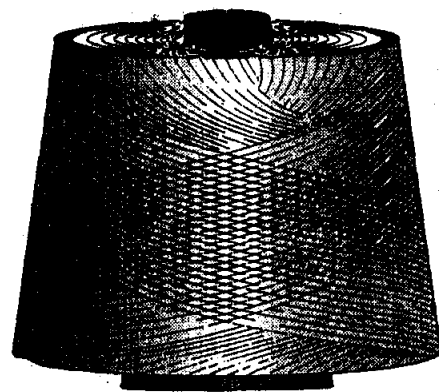


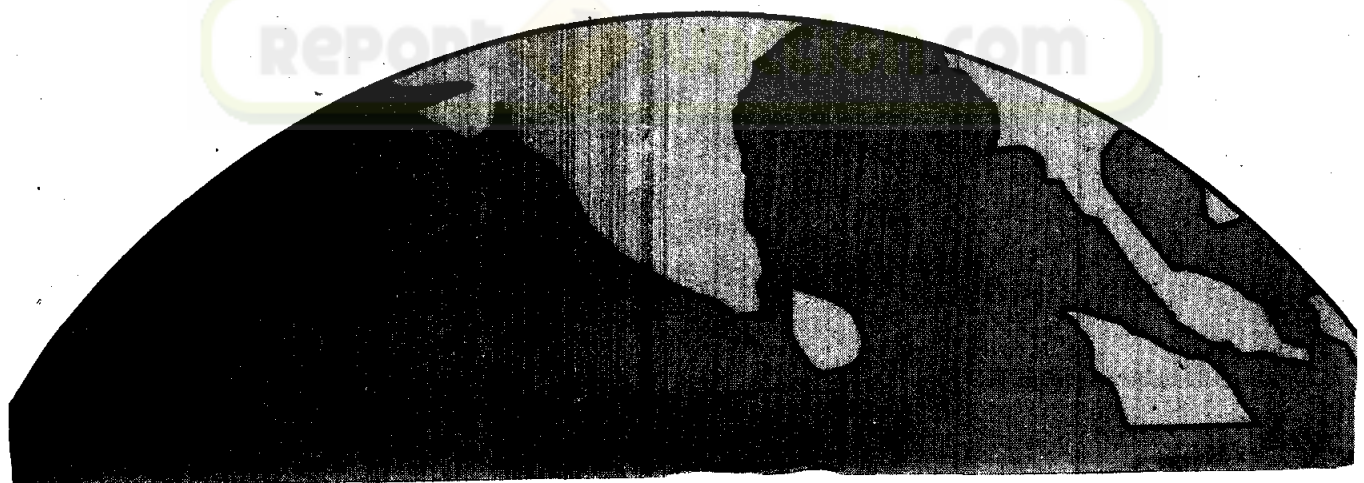
**Tamilnadu**

# **JAI BHARATH**

**Mills Limited**



**13th Annual Report 2001 - 2002**



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Name & Addresses of the Stock Exchanges
<b>1) MADRAS STOCK EXCHANGE LTD</b> (Regional Stock Exchange) Post Box No. 183 Second Line Beach Chennai - 600 001.
<b>2) MUMBAI STOCK EXCHANGE</b> Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001.
<b>3) AHMEDABAD STOCK EXCHANGE</b> Kamadhenu Complex, Near Polytechnic Panjarapole Ahmedabad -380 015.

**BOARD OF DIRECTORS**

Shri. K.G.Appusamy (Chairman)  
 Shri. T.R.Dhinakaran (Managing Director)  
 Shri. Justice. G.Ramanujam (Retd)  
 Shri. J.Sree Rajasegaran  
 Shri. P.R.Prabhakar  
 Shri. Chandrasinh Hansraj Mirani  
 Shri. T.R.Varadarajan  
 Shri. Pawan Kumar Kedia  
 Shri. T.R.Kannan  
 Shri. Subodh Santhilal Chokshi  
 Shri. D.Senthilkumar  
 Shri. K.Sundararaju (IDBI Nominee)

**COMPANY SECRETARY**

C.THIRUMALAI

**AUDITORS**

M/s. Krishnan & Raman  
 Chartered Accountants, Rajapalayam  
 M/s. K.Subramanian & Co.,  
 Chartered Accountants, Madurai.

**BANKERS :**

State Bank of India  
 The Bank of Nova Scotia

**FINANCIAL INSTITUTION**

Industrial Development Bank of India

**REGISTERED OFFICE**

212, Ramasamy Nagar,  
 Aruppukottai – 626 159.

