership No.023033	<b>R. PREMCHANDER</b> Managing Director	<b>R.JAICHANDER</b> Joint Managing Director
Place : Tirupur Date : 30/06/2021		
<hr/>		
<b>AUDITOR'S CERTIFICATE</b>		
To		
The Board of Directors, Amarjothi Spinning Mills Ltd.,		
I have examined the attached Cash Flow Statement of Amarjothi Spinning Mills Ltd., for the year ended <b>31st March 2021</b> . The Statement has been prepared by the Company in accordance with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Statement and Balance Sheet of the Company covered by my report of 30 <sup>th</sup> June, 2021 to the members of the Company.		
Place : Coimbatore Date : 30.06.2021	<b>P.S.SITARAM. B.Sc., F.C.A.</b> Chartered Accountant Membership no.023033	



**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**2020-21**



### **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 2021, 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 31<sup>st</sup> March, 2021, 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 on 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 our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not identified any key audit matters to be communicated in our 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, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the Consolidated financial statements and my auditor's report thereon.



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

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

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

#### **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:

- 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.

- 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 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.
- 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.



**AMARJOTHI SPINNING MILLS LIMITED**  
**Annual Report 2020-21**



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 Accounting Standards 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, 2021 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, 2021 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:
    - i. The Group does not have any pending litigations which would impact its financial position
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**Place : Coimbatore**  
**Date : 30<sup>th</sup> JUNE 2021**

**P.S. SITARAM**  
**Proprietor**  
**(Membership No.023033)**  
**UDIN: 21023033AAAAAQ3856**



**“Annexure A” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Amarjothi Spinning Mills Limited of even date on the consolidated financial statements for the year ended March 31, 2021)

Report on the Internal Financial Controls under Paragraph (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 (“the Act”)

I have audited the internal financial controls over financial reporting of Amarjothi Spinning Mills Limited (“the Holding company”) as of 31<sup>st</sup> March, 2021 in conjunction with my audit of the Consolidated financial statements of the Holding 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 (‘ICAI’).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis



for my audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In my opinion, the Holding Company its subsidiary company and associates have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : Coimbatore**  
**Date : 30<sup>th</sup> JUNE 2021**

**P.S. SITARAM**  
**Proprietor**  
**(Membership No.023033)**  
**UDIN: 21023033AAAAAQ3856**

# AMARJOTHI SPINNING MILLS LIMITED

Annual Report 2020-21



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021		Rupees in Lakhs	
		As at	
ASSETS	Note no.	31.03.2021	31.03.2020
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	1.A	13321.39	17197.60
(b) Capital work-in-progress	1.B	496.67	496.67
(c) Investment Property		0.00	0.00
(d) Goodwill		75.90	0.00
(e) Other Intangible assets	1.C	0.45	0.45
(f) Intangible assets under development		0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00
(h) Financial Assets			
(i) Investments	2	91.15	91.15
(ii) Trade receivables		0.00	0.00
(iii) Loans		0.00	0.00
(iv) Others (to be specified)	3	1335.58	108.70
(i) Deferred tax assets (net)		0.00	0.00
(j) Other non-current assets	4	588.00	49.91
Total Non-current assets		<u>15909.14</u>	<u>17944.48</u>
<b>2 Current assets</b>			
(a) Inventories	5	5678.45	6085.52
(b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables	6	3092.34	1852.66
(iii) Cash and cash equivalents	7	155.54	43.24
(iv) Bank balances other than (iii) above	8	33.05	35.20
(v) Loans		0.00	0.00
(vi) Others (to be specified)		0.00	0.00
(c) Current Tax Assets (Net)	9	0.00	21.43
(d) Other current assets	10	459.31	4277.77
Total Current assets		<u>9418.69</u>	<u>12315.82</u>
<b>TOTAL ASSETS</b>		<u>25327.83</u>	<u>30260.30</u>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share capital	11	675.00	675.00
(b) Other Equity		14101.45	12751.16
Equity Attributable to shareholders of parent		14776.45	13426.16
Non Controlling Interest		0.00	829.38
Total equity		<u>14776.45</u>	<u>14255.54</u>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	4719.79	11037.71
(ii) Trade payables		0.00	0.00
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0.00	0.00
(b) Provisions		0.00	0.00
(c) Deferred tax liabilities (Net)	13	1306.89	1582.97
(d) Other non-current liabilities		0.00	0.00
Total Non-current liabilities		<u>6026.68</u>	<u>12620.68</u>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	2738.08	742.61
(ii) Trade payables	15	565.08	1531.56
(iii) Other financial liabilities (other than those specified in item (c))	16	736.72	864.60
(b) Other current liabilities		0.00	0.00
(c) Provisions	17	463.22	245.31
(d) Current tax liabilities (Net)	18	21.60	0.00
Total Current liabilities		<u>4524.70</u>	<u>3384.08</u>
Total Liabilities		<u>10551.38</u>	<u>16004.76</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>25327.83</u>	<u>30260.30</u>
<b>Notes to the financial statements</b>	<b>1-27'</b>		
<b>The accompanying notes form an integral part of these financial statements</b>			
As per my report of even date		On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>	<b>R. PREMCHANDER</b>	<b>R.JAICHANDER</b>	
Chartered Accountant	Managing Director	Joint Managing Director	
Membership No.023033			
Place : Tirupur			
Date : 30/06/2021			

