



## AMARJOTHI SPINNING MILLS LIMITED

### 27<sup>th</sup> Annual Report

#### *BOARD OF DIRECTORS*

**CHAIRMAN**

**Sri. N. RAJAN**

**MANAGING DIRECTOR**

**Sri. R. PREMCHANDER**

**WHOLE-TIME DIRECTOR**

**Sri. R. JAICHANDER**

**DIRECTORS**

**Dr. V. SUBRAMANIAM**

**Sri. N. RADHAKRISHNAN**

**Sri. V.T. SUBRAMANIAN**

**Sri. M. MOORTHY**

**Sri. V. MANIKANDAN**

**Sri. M.S. SIVAKUMAR**

**Smt. M. AMUTHA**

**CHIEF FINANCIAL OFFICER**

**Sri. P. SINGARAVELU** (Appointed on 30.07.2015)

**COMPANY SECRETARY**

**Smt. A. MANJU SRI** (Appointed on 30.07.2015)

**STATUTORY AUDITOR**

**Sri. V. NARAYANASWAMI M.A., F.C.A.**  
Chartered Accountant, Coimbatore

**BANKERS**

Bank of Baroda  
Karur Vysya Bank Limited

**REGD. OFFICE**

"AMARJOTHI HOUSE"  
157, Kumaran Road, Tirupur - 641 601  
Phone : +91-421-4311600 - 01  
Fax : 91 421-4326694  
Email : mill@amarjothi.net, arun@amarjothi.net  
Website : www.amarjothi.net  
CIN: L17111TZ1987PLC002090

**FACTORIES AT**

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

**REGISTRAR AND  
SHARE TRANSFER AGENTS**

**M/s. S.K.D.C. Consultants Ltd.**  
Kanapathy Towers, 3<sup>rd</sup> Floor  
1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006



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## NOTICE

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on Friday, the 25<sup>th</sup> September, 2015, at 11.00 A.M. at the Meeting Hall of Gayathri Hotel, Kangayam Road, Tirupur – 641 604 to transact the following business:

### ORDINARY BUSINESS

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

“**RESOLVED** that the Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March 2015 and the Director’s and Auditors’ Reports thereon, be and are hereby approved and adopted.”

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

“**RESOLVED** that a final dividend of Rs.2/- per share (20% on the face value of Rs.10/-), as recommended by the Directors, be and is hereby declared for the year ended 31<sup>st</sup> March 2015 on the paid-up capital of Rs. 6,75,00,000. And the same be paid to shareholders, whose names stand on the Register of Members of the Company on 18<sup>th</sup> September 2015, and that the total dividend amount of Rs.1,35,00,000 representing the said total dividend of Rs.2 per share (20% on the face value of Rs.10/-) be paid out of the profits for the year 2014-15.”

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

“**RESOLVED** that Mr. N. Rajan (Holding DIN:00390813), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

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

“**RESOLVED** that Mr. Rajan Premchander (Holding DIN: 00390795), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

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

“**RESOLVED** that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, Mr. V. Narayanaswami, Chartered Account, Coimbatore, (Membership No.023661), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of Twenty Seventh (27th) Annual General Meeting until the conclusion of the Thirty Second (32nd) Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”



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## SPECIAL BUSINESS

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

"**RESOLVED** that pursuant to Section 149 read with Sections 150, 152 and Schedule IV, and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, as amended from time to time, Mrs. M. Amutha (DIN 07137884), Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years i.e. from the date of the 27<sup>th</sup> Annual General Meeting (2015) till the date of the 32<sup>nd</sup> Annual General Meeting (2020) of the Company [both dates inclusive]."

7. 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 Sections 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory amendments and modifications thereof, for the time being in force, the remuneration payable to **Shri M. Nagarajan**, Practicing Cost Accountant, Coimbatore appointed by the Board of Directors to conduct the Audit of the cost accounting records of the Company for the Financial Years 2014-15 and 2015-16 amounting to Rs. 40,000/- per Annum exclusive of service tax as applicable and re-imburement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

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By Order of the Board

Place : Tirupur  
Date : 30.07.2015

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

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

## NOTE :

1. **A member entitled to attend and vote is entitled to appoint a proxy and such a proxy need not be a member.** The proxy form duly stamped and executed, should be deposited at the Registered Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting. A person can act as proxy on behalf of not more than fifty (50) members holding in the aggregate not more than 10% of the total share capital of the Company.
2. The register of members and share transfer books of the Company will remain closed from 19<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2015 (both days inclusive). The dividend, if declared at the meeting, will be paid on or before 25<sup>th</sup> October, 2015.
3. Pursuant to the provisions of Sections 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed and unpaid dividends for the financial years 1995-96 to 2006-07, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant



to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 05<sup>th</sup> September 2014 (date of last Annual General Meeting) on the website of the Company ([www.amarjothi.net](http://www.amarjothi.net)), as also on the Ministry of Corporate Affairs website.

4. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting.

The Board of Directors has appointed Sri. R.RAMCHANDAR, Company Secretary In Practice as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner:

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

The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period.

**The remote e-voting would commence on Tuesday, the 22<sup>nd</sup> September 2015 (9:00 am) and end on Thursday, the 24<sup>th</sup> September 2015 (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 18<sup>th</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 24<sup>th</sup> September 2015. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The voting rights of Members shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 18<sup>th</sup> September 2015. 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 (18<sup>th</sup> September 2015) only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot Paper.

Notice is being sent to all the shareholders whose names appear on the Register of Members / list of Beneficial Owners, as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CSDL) as at the close of business hours on Friday, the 21<sup>st</sup> August 2015.

Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice, but holding shares as on the cut-off date for remote e-voting i.e. 18<sup>th</sup> September 2015, may obtain the login Id and Password by sending a request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact our Registrar & Share Transfer Agent at the address mentioned on Note no.5 (ii).



The facility for voting through poll shall be made available at the Meeting and the members attending the Meeting and who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through poll by ballot paper.

The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

The procedure and instructions for e-voting is furnished in this notice.

The Scrutinizer will submit his report to the Chairman after completion of the Scrutiny and the results of the physical ballot / e-voting will be announced by the Company on its website - [www.amarjothi.net](http://www.amarjothi.net) within 48 hours of the conclusion of the AGM.

5. Members are requested to:

- Provide Permanent Account Number if not already provided;
- Opt for NECS / NEFT / RTGS facility by providing latest bank account details for prompt credit and for avoiding fraudulent encashment / loss in postal transit of dividend warrant; and

Avail nomination facility.

For the above purposes,

- i) shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
  - ii) Shareholders holding shares in physical mode can approach M/s. S.K.D.C Consultants Limited, our Registrar & Share Transfer Agent – Tel. No. 0422-6549995, 2539835 Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
6. Members who are holding shares in physical form are requested to avail dematerialization facility. For further information, please refer to FAQs posted by National Securities Depository Limited on its website [www.nsdl.co.in](http://www.nsdl.co.in) and Central Depository Services (India) Limited on its website [www.cdslindia.com](http://www.cdslindia.com).

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 6**

The Board of Directors at their meeting held on 27.03.2015 appointed Smt. M.Amutha (DIN:07137884) as Additional Director (Non-Executive Independent Director) of the company. She will hold office up to the



ensuing 27<sup>th</sup> Annual General Meeting pursuant to section 161 of the companies Act, 2013 (“the Act”) and being eligible, in terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, she will be seeking election/ appointment as Independent Director for Five consecutive years i.e from the date of 27<sup>th</sup> Annual General Meeting (2015) till the date of 32<sup>nd</sup> Annual General Meeting (2020).A notice has been received from a Member along with deposit of Rs. 1 Lakh, proposing Smt. M.Amutha as a candidate for the office of Director of the Company.

In this opinion of the Board, Smt. M.Amutha fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the Management. A copy of the draft letter for appointment of Smt. M.Amutha as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The board considers that Smt. M.Amutha’s continued association would be immense benefit to the company and it is desirable to avail her services as Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Smt. M.Amutha as an Independent Director, for approval by the shareholders of the Company.

#### **INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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.

#### **ITEM No. 7**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of and remuneration payable to **Shri M. Nagarajan**, Practising Cost Accountant for the audit of cost accounting records of the Company pursuant to the Companies (Cost Records and Audit ) Rules 2014 for the Financial Years 2014-15 and 2015-16 at a remuneration of Rs. 40,000/- per annum excluding the applicable service tax and reimbursement of out of pocket expenses incurred by him in connection with the audit.

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

#### **INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

By Order of the Board

Place : Tirupur  
Date : 30.07.2015

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

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



## PROCEDURE AND INSTRUCTION FOR – E-VOTING :

- i) The voting period begins on <22.09.2015 – 9.00 AM> and ends on <24.09.2015- 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 <18.09.2015> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><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.</p> <ul style="list-style-type: none"><li>• 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).</li></ul>

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other





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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.

- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN relevant for <AMARJOTHI SPINNING MILLS LIMITED>
- xiii) 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.
- xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii) 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.
- xxi) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

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By Order of the Board

Place : Tirupur  
Date : 30.07.2015

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

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



**Particulars of the Directors seeking re-appointment in the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement**

**ITEMS 3 & 4**

<b>Name of the Director</b>	<b>N. RAJAN</b>	<b>R. PREMCHANDER</b>
DIN	00390813	00390795
Date of Birth	14/03/1939	16/11/1968
Expertise in specific functional areas	Practicing Chartered Accountant having professional experience of more than 40 years.	Has more than 20 Years experience in the field of marketing, finance and management of the Company.
Qualifications	B.Com., F.C.A	B.Com., MBA
List of other companies in which directorship held as on 31 <sup>st</sup> March 2015	<b>Chairman :</b> - Amarjothi Power Generation and Distribution Company Limited - R P J Textiles Limited	<b>Chairman :</b> Nil  <b>Managing Director :</b> - Amarjothi Power Generation and Distribution Company Limited - Vinformax Systems India Private Limited
	<b>Director :</b> - Amarjothi Power Generation and Distribution Company Limited - R P J Textiles Limited	<b>Director :</b> - Propin India Developers Private Limited - Freeze Adventures Private Limited - R P J Textiles Limited - Vixta Solutions Private Limited - Vinformax Technology Systems Private 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 2015	<b>Chairman :</b> Nil  <b>Member :</b> Nil	<b>Chairman :</b> Nil  <b>Member :</b> Nil
Shareholding as on 31 <sup>st</sup> March 2015: a) held individually b) held as Karta of HUF c) held jointly with others d) held as Executor / Trustee	11,64,780 Nil Nil Nil	12,75,653 Nil Nil Nil
Relationship with other Directors	Father of Mr. R. Premchander, Managing Director and Mr. R. Jaichander, Whole-Time Director	Son of Mr. N. Rajan, Non-Executive Director and Brother of Mr. R. Jaichander, Whole-Time Director.



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

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the audited accounts of your Company for the year ended 31<sup>st</sup> March 2015.

### FINANCIAL RESULTS

	2014-2015 Rs.	2013-2014 Rs.
Revenue from Operations	2014788794.60	1981092608.70
Other Income	16457814.74	22101203.76
<b>Total Revenue</b>	<b>2031246609.34</b>	<b>2003193812.46</b>
<b>Less: Total Expenses</b>	<b>1856165136.16</b>	<b>1733668758.76</b>
<b>Profit before Tax</b>	<b>175081473.18</b>	<b>269525053.70</b>
<b>Profit after Tax</b>	<b>132188548.95</b>	<b>201125053.70</b>
Surplus brought forward	511634412.59	331703076.89
Add : Excess provision for taxation reversed	0	14646320.00
Less : Transition provision for Depreciation	0	0
<b>Amount available for appropriation</b>	<b>643822961.54</b>	<b>547474450.59</b>
Appropriations to :		
General Reserve	13220000.00	20150000.00
Proposed Dividend – Including Dividend Tax	15836040.00	15690038.00
<b>Surplus carried to balance sheet</b>	<b>614766921.54</b>	<b>511634412.59</b>
<b>TOTAL</b>	<b>643822961.54</b>	<b>547474450.59</b>

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

#### OPERATIONS

The Company's sales increased slightly by 1.70% to Rs.20147.89 Lacs during the year under review as against Rs.19810.92 Lacs in the previous year.