**SHARE TRANSFER**

Will be done with effect from 16.8.2002 at the  
 Registered Office : 212, Ramasamy Nagar,  
 Aruppukottai - 626 159.

Share Transfer works presently done in-house  
 at Corporate Office at T-1, IIIrd Floor, JVL  
 Paradise, 49, New Avadi Road, Kilpauk, Chennai  
 - 600 010, will be handled by the Registered Office  
 at Aruppukottai with effect from 16. 8. 2002.

**FACTORY**

Malayankulam village, Sankarankovil,  
 Thirunelveli District - 627 756

அறவறிந்து வெட்கம் அறிவுடை யார்ச் சேரும்  
 திறவறிந்து ஆங்கே திரு.

திருக்குறள் - 179

Fortune will herself seek those  
 who, wise and virtuous, are not greedy

Thirukkural – 179



### NOTICE OF THE 13TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS.

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of the company will be held on Friday the 6th September, 2002 at the Registered Office of our company at No. 212, Ramasamy Nagar, Aruppukottai - 626 159 at 4.30 p.m. to transact the following business:

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2002 and the Audited Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Shri. K. G. Appusamy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri. G. Ramanujam who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri. C.H.Mirani who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Shri. T.R. Kannan who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors of the company and fix their remuneration.

#### SPECIAL BUSINESS :

7. To consider, and if deemed fit, to pass with or without modification(s) the following resolution as an ordinary resolution:  
 "RESOLVED that Shri. D. Senthilkumar who was appointed by the Board of Directors as a Director of the Company on 30.10.2000 to fill the casual vacancy arising out of the resignation of Mr.T.R.S.Vijairam pursuant to Sec. 262 of the Companies Act, 1956 and who holds office only upto this Annual General Meeting and in respect of whom a notice has been received from a member under Sec.257 of the Companies Act, 1956 together with a deposit of Rs.500/- proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company and whose office shall be liable to determination by retirement of Directors by rotation".
8. To consider, and if deemed fit, to pass with or without modification(s) the following resolution as a Special Resolution:  
 "RESOLVED that Shri. T. R. Dhinakaran, whose appointment confirms to the requirements of schedule XIII and other applicable provisions of the Companies Act, 1956 be and is hereby appointed as Managing Director of the Company for a period of five years effective from 26th June, 2002 at a salary of Rs.30,000/- per month".  
 "RESOLVED further that the Board be and is hereby authorised to do such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution".
9. To consider and if deemed fit, to pass with or without modification(s) the following Resolution as a Special Resolution:  
 "Resolved that subject to such approvals as may be necessary, consent of the Company



Members be and is hereby accorded to delisting of the equity shares of the Company from the Stock exchanges at Mumbai and Ahmedabad at which exchanges the equity shares of the company are, inter alia, presently listed".

"RESOLVED FURTHER that the Board of Directors of the Company ( herein after referred to as " Board " which term shall be deemed to include any committee which the Board may constitute to exercise any of the powers conferred by this resolution ) be and is hereby authorised to delist the equity shares of the Company from the Stock Exchanges located as aforesaid at such time as the Board may in its absolute discretion, consider appropriate and on terms and conditions as may be stipulated and / or mutually agreed to in the best interest of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fees payable to the Stock Exchange located as aforesaid and the volume of trading on the relevant Stock Exchanges".

"RESOLVED FURTHER that the Board be and is hereby authorised to do such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution".

#### NOTES:

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself / herself. Such Proxy need not be a member of the company. Proxies, in order to be effective, must be received by the company not less than 48 hours before the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th August, 2002 to 6th September, 2002 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the Meeting.
4. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. All the matters relating to Shares and Share Transfer etc., will be done In-House at the registered office at 212, Ramasamy Nagar, Aruppukottai - 626 159 with effect from 16th August, 2002. The members are requested to communicate to the Registered Office address, on the above matters with effect from 16.8.2002, instead of to the Corporate Office at Chennai.