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>		Rupees in Lakhs	
<b>FOR THE YEAR ENDED 31st MARCH 2021</b>			
	Note no.	For the year ended	
		31.03.2021	31.03.2020
I. Revenue from operations	19	17957.12	17226.14
II. Other Income	20	796.86	535.84
<b>III. Total Income (I+II)</b>		<b><u>18753.98</u></b>	<b><u>17761.98</u></b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	21	9786.73	9193.55
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Stock-in -Trade and work-in-progress	22	439.43	-799.49
Employee Benefits Expenses	23	1336.79	1350.89
Finance Costs	24	1180.30	956.47
Depreciation and Amortization Expenses	1	1797.88	1744.47
Other Expenses	25	2830.41	3643.26
<b>Total Expenses</b>		<b><u>17371.54</u></b>	<b><u>16089.15</u></b>
V. Profit Before Exceptional Items and Tax (III-IV)		1382.44	1672.83
VI. Exceptional Items		0.00	0.00
<b>VII Profit Before Tax (V-VI)</b>		<b><u>1382.44</u></b>	<b><u>1672.83</u></b>
VIII Tax Expense:			
[1] Current Tax		290.00	305.55
[2] Deferred Tax		-276.08	167.21
IX Profit (Loss) for the period from Continuing Operations (VII-VIII)		1368.52	1200.07
X Profit (Loss) from Discontinued Operations		0.00	0.00
XI Tax Expense of Discontinued Operations		0.00	0.00
XII Profit (Loss) from Discontinued Operations (after tax) (X-XI)		0.00	0.00
<b>XIII Profit (Loss) for the Period (IX+XII)</b>		<b><u>1368.52</u></b>	<b><u>1200.07</u></b>
XIV Non-controlling Interest		-226.41	-67.06
XV Share of Profit of associates		20.47	178.46
<b>XVI Profit (Loss) after Non-controlling interest and share of profit of associates</b>		<b>1574.46</b>	<b>1088.67</b>
XVII Other Comprehensive income		0.00	0.00
<b>XVIII Total Comprehensive Income for the period (XIII+XIV)</b>		<b>1574.46</b>	<b>1088.67</b>
XIX. Earnings Per Equity Share(for Continuing operation)			
[1] Basic & Diluted		23.33	16.13

**Notes to the financial statements**

**1-27'**

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

As per my report of even date

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

Chartered Accountant  
Membership No.023033

Place : Tirupur  
Date : 30/06/2021

On behalf of the Board of Directors

**R. PREMCHANDER**

Managing Director

**R.JAICHANDER**

Joint Managing Director

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



Consolidated Statement of Changes in Equity		Rupees in Lakhs					
For the year ended March 31, 2021							
<b>A. Equity Share Capital</b>							
<b>Balance as at 31.03.2020</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31.03.2021</b>					
675.00	0.00	675.00					
<b>Balance as at 31.03.2019</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31.03.2020</b>					
675.00	0.00	675.00					
<b>B. Other Equity</b>							
Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as at 31.03.2020</b>	89.17	225.00	0.00	1558.03	10878.96	0.00	12751.16
Changes in accounting policy/prior period errors					0.00		0.00
Restated balance at the beginning of the reporting period	89.17	225.00	0.00	1558.03	10878.96	0.00	12751.16
Profit for the year					1574.46		1574.46
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1574.46		1574.46
<b>Transactions with owners in capacity as owners:</b>							0.00
Dividends					-135.00		-135.00
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year	-89.17	0.00		161.86	-161.86		-89.17
<b>Balance as at 31.03.2021</b>	0.00	225.00	0.00	1719.89	12156.56	0.00	14101.45
Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding	General Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as at 31.03.2019</b>	67.45	225.00	0.00	1413.90	10096.90	0.00	11803.25
Changes in accounting policy/prior period errors					0.00		0.00
Restated balance at the beginning of the reporting period	67.45	225.00	0.00	1413.90	10096.90	0.00	11803.25
Profit for the year					1088.67		1088.67
Other comprehensive income for the year					0.00		0.00
Total comprehensive income for the year					1088.67		1088.67
<b>Transactions with owners in capacity as owners:</b>							0.00
Dividends					-162.48		-162.48
Transferred to retained earnings							0.00
Bonus shares							0.00
Movement during the year	21.72	0.00		144.13	-144.13		21.72
<b>Balance as at 31.03.2020</b>	89.17	225.00	0.00	1558.03	10878.96	0.00	12751.16



