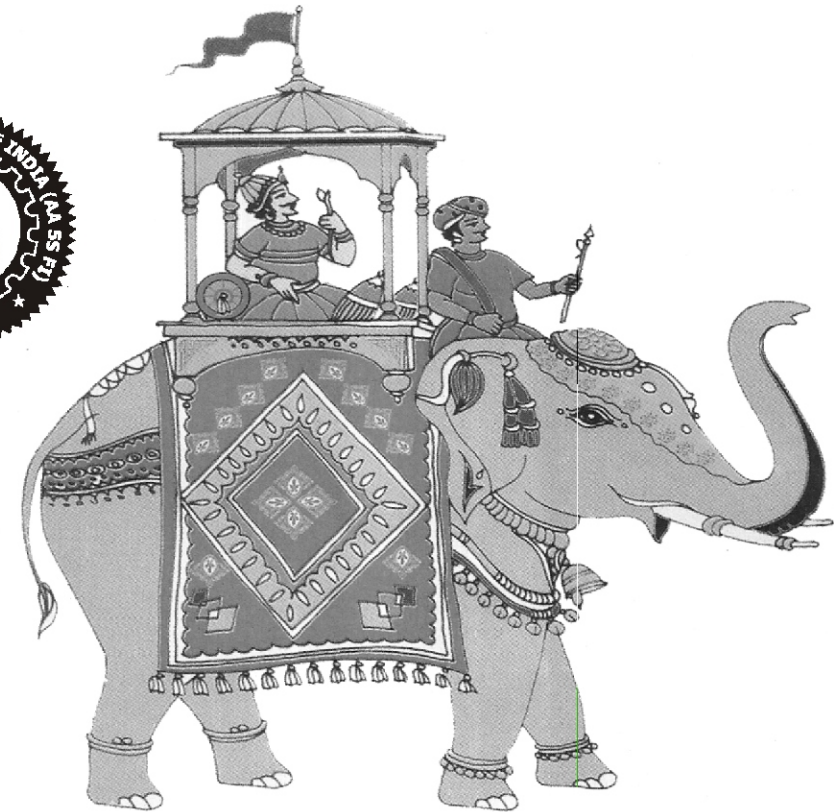
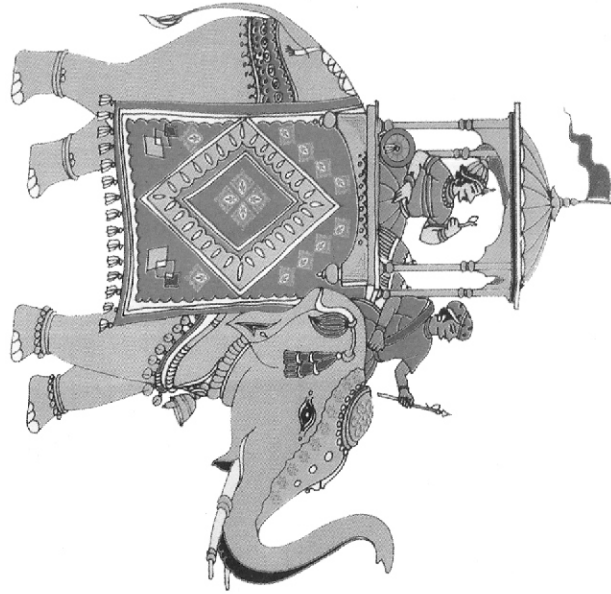


Tamilnadu **JAI BHARATH** Mills Limited



24th ANNUAL REPORT 2012 - 2013



To



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212, Ramasamy Nagar, Aruppukottai - 626 159.

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

BOARD OF DIRECTORS

Shri Srinivas A Naidu - Chairman
Shri D.Senthilkumar - Managing Director
Shri T.R.Dhinakaran
Shri T.R.Varadarajan
Shri J.Sree Rajasegaran
Smt. D.Kothai
Shri G.Bhaskaran
 (resigned w.e.f. 11.10.2011)
Shri Manojkumar Kedia
Shri T.Balakumar

COMPANY SECRETARY & C.F.O.

Shri V.N. Kittappa

AUDITORS

M/s. Krishnan & Raman
Chartered Accountants, Rajapalayam

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

BANKERS

State Bank of India
IDBI Bank Ltd.
Indian Bank
Tamilnad Mercantile Bank Ltd.

REGISTERED OFFICE

212, Ramasamy Nagar, Aruppukottai – 626 159.

Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Ltd.,
Kanappathy Towers
3rd Floor, 1391/A-1, Sathy Road,
Ganapathy Post, Coimbatore-641006.

FACTORY

Malayankulam village, Sankarankovil
Thirunelveli District – 627 756.

Notice of the 24th Annual General Meeting of the Shareholders

Notice is hereby given that the 24th Annual General Meeting of the company will be held on Wednesday the 25th September, 213 at 4.30 P.M at the Registered Office of the Company at No.212, Ramasamy Nagar, Aruppukottai– 626 159 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, 2013 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 Srinivas A Naidu, Chairman who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri T. Balakumar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration. M/s.Krishnan & Raman, Rajapalayam are retiring at the ensuing AGM and are eligible for re-appointment.

SPECIAL BUSINESS:

5. To consider and approve the conversion of loans of Promoters and Promoters Group into equity shares and if deemed fit, to pass the following resolutions as Special Resolutions:

“ Resolved that in terms of section 81(1A) and all other applicable provisions, if, any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India as may be applicable on preferential issue of Equity Shares and other applicable regulations/ guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board”) and subject to such consents and approvals of SEBI, Stock Exchange, Central Listing Authority, Government of India and / or such other bodies or authorities as may be required by the law and subject to such conditions and modifications as may be imposed upon and accepted by the Board as may be necessary for that purpose the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to allot fully-paid up Equity Shares of Rs.10/- (Rs.Ten only) for Rs.6 crores at a price of Rs.10/- determined as per SEBI formula 30 days prior to the AGM to the Promoter and Promoters Group of the Company on a preferential basis.