#### i) YARN DIVISION

Your Directors inform you that yarn division continues to perform well. Production and sales increased more than last year level. However due to raw material price fluctuation and Power cost, the profitability of the yarn Division have not improved much.

#### ii) PROCESSING UNIT

The performance of the Processing unit has improved and problems arising from the effluent Treatment plants are being sorted out.



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## **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, 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 2014-2015

## **DIVIDEND**

Your Directors are glad to recommend a dividend of Rs. 2.00 per share (20% on the Equity Capital) for the year ended 31st March 2015 absorbing a sum of Rs.1,35,00,000/- for the approval of the share holders at the ensuing Annual General Meeting. The dividend will be free of tax in the hands of shareholders since the Company will be paying the Dividend Distribution Tax at the prescribed rate.

## **GENERAL RESERVE**

During the year, your Company has transferred an amount of Rs.1,32,20,000.00 to the General Reserve.

## **CHANGES IN SHARE CAPITAL :**

There were no changes in Share Capital of the Company during the Financial Year 2014-2015.

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

The Company has not issued any Equity Shares with Differential Rights during the Financial Year 2014-2015.

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

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

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

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

## **EXTRACT OF ANNUAL RETURN :**

As required pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in the Form MGT-9 is annexed as a part of this report vide "ANNEXURE VI".

## **NUMBER OF BOARD MEETINGS :**

During the Financial Year 2014-15, 14 (Fourteen) Meetings of the Board of Directors of the company were held. The details of Board Meeting and Attendance of Directors are disclosed in the Corporate Governance Report.

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

The Company has not provided any Loan/Guarantee during the year under review.



**Details of Investments during the year 01.04.2014 to 31.03.2015 :**

<b>Sl. No</b>	<b>Date of Investment</b>	<b>Details of Investee</b>	<b>Amount</b>	<b>Purpose for which the proceed from investment is proposed to be utilized by the recipient</b>
1	12.05.2014	Amarjothi Power Generation & Distribution co ltd.	75,00,000.00	Equity capital
2	02.07.2014	Amarjothi Wind Farm	94,75,600.00	Partner capital

**RELATED PARTY TRANSACTIONS :**

All contracts / arrangements / transactions entered by the company during the financial year with related parties where on arms length basis .During the year the company had not entered into any contracts/ arrangements / transactions with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions. Hence the requirement for furnishing details under section 134(3) (h) in prescribed Form No AOC 2 is not applicable. Further, the Company's policy on Related Party Transactions is attached as part of this report vide "ANNEXURE III".

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

Based on the Secretarial Audit Report, we have observed that few aspects are not in compliance with Companies Act and Listing Agreement entered into with Stock Exchange which is purely unintentional and the necessary actions have been taken to resolve the issue.

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

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

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

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

**RISK MANAGEMENT POLICY :**

Availability of quality raw material and at competitive prices continuous to be a major factor of concern because India is basically an agrarian economy depending mostly on natural resources like water for its crops. The rising interest rates, increasing fuel prices, power shortage, labour scarcity are causes of the concern for the industry as a whole. The effluent treatment related problem faced by the Processing Division and the non-drawal of wind mill generated power by the TNEB are Company-specific causes of concern.



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

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **SECRETARIAL AUDIT :**

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

#### **REMUNERATION OF DIRECTORS & KMP :**

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

#### **DETAILS OF DIRECTORS APPOINTMENT AND RESIGNATION :**

- i) Smt. Meiyappan Amutha (DIN: 07137884) who was appointed as Additional Director of the company w.e.f. 27<sup>th</sup> Day of March 2015 and who holds office upto the date of this Annual General Meeting of the Company be and is hereby appointed as an Independent Director of the Company.
- ii) Sri. S. Sathyanarayanan, Independent Director has resigned from the board on 09.09.2014

#### **DIRECTORS RETIRE BY ROTATION :**

Mr. N. Rajan and Mr. R. Premchander retire by rotation and, being eligible, offer themselves for re-election.

#### **ANNUAL EVALUATION BY THE BOARD**

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

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

During the year 2014-15, no significant and material Orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

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

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

#### **DEPOSITS :**

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



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

NIL

**REAPPOINTMENT OF INDEPENDENT DIRECTOR :**

NOT APPLICABLE

**DECLARATION BY INDEPENDENT DIRECTOR :**

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

**BOARD & AUDIT COMMITTEE :**

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

**NOMINATION AND REMUNERATION COMMITTEE POLICY :**

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

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

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

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

**AUDITORS :**

Mr. V. Narayanaswami M.A., F.C.A., Chartered Account, Coimbatore, (Membership No.023661), retires and is eligible for re-appointment for a term of five years. A certificate from the Auditors that they satisfy the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder (including satisfaction of criteria under section 141 of the Companies Act, 2013), has been received from them.

**CORPORATE GOVERNANCE**

A detailed report on corporate governance, together with a certificate from the Statutory Auditors, in compliance with clause 49 of the Listing Agreement, is attached as part of this report vide "ANNEXURE II".

**CORPORATE SOCIAL RESPONSIBILITY**

Based on last three years average Net Profit, the Company is required to spend a sum of Rs. 24,89,413 in the year 2014-15. The Company is working out for schemes that could result in enduring benefits to the community at large. The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalising this report as the time was too short to identify suitable projects for spending the same.

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



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## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **PREAMBLE**

Through Amarjothi Spinning Mills Limited, long standing commitment to service to the society, we strive to attain leadership in our business through a socially and environmentally responsible way, while taking care of the interests of our stakeholders.

We work with the primary objective of contributing to the sustainable development of the society and creating a greener and cleaner environment around us.

Towards achieving these objectives, Amarjothi Spinning Mills Limited has initiated Sanitation Programme for providing toilets, a program which executes various social and environmental development activities in and around its operational locations.

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

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

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

### **SCOPE**

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





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## GOVERNANCE

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

## CSR EXPENDITURE

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

## IMPLEMENTATION

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

The Company shall implement its CSR programmes/projects:

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

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

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

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

## MONITORING AND REPORTING

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

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

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

## PERSONNEL :

In term of the provision of Section 197(12) of Act read with rules 5(2) and 5(3) of the Companies (Appointment



and Remuneration of Managerial personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are annexed to this report as "ANNEXURE VIII".

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2014-15.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Your directors confirm that :

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

**ACKNOWLEDGEMENT :**

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

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

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

By Order of the Board

Place : Tirupur  
Date : 30.07.2015

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

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



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## MANAGEMENT DISCUSSION AND ANALYSIS :

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT :

Textile industry contributes significantly to the country's total exports. The Government has allowed formation of textile parks in many parts of the country. Substantial capacity expansion has taken place in the textile sector. Industry has gone through rising raw material cost, scarcity of power, labour and fluctuation in currency etc.

### 2. OPPORTUNITIES AND THREATS :

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

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

### 3. SEGMENT-WISE PERFORMANCE :

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

### 4. OUTLOOK :

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

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

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

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

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



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

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

**8. HEALTH AND SAFETY MEASURES :**

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

**9. CAUTIONARY STATEMENT :**

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

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By Order of the Board

Place : Tirupur  
Date : 30.07.2015

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

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



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## 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:

- a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2015 and based on our knowledge and belief, we state that :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - ii) 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.
- b) 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.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) 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.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, If any, in the internal control over financial reporting during the year;
  - ii) 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
  - iii) 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.

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

Place : Coimbatore  
Date : 30.07.2015

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



## ANNEXURE – I

### TO DIRECTOR'S REPORT

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

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

##### A. CONSERVATION OF ENERGY

###### a) Measures taken

- i) Continuous monitoring of energy consumption.
- ii) Optimization of power parameters.
- iii) Improving power factor.

###### b) Proposed measures

Shall continue to do as stated in (a) above.

###### c) Total energy consumption and energy consumption as per Form 'A' is given here under.

##### 1. POWER CONSUMPTION (SPINNING AND PROCESSING UNITS)

	Current Year	Previous Year
Electricity		
a) Purchased from TNEB:		
Units (KWH)	5490124	2507167
Total amount (Rs.)	63447267	13221636
Rate per unit (Rs.)	11.56	5.27
b) Own Generation:		
i) Through Diesel Generator		
Units (KWH)	593730	1541879
Units per ltr. Of Diesel oil	3.24	3.39
Total amount (Rs.)	15066427	29553395
Rate per unit (Rs.)	25.37	19.16
ii) Through Wind Mills		
Units (KWH)	27656426	24443368
2. PRODUCTION OF YARN IN KGS.	7411080	6933411
3. POWER COST PER KG.OF YARN (Rs.)	16.43	14.69

(Includes power cost of Processing Unit and power generated by wind mills)

##### 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 latest technology has been/is being adopted in various stages for improving productivity and product quality and reducing consumption of power.
- b) Imported Technology : None



#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings : Rs. 1098.03 Lakhs

Foreign Exchange outgo : Rs. 190.22 Lakhs

### ANNEXURE – II

#### REPORT ON CORPORATE GOVERNANCE

##### 1. Company Philosophy on Corporate Governance

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

##### 2. Board of Directors

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

The Composition of the Board is in conformity with the listing agreement requirements as on 31<sup>st</sup> March 2015.

Name of the Director	DIN	Attendance Particulars		Directorships in other Public Limited Companies		Committees in which Chairman / Member of other Public Limited Companies*	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
<b>Promoter Directors</b>							
Sri. N.Rajan	00390813	14	Yes	2	—	—	—
Sri. R.Premchander (Executive)	00390795	14	Yes	—	3	—	—
Sri. R.Jaichander (Executive)	00390836	14	Yes	—	2	—	—
Sri. N.Radhakrishnan	00390913	14	Yes	—	—	—	—
<b>Independent-Non-Executive Directors</b>							
Sri. S.Sathyanarayanan	00390864	7	Yes	—	—	—	—
Dr. V.Subramaniam	00781690	14	Yes	—	—	—	—
Sri. V.T.Subramanian	02311576	14	Yes	—	—	—	—
Sri. V.Manikandan	01920550	7	Yes	—	—	—	—
Sri. M.S.Sivakumar	06930290	7	Yes	—	—	—	—
Smt. M.Amutha	07137884	—	No	—	—	—	—
<b>Non-Executive Directors</b>							
Sri. M.Moorthi	06801357	14	Yes	—	—	—	—

\*Audit Committee and Stakeholders' Relationship Committee considered.