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

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

S. No	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block			
		Gross cost/ Values as on 01.04.2020	Acquisition	Addition Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2021	Total as on 01.04.2020	For this year	Sale during this year	Total as on 31.03.2021	W.D.V. as on 31.03.2021	W.D.V. as on 31.03.2020
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	78.75	78.75	
2	Land: Free Hold	181.14	0.00	0.00	0.00	55.51	125.63	0.00	0.00	0.00	125.63	181.14	
3	Building	2582.79	0.00	0.00	0.00	0.00	2582.79	1222.49	79.39	0.00	1301.88	1280.91	1360.30
4	Plant & Equipment	31657.70	153.40	0.00	153.40	2703.59	29107.51	16214.65	1683.61	517.72	17380.54	11726.97	15443.05
5	Furniture & Fixtures	46.44	0.00	0.00	0.00	0.00	46.44	38.62	0.94	0.00	39.56	6.88	7.82
6	Vehicles	286.47	5.67	0.00	5.67	0.48	291.66	215.04	23.06	0.45	237.65	54.01	71.43
7	Office Equipment	345.05	4.01	0.00	4.01	0.00	349.06	289.94	10.88	0.00	300.82	48.24	55.11
	<b>Total</b>	<b>35778.34</b>	<b>163.08</b>	<b>0.00</b>	<b>163.08</b>	<b>2755.58</b>	<b>32581.84</b>	<b>17980.74</b>	<b>1797.88</b>	<b>518.17</b>	<b>19080.45</b>	<b>13321.39</b>	<b>17197.60</b>
B	Capital work-in-progress	496.67	0.00	0.00	0.00	0.00	496.67		0.00	0.00	0.00	496.67	
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	0.00	13.31	12.86	0.00	0.00	12.86	0.45	0.45



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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 01.04.2019	Acquisition	Addition Other Adjust ment	Sub Total	Sale/ Adjustment during this year	Gross balance as on 31.03.2020	Total as on 01.04.2019	For this year	Sale during this year	Total as on 31.03.2020	W.D.V. as on 31.03.2020	W.D.V. as on 31.03.2019
A	Property, Plant and Equipment												
1	Land: Lease Hold	78.75	0.00	0.00	0.00	0.00	78.75	0.00	0.00	0.00	0.00	78.75	78.75
2	Land: Free Hold	151.89	29.55	0.00	29.55	0.30	181.14	0.00	0.00	0.00	0.00	181.14	151.89
3	Building	2582.79	0.00	0.00	0.00	0.00	2582.79	1110.83	111.66	0.00	1222.49	1360.30	1471.96
4	Plant & Equipment	32058.21	1848.75	-1360.43	488.32	888.83	31657.70	15340.98	1596.03	722.36	16214.65	15443.05	16717.23
5	Furniture & Fixture	45.29	1.15	0.00	1.15	0.00	46.44	37.58	1.04	0.00	38.62	7.82	7.71
6	Vehicles	286.49	0.31	0.00	0.31	0.33	286.47	188.90	26.46	0.32	215.04	71.43	97.59
7	Office Equipment	327.49	17.56	0.00	17.56	0.00	345.05	281.26	8.68	0.00	289.94	55.11	46.23
	<b>Total</b>	<b>35530.91</b>	<b>1897.22</b>	<b>-1360.43</b>	<b>5368.99</b>	<b>888.46</b>	<b>35178.34</b>	<b>16899.55</b>	<b>1743.67</b>	<b>722.68</b>	<b>17900.74</b>	<b>17197.60</b>	<b>18571.36</b>
B	Capital work-in-progress	496.67	0.00	0.00	0.00	0.00	496.67		0.00	0.00	0.00	496.67	496.67
C	Other intangible assets												
1	Computer software	13.31	0.00	0.00	0.00	0.00	13.31	12.26	0.60	0.00	12.86	0.45	1.05