	Name of the proposed Allottee	No.of Equity Shares proposed to be allotted	Amount in Rs.
1.	M/s. Shri Ramalinga Mills Ltd.,	-	Will be arrived at
2.	Shri.T.R.Dhinakaran	-	before 30 days
3.	Smt. D. Nirmala	-	of AGM as per SEBI formula.
	Total	-	6,00,00,000

(a) The above said Equity Shares to be allotted shall be locked in for a period of three years from the date of their allotment.

(b) The allotment of the above said Equity shares shall be completed within a period of 15 days from the day of passing of this resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority, the allotment shall be completed by the Company within a period of 15 days from the day of such approvals.

“ Resolved further that the new equity shares of Rs.10/- each issuable consequent upon such conversions shall rank, paripassu in all respects with the existing fully paid up equity shares in the capital of the Company”.

“ Resolved that the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the above said Equity Shares to be allotted on preferential basis”.

Resolved that in accordance with provisions of the Memorandum and Articles of Association of the Company and pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to compliance of SEBI guidelines and such other approvals, permissions and consents as may be necessary and subject to such conditions and modifications as may be required by them and which the Board of Directors of the Company be and is hereby authorized to accept, consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue equity shares for Rs.2 Crores to M/s. Shri Ramalinga Mills Limited, Rs.3.25 Crores to Shri.T.R.Dhinakaran and Rs.0.75 Crore to Smt.D.Nirmala on a preferential basis and that the said equity shares be issued by part conversion of their loans with the company at Rs.10/- per share determined as per SEBI formula 30 days prior to the date of AGM”.

“Resolved also that subject to such approvals , permissions , consents and sanction being obtained the offer of the said equity shares of the company be issued “.

“ Resolved that the new equity shares of Rs.10/- each issuable consequent upon such conversions shall rank, pari passu in all respects with the existing fully paid up equity shares in the capital of the Company”.

“Resolved further that the Stock Exchange be addressed for their in principle approval for listing of the shares after the proposal is passed at the AGM and also by Ballot paper”.

6. Increase of Authorised share Capital from Rs.24 Crores to Rs.30 Crores by Special Resolution.

The Company has proposed to issue on a preferential basis equity shares to Promoters and Promoters Group for Rs.6 Crores by part conversion of their loan with the company. The present Authorised Capital of the company is Rs.24 Crores (Twenty four crores only) divided into Rs.2,40,00,000/- (Two crores and forty lakhs only) equity shares of Rs.10/- each (Rupees ten only each)

The paid up capital of the Company is Rs.23.80 crores (including share premium reserve) (Rupees twenty three crores and eighty lakhs only) divided into 2,35,84,736 (Two crores thirty five lakhs eighty four thousand seven hundred and thirty six only) equity shares of Rs.10/- (Rupees ten only) each.

Hence the Authorised Share Capital has to be increased to Rs.30 Crores.
The following resolutions are for kind approval of the members.

“ Resolved that pursuant to provisions of Section 94,97 and other applicable provisions, if any of the Companies Act, 1956 the Authorised Share Capital of the Company be and is hereby increased from Rs.24,00,00,000/- (Rupees twenty four crores only) divided into 2,40,00,000/-

(Two crores forty lakhs only) equity shares of Rs.10/- (Rupees ten only) each to Rs.30,00,00,000/- (Rupees thirty crores only) divided into 3,00,00,000/- (three crores only) equity shares of Rs.10/- (Rupees ten only) each.

“ Resolved that the existing Clause 4 of the Memorandum of Association be altered by substituting it with the following new Clause by passing a Special resolution”.

“Resolved that the existing Clause V of the Memorandum of Association be altered by substituting it with the following new Clause”.

“ The Authorised Equity Share Capital of Rs.30,00,00,000/- (Rupees thirty crores only) divided into 3,00,00,000/- (three crores only) equity shares of Rs.10/- (Rupees ten only) each”.

“ Resolved that the existing Clause 4 of the Articles of Association be altered by substituting it with the following new Clause by passing a Special resolution”.

“The Authorised Equity Share Capital of Rs.30,00,00,000/- (Rupees thirty crores only) divided into 3,00,00,000/- (Rupees three crores only) equity shares of Rs.10/- (Rupees ten only) each”.

NOTES :

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.

The Register of Members and the Share Transfer Books of the company will remain closed from 19.09.2013 to 25.09.2013 (both days inclusive).

Members are requested to bring their copies of the Annual Report to the Meeting.

Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.

Place : Aruppukottai
Date : 3rd July, 2013

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.5 : The conversion of loans of Promoters and Promoters Group into equity shares by Special Resolution.

Our company is in the severely affected Textiles sector since the economic meltdown from 2008 and its networth is in the negative from 31.3.2013. It continues to be so.

As per the Sick Industrial Companies Act, 1956 (SICA) our company is a sick one (negative networth). We have filed an application for registration as sick company before the Board for Industrial and Financial Reconstruction(BIFR) as per statutory requirement of the said act. BIFR has registered our application vide its case no.14/2013. Subsequently, after hearing the company and the creditors it has declared the company as SICK on 24.6.2013.

As on 31.3.2013 the accumulated losses are Rs.29.25 crores as against the paid up capital of Rs.23.80 crores and it would continue to be under the purview of the BIFR till the networth becomes positive. The management is taking all possible efforts to improve the performance including all round economy, Directors forgoing even sitting fees etc., The whole time Directors have voluntarily decided not to draw any remuneration till the company makes profits. The economic ambience has