**Note :** Sri.S.Sathyanarayanan, Independent Non-Executive Director, resigned his directorship on 09.09.2014.

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



### 3. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

<http://www.amarjothi.net/>

### 4. BOARD MEETINGS

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

During the year under review, 14 meetings of the Board of Directors were held as given below :

09 <sup>th</sup> May 2014	12 <sup>th</sup> May 2014	30 <sup>th</sup> May 2014	02 <sup>nd</sup> July 2014	30 <sup>th</sup> July 2014
5 <sup>th</sup> August 2014	22 <sup>nd</sup> August 2014	17 <sup>th</sup> September 2014	29 <sup>th</sup> October 2014	30 <sup>th</sup> November 2014
12 <sup>th</sup> December 2014	30 <sup>th</sup> January 2015	25 <sup>th</sup> March 2015	27 <sup>th</sup> March 2015	—

### 5. AUDIT COMMITTEE

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

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

Name of Director	Designation	No. of meetings attended	Meeting dates
Sri. V.T. Subramanian	Chairman	4	30 <sup>th</sup> May 2014
Dr. V. Subramaniam	Member	4	30 <sup>th</sup> July 2014
Sri. N. Rajan	Member	4	29 <sup>th</sup> October 2014 30 <sup>th</sup> January 2015

### 6. NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

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

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





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

Name of the Member		No. of Meetings Attended	Meeting dates
Dr. V. Subramaniam	Chairman	4	30.05.2014
Sri. V. T. Subramanian	Member	4	30.07.2014
Sri. N. Rajan	Member	4	17.09.2014 27.03.2015

#### 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 30<sup>th</sup> January, 2015 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

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

#### 8. REMUNERATION OF DIRECTORS

The Remuneration, Commission and Sitting Fees paid to the Directors for the year 2014-2015 was as follows:

Directors	Salary and Perquisites (Rupees)	Commission (Rupees)	Sitting Fees (Rupees)	Number of shares held individually	Relationship with other Directors
1) Sri. N. Rajan	Nil	1723738	10500	1164780	Father of Mr. Premchander & Mr. Jaichander
2) Sri. R. Premchander	720000	7898691	Nil	1275653	Son of Mr. N. Rajan & Brother of Mr. Jaichander
3) Sri. R. Jaichander	720000	7898691	Nil	1275498	Son of Mr. N. Rajan & Brother of Mr. Premchander
4) Sri. S. Sathyanarayanan	Nil	Nil	5250	-	-
5) Dr. V. Subramaniam	Nil	Nil	10500	-	-
6) Sri. N. Radhakrishnan	Nil	Nil	10500	-	Brother of Mr. N. Rajan
7) Sri. V.T. Subramanian	Nil	Nil	10500	-	-
8) Sri. M. Moorthi	Nil	Nil	10500	-	-
9) Sri. V. Manikandan	Nil	Nil	5250	-	-
10) Sri. M.S. Sivakumar	Nil	Nil	5250	-	-
11) Smt. M. Amutha	Nil	Nil	Nil	-	-



## 9. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

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

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri. V.T. Subramanian	Chairman	2	30.07.2014
Sri. R. Premchander	Member	2	29.10.2014
Sri. R. Jaichander	Member	2	

No share transfer requests were pending as on 31st March 2015. During the year 8 letters were received from investors regarding non-receipt of dividend warrants, annual reports, share certificates, etc. and all of them were replied to/ resolved to their satisfaction. None was pending unresolved as on 31<sup>st</sup> March 2015.

## 10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the company in accordance with Schedule VII to the Companies Act, 2013. The terms of reference of the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, as approved and adopted by the Board, has been posted on the website of the Company.

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

Name of the Member		No. of Meetings Attended	Meeting dates
Sri. M. Moorthi	Chairman	1	29.10.2014
Sri. R Jaichander	Member	1	
Sri. V. Manikandan	Member	1	



## 11. GENERAL BODY MEETINGS

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

Year	Date	Time	Venue	No. of Special Resolutions Passed
2012	28 <sup>th</sup> September, 2012	11.00 A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL
2013	25 <sup>th</sup> September, 2013	11.00 A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL
2014	5 <sup>th</sup> September, 2014	11.00 A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	ONE

Following Special Resolution were passed through E-voting, as per the procedure prescribed under Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 and Clause 35B of the Listing Agreement under the overall supervision of the Scrutinizer, Mr. R. Sivasubramanian, Practicing Company Secretary, Coimbatore.

Resolutions	Details of Resolutions	Resolutions Passed on	Total in favour	Total against	% of vote in favour	% of vote in against
Special	Borrowing in excess of the aggregate of paid-up share capital and free reserves	05.09.2014	4657752	100	99.99	0.01

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

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

## 12. WHISTLE BLOWER POLICY

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

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

## 13. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- All the mandatory requirements specified under Clause 49 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.



#### 14. MEANS OF COMMUNICATION

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

#### 15. GENERAL SHAREHOLDER INFORMATION

##### Annual General Meeting

Date	Time	Venue
25 <sup>th</sup> September 2015 (Fri)	11.00 AM	Meeting Hall, Gayathri Hotel, Opp. Velan Hotels, Kangayam Road, Tirupur – 641 604. Phone : 0421–2234734

- Financial Year – 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016
- Book Closure Dates – 19<sup>th</sup> September 2015 to 25<sup>th</sup> September 2015 (both days inclusive)
- Date of payment of dividends **Final** – on or before 25<sup>th</sup> October 2015 - 2/- per share (20%)
- The Company’s shares are listed on : Bombay Stock Exchange of India Limited
- The Company has paid the listing fees for the financial year 2014-15 to the above stock exchange.
- Stock Code: **BSE is 521097 and in NSE is AMARJOTHI**  
ISIN: INE484D01012
- Details of outstanding shares in Amarjothi Spinning Mills Limited Unclaimed Shares Suspense Account.

Particulars	No. of Shareholders	Total no. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	5	500
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	5	500
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares		Yes

- 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 Section 205(A) of the Companies Act, 1956.



Amount of Dividend	Dividend for the Financial Year	Due date of credit to the Central Government	Due Date of Transfer to the Central Government
414274	2007-08	31 <sup>st</sup> Oct 2015	31 <sup>st</sup> Oct 2015

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** and in NSE is **AMARJOTHI**. The High and Low quotations of the Company's shares on the (BSE) and (NSE) from April 2014 to March 2015 are given below:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-2014	78.40	66.00	81.00	65.45
May-2014	86.00	63.30	88.00	62.50
June-2014	97.00	80.00	97.00	80.00
July-2014	92.45	76.00	95.40	75.00
August-2014	89.95	75.05	91.00	73.00
September-2014	98.90	78.00	98.60	70.95
October-2014	87.60	70.55	90.00	70.00
November-2014	81.00	69.05	81.50	69.00
December-2014	79.00	65.05	86.00	65.00
January-2015	108.15	66.00	109.50	67.00
February-2015	86.60	53.50	-	-
March-2015	78.95	62.00	-	-

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

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

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

**M/s SKDC Consultants Limited**  
Kanapathy Towers, 3rd Floor,  
1391/A-1 , Sathy Road, Ganapathy,  
Coimbatore – 641 006.  
Telephone : 0422-6549995,2539835  
Fax No. : 0422-2539837  
E-mail : info@skdc-consultants.com

Contact Persons : **Mr. R PREMCHANDER**, Managing Director  
**Mr. N. RAJAN**, Director



#### DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

Slab of Shareholding	Shareholders	%	No. of Shares	%
0-5000	6744	95.95	809748	12.00
5001 – 10000	150	2.13	118523	1.76
10001 and above	135	1.92	5821729	86.24
<b>Total</b>	<b>7029</b>	<b>100.00</b>	<b>6750000</b>	<b>100.00</b>

#### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2015

Category	No. of Shares held	%
Indian Promoters	4502609	66.70
Financial Institutions & Mutual Funds	100	0.01
Bodies Corporate	147686	2.19
Indian Public	2098514	31.08
NRI	1091	0.02
<b>Total</b>	<b>6750000</b>	<b>100.00</b>

MODE	NO.OF SHARES	% OF LISTED CAPITAL
Depository	6205649	91.94
Physical	544351	8.06
<b>Total</b>	<b>6750000</b>	<b>100.00</b>

#### Shareholding of Non-executive Directors as on 31<sup>st</sup> March 2015

Sri. N. Rajan, Chairman holds 1164780 equity shares. The other non-executive directors do not hold any shares.

#### INVESTOR CORRESPONDENCE

**The Managing Director**  
**Amarjothi Spinning Mills Limited**  
Amarjothi House  
157, Kumaran Road, Tirupur – 641 601

By Order of the Board

Place : Tirupur  
Date : 30.07.2015

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

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



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## AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of AMARJOTHI SPINNING MILLS LIMITED, Tirupur.

I have examined the compliance of conditions of Corporate Governance by AMARJOTHI SPINNING MILLS LIMITED, for the year ended 31.03.2015, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 Clause 49 of the above mentioned Listing Agreement.

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.

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Place : Coimbatore  
Date : 30.07.2015

(Sd/-) **V. Narayanaswami M.A., F.C.A**  
Chartered Accountant  
Membership No. 023661



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## ANNEXURE II (i)

### NOMINATION, REMUNERATION AND EVALUATION

#### POLICY INTRODUCTION

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

#### OBJECTIVE OF THE POLICY

The policy is framed with the objective(s):

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

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

#### DEFINITIONS

In this policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules thereunder





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

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

#### **CONSTITUTION OF THE COMMITTEE**

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

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



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## **FUNCTIONS OF THE COMMITTEE**

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

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

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

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

## **APPLICABILITY**

This policy is applicable to:

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

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

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or at senior management level and recommend to the board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
3. Appointment of independent directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder



4. The company shall not appoint or continue the employment of any person as whole- time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years

#### **MANAGING DIRECTOR / WHOLE-TIME DIRECTOR**

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

#### **INDEPENDENT DIRECTOR**

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

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

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

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR**

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

#### **EVALUATION**

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

##### **1. Executive Directors**

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

##### **2. Non-Executive Director**

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

- a) Act objectively and constructively while exercising their duties;
- b) Effectively deploy knowledge and expertise;



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

#### **DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTORS**

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

#### **REMOVAL**

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

#### **RETIREMENT**

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

#### **BOARD DIVERSITY**

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

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



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

1. The remuneration/ compensation/ profit-linked commission etc. to the executive and non-executive directors will be determined by the committee and recommended to the board for approval. The remuneration/ compensation/ profit-linked commission etc. shall be in accordance with the percentage/ slabs/ conditions laid down in the Act and shall be subject to the prior/ post approval of the shareholders of the company and Central Government, wherever required.
2. The committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the board. The amount payable is determined by the committee, based on performance against pre-determined financial and non-financial metrics.
3. As regards the remuneration of KMP, senior management personnel and other employees, the determination shall be effected by way of presentation before the committee, which would have requisite details. The committee shall peruse the same and approve accordingly.

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

#### **Remuneration**

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

#### **Minimum remuneration**

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

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

#### **Sitting Fees**

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

#### **Stock Options**

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

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

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



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

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

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

#### **DISSEMINATION**

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

#### **AMENDMENT TO THE POLICY**

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

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

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## **ANNEXURE III**

### **POLICY ON RELATED PARTY TRANSACTIONS**

(As per Clause 49(VII) of Listing Agreement)

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

### THE ANNUAL REPORT ON THE CSR ACTIVITIES

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

S.NO.	PARTICULARS	
1.	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer Sections:Corporate Social Responsibility in Director's Report
2	The Composition of the CSR Committee	<b>Chairman</b> - Sri. M. Moorthi <b>Members</b> - Sri. R. Jaichander Sri. V. Manikandan
3	Average net profit of the company for last three financial years	Rs. 12,44,70,626
4	Prescribed CSR expenditure (two percent of the amount)	Rs. 24,89,413
5	Details of CSR spent during the financial year. Total Amount to be spent for the financial year Amount unspent. Manner in which the amount spent during the financial year is detailed below.	Rs. 24,89,413 Rs. 24,89,413 NA
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.	The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalising this report as the time was too short to identify suitable projects.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR objectives and Policy of the Company.	Yes

(Sd/-) **M. MOORTHY**  
Chairman

Place : Tirupur  
Date : 30.07.2015

(Sd/-) **V. MANIKANDAN**  
Independent Director



## ANNEXURE V

### SECRETARIAL AUDIT REPORT For the Financial Year ended 31.03.2015

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 2015 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 31.03.2015 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) 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 have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.(not applicable as the same was not notified during the audit period.)  
ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s).