**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021	Rupees in Lakhs	
	Year ended	
	31.03.2021	31.03.2020
<b>[2] NON-CURRENT INVESTMENTS (AT COST):</b>		
<b>Investment in Fully paid equity Instruments: (Quoted)</b>		
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd.. (Market value – Rs.5405(1073))	0.09	0.09
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs.700(732))	0.05	0.05
<b>Investment in Fully paid equity Instruments: (unquoted)</b>		
8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)	83.08	83.08
520 Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd.	7.80	7.71
430 Equity shares of Rs.10 each fully paid of APGL Green Energy private Ltd.,	0.04	0.04
294 Equity shares of Rs.10 each fully paid of Jaichander wind Farms Pvt Ltd.,	0.03	0.03
223 Equity shares of Rs.10 each fully paid of Jayanthi wind Farms Pvt Ltd.,	0.02	0.02
233 Equity shares of Rs.10 each fully paid of Premchander Wind Farms Private Ltd.	0.02	0.02
230 Equity shares of Rs.10 each fully paid of Puvaneswari Enterprises Wind Farms Pvt. Ltd	0.02	0.02
450 Equity shares of Rs.10 each fully paid of Saroja Rajan Green Energy Pvt Ltd.,	0.00	0.05
430 Equity shares of Rs.10 each fully paid of Susmitha Titikshaa Green Energy Pvt Ltd.,	0.00	0.04
<b>Total</b>	<b><u>91.15</u></b>	<b><u>91.15</u></b>
<b>Note:</b>		
a) Aggregate amount of quoted investments	0.14	0.14
b) Aggregate market value of quoted investments	0.06	0.02
c) Aggregate amount of unquoted investments	91.01	91.01
d) Aggregate amount of impairment in value of investments.	0.00	0.00
<b>[3] OTHER NON-CURRENT FINANCIAL ASSETS:</b>		
Bank Deposit Accounts	1335.58	108.70
	<b><u>1335.58</u></b>	<b><u>108.70</u></b>
<b>[4] OTHER NON-CURRENT ASSETS:</b> (Unsecured & considered good)		
Non-controlling interest	397.79	0.00
Miscellaneous expenses not written off	6.36	0.00
Deposit with Government Departments	183.85	49.91
	<b><u>588.00</u></b>	<b><u>49.91</u></b>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021		Rupees in Lakhs	
		Year ended	
		31.03.2021	31.03.2020
<b>[5] INVENTORIES :</b>			
a) Raw Materials		3740.94	3758.66
b) Work-in-Progress		345.20	205.56
c) Finished Goods		1380.91	1959.98
d) Waste Stock		46.37	37.86
e) Stores, Tools, Spares & Packing Materials		165.03	123.46
		<u>5678.45</u>	<u>6085.52</u>
<b>[6] TRADE RECEIVABLES :</b>			
1 Due for More than 6 months (Unsecured)			
(a) Considered Good	3.79		1.90
(b) Considered Doubtful	32.90		32.40
2 Other Debts (Unsecured and considered good)	3088.49	3125.18	1851.20
Less : Provision for Doubtful Receivables		32.84	32.84
		<u>3092.34</u>	<u>1852.66</u>
Note. Trade receivable which are overdue for a period of 6 months and more include a sum Rs.32.90 lakhs (Rs.32.40 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.			
<b>[7] CASH AND CASH EQUIVALENTS:</b>			
Cash on Hand		2.15	2.69
Balances with Scheduled Banks In Current Accounts		153.39	40.55
		<u>155.54</u>	<u>43.24</u>
<b>[8] BANK BALANCES OTHER THAN [7] ABOVE:</b>			
Unpaid Dividend Warrant Account		33.05	35.20
		<u>33.05</u>	<u>35.20</u>
<b>[9] CURRENT TAX ASSETS(NET):</b>			
Advance payment of tax (Net of provision)		0.00	21.43
		<u>0.00</u>	<u>21.43</u>
<b>[10] OTHER CURRENT ASSETS: (Unsecured &amp; considered good)</b>			
Advances to suppliers & others		4.88	2608.40
Prepaid expenses		36.77	70.99
Balances on account of indirect taxes		411.02	853.54
Advances to employees		1.72	3.83
Income receivable		4.92	741.01
		<u>459.31</u>	<u>4277.77</u>
<b>[11] SHARE CAPITAL:</b>			
<b>Equity Shares:</b>			
<b>Authorised:</b>			
9750000 Equity Shares of Rs.10 each		<u>975.00</u>	<u>975.00</u>
<b>Issued, Subscribed &amp; Paid-up Capital :</b>			
6750000 Equity Shares of Rs.10 each fully paid		<u>675.00</u>	<u>675.00</u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH 2021**

Rupees in Lakhs

**Year ended**

**31.03.2021**

**31.03.2020**

**Notes:**

1.1 Reconciliation of Equity shares at the end of the year

	<b>No.of shares</b>	<b>Amount</b>	<b>No.of shares</b>	<b>Amount</b>
Balance at the beginning of the year	6750000	675.00	6750000	675.00
Additions	0	0.00	0	0.00
Deletions	0	0.00	0	0.00
Balance at the end of the year	6750000	675.00	6750000	675.00

1.2 List of shareholders holding more than 5%

<b>Name</b>	<b>No.of shares</b>	<b>%</b>	<b>No.of shares</b>	<b>%</b>
Rajan.N	0	0.00	1164980	17.26
Premchander.R	1858043	27.53	1275653	18.90
Jaichander.R	1857888	27.52	1275498	18.90
<b>Total</b>	<b>3715931</b>	<b>55.05</b>	<b>3716131</b>	<b>55.06</b>

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

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

**[12] LONG TERM BORROWINGS:**

(a) Term Loan From Banks (Secured)	1664.70	5534.40
(b) Loan from Directors (Unsecured)	3055.09	5503.31
	<b>4719.79</b>	<b>11037.71</b>

