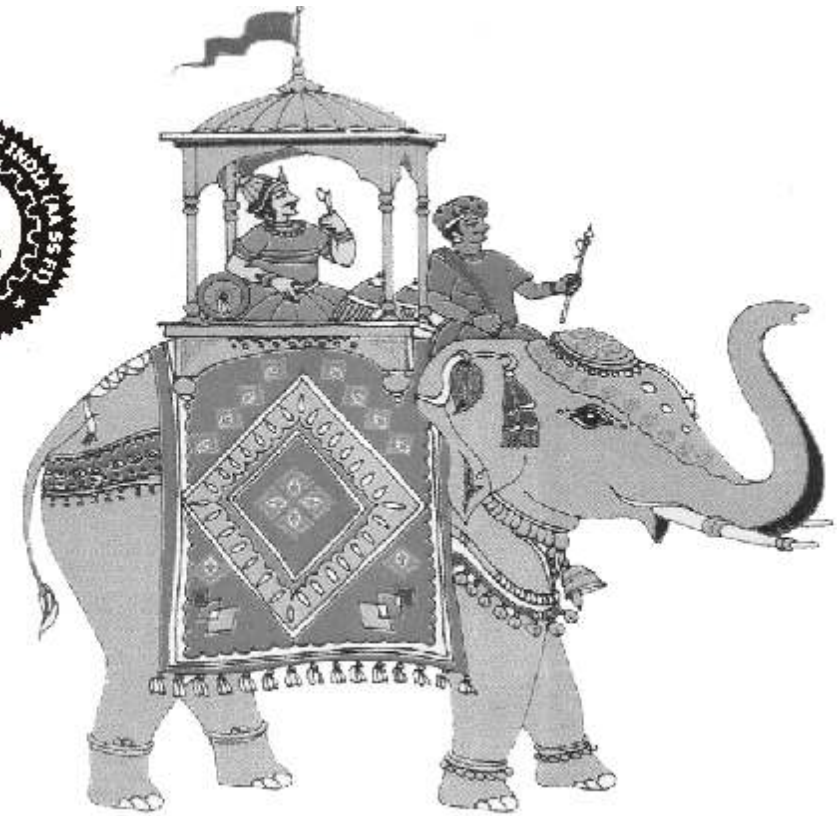
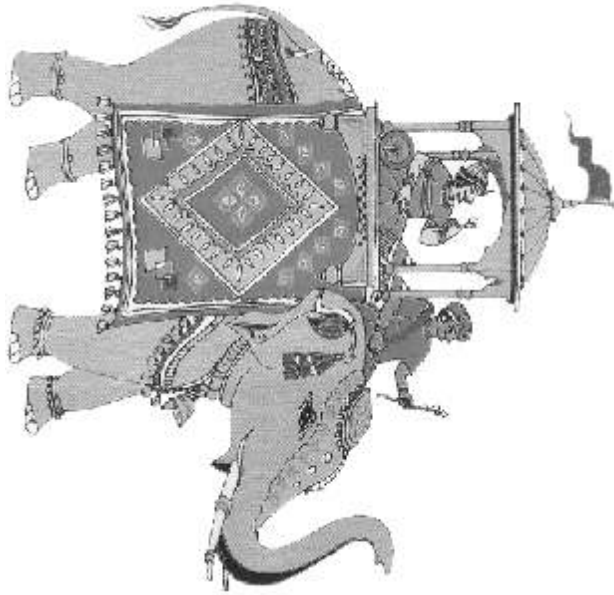


Tamilnadu **JAI BHARATH** Mills Limited



25th ANNUAL REPORT 2013 - 2014



To



BOOK POST

If undelivered please return to :
Tamilnadu Jai Bharath Mills Limited
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 T.R.Dhinakaran Managing Director
Shri D.Senthilkumar - Executive Director
Smt. D.Kothai, Director
Shri P.Manojkumar Kedia, Director
Shri T.Balakumar, Director

COMPANY SECRETARY & C.F.O.
 Shri V.N. Kittappa

AUDITORS
 M/s. Krishnan & Raman
 Chartered Accountants, Rajapalayam

COST AUDITOR
 Shri Rajesh Sai Iyer,
 Chennai.

BANKERS
 State Bank of India
 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.

Even if it involves the loss of one's own life,
 It is best to abstain from killing another
 - Thirukkural

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Notice of the 25th Annual General Meeting of the Shareholders

Notice is hereby given that the 25th Annual General Meeting of the company will be held on Tuesday the 23rd September, 2014 at 4.45 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, 2014 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 Smt. D. Kothai, Director who retires by rotation and being eligible offers herself for re-appointment.
3. To continue Shri. Srinivas A Naidu, Shri. T.Balakumar and Shri. P.Manojkumar Kedia, Independent Directors who are not subject to retirement by rotation.
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.
5. To appoint Cost Auditors of the Company and fix their remuneration.

Shri. Rajesh Sai Iyer, Cost Auditor is the Cost Auditor for 2014-2015 and he is eligible for re-appointment.

SPECIAL BUSINESS :

To adopt new Articles of Association of the company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions.

“Resolved that pursuant to the provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations of the Articles of Association as per the above regulations be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company”.

“Resolved further that the Board of Directors of the Company be and is hereby authorised to do all such steps as may be necessary, proper or expedient to give effect to this resolution”.

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 18.9.2014 to 23.9.2014(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.

As per SEBI directive, it shall be mandatory for every participant in the securities market to furnish self attested copy of the PAN (Permanent Account Number) card to the Company / RTA for registration of transfer of shares in physical form and shareholders holding shares in Electronic form are requested to submit their PAN details to their Depository participant.