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

1. *The company has not filed E-Form MGT-14 pursuant to Section 179(3) of the Companies Act 2013 during the financial under review.*
2. *The company has not appointed Company secretary and Chief financial officer pursuant to Section 203 of the Companies Act 2013 during the financial under review.*
3. *The company has not filed E- Form MGT-15 pursuant Section 121 of the Companies Act 2013 for the annual general meeting held for the year ended 31.03.2014.*
4. *Change in composition of the Board was not intimated to stock exchange pursuant to clause 30 of the listing agreement.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

I further report that during the audit period the Company has passed Special Resolution under section 180(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on 05<sup>th</sup> September, 2014.

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(Sd/-) **RAMCHANDAR .R**  
Practicing Company Secretary  
M.No. 33068, CP No. 12240

Place: Coimbatore  
Date : 30.07.2015



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

#### ANNEXURE A

To

The Members

Amarjothi Spinning mills Limited

Tirupur.

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

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

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Place: Coimbatore  
Date : 30.07.2015

(Sd/-) **R. RAMCHANDAR**  
Practicing Company Secretary  
M.No. 33068, CP No. 12240



## ANNEXURE VI

### Form No. MGT - 9

Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L17111TZ1987PLC002090
ii) Registration Date	16/12/1987
iii) Name of the Company	<b>AMARJOTHI SPINNING MILLS LIMITED</b>
iv) Category / Sub-Category of the Company	<b>COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY</b>
v) Address of the Registered office and Contact Details	Amarjothi House 157, Kumaran Road Tirupur, Tirupur District Tamil Nadu - 641 601 India Mail ID: mill@amarjothi.net
vi) Whether listed company	<b>Yes</b>
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>M/s. SKDC Consultants Limited</b> Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Telephone : 0422-6549995,2539835; Fax No. : 0422-2539837 E-mail : info@skdc-consultants.com

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Spinning	17111	100%

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA



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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	4668423	0	4668423	69.162	4502609	0	4502609	66.705	(2.457)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A)(1):-</b>	<b>4668423</b>	<b>0</b>	<b>4668423</b>	<b>69.162</b>	<b>4502609</b>	<b>0</b>	<b>4502609</b>	<b>66.705</b>	<b>(2.457)</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A)(2):-</b>	<b>4668423</b>	<b>0</b>	<b>4668423</b>	<b>69.162</b>	<b>4502609</b>	<b>0</b>	<b>4502609</b>	<b>66.705</b>	<b>(2.457)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	100	100	0.001	0	100	100	0.001	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total(B)(1)</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.001</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.001</b>	<b>0</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas	141696	9600	151296	2.241	138386	9300	147686	2.188	(0.053)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	625154	561151	1186305	17.575	628577	534951	1163528	17.238	(0.337)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	716688	0	716688	10.618	894958	0	894958	13.259	2.641
c) Others (Specify)									
i) Non resident Indians	1941	0	1941	0.029	1091	0	1091	0.016	(0.013)
ii) Clearing Members	3809	0	3809	0.056	4963	0	4963	0.074	0.018
iii) Hindu Undivided Family	21438	0	21438	0.318	35065	0	35065	0.519	0.201
<b>Sub-Total(B)(2)</b>	<b>1510726</b>	<b>570751</b>	<b>2081477</b>	<b>30.837</b>	<b>1703040</b>	<b>544251</b>	<b>2247291</b>	<b>33.294</b>	<b>2.457</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1510726</b>	<b>570851</b>	<b>2081577</b>	<b>30.838</b>	<b>1703040</b>	<b>544351</b>	<b>2247391</b>	<b>33.295</b>	<b>2.457</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>6179149</b>	<b>570851</b>	<b>6750000</b>	<b>100</b>	<b>6205649</b>	<b>544351</b>	<b>6750000</b>	<b>100</b>	<b>0</b>



ii) Shareholding of Promoter :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Rajan. N	1164780	17.256	0	1164780	17.256	0	0
2.	Jaichander .R	1275498	18.896	0	1275498	18.896	0	0
3.	Premchander .R	1275653	18.899	0	1275653	18.899	0	0
4.	Jayanthi .S	318092	4.712	0	232817	3.449	0	(1.263)
5.	Nandhini .J	316474	4.689	0	324033	4.800	0	0.111
6.	Saroja .R	317926	4.710	0	229828	3.405	0	(1.305)
<b>Total</b>		<b>4668423</b>	<b>69.162</b>	<b>0</b>	<b>4502609</b>	<b>66.705</b>	<b>0</b>	<b>(2.457)</b>

iii) Change in Promoters' Shareholding

Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>Jayanthi .S</b>	At the beginning of the year	318092	4.712	318092	4.712
	Market sale on 13.06.2014	(1500)	(0.022)	316592	4.690
	Market sale on 20.06.2014	(3854)	(0.057)	312738	4.633
	Market sale on 30.06.2014	(66)	(0.001)	312672	4.632
	Market sale on 04.07.2014	(2702)	(0.04)	309970	4.592
	Market sale on 11.07.2014	(250)	(0.004)	309720	4.588
	Market sale on 10.10.2014	(32267)	(0.478)	277453	4.110
	Market sale on 17.10.2014	(40188)	(0.595)	237265	3.515
	Market sale on 31.10.2014	(4448)	(0.066)	232817	3.449
	At the End of the year			232817	3.449
<b>Nandhini .J</b>	At the beginning of the year	316474	4.689	316474	4.689
	Market Purchase on 20.06.2014	7159	0.106	323633	4.795
	Market Purchase on 30.06.2014	400	0.005	324033	4.800
	At the End of the year			324033	4.800



Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>Saroja .R</b>	At the beginning of the year	317926	4.710	317926	4.710
	Market sale on 13.06.2014	(1000)	(0.015)	316926	4.695
	Market sale on 20.06.2014	(2395)	(0.035)	314531	4.660
	Market sale on 30.06.2014	(690)	(0.011)	313841	4.649
	Market sale on 04.07.2014	(5213)	(0.077)	308628	4.572
	Market sale on 11.07.2014	(201)	(0.003)	308427	4.569
	Market sale on 25.07.2014	(4660)	(0.069)	303767	4.500
	Market sale on 30.09.2014	(11020)	(0.163)	292747	4.337
	Market sale on 03.10.2014	(23171)	(0.343)	269576	3.994
	Market sale on 10.10.2014	(39748)	(0.589)	229828	3.405
	At the End of the year			229828	3.405

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

Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>CH Kiron</b>	At the beginning of the year	275495	4.081	275495	4.081
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	275495	4.081
	At the End of the year			275495	4.081
<b>Anil Kumar Goel</b>	At the beginning of the year	191864	2.842	191864	2.842
	Market purchase on 18.04.2014	1448	0.022	193312	2.864
	Market sale on 25.04.2014	(193312)	(2.864)	0	0
	At the End of the year			0	0
<b>Shivani .T Trivedi</b>	At the beginning of the year	132919	1.969	132919	1.969
	Market purchase on 31.10.2014	2579	0.038	135498	2.007
	Market purchase on 14.11.2014	872	0.013	136370	2.020
	Market purchase on 23.01.2015	9771	0.145	146141	2.165
	Market purchase on 06.03.2015	1000	0.015	147141	2.180
	At the End of the year			147141	2.180



Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>S Sathya</b>	At the beginning of the year	75490	1.118	75490	1.118
	Market Sale on 16.05.2014	(75490)	(1.118)	0	0
	At the End of the year			0	0
<b>Zen Securities Ltd.,</b>	At the beginning of the year	50375	0.746	50375	0.746
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc): —		—	50375	0.746
	At the End of the year			50375	0.746
<b>Zen Securities Ltd., - BSE Clients A/c</b>	At the beginning of the year	6366	0.094	6366	0.094
	Market sale on 18.04.2014	(200)	(0.003)	6166	0.091
	Market sale on 25.04.2014	(52)	(0.0008)	6114	0.091
	Market Purchase on 02.05.2014	350	0.005	6464	0.096
	Market Purchase on 09.05.2014	100	0.001	6564	0.097
	Market Purchase on 16.05.2014	35	0.001	6599	0.098
	Market sale on 30.05.2014	(335)	(0.005)	6264	0.093
	Market sale on 06.06.2014	(50)	(0.001)	6214	0.092
	Market Purchase on 30.06.2014	100	0.002	6314	0.094
	Market Purchase on 11.07.2014	50	(0.0007)	6364	0.094
	Market sale on 25.07.2014	(50)	(0.0007)	6314	0.094
	Market Purchase on 08.08.2014	700	0.01	7014	0.104
	Market Purchase on 14.08.2014	300	0.004	7314	0.108
	Market sale on 22.08.2014	(1100)	(0.016)	6214	0.092
	Market sale on 29.08.2014	(348)	(0.005)	5866	0.087
	Market sale on 12.09.2014	(19)	(0.0003)	5847	0.087
	Market sale on 19.09.2014	(137)	(0.002)	5710	0.085
	Market sale on 30.09.2014	(500)	(0.008)	5210	0.077
	Market sale on 10.10.2014	(100)	(0.001)	5110	0.076
	Market Purchase on 24.10.2014	30	0.00045	5140	0.076
	Market sale on 31.10.2014	(30)	(0.00045)	5110	0.076
	Market Purchase on 28.11.2014	89	0.001	5199	0.077
	Market sale on 05.12.2014	(100)	(0.001)	5099	0.076
Market sale on 19.12.2014	(250)	(0.002)	4849	0.072	
Market sale on 31.12.2014	(586)	(0.009)	4263	0.063	
Market sale on 02.01.2015	(94)	(0.001)	4169	0.062	
At the End of the year			4169	0.062	
<b>Zen Securities Ltd.,</b>	At the beginning of the year	3220	0.048	3220	0.048
	Market Sale on 31.12.2014	(3100)	(0.046)	120	0.002
	Market sale on 30.01.2015	(20)	(0.001)	100	0.001
	At the End of the year			100	0.001
<b>Zen Securities Ltd., - NSE Clients A/c</b>	At the beginning of the year	1000	0.015	1000	0.015
	Market Purchase on 09.05.2014	100	0.001	1100	0.016
	Market Sale on 23.05.2014	(100)	(0.001)	1000	0.015
	Market Purchase on 13.06.2014	200	0.003	1200	0.018



Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Market Sale on 18.07.2014	(200)	(0.003)	1000	0.015
	Market Purchase on 14.08.2014	99	0.001	1099	0.016
	Market Purchase on 05.09.2014	224	0.004	1323	0.020
	Market Sale on 12.09.2014	(224)	(0.004)	1099	0.016
	Market Sale on 19.09.2014	(9)	(0.00014)	1090	0.016
	Market Sale on 30.09.2014	(200)	(0.003)	890	0.013
	Market Purchase on 07.11.2014	100	0.003	990	0.015
	Market Sale on 31.12.2014	(990)	0.015	0	0
	At the End of the year			0	0
<b>Zen Securities Ltd.,</b>	At the beginning of the year	300	0.004	300	0.004
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the Ltd., reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	300	0.004
	At the End of the year			300	0.004
<b>Finquest Financial Solutions Pvt Ltd.,</b>	At the beginning of the year	41000	0.607	41000	0.607
	Market Sale on 09.05.2014	(41000)	(0.607)	0	0
	At the End of the year			0	0
<b>Shashikant Gordhandas Badani</b>	At the beginning of the year	19400	0.287	19400	0.287
	Market Sale on 06.06.2014	(301)	(0.004)	19099	0.283
	Market Sale on 30.06.2014	(500)	(0.007)	18599	0.276
	Market Sale on 12.09.2014	(500)	(0.008)	18099	0.268
	At the End of the year			18099	0.268
<b>S Jansi Rani</b>	At the beginning of the year	10820	0.160	10820	0.160
	Market Sale on 30.05.2014	(1500)	(0.022)	9320	0.138
	Market Sale on 13.06.2014	(7500)	(0.111)	1820	0.027
	At the End of the year			1820	0.027
<b>Chenniappan Rajalaxmi</b>	At the beginning of the year	10700	0.159	10700	0.159
	Market Sale on 12.02.2014	(10700)	(0.159)	0	0
	At the End of the year			0	0
<b>Anil Kumar Goel</b>	At the beginning of the year	0	0	0	0
	Market Purchase on 25.04.2014	193562	2.868	193562	2.868
	Market Purchase on 02.05.2014	468	0.007	194030	2.875
	Market Purchase on 23.05.2014	4830	0.071	198860	2.946
	Market Purchase on 10.10.2014	51140	0.758	250000	3.704
	Market Purchase on 17.10.2014	34000	0.503	284000	4.207
	Market Purchase on 24.10.2014	22033	0.327	306033	4.534
	Market Purchase on 31.10.2014	3896	0.058	309929	4.592
	Market Purchase on 07.11.2014	71	0.001	310000	4.593





Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Market Purchase on 14.11.2014	2000	0.029	312000	4.622
	Market Purchase on 19.12.2014	579	0.009	312579	4.631
	Market Purchase on 31.12.2014	421	0.006	313000	4.637
	Market Purchase on 02.01.2015	175	0.003	313175	4.640
	Market Purchase on 27.02.2015	325	0.004	313500	4.644
	Market Purchase on 13.03.2015	140	0.003	313640	4.647
	Market Purchase on 27.03.2015	118	0.001	313758	4.648
	Market Purchase on 31.03.2015	242	0.004	314000	4.652
	At the End of the year			314000	4.652
<b>Sathya .S</b>	Market Purchase on 31.12.2014	0	0	0	0
	Market Purchase on 16.05.2014	75490	1.118	75490	1.118
	Market Purchase on 30.05.2014	946	0.014	76436	1.132
	Market Purchase on 06.06.2014	564	0.009	77000	1.141
	Market Purchase on 13.06.2014	900	0.013	77900	1.154
	Market Purchase on 20.06.2014	450	0.007	78350	1.161
	Market Purchase on 30.06.2014	2900	0.043	81250	1.204
	Market Purchase on 01.08.2014	900	0.013	82150	1.217
	Market Purchase on 08.08.2014	540	0.008	82690	1.225
	Market Purchase on 22.08.2014	3600	0.053	86290	1.278
	Market Purchase on 19.09.2014	850	0.013	87140	1.291
	Market Purchase on 30.09.2014	3650	0.054	90790	1.345
	Market Purchase on 31.10.2014	900	0.013	91690	1.358
	Market Purchase on 14.11.2014	900	0.014	92590	1.372
	Market Purchase on 21.11.2014	2700	0.04	95290	1.412
	Market Purchase on 19.12.2014	1800	0.026	97090	1.438
	At the End of the year			97090	1.438
<b>Zen Securities Ltd.,</b>	At the beginning of the year	0	0	0	0
	Market Purchase on 18.04.2014	101	0.001	101	0.001
	Market Sale on 25.04.2014	(101)	(0.001)	0	0
	Market Purchase on 16.05.2014	50	0.001	50	0.001
	Market Purchase on 23.05.2014	1950	0.029	2000	0.030
	Market Sale on 30.05.2014	(2000)	(0.030)	0	0
	Market Purchase on 20.06.2014	150	0.002	150	0.002
	Market Sale on 30.06.2014	(150)	(0.002)	0	0
	Market Purchase on 29.08.2014	100	0.001	100	0.001
	Market Sale on 05.09.2014	(100)	(0.001)	0	0
	Market Purchase on 19.09.2014	209	0.003	209	0.003
	Market Sale on 30.09.2014	(209)	0.003	0	0
	Market Purchase on 17.10.2014	100	0.001	100	0.001
	Market Sale on 24.10.2014	(100)	(0.001)	0	0
	Market Purchase on 07.11.2014	350	0.005	350	0.005
	Market Sale on 14.11.2014	(328)	(0.0047)	22	0.0003
	Market Sale on 21.11.2014	(22)	(0.0003)	0	0
	Market Purchase on 28.11.2014	65	0.001	65	0.001
	Market Sale on 05.12.2014	(65)	(0.001)	0	0



Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Market Purchase on 23.01.2015	160	0.002	160	0.002
	Market Sale on 30.01.2015	(160)	(0.002)	0	0
	At the End of the year			0	0
<b>Zen Securities Ltd.,</b>	At the beginning of the year	0	0	0	0
	Market Purchase on 18.04.2014	200	0.003	200	0.003
	Market Sale on 25.04.2014	(200)	(0.003)	0	0
	Market Purchase on 23.05.2014	75	0.001	75	0.001
	Market Sale on 30.05.2014	(75)	(0.001)	0	0
	Market Purchase on 06.06.2014	375	0.006	375	0.006
	Market Sale on 13.06.2014	(375)	0.006	0	0
	Market Purchase on 22.08.2014	150	0.002	150	0.002
	Market Sale on 29.08.2014	(105)	0.001	45	0.001
	Market Sale on 05.09.2014	(45)	0.001	0	0
	Market Purchase on 24.10.2014	65	0.001	65	0.001
	Market Sale on 31.10.2014	(65)	0.001	0	0
	Market Purchase on 23.01.2015	150	0.002	150	0.002
	Market Sale on 30.01.2015	(150)	0.002	0	0
	At the End of the year			0	0
<b>Gandiv Investment Pvt.Ltd.,</b>	At the beginning of the year	3446	0.051	3446	0.051
	Market Purchase on 09.05.2014	41000	0.607	44446	0.658
	At the End of the year			44446	0.658
<b>Sangeetha .S</b>	At the beginning of the year	1600	0.024	1600	0.024
	Market Purchase on 30.05.2014	2100	0.031	3700	0.055
	Market Purchase on 06.06.2014	1300	0.019	5000	0.074
	Market Purchase on 30.06.2014	1460	0.022	6460	0.096
	Market Purchase on 08.08.2014	900	0.013	7360	0.109
	Market Purchase on 22.08.2014	990	0.015	8350	0.124
	Market Purchase on 12.09.2014	4410	0.065	12760	0.189
	Market Purchase on 10.10.2014	4590	0.068	17350	0.257
	Market Purchase on 14.11.2014	2340	0.035	19690	0.292
	Market Purchase on 21.11.2014	900	0.013	20590	0.305
	Market Purchase on 09.01.2014	593	0.009	21183	0.314
	Market Purchase on 20.02.2014	900	0.013	22083	0.327
	At the End of the year			22083	0.327
<b>Satya Prakash Mittal (HUF)</b>	At the beginning of the year	0	0	0	0
	Market Purchase on 27.03.2015	12379	0.183	12379	0.183
	At the End of the year			12379	0.183
<b>C Rajalaxmi</b>	At the beginning of the year	0	0	0	0
	Market Purchase on 12.12.2014	10700	0.159	10700	0.159
	Market Purchase on 13.03.2015	100	0.001	10800	0.160
	At the End of the year			10800	0.160



Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
SMT Muthu-lakshmi .S.R	At the beginning of the year	10000	0.148	10000	0.148
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	10000	0.148
	At the End of the year			10000	0.148

v) Shareholding of Directors and Key Managerial Personnel:

Name	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Premchander. R	At the beginning of the year	1275653	18.899	1275653	18.899
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	1275653	18.899	1275653	18.899
Rajan. N	At the beginning of the year	1164780	17.256	1164780	17.256
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	1164780	17.256	1164780	17.256
Jaichander .R	At the beginning of the year	1275498	18.896	1275498	18.896
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	1275498	18.896	1275498	18.896



## V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	502897796.50	540471760.9	0	1043369557.38
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>502897796.50</b>	<b>540471760.9</b>	<b>0</b>	<b>1043369557.38</b>
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	159754006.80	23707137.22	0	183461144.02
<b>Net Change</b>	<b>(159754006.80)</b>	<b>(23707137.22)</b>	<b>0</b>	<b>(183461144.02)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	343143789.70	516764623.68	0	859908413.38
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>343143789.70</b>	<b>516764623.68</b>		<b>859908413.38</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		R. Premchander	R. Jaichander	
1.	Gross salary			
	a) Salaries per provisions contained in section 17 (1) of the Income-tax Act, 1961	720000	720000	1440000
	b) Value of perquisites u/s 17(2) Income-tax Act,1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as% of profit	7898691	7898691	15797382
	- others, specify ...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total (A)	8618691	8618691	17237382
	Ceiling as per the Act	8618691	8618691	17237382

**B. Remuneration to other Directors :**

Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount	
	Rajan N	S.Sathya narayanan	V.Subra maniam	N. Radha krishnan	V.T.Subra manian	M. Moorthi	V. Mani kandan		M.S. Siva kumar
Independent Directors									
· Fee for attending board committee meetings	0	5250	10500	0	10500	0	5250	5250	36750
· Commission	0	0	0	0	0	0	0	0	0
· Others, please specify	0	0	0	0	0	0	0	0	0
<b>Total (1)</b>	<b>0</b>	<b>5250</b>	<b>10500</b>	<b>0</b>	<b>10500</b>	<b>0</b>	<b>5250</b>	<b>5250</b>	<b>36750</b>
Other Non-Executive Directors									
· Fee for attending board committee meetings	10500	0	0	10500	0	10500	0	0	31500
· Commission	1723738	0	0	0	0	0	0	0	1723738
· Others, please specify	0	0	0	0	0	0	0	0	0
<b>Total (2)</b>	<b>1734238</b>	<b>0</b>	<b>0</b>	<b>10500</b>	<b>0</b>	<b>10500</b>	<b>5250</b>	<b>0</b>	<b>1755238</b>
<b>Total (B) = (1+2)</b>	<b>1734238</b>	<b>5250</b>	<b>10500</b>	<b>10500</b>	<b>10500</b>	<b>10500</b>	<b>5250</b>	<b>5250</b>	<b>1791988</b>
<b>Total Managerial Remuneration</b>	<b>1734238</b>	<b>5250</b>	<b>10500</b>	<b>10500</b>	<b>10500</b>	<b>10500</b>	<b>5250</b>	<b>5250</b>	<b>1791988</b>

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

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

Not Applicable

Note : During the year 2014-15, the Company has not appointed Chief Executive Officer, Company Secretary and Chief Financial Officer.

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

Nil

By Order of the Board

Place : Tirupur  
Date : 30.07.2015

(Sd/-) N. RAJAN  
Chairman

(Sd/-) R. PREMCHANDER  
Managing Director





## ANNEXURE – VII

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

- i) 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:

ii)

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Increase / Decrease in Remuneration
Sri. N. Rajan, Chairman	12.02	6.28	63.26%
Sri. R. Premchander, Managing Director	60.11	31.41	63.26%
Sri. R. Jaichander	60.11	31.41	63.26%
Dr. V. Subramaniam	0	0	0
Sri. N. Radhakrishnan	0	0	0
Sri. V.T. Subramanian	0	0	0
Sri. M. Moorthi	1.28	0.67	41.16%
Sri. V. Manikandan	0	0	0
Sri. M.S. Sivakumar	0	0	0
Smt. M. Amutha	0	0	0

- iii) The percentage increase in the median remuneration of employees in the financial year: 20.46%
- iv) The Number of permanent employees on the rolls of the Company: 156
- v) Explanation on the relationship between average increase in remuneration and company performance:
- On an average, employees received an increase of 20.46% during the financial year 2014-15. 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.
- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company – Profit before Tax – Rs. 17.50 cr.