**Notes:**

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

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

As per last year Balance Sheet	1582.97	1415.76
Add/less : Transfer from / to P&L a/c for current year	-276.08	167.21
	<b>1306.89</b>	<b>1582.97</b>

**[14] SHORT TERM BORROWINGS**

(a) Loan Repayable on Demand from Banks (Secured)	2738.08	742.61
	<b>2738.08</b>	<b>742.61</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** Rupees in Lakhs  
**FOR THE YEAR ENDED 31st MARCH 2021** **Year ended**  
**31.03.2021** **31.03.2020**

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)	42.09	44.33
(b) Due to others	522.99	1487.23
	<u>565.08</u>	<u>1531.56</u>

**[16] OTHER FINANCIAL LIABILITIES**

(a) Current Maturities of Long Term Debts	496.83	694.56
(b) Unclaimed Dividend	33.05	35.20
(c) GST Payable	0	0
(d) Disputed Electricity Charges	58.88	51.52
(e) Others	147.96	83.32
	<u>736.72</u>	<u>864.60</u>

**[17] SHORT TERM PROVISIONS**

(a) Provision for Employee Benefits	89.73	83.43
(b) Provision for Outstanding Liability	373.49	161.88
	<u>463.22</u>	<u>245.31</u>
Proposed Dividend per share (in Rs.)	2.10	2.00
Number of Shares	6750000	6750000
Total Proposed Dividend	141.75	135.00

**[18] CURRENT TAX LIABILITIES:**

For Taxation net of advances	21.60	0.00
	<u>21.60</u>	<u>0.00</u>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021		Rupees in Lakhs	
		Year ended	
		31.03.2021	31.03.2020
<b>[19] REVENUE FROM OPERATIONS</b>			
a) Sale of Products			
Domestic sales		16422.78	16103.77
Export sales		1477.05	1055.66
	<b>A</b>	<u>17899.83</u>	<u>17159.43</u>
b) Other Operating Revenues:			
Sale of scrap		28.48	37.56
Duty Drawback		17.49	12.91
Miscellaneous income		11.32	16.24
	<b>B</b>	<u>57.29</u>	<u>66.71</u>
Revenue from operations	<b>A+B</b>	<u>17957.12</u>	<u>17226.14</u>
<b>[20] OTHER INCOME</b>			
a) Interest Income (TDS Rs.13.83 lakh (Rs.8.06 lakh)		788.91	369.12
b) Dividend Income & Profit from Firms		0.00	94.50
c) Net gain / Loss on sale of Fixed assets		0.01	23.88
d) Foreign Exchange Rate Gain		0.00	24.93
e) Insurance Claims		6.29	19.00
f) Other Non-Operating Income		1.65	4.41
		<u>796.86</u>	<u>535.84</u>
<b>[21] COST OF MATERIALS CONSUMED :</b>			
<b>Opening Stock :</b>			
Raw Materials	3758.66		4010.91
Waste Stock	<u>37.86</u>	<u>3796.52</u>	<u>61.72</u> 4072.63
<b>ADD : Purchases</b>		<u>9777.52</u>	<u>8917.44</u>
		13574.04	12990.07
<b>LESS : Closing Stock :</b>			
Raw Materials	3740.94		3758.66
Waste Stock	<u>46.37</u>	<u>3787.31</u>	<u>37.86</u> 3796.52
		<u>9786.73</u>	<u>9193.55</u>
<b>[22] CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:</b>			
<b>Inventories at the Beginning of the year</b>			
Finished Goods	1959.98		1074.87
Work-in-Progress	<u>205.56</u>	2165.54	<u>291.18</u> 1366.05
<b>Inventories at the end of the year</b>			
Finished Goods	1380.91		1959.98
Work-in-Progress	<u>345.20</u>	<u>1726.11</u>	<u>205.56</u> 2165.54
Net (increase) / decrease		<u>439.43</u>	<u>-799.49</u>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021		Rupees in Lakhs	
		Year ended	
		31.03.2021	31.03.2020
<b>[23] EMPLOYEE BENEFITS EXPENSES</b>			
i) Salaries & Wages		1024.38	1100.65
ii) Contribution to Provident & Other Funds		19.98	23.19
iii) Staff Welfare Expenses		<u>292.43</u>	<u>227.05</u>
		<b><u>1336.79</u></b>	<b><u>1350.89</u></b>
<b>[24] FINANCE COSTS</b>			
a) Interest on Term Loans		494.94	487.68
b) Interest on Other Loans		<u>685.36</u>	<u>468.79</u>
		<b><u>1180.30</u></b>	<b><u>956.47</u></b>
<b>[25] OTHER EXPENSES</b>			
<b>Manufacturing expenses:</b>			
Consumption of Stores & Spare Parts		716.02	917.14
Dyeing and Processing Expenses		518.11	934.02
Power & Fuel		369.89	626.37
Repairs to Building		50.65	80.38
Repairs to Machinery		<u>323.84</u>	<u>231.92</u>
	Total A	<u>1978.51</u>	<u>2789.83</u>
<b>Administrative &amp; selling expenses:</b>			
Advertisement		40.40	20.62
Bank Charges		24.64	37.51
Computer Maintenance Expenses		17.58	11.64
CSR Contribution to PM relief fund		32.28	28.05
Foreign Exchange Rate loss		17.58	0.00
Freight & Other Expenses		96.52	88.74
General Expenses		44.63	84.33
Goods and Service Tax Paid		7.10	2.27
Insurance		102.52	69.84
Managerial Remuneration		164.53	155.09
Printing, Stationery & Postage		16.56	35.17
Professional Charges		41.58	13.32
Rates and Taxes		33.14	44.05
Remuneration to Auditors		2.30	2.31
Rent		64.87	81.20
RF Tower Maintenance Expenses		0.18	0.19
Sales Commissions		72.06	77.34
Share Transfer Expenses		2.49	2.28
Sitting Fees		0.42	0.24
Telephones		7.31	9.41
Travelling & Conveyance		11.18	43.44
Vehicle Maintenance		<u>52.03</u>	<u>46.39</u>
	Total B	<u>851.90</u>	<u>853.43</u>
Total other expenses	Total A + B	<b><u>2830.41</u></b>	<b><u>3643.26</u></b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**