Chennai  
8th June, 2002

By Order of the Board  
T.R.Dhinakaran  
Managing Director.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 :

Item No. 7

Shri. D. Senthilkumar was co-opted as a Director on 30.10.2000 pursuant to Article -104 to fill up casual vacancy arising out of resignation of Director, Shri. T.R.S.Vijairam on 12.08.2000, under Sec.262 of the Companies Act, 1956. He shall hold office only upto the date of 13th AGM upto which Shri. T.R.S.Vijairam would have held office if he had not been vacated as aforesaid. He has been in the industry for a long time and has rich experience in the Textile Industry. Our Board is of the opinion that his participation in the Board would be beneficial to the company. Notice has been received from a member proposing the name of Shri. D. Senthilkumar for Directorship along with a cash deposit of Rs.500/- as per Sec.257 of the Companies Act, 1956. Your Directors recommend, this resolution for acceptance by the Members.

**DIRECTORS' REPORT**

To

The Members, Tamilnadu Jai Bharath Mills Ltd.,  
Ladies and Gentlemen.

The Directors hereby present their Thirteenth Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31<sup>st</sup> March, 2002.

<b>FINANCIAL RESULTS:</b>	2001-2002	2000-2001
	Rs.	Rs.
Profit (+)/Loss(-) from Operations		
before Depreciation (-)	39,30,615	(+) 5,88,47,653
Less: Depreciation	3,27,70,162	3,07,13,160
Profit (+)/Loss(-) after Depreciation (-)	3,67,00,777	(+) 2,81,34,493
Provision for Tax for earlier years	Nil	8,00,000
NET PROFIT(+)/LOSS(-) (-)	3,67,00,777	(+) 2,73,34,493
Add/Less: Balance of Loss as per last Balance Sheet (-)	2,00,40,427	(-) 4,73,74,920
Balance of LOSS carried over to Next Year (-)	5,67,41,204	(-) 2,00,40,427

**TURNOVER:**

The Company has achieved an overall Turnover of Rs.44.96 crores during the year against turnover of Rs.46.12 Crores for the previous year. Drop in turnover realisation is mainly due to reduction in yarn price.

**DIVIDEND:**

The Company has incurred a Net Loss of Rs.3.67 crores as against Net profit of Rs. 2.73 crores in last year. This is mainly due to increase in raw material cost combined with the reduction in yarn prices. In view of the loss the Directors regret their inability to declare any dividend for the year.

**FUTURE:**

The future trends of cotton prices and yarn realisation rate shall decide the operative results of the Company in the coming years too.

**FIXED DEPOSIT:**

There is no unclaimed Fixed Deposit remaining with the Company as on 31.03.2002.

**PERSONNEL :**

Particulars of Employees pursuant to the provisions of Sec. 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

Employees who were paid Remuneration in aggregate of Rs.24,00,000/= per annum. NIL

Employees who were paid Rs.2,00,000/= or more per month in any part of this year. NIL

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) that in the preparation of the annual accounts for the financial

year ended 31<sup>st</sup> March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the company for the year under review;

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2002 on a 'going concern' basis.

**CORPORATE GOVERNANCE :**

As per the amended Listing Agreement with the Stock Exchanges, a Report on Corporate Governance together with the Auditors Certificate regarding the Compliance of conditions of Corporate Governance form part of the Annual Report.

**DIRECTORS:**

Shri. K.G. Appusamy, Shri. G.Ramanujam, Shri.C.H. Mirani and Shri. T.R. Kannan are the Directors who retire by rotation and being eligible, offer themselves for re-appointment.

Shri. D. Senthikumar who was appointed as a Director effective from 30.10.2000 in the casual vacancy caused by the resignation of Shri. T.R.S. Vijairam, retires at this Annual General Meeting. A Notice has been received from a member under Sec 257 of the Companies Act, 1956 by the Company proposing the candidature of Shri.D. Senthikumar for the Office of the Director of the Company, along with a deposit of Rs.500/-

**AUDITORS:**

M/s. Krishnan & Raman, Rajapalayam and M/s. K.Subramanian & Co., Madurai, the Auditors of the Company hold office till the conclusion of the Thirteenth Annual General Meeting and are recommended for re-appointment.

The notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and complete.

**INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.**

Particulars required under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 as amended are furnished in the annexure.

**ACKNOWLEDGEMENT:**

Your Directors would like to, on behalf of the Company, thank the State Bank of India, Bank of Nova Scotia, Industrial Development Bank of India and various Government Agencies for their continued support. We thank our valued Shareholders, Fixed Deposit Holders and Customers for their contribution to the growth and would also like to place our recognition for the Employees for their overwhelming Co-operation and Performance.

Place : Chennai  
Date : 8th June, 2002

For and on Behalf of the Board  
T.R.Dhinakaran,  
Managing Director.  
Justice. G. Ramanujam (Retd.),  
Director.