(Rs. in cr.)

Particulars	Chairman	Managing Director	Wholetime Director	Director	Total
Remuneration	0.17	0.86	0.86	0.02	1.91
Remuneration (as % of PBT)	0.97	4.91	4.91	0.11	10.91



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

Particulars	As at 31.03.2015	As at 31.03.2014	Increase
Closing price of share at BSE (Rs.)	70.90	69.65	1.79%
Market Capitalisation (Rs. in cr.)	47.86	47.01	1.81%
Price Earnings ratio	3.62	2.34	55%
Net worth (Rs. in cr.)	79.74	68.10	17%

- viii) 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 2014-15 was 20%. Percentage increase in the managerial remuneration for the year was 63%.

- ix) Comparison of the each remuneration of the Key managerial personnel against the performance of the company;

Please refer point no. (vi)

- x) 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.

- xi) 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; and

Not applicable.

- xii) Affirmation that the remuneration is as per the remuneration policy of the company.

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



## ANNEXURE – VIII

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

- a) Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 60,00,000/- per annum.

Sl. No.	Name of the employee	Date of joining	Designation	Qualification	Age	Experience	Remuneration (in Rs.)	Last employment
1	R.Premchander	16/12/1987	Managing Director	B.Com., MBA	47	37	86,18,691	Promoter Director
2	R.Jaichander	30/09/1993	Whole time Director	B.Com.,	42	22	86,18,691	Promoter Director

- b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 5,00,000/- per month :

None

#### Notes:

1. Remuneration shown above includes Salary and other perquisites.
2. Nature of Employment is contractual.
3. The above Directors are related to each other as brothers.





## INDEPENDENT AUDITOR'S REPORT

To the Members of AMARJOTHI SPINNING MILLS LIMITED

I have audited the accompanying accounts and every financial statement of **Amarjothi Spinning Mills Limited**, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

I also state 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 purpose of my audit and if not, the details thereof and the effect of such information on the financial statements;
- b) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books and proper returns adequate for the purposes of my audit have been received;
- c) The company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
- d) In my opinion, the financial statements comply with the accounting standards;

- e) There are no observations or comments on the financial statements which have any adverse effect on the functioning of the company;
- f) No director is disqualified from being appointed as a director under sub-section (2) of section 164;
- g) There are no qualifications, reservation or adverse remark relating to the maintenance of accounts and any other matters connected therewith;
- h) The company has adequate internal financial controls system in place and is effective;

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a TRUE and FAIR view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the STATE OF AFFAIRS of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the CASH FLOWS for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2015 issued by the Ministry of Corporate Affairs, the Central Government of India under the powers conferred by sub-section (11) of section 143 of the Companies Act, 2013, I give in the Annexure a statement on the matters specified in paragraph 3 of the Order.

Place : Coimbatore  
Date : 29.05.2015

(Sd/-) **V. NARAYANASWAMI** M.A., F.C.A.  
Chartered Accountant  
Membership No. 023661



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## Annexure to Independent Auditor's Report

**The Annexure referred to in paragraph above of the My Report of even date to the members of Amarjothi Spinning Mills Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.**

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
2. a) As explained to me, inventories have been physically verified during the year by the management at reasonable intervals.  
b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) In my opinion and on the basis of my examination of the records, the company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a) The company has taken unsecured loan from parties covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was Rs. 57.21 crores and the year-end balance of loans taken from such parties was Rs. 51.67 crores. These amounts have been brought in pursuant to the terms of sanction given by the bankers.  
b) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.  
c) There is no overdue amount of loans taken from parties listed in the registers maintained under section 189 of the Companies Act, 2013.  
e) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has taken unsecured loans from 4 parties listed in the register maintained under Section 189 of the Companies Act, 2013.  
f) The Company has not granted any loan, secured or unsecured to companies, firms and other parties listed in the register maintained under section 189 of the Companies' Act 2013 and hence the other subsections are not applicable.
4. In my opinion and according to the information and explanations given to me, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of



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goods. During the course of my audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. The Company has not accepted any deposits during the year and hence the directives issued by the Reserve Bank of India and provisions of section 73 to 76 and any other related provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of 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.
7.
  - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to me, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
8. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by my audit and in the immediately preceding financial year.
9. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to banks.
10. According to the information and explanations given to me, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
11. Based on my audit procedures and on the information given by the management, I report that the company has applied the term loans taken for the purpose for which they were obtained.
12. Based on the audit procedures performed and the information and explanations given to me, I report that no fraud on or by the Company has been noticed or reported during the year, nor have I been informed of such case by the management.

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Place : Coimbatore  
Date : 29.05.2015

(Sd/-) **V. NARAYANASWAMI** M.A., F.C.A  
Chartered Accountant  
Membership No. 023661


**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

Rupees in Lakhs

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds :</b>			
a) Share Capital	1	675.00	675.00
b) Reserves & Surplus	2	7299.22	6135.69
c) Money Received Against Share Warrants		0.00	0.00
		<u>7974.22</u>	<u>6810.69</u>
<b>2 Share Application Money Pending Allotment</b>		0.00	0.00
<b>3 Non-Current Liabilities</b>			
a) Long-term Borrowings	3	6728.46	8379.78
b) Deferred Tax Liabilities (Net)	4	1587.00	1568.06
c) Other Long-term Liabilities		0.00	0.00
d) Long-term Provisions		0.00	0.00
		<u>8315.46</u>	<u>9947.84</u>
<b>4 Current Liabilities</b>			
a) Short-term Borrowings	5	1870.62	2053.92
b) Trade Payables	6	818.60	1276.15
c) Other Current Liabilities	7	1066.75	1194.59
d) Short Term Provisions	8	800.03	1005.00
		<u>4556.00</u>	<u>5529.66</u>
<b>TOTAL</b>		<u>20845.68</u>	<u>22288.19</u>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	9	11883.34	12388.94
ii) Intangible Assets		0.00	0.00
iii) Capital Work-in-Progress		493.84	603.82
iv) Intangible Assets under Developments		0.00	0.00
		12377.18	12992.76
b) Non-Current Investments	10	252.98	82.64
c) Deferred Tax Assets (Net)		0.00	0.00
d) Long Term Loans And Advances		0.00	0.00
e) Other Non-Current Assets	11	2.27	3.40
		<u>12632.43</u>	<u>13078.80</u>
<b>2 Current Assets</b>			
a) Current Investments		0.00	0.00
b) Inventories	12	5132.34	5253.74
c) Trade Receivables	13	1871.42	2091.13
d) Cash and Cash Equivalents	14	117.62	118.83
e) Short-term Loans and advances	15	1091.87	1745.69
f) Other Current Assets		0.00	0.00
		<u>8213.25</u>	<u>9209.39</u>
<b>TOTAL</b>		<u>20845.68</u>	<u>22288.19</u>

**Notes to the financial statements**
**1-24**
*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

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

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

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

 Chartered Accountant  
 Membership No. 023661

Chairman

Managing Director

Place : Tirupur

Date : 29/05/2015

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

Joint Managing Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AT 31<sup>st</sup> MARCH 2015**

Rupees in Lakhs

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>I. Revenue from operations</b>	<b>16</b>	20147.89	19810.92
<b>II. Other Income</b>	<b>17</b>	164.57	221.01
<b>III. Total Revenue (I+II)</b>		<b>20312.46</b>	<b>20031.93</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	<b>18</b>	11467.67	10677.56
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	<b>19</b>	-1333.89	-1384.87
Employee Benefits Expenses	<b>20</b>	1033.11	962.66
Finance Costs	<b>21</b>	1541.95	1405.30
Depreciation and Amortization Expenses	<b>9</b>	1370.86	1593.48
Other Expenses	<b>22</b>	4481.94	4082.55
<b>Total Expenses</b>		<b>18561.64</b>	<b>17336.68</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		1750.82	2695.25
<b>VI. Exceptional Items</b>		0.00	0.00
<b>VII. Profit Before Extraordinary Items and Tax (V-VI)</b>		1750.82	2695.25
<b>VIII. Extraordinary Items</b>		0.00	0.00
<b>IX. Profit Before Tax (VII-VIII)</b>		<b>1750.82</b>	<b>2695.25</b>
<b>X. Tax Expense:</b>			
[1] Current Tax		410.00	650.00
[2] Deferred Tax		18.93	34.00
<b>XI. Profit (Loss) for the period from Continuing Operations (IX-X)</b>		1321.89	2011.25
<b>XII. Profit (Loss) from Discontinuing Operations</b>		0.00	0.00
<b>XIII. Tax Expense of Discontinuing Operations</b>		0.00	0.00
<b>XIV. Profit (Loss) from Discontinuing Operations (after tax) (XII-XIII)</b>		0.00	0.00
<b>XV. Profit (Loss) for the Period (XI+XIV)</b>		<b>1321.89</b>	<b>2011.25</b>
<b>XVI. Earnings Per Equity Share:</b>			
[1] Basic & Diluted		19.58	29.80
<b>Notes to the financial statements</b>	<b>1-24</b>		

As per my report of even date

V. NARAYANASWAMI, M.A., F.C.A.  
Chartered Accountant  
Membership No. 023661Place : Tirupur  
Date : 29/05/2015

On behalf of the Board of Directors

(Sd/-) N. RAJAN (Sd/-) R. PREMCHANDER  
Chairman Managing Director(Sd/-) R. JAICHANDER  
Joint Managing Director



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at 31.03.2015		As at 31.03.2014	
<b>[1] SHARE CAPITAL :</b>				
<b>Equity Shares :</b>				
<b>Authorised:</b>				
9750000 Equity Shares of Rs. 10 each	975.00		975.00	
<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>				
1.1 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	<u>6750000</u>	<u>675.00</u>	<u>6750000</u>	<u>675.00</u>
1.2 List of shareholders holding more than 5%				
<b>Name</b>	<b>No.of shares</b>	<b>Amount</b>	<b>No.of shares</b>	<b>Amount</b>
Rajan .N	1164780	17.25	1164780	17.25
Jaichander .R	1275498	18.90	1275498	18.90
Premchander .R	1275653	18.90	1275653	18.90
<b>Total</b>	<u>3715931</u>	<u>55.05</u>	<u>3715931</u>	<u>55.05</u>
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.				
<b>[2] RESERVES AND SURPLUS :</b>				
a) General Reserve				
As per last year Balance Sheet	794.35		592.85	
Add : Additions during the year	<u>132.20</u>		<u>201.50</u>	
		926.55		794.35
b) Securities Premium				
As per last year Balance Sheet	225.00		225.00	
Add : Additions during the year	<u>0.00</u>	225.00	<u>0.00</u>	225.00
c) Surplus:				
As per last year Balance Sheet	5116.34		3317.03	
Add: Net Profit during the year	1321.89		2011.25	
Previous year Excess Provision for Taxation reversed	<u>0.00</u>		<u>146.46</u>	
Profit available for Appropriation	<u>6438.23</u>		<u>5474.74</u>	