**26. 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 2021. 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. 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, processing of Yarn and Fiber and generation of Wind Power. 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, 2021 were approved by the Board of Directors and authorised for issue on 30 June, 2021.

**27. SIGNIFICANT ACCOUNTING POLICIES**

**27.1. 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.

**27.2. 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.

**27.3. 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.

## AMARJOTHI SPINNING MILLS LIMITED

Annual Report 2020-21



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

S. No.	Name	Relationship	Country of operation	% of Ownership	
				31.03.2021	31.03.2020
1	RPJ Textiles Ltd.	Subsidiary	India	100%	100%
2	Jayanthi Green Energy P Ltd	Associate	India	27%	27%
3	Premchander Green Energy P Ltd	Associate	India	27%	27%
4	AFCM Wind Farms P Ltd	Associate	India	29.43%	29.43%
5	AJSM Green Energy P Ltd.	Associate	India	29.43%	29.43%
6	Kanagathara Wind Farms (Partnership firm)	Associate	India	27.01%	27.01%

Additional Information – Subsidiaries & Associates:

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

Net Assets:

Name of the entity	31.03.2021		31.03.2020	
	As a % of consolidated Net Assets	Rs. in lakhs	As a % of consolidated Net Assets	Rs. in lakhs
<b>Parent company:</b> Amarjothi Spinning Mills Ltd.	99.04%	14633.95	92.16%	13137.53
<b>Subsidiaries – Indian:</b> RPJ Textiles Ltd.	0.85%	126.01	0.94%	134.00
<b>Associates – Indian:</b> Jayanthi Green Energy P Ltd	(-)0.43%	(-)63.93	(-)0.08%	(-)10.85
Premchander Green Energy P Ltd	(-)0.41%	(-)60.96	(-)0.08%	(-)12.06
AFCM Wind Farms P Ltd	0.01%	0.98	0.01%	0.98
AJSM Green Energy P Ltd.	0.03%	4.84	0.01%	0.98
Kanagathara Wind Farms (Partnership firm)	0.69%	101.98	0.66%	93.55
Add/Less: Intragroup eliminations / adjustments	0.22%	33.58	6.38%	911.41
<b>Total</b>	<b>100.00%</b>	<b>14776.45</b>	<b>100.00%</b>	<b>14255.54</b>

Share in Profit or loss:

Name of the entity	31.03.2021		31.03.2020	
	As a % of consolidated Profit or loss	Rs. in lakhs	As a % of consolidated Profit or loss	Rs. in lakhs
<b>Parent company:</b> Amarjothi Spinning Mills Ltd.	103.62%	1631.42	94.85%	1032.62
<b>Subsidiaries – Indian:</b> RPJ Textiles Ltd.	1.20%	18.81	1.45%	15.78
<b>Associates – Indian:</b> Jayanthi Green Energy P Ltd	(-)2.85%	(-)44.87	(-)1.08%	(-)11.75
Premchander Green Energy P Ltd	(-)2.69%	(-)42.31	(-)1.19%	(-)12.96
AFCM Wind Farms P Ltd	0	0	0	0
AJSM Green Energy P Ltd.	0.24%	3.84	0	0
Kanagathara Wind Farms (Partnership firm)	0.48%	7.57	6.06%	66.01
Add/Less: Intragroup eliminations / adjustments	0	0	(-)0.09%	(-)1.03
<b>Total</b>	<b>100.00%</b>	<b>1574.46</b>	<b>100.00%</b>	<b>1088.67</b>





#### **27.4. 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 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").

#### **27.5. 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 company.

#### **27.6 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.

#### **27.7. 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.



**27.8. 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.

**27.9. 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 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 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 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).

#### **27.10. 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.

#### **27.11. 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 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.

**27.12. 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 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.

**27.13 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.

**27.14. 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.

**27.15. 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.



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

Particulars	Year Ended	
	31.03.2021	31.03.2020
Profit before tax	1382.44	1672.83
Income tax rate applicable	27.82%	27.82%
Income tax expenses at the above rate	384.59	465.38
Tax effect on account of tax deductions	(-)78.49	(-)77.67
Tax effect on account of exempt incomes	(-)2.11	(-)32.98
Tax effect of other adjustments	(-)13.99	(-)49.18
Total income tax expense recognised for the year	290.00	305.55

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

(Rs. in lakhs)

	31.03.2021	31.03.2020
Opening balance	1582.97	1415.76
Add/(-)Less: Transfer from Profit & Loss a/c	(-)276.08	167.21
Closing balance	1306.89	1582.97

#### 27.16 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.

#### 27.17 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 Company is engaged mainly in the manufacture of yarn. The Company owns thirteen wind mills and the following is the power generated from these wind mills which is adjusted with the power cost of the yarn division and processing division.

The processing division is operating mainly for captive utilization of yarn division and hence segment- wise reporting is not required.

#### 27.18. Contingent liabilities:

(Rs. in lakhs)

Claims against the company not acknowledged as debt:

As at

	31.03.2021	31.03.2020
Additional Electricity tax (Rs. in lakhs)	58.88	51.52

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.



**27.19. Secured Loans From Banks :**

Sl.No.	Name of the Bank	Limit Rs. In lakhs	Nature of Facility	Security Offered
1	Karur Vysya Bank	1045	Working Capital Facility	First Charge on Current Assets and second charge on the other fixed assets.
2	HDFC Ltd	1000	Working Capital Facility	
3	HDFC Ltd.	2000	Working capital loan against FD	Secured by Fixed Deposit
4	Karur Vysya bank	4989	Machinery Term Loan	EM charge on Wind Mill along with land.

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

Rs. in lakhs

Particulars	As on	
	31.03.2021	31.03.2020
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	4045.00	7050.00
Counter Guarantee given by Chairman, Managing Director and Joint-Managing Director for Term Loan from its bankers	4989.00	6200.00

**27.20. Details of dividend proposed and paid:**

(Rs. in lakhs)

Particulars	Year Ended	
	31.03.2021	31.03.2020
Final dividend	141.75	135.00

In respect of the current year, the directors propose that a dividend of Rs.2.10 per share be paid on equity shares payable to all shareholders on the Register of Members on 16th September, 2021. 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.

**27.21. 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	
	31.03.2021	31.03.2020
The principal amount due to Micro and Small Suppliers under this Act	42.09	44.33
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



**27.22 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	
	31.03.2021	31.03.2020
Debt (long-term and short-term borrowings including current maturities)	4899.61	6971.57
Cash and bank balances	(155.54)	(43.24)
Net debt	4744.07	6928.33
Total equity	14776.45	14255.54
Net debt to equity ratio	32.11%	48.60%

**27.23 Corporate Social Responsibility expenditure:**

Rs. in lakhs

Particulars	Year ended	
	31.03.2021	31.03.2020
Contribution to Prime Ministers Relief fund	32.28	28.05
Amount required to be spent as per Section 135 of the Companies Act, 2013	28.90	32.28
Amount spent during the year on:		
Construction / acquisition of an asset	-	-
On purposes other than above	32.28	28.05

**27.24 Earnings Per Share:**

Particulars	Year ended	
	31.03.2021	31.03.2020
Net Profit after Tax before OCI [Rs. In Lakhs]	1574.46	1088.67
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.]	23.33	16.13

**27.25 Related party disclosure:**

Related party relationships:

Key Management Personnel: 1. Sri. R. Premchander, Managing Director  
2. Sri. R. Jaichander, Joint Managing Director



**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



Related Party Transactions:

Particulars	Rs. in lakhs	
	Key Management Personnel	
	31.03.2021	31.03.2020
Remuneration	164.53	155.09
Sitting fees	0.42	0.24
Interest paid	377.17	393.11
Outstanding payable	1977.42	2706.62

Rs. In lakhs

As at

31.03.2021 31.03.2020

**27.26. EARNINGS IN FOREIGN CURRENCY :**

FOB Value of Exports 1458.57 1055.66

**27.27. EXPENDITURE IN FOREIGN CURRENCY :**

a) Traveling Nil 4.21  
 b) CIF Value of Imports 809.72 1948.40  
 c) Certification charges 1.70 5.85  
811.42 1958.46