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Less: Appropriations during the year		
Transfer to General Reserve	132.20	201.50
Proposed Dividend	135.00	135.00
Tax on Proposed Dividend	23.36	21.90
	<u>290.56</u>	<u>358.40</u>
Total	<u>6147.67</u>	<u>5116.34</u>
<b>[3] LONG TERM BORROWINGS:</b>		
a) Term Loan From Banks (Secured)	1560.81	2975.06
b) Loan from Directors (Unsecured)	5167.08	5252.72
c) Interest Free Sales Tax Loan (Unsecured)	0.57	152.00
d) Other Loans & Advances	0.00	0.00
	<u>6728.46</u>	<u>8379.78</u>
<b>Notes:</b>		
3.1 Long Term Loans From Banks :		
Fully Dischargeable in 48 Months	0.00	1259.00
Fully Dischargeable in 36 Months	2256.41	1451.00
Fully Dischargeable in 24 Months	0.00	0.00
Fully Dischargeable in 12 Months	143.03	170.88
3.2 Loan from Directors:		
These amounts have been brought in pursuant to the terms of sanction of Loans by Bankers and retained as unsecured loans.		
3.3 Interest Free Sales Tax Loan:		
The Company started to pay this loan from 2006 and will have to pay the loan fully within the year 2015-16.		
<b>[4] DEFERRED TAX LIABILITIES (NET)</b>		
As per last year Balance Sheet	1568.06	1534.06
Add/less : Transfer from / to P&L a/c for current year	18.93	34.00
	<u>1587.00</u>	<u>1568.06</u>
<b>[5] SHORT TERM BORROWINGS</b>		
a) Loan Repayable on Demand from Banks (Secured)	1868.62	2019.56
b) Hypothecated Vehicle Loan from Bank (Secured)	2.10	35.75
Less : Interest Suspense a/c	0.10	1.39
	<u>1870.62</u>	<u>2053.92</u>
<b>[6] TRADE PAYABLES</b>		
a) Sundry Creditors	818.60	1276.15



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
<b>[7] OTHER CURRENT LIABILITIES</b>		
a) Current Maturities of Long Term Debts	895.17	969.30
b) Unclaimed Dividend	36.64	34.40
c) VAT Payable	55.48	68.16
d) Disputed Electricity Charges	11.34	49.67
c) Others	68.12	73.06
	<u>1066.75</u>	<u>1194.59</u>
<b>[8] SHORT TERM PROVISIONS</b>		
a) Provision for Employee Benefits	58.74	55.04
b) Others		
1 Provision for Outstanding Liability	172.93	143.06
2 Proposed Dividend	135.00	135.00
3 Tax on Proposed Dividend	23.36	21.90
4 Provision for Income Tax	410.00	650.00
	<u>800.03</u>	<u>1005.00</u>
Proposed Dividend per share (in Rs.)	2.00	2.00
Number of Shares	6750000	6750000
Total Proposed Dividend	135.00	135.00
<b>[10] NON-CURRENT INVESTMENTS (AT COST)</b>		
<b>- Trade (Quoted)</b>		
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd. (Market value – Rs. 2735)	0.09	0.09
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd. (Market value – Rs. 545)	0.05	0.05
<b>- Non - Trade (Un-Quoted)</b>		
8307 Equity shares of Rs.1000 each fully paid of Perundurair Common Effluent Treatment Plant Ltd. (Including premium)	83.08	82.50
5000 Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd. Partnership Capital @27% share in Amarjothi Wind Farms	75.00	0.00
	94.76	0.00
	<u>252.98</u>	<u>82.64</u>
<b>[11] OTHER NON-CURRENT ASSETS:</b>		
Preliminary expenses not written off (Transferred from Amalgamation Scheme)	2.27	3.40
	<u>2.27</u>	<u>3.40</u>



9. FIXED ASSETS  
TANGIBLE ASSETS

(₹. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	Adjustments/ Deletion	As at 31.03.2015	Upto 31.03.2014	During the Period	Adjustments/ Deletion	Upto 31.03.2015	As at 31.03.2015	As at 01.04.2014
	LAND	143.48	0.00	0.00	143.48	0.00	0.00	0.00	0.00	143.48
LEASE HOLD LAND	78.75	0.00	0.00	78.75	0.00	0.00	0.00	0.00	78.75	78.75
BUILDING	2342.23	120.18	0.00	2462.41	722.80	73.67	0.00	796.47	1665.94	1619.43
PLANT & MACHINERY	22277.88	744.61	431.43	22591.06	12002.66	1231.77	409.86	12824.57	9766.49	10275.22
FURNITURE & FITTINGS	43.41	0.52	0.00	43.93	31.54	6.40	0.00	37.94	5.99	11.87
OFFICE EQUIPMENTS	275.03	7.29	0.00	282.32	165.60	36.47	0.00	202.07	80.25	109.43
VEHICLES	239.66	17.48	19.61	237.53	88.90	22.55	16.36	95.09	142.44	150.76
<b>T O T A L</b>	<b>25400.44</b>	<b>890.08</b>	<b>451.04</b>	<b>25839.48</b>	<b>13011.50</b>	<b>1370.86</b>	<b>426.22</b>	<b>13956.14</b>	<b>11883.34</b>	<b>12388.94</b>
<b>PREVIOUS YEAR</b>	<b>21796.61</b>	<b>3915.73</b>	<b>311.90</b>	<b>25400.44</b>	<b>11704.10</b>	<b>1593.48</b>	<b>286.08</b>	<b>13011.50</b>	<b>12388.94</b>	<b>10092.51</b>





NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
<b>[12] INVENTORIES :</b>		
a) Raw Materials	1352.29	2170.50
b) Work-in-Progress	368.83	473.92
c) Finished Goods	3028.99	1590.01
d) Waste Stock	279.65	817.62
e) Stores, Tools, Spares & Packing Materials	102.58	201.69
	<b>5132.34</b>	<b>5253.74</b>
<b>[13] TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD) :</b>		
1 Due for More than 6 months		
a) Considered Good	58.39	163.70
b) Considered Doubtful	31.44	32.82
2 Other Debts	1814.43	1904.26
Less : Provision for Doubtful Receivables	32.84	32.84
	<b>1871.42</b>	<b>2091.13</b>
<b>[14] CASH AND BANK BALANCES</b>		
Cash on Hand	3.33	7.55
Balances with Scheduled Banks		
In Current Accounts	7.29	6.12
In Deposit Accounts	70.36	70.46
(given as security for bank guarantee - EPCG)		
In Unpaid Dividend Warrant Account	36.64	34.70
	<b>117.62</b>	<b>118.83</b>
<b>[15] SHORT-TERM LOANS &amp; ADVANCES (UNSECURED &amp; CONSIDERED GOOD)</b>		
Advances recoverable in cash or in kind or for value to be received	874.02	1532.18
Balance with Excise Department	49.25	93.86
Deposit with Government Departments	168.60	119.65
	<b>1091.87</b>	<b>1745.69</b>
<b>[16] REVENUE FROM OPERATIONS</b>		
a) Sale of Products	20147.89	19803.89
b) Sale of Services	0.00	0.00
c) Other Operating Revenues	0.00	7.03
Less: Excise Duty	0	0
	<b>20147.89</b>	<b>19810.92</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at		As at	
	31.03.2015		31.03.2014	
<b>[17] OTHER INCOME</b>				
a) Interest Income (TDS Rs.4 lac (Rs.0.93 lac)		34.47		42.72
b) Dividend Income		20.00		0
c) Net gain / Loss on sale of Fixed assets		27.08		2.26
d) Foreign Exchange Rate Gain		6.28		82.60
e) Insurance Claims		7.88		22.26
f) Other Non-Operating Income		68.86		71.17
		<u>164.57</u>		<u>221.01</u>
<b>[18] COST OF MATERIALS CONSUMED :</b>				
<b>Opening Stock :</b>				
Raw Materials	2170.50		1141.53	
Waste Stock	817.62	2988.12	232.73	1374.26
<b>ADD : Purchases</b>		<u>10111.49</u>		<u>12291.42</u>
		<u>13099.61</u>		<u>13665.68</u>
<b>LESS : Closing Stock :</b>				
Raw Materials	1352.29		2170.50	
Waste Stock	279.65	1631.94	817.62	2988.12
		<u>11467.67</u>		<u>10677.56</u>
<b>[19] 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	1590.01		564.13	
Work-in-Progress	473.92	2063.93	114.93	679.06
<b>Inventories at the end of the year</b>				
Finished Goods	3028.99		1590.01	
Work-in-Progress	368.83	3397.82	473.92	2063.93
Net (increase) / decrease		<u>-1333.89</u>		<u>-1384.87</u>
<b>[20] EMPLOYEE BENEFITS EXPENSES</b>				
i) Salaries & Wages		790.84		712.77
ii) Contribution to Provident & Other Funds		44.57		38.41
iii) Expense on ESOP & ESPP		0.00		0.00
iv) Staff Welfare Expenses		197.70		211.48
		<u>1033.11</u>		<u>962.66</u>
<b>[21] FINANCE COSTS</b>				
a) Interest on Term Loans		354.13		505.76
b) Interest on Other Loans		1187.82		899.54
		<u>1541.95</u>		<u>1405.30</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
<b>[22] OTHER EXPENSES</b>		
a) Consumption of Stores & Spare Parts	1011.57	857.09
b) Power & Fuel	1217.32	1019.02
c) Rent	34.80	19.13
d) Repairs to Building	101.63	105.68
e) Repairs to Machinery	743.52	460.29
f) Insurance	84.62	68.84
g) Rates and Taxes	27.88	29.04
h) Dyeing and Processing Expenses	678.37	934.11
i) <b>Miscellaneous Expenses :</b>		
Bank Charges	32.62	81.02
Service Tax Paid	2.57	9.69
Sales Commissions	35.63	34.02
Printing, Stationery & Postage	29.92	47.80
Telephones	16.15	13.17
Travelling & Conveyance	17.16	26.66
Vehicle Maintenance – car	14.88	6.54
Vehicle Maintenance – Lorry & Van & others	67.39	81.85
Share Transfer Expenses	2.24	2.41
Managerial Remuneration	189.61	116.14
Advertisement	32.15	15.42
Sitting Fees	0.68	2.56
Freight & Other Expenses	52.81	60.05
Computer Maintenance Expenses	8.74	7.29
Professional Charges	9.03	8.60
RF Maintenance Expenses	6.03	3.79
Consignment Expenses	0.00	7.37
General Expenses	60.42	62.22
Preliminary expenses w/o	1.13	1.13
Remuneration to Auditors	3.07	1.62
<b>Total</b>	<b>4481.94</b>	<b>4082.55</b>

**23. SIGNIFICANT ACCOUNTING POLICIES**

**23.1. METHOD OF ACCOUNTING:**

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

**23.2. FIXED ASSETS:**

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



### 23.3. INVENTORIES :

Finished Goods are stated at lower of cost or net realisable value as specified in Accounting Standard AS2 prescribed by the Institute of Chartered Accountants of India. Other inventories are stated at cost and waste at net realisable value.

### 23.4. SALES :

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

### 23.5. FOREIGN CURRENCY TRANSACTIONS :

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

### 23.6. INVESTMENTS :

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

### 23.7. TAXATION :

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

## 24. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 24.1 SECURED LOANS FROM BANKS :

Sl. No.	Name of the Bank	LimitRs. In lacs.	Nature of Facility	Security Offered
1	Bank of Baroda & Karur Vysya Bank	1550.00	Working Capital Facility	First Charge on Current Assets and second charge on the other fixed assets
2	Karur Vysya Bank Ltd	710.00	Machinery Term Loan	First charge on Machinery purchased and second charge on other fixed assets
3	Karur Vysya Bank Ltd	1259.00	Machinery Loan	Exclusive charge on the Plant and Machinery transferred from M/s. Amarjothi Colour Melange Spg mills ltd after Amalgamation.
4	Bank of Baroda	1383.00	Machinery Import LC	Exclusive charge on the Plant and Machinery Imported.
5	Karur Vysya Bank Ltd	1000.00	Machinery Loan	Exclusive charge on the Plant and Machinery Purchased.
6	Karur Vysya Bank Ltd	741.00	Machinery Loan	Exclusive charge on the Plant and Machinery Purchased.
7	Karur Vysya Bank Ltd	509.00	Working Capital	Paripasu first charge on the entire current assets of the Company
8	Sundaram Finance	10.00	Vehicle Hypothecation Loan	Exclusive charge on the Vehicle purchased

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
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**24.2 CONTINGENT LIABILITIES:**

a) Bills discounted	NIL	NIL
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	Nil	5.00

24.3 Income Tax assessments have been completed up to the Assessment Year 2012– 2013.

24.4 The Company has opted the exemption route vide Central Excise Notification No.30/2004 and 31/2004 dated 09.07.2004.

24.5 As at the end of the year, the Company does not have small-scale industries as defined by Section 3-J of the Industries (Development and Regulation) Act, 1951 and to whom more than Rs. 1.00 lac is due and also for more than 30 days. Hence, the provision of interest does not arise. There were no overdue payments to Micro, Small and Medium scale enterprises during the year and there is no amount overdue as on the date of the Balance Sheet to such enterprises.