**27.28. REMUNERATION TO DIRECTORS :**

a) Managing Director (Salary) 5.40 7.20  
 b) Joint Managing Director (Salary) 5.40 7.20  
 c) Managing Director (Commission) 76.87 63.30  
 d) Joint Managing Director (Commission) 76.86 63.30  
 e) Chairman(Commission) Nil 14.09  
Total 164.53 155.09

Computation of Remuneration to Directors:

Net Profit before tax as per Profit & Loss account 1645.34 1499.83  
 Add: Remuneration debited to Profit & Loss account 164.53 155.09  
 Less / Add: (Profit) / Loss on sale of Assets (-)0.01 (-)89.88  
Net Profit available 1809.86 1565.04  
 Managerial Remuneration eligible 164.53 155.09

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

(Rs. in lakhs)

Audit Fees 2.06 2.06  
 Reimbursement of Expenses 0.20 0.20  
 Other Services 0.32 0.43  
Total 2.58 2.69

**27.30. Income Tax assessments have been completed up to the Assessment Year 2018-2019.**



**27.31 Impact of COVID-19 Pandemic:**

The Covid-19 pandemic has impacted the businesses around the world, including India. There has been severe disruption to the regular operations of the company in the first quarter of FY 2020-21 due to Government imposed emergency restrictions and lockdown.

The company has assessed the impact on liquidity position and carrying amounts of inventories, trade receivables, investments, property, plant and equipment and other financial assets. Our assessment based on estimates and judgements, available from internal and external sources of information including economic forecasts does not indicate any material impact on the carrying value of assets and liabilities as on the reporting date.

The Company will continue to monitor the future economic conditions and assess its impact on the financial statements. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the standalone financial statements.

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

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As per my report of even date

On behalf of the Board of Directors

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

**R. PREMCHANDER**  
Managing Director

**R.JAICHANDER**  
Joint Managing Director

Place : Tirupur  
Date : 30/06/2021



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021**

Rupees in Lakhs

	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET Profit before Taxation	1382.44	1672.83
Adjustments for:		
Depreciation and amortisation	1797.88	1744.47
Loss /(Profit) on Sale of Assets	-0.01	-23.88
Interest Income	-788.91	-369.12
Finance costs	1180.30	956.47
	<u>2189.26</u>	<u>2307.94</u>
Operating Profit before Working Capital Changes	3571.70	3980.77
Adjustments for:		
Trade & other Receivables	622.85	3050.14
Inventories	407.07	-585.99
Trade Payable & Other Liabilities	1140.62	2170.54
	<u>2170.54</u>	<u>-4330.03</u>
Cash Generated from Operations	5742.24	2114.89
Direct Taxes provisions / paid	-305.55	-343.00
Net Cash from Operating activities	<b>A</b>	<b>5436.69</b>
	<u>5436.69</u>	<u>1771.89</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchase of Fixed Assets	-163.08	-1897.32
Sale of Fixed Assets	2241.41	142.91
Payment for Capital Projects in Progress	0.00	0.00
Investments made	-788.90	-369.30
Adjustments for other non current assets	-1764.97	40.11
Interest Received	788.91	369.12
Net Cash from Investment activities	<b>B</b>	<b>-1714.48</b>
	<u>313.37</u>	<u>-1714.48</u>

**AMARJOTHI SPINNING MILLS LIMITED**  
Annual Report 2020-21



	Rupees in Lakhs	
	Year ended 31.03.2021	Year ended 31.03.2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings (net)	-4322.46	936.66
Dividend paid including tax	-135.00	-162.48
Finance costs	-1180.30	-956.47
<b>Net Cash from Financing Activities</b>	<b>C</b>	<b>-182.29</b>
	<b>-5637.76</b>	<b>-182.29</b>
Net Increase/ (Decrease) in cash and cash equivalents <b>(A+B+C)</b>	<b>112.30</b>	<b>-124.88</b>
Cash and Cash Equivalents as at the beginning of the period	<b>43.24</b>	168.12
Cash and Cash Equivalents as at the end of the period	<b>155.54</b>	<b>43.24</b>

As per my report of even date	On behalf of the Board of Directors	
<b>P.S.SITARAM, B.Sc., F.C.A.</b>	<b>R. PREMCHANDER</b>	<b>R.JAICHANDER</b>
Chartered Accountant	Managing Director	Joint Managing Director
Membership No.023033		

Place : Tirupur  
Date : 30/06/2021

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**AUDITOR'S CERTIFICATE**

To

The Board of Directors,  
Amarjothi Spinning Mills Ltd.,

I have examined the attached Consolidated Cash Flow Statement of Amarjothi Spinning Mills Ltd., for the year ended **31<sup>st</sup> March 2021**. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges and is based on and is in agreement with the corresponding Consolidated Profit and Loss Statement and Consolidated Balance Sheet of the Company covered by my report of 30th June, 2021 to the members of the Company.

Place : Coimbatore	<b>P.S.SITARAM. B.Sc., F.C.A.</b>
Date : 30.06.2021	Chartered Accountant
	Membership no.023033

**To**

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