24.6 Sundry debtors which are overdue for a period of 6 months and more include a sum Rs.31.44 lacs (Rs.32.82 lacs) for which the Company has taken legal action and is hopeful of recovery. Provision has been made for Rs.32.84 Lacs for Doubtful Debtors.

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

24.8 The Company has received a demand towards Peak Hour Electricity charges amounting to Rs.55.26 lacs from TNEB against which the Company has gone on appeal to the Honourable High Court of Madras. The Company has paid this amount "Under Protest". This amount has not been debited to the Profit & Loss account nor any provision made in the accounts, pending disposal of appeal by the Honourable High Court of Madras.

Rupees in Lakhs

As on

	31.03.2015	31.03.2014
24.9 a) Counter Guarantee given by the Chairman, Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Company from its Bankers	2059.00	2050.00
b) Counter Guarantee given by the Chairman, Managing Director and Joint Managing Director for Term Loans taken by the Company from its Bankers	5103.00	6046.37



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015

Rupees in Lakhs

Particulars		As at 31.03.2015	As at 31.03.2014
<b>24.10 QUANTITATIVE PARTICULARS :</b>			
i) Licensed Capacity*	Spindles	75000	75000
	Rotor	2080	2080
ii) Installed Capacity*	Spindles	37392	37392
ii) Actual Production - Yarn	Kgs.	7411080	6911388
iv) Turnover - Yarn	Kgs.	6650324	6450420
	Rs.	1981784872	1945530601
Turnover - Waste	Kgs.	1913507	805912
	Rs.	33003923	20836002
v) Opening Yarn Stock	Kgs.	856780	350024
	Rs.	159001360	56413404
vi) Closing Yarn Stock	Kgs.	1627524	856780
	Rs.	302898590	159001360
* As certified by Management not verified by Auditor			
vii) Consumption of Raw Materials	Kgs.	8518094	8374995
	Rs.	1146740361	1067756473
viii) Consumption of Stores & Spares			
Indigenous ( 83.64%/98.98%)	Rs.	84403186	84838188
Imported (16.36%/1.02%)	Rs.	16508021	870956
<b>24.11 EARNINGS IN FOREIGN CURRENCY :</b>			
FOB Value of Exports	Rs.	109803134	111616212
<b>24.12 EXPENDITURE IN FOREIGN CURRENCY :</b>			
a) Traveling	Rs.	577820	796264
b) CIF Value of Imports	Rs.	17895374	26361802
c) Certification charges	Rs.	548917	649042
<b>24.13 REMUNERATION TO DIRECTORS :</b>			
a) Managing Director (Salary)	Rs.	720000	720000
b) Joint Managing Director (Salary)	Rs.	720000	720000



c) Managing Director (Commission)	Rs.	<b>7898691</b>	4559274
d) Joint Managing Director (Commission)	Rs.	<b>7898691</b>	4559274
e) Chairman (Commission)		<b>1723738</b>	1055855
<b>Total</b>		<b><u>18961120</u></b>	<b><u>11614403</u></b>

Computation of Remuneration to Directors:

Net Profit before tax as per Profit & Loss account		<b>175081473</b>	269525053
Add: Remuneration debited to Profit & Loss account		<b>18961120</b>	11614403
Less / (Add): Profit / (Loss) on sale of Assets		<b>2707647</b>	225902
Net Profit available		<b><u>191334947</u></b>	<b><u>280913554</u></b>
Managerial Remuneration eligible		<b><u>18961120</u></b>	<b><u>11614403</u></b>

**24.14 PAYMENT TO AUDITOR :**

Audit Fees (inclusive of Service Tax)	Rs.	<b>260223</b>	123596
Reimbursement of Expenses	Rs.	<b>15000</b>	12000
Other Services	Rs.	<b>32023</b>	26406
<b>Total</b>		<b><u>307246</u></b>	<b><u>162002</u></b>

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

As per my report of even date  
**V. NARAYANASWAMI, M.A., F.C.A.**  
Chartered Accountant  
Membership No. 023661  
Place : Tirupur  
Date : 29/05/2015

On behalf of the Board of Directors  
(Sd/-) **N. RAJAN** (Sd/-) **R. PREMCHANDER**  
Chairman Managing Director  
(Sd/-) **R. JAICHANDER**  
Joint Managing Director





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## NOTES FORMING PART OF ACCOUNTS – DISCLOSURES

### I. Segment-wise Reporting:

The Company is engaged mainly in the manufacture of yarn. The Company owns Eleven wind mills mainly for captive consumption purpose only. During the year the value of power generated through these mills is **Rs. 16,70,44,813.00** (27656426 units) and this is adjusted with the power cost of the Company. The processing division is operating mainly for captive utilization and hence segment-wise reporting as defined in Accounting Standard 17 is not required.

### II. Deferred Tax Assets / Liability:

Deferred tax provision for the current year has been debited to the profit and loss account for the year. The Balance of deferred Tax liability is being disclosed as a liability.

Deferred Taxation Liability on account of Timing Difference : (Rs.)

As on 01.04.2014	156807075.77
Add: Transfer to Profit & Loss a/c	1892924.23
Balance of Liability as on 31.03.2015	<u>158700000.00</u>

### III. Employee Benefits: AS-15:

#### a) Provident Fund Contribution:

During the year the Company has contributed Rs. 3034360/- to Government Provident fund. The Company does not have a separate exempted provident fund.

#### b) Gratuity:

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

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

### IV. Related Party Disclosure as per AS 18 :

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



**Transactions:**

<b>Particulars</b>	<b>Related Parties/ Associates</b>	<b>Key Management Personnel &amp; Relatives</b>	<b>Directors</b>
Remuneration	-	Rs.1,89,61,120	-
Sitting fees	-	-	Rs.68,250
Payment of Interest	Rs. 9,73,49,692	-	-
Credit Balance as at 31.03.2015	Rs. 51,67,07,608	-	-

**V. Earning Per share as per AS 20**

<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
a) Net Profit after tax (Rs.)	<b>13,21,88,549</b>	20,11,25,053
b) Number of Equity shares	<b>67,50,000</b>	67,50,000
c) Earning Per Share (Rs.) (a/b)	<b>19.58</b>	29.80

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015**

Rupees in Lakhs

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET Profit before Taxation	1750.82	2695.25
Adjustments for :		
Depreciation and Amortisation	1370.86	1593.48
Loss /(Profit) on Sale of Assets	-27.08	-2.26
Interest Income	-34.47	-42.72
Finance costs	1541.95	1405.30
	<u>2851.26</u>	<u>2953.80</u>
Operating Profit before Working Capital Changes	4602.08	5649.05
Adjustments for:		
Trade & other Receivables	873.53	-80.87
Inventories	121.40	-3084.44
Trade Payable & Other Liabilities	-860.62	134.31
	<u>134.31</u>	<u>935.17</u>
Cash Generated from Operations	4736.39	3418.91
Direct Taxes provisions / paid	-767.41	-419.87
Net Cash from Operating activities A	<u>3968.98</u>	<u>2999.04</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of Fixed Assets	-890.08	-3915.73
Sale of Fixed Assets	478.12	314.16
Payment for Capital Projects in Progress	109.98	-109.98
Investments made	-170.34	0.00
Adjustments for other non current assets	1.13	0.00
Interest Received	34.47	42.72
Net Cash from Investment activities B	<u>-436.72</u>	<u>-3668.83</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Borrowings (net)	-1834.62	2219.76
Dividend paid	-135.00	-121.50
Tax on dividend	-21.90	-19.71
Finance costs	-1541.95	-1405.30
Net Cash from Financing Activities C	<u>-3533.47</u>	<u>673.25</u>
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	<b>-1.21</b>	<b>3.46</b>
Cash and Cash Equivalents as at the beginning of the period	<b>118.83</b>	<b>115.37</b>
Cash and Cash Equivalents as at the end of the period	<b>117.62</b>	<b>118.83</b>

As per my report of even date

On behalf of the Board of Directors

**V. NARAYANASWAMI, M.A., F.C.A.**(Sd/-) **N. RAJAN**  
Chairman(Sd/-) **R. PREMCHANDER**  
Managing DirectorChartered Accountant  
Membership No. 023661Place : Tirupur  
Date : 29/05/2015(Sd/-) **R. JAICHANDER**  
Joint Managing Director

## AUDITOR'S CERTIFICATE

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 31st March 2015. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreements 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 29th May, 2015 to the members of the Company.

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Place : Coimbatore  
Date : 29.05.2015

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(Sd/-) **V. NARAYANASWAMI** M.A., F.C.A  
Chartered Accountant  
Membership No. 023661



**AMARJOTHI SPINNING MILLS LIMITED**

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

**FORM NO. MGT-11  
PROXY FORM**

Name of the member(s) :  
Registered address :  
E-mail ID :  
Folio No./Client ID: DP ID :

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

- 1) Name :  
Address :  
Email ID :  
Signature : or failing him/her
- 2) Name :  
Address :  
Email ID :  
Signature : or failing him/her
- 3) Name :  
Address :  
Email ID :  
Signature :

As my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, will be held on Friday, 25th September, 2015 at 11.00 A.M. at the Meeting Hall of Gayathiri Hotel, Kangayam Road, Tirupur - 641604 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated herein:

Resolution Number	Resolution	Vote (see note 2)	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements for the year ended 31st March, 2015.		
2.	Declaration of dividend for the Financial year 2014-15		
3.	Re-appointment of Sri. N. Rajan as a Director of the Company.		
4.	Re-appointment of Sri. Rajan Premchandrar as a Director of the Company.		
5.	Re-appointment of Auditors and Fixing the remuneration.		
<b>Special Business</b>			
6.	Appointment of Smt. M. Amutha as an Independent Director of the Company.		
7.	Approval of remuneration of the Cost auditor for the financial year 2014-15 and 2015-16		

Signed this ..... day of ..... 2015.

Signature of shareholder :.....

Signature of Proxy holder (s) :.....

Affix  
Re. 1/-  
Revenue  
Stamp

**Note:**

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. It is optional to indicate your preference, If you leave the for, against, abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem applicable.



## AMARJOTHI SPINNING MILLS LIMITED

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

### ATTENDANCE SLIP

#### 27<sup>th</sup> Annual General Meeting on 25<sup>th</sup> September, 2015

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

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

Name and Address.....

NAME OF THE ATTENDING MEMBER:

NAME OF THE PROXY:

I hereby record my presence at the Twenty Seventh Annual General Meeting held at the Meeting Hall of Gayathri Hotel, Kangayam Road, Tirupur - 641 604 at 11.00 A.M. on Friday, 25.09.2015.

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

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