Members holding shares in electronic mode are requested to furnish their email id to the respective Depository Participant (DP) and those who are holding shares in physical mode are requested to furnish their email id to the Company / RTA to facilitate easy and faster dispatch of Notices of General Meetings and other communications by electronic mode from time to time.

Place : Chennai
Date : 30th May 2014

By order of the Board
Shri T.R.Dhinakaran
Managing Director

EXPLANTORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Articles of Association of the Company is as per 1956 Act. With the coming into force of the 2013 Act, the Articles of Association of the Company require alteration or deletion in several Articles Hence it is considered necessary to wholly replace the existing Articles of Association by a new set of Articles as per the new Act.

The proposed new Articles of Association will be uploaded on the Company's website for perusal of shareholders.

The Board recommends that this item may be passed as Special Resolutions.
Details of appointment / re- appointment of Directors as per Clause 49 of the Listing Agreement:

Smt. D.Kothai , Director is retiring by rotation at this AGM and being eligible offer herself for re-appointment. The information / details to be provided in respect of the above said Director under Corporate Governance code are as under :

Sl.No.	NAME	QUALIFICATION	BRIEF RESUME AREA OF EXPERTISE	OTHER DIRECTORSHIP
1	Smt. D.Kothai	B.Com.,	She has excellent exposure in Managing Spinning Mills	5

Shri.Srinivas A Naidu, Shri.T.Balakumar and Shri. P. Manojkumar Kedia are Independent Directors and are not liable for retirement by rotation and eligible to continue for 5 years from 1.4.2014 i.e. upto 31.3.2019 as per the new Act 2013.

Place : Chennai
Date : 30th May 2014

By order of the Board
Shri T.R.Dhinakaran
Managing Director

DIRECTORS' REPORT :

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

The Directors hereby present their Twenty Fifth Annual Report on the business and operations of the Company and Financial Results for the year ended 31st March, 2014.

FINANCIAL RESULTS :	2013 – 2014 Rs.	2012 – 2013 Rs.
Profit (+)/Loss(-) from operations		
Before Depreciation (+)	55,25,319	(+) 1,27,84,925
Less/ Add : Depreciation (-)	3,74,20,353	(-) 3,75,67,223
Profit (+) /Loss (-) after Depreciation	(-) 3,18,95,034	(-) 2,47,82,298
LESS: Deferred Tax Assets (+)	95,68,510	(+) 74,34,689
NET PROFIT(+)/LOSS(-)		
Trs.to Balance Sheet (-)	2,23,26,524	(-) 1,73,47,609
Add Balance of Loss as per Last Balance Sheet	(-) 29,25,19,911	(-) 27,51,72,302
Balance Loss carried over to next year	(-) 31,48,46,435	(-) 29,25,19,911

TURNOVER & PROFITABILITY:

The Company has achieved an overall Turnover of Rs.90.57 Crores during the year against the turnover of Rs. 87.02 Crores for the previous year, resulting in an Increase of Rs.3.55 Crores.

During the year the Company has to operate against high interest cost, Power shortage and frequent outages not to mention of high power cost and slumping exports.

The Company which was registered as a Sick Company by BIFR on 27.2.2013 was declared Sick by BIFR on 24.6.2013 under Sec.3(1)(O) of Sick Industrial Companies (Special Provisions) Act 1985. The BIFR has since discharged the company as SICK but it is still a potentially SICK company as it has accumulated losses in excess of 50% of network.

DIVIDEND:

In view of the financial position your Directors regret their inability to declare any dividend for the year.

FIXED DEPOSIT:

There are no fixed deposits with the Company. A Sum of Rs.20 lacs is outstanding towards temporary unsecured loan from a member of the shareholders group.

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.60,00,000/- per annum. - NIL

Employees who were paid Rs.5,00,000/- or more per month in any part of this year. - NIL

Place : Chennai
Date : 30th May 2014

We have so far provided Rs.40.55 lacs towards the gratuity fund. As the Company has become Sick at the end of financial year 2012 and continues to be a potentially sick company we could not provide due gratuity and it will be provided / paid as and when the need arises.

DIRECTORS RESPONSIBILITY STATEMENTS:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, your Directors declare:

i. that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanations relating to material departures;

ii.that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as 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 31st March, 2014 on a going concern basis.

DIRECTORS :

In the ensuing Annual General Meeting Smt. D.Kothai, Director is retiring by rotation, and being eligible offers herself for re-appointment.

Declarations as per sub Sec.(6) of Sec.149 of the 2013 Act and Clause 49 of the Listing Agreement have been received from Shri. Srinivas A Naidu, Shri. T. Balakumar and Shri.P. Manojkumar Kedia, Independent Directors.

AUDITORS :

M/s.Krishnan& Raman, Rajapalayam the present Auditor of the Company hold office till the conclusion of Twenty Fifth Annual General Meeting. M/s. Krishnan & Raman, Rajapalayam are recommended for re-appointment on such remuneration as may be fixed by the Board of Directors.

The notes forming part of 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 – I.

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–Vide Annexure – II.

ACKNOWLEDGEMENT :

The Board sincerely records its appreciation for the support and co-operation extended by the Members, Customers, Suppliers, Bankers, Statutory Authorities and also its Employees for their continued good performance.

By order of the Board
Shri Srinivas A Naidu
Chairman

ANNEXURE TO DIRECTORS' REPORT – (ANNEXURE – I)

Information pursuant to the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988.

- (g) Total Foreign Exchange used :
 1) Capital Expenditure : Nil
 2) Commission : Rs. 4,44,288/-
- (h) Total Foreign Exchange earned in C & F:
 Export Sale of Cotton yarn : Rs.10,23,12,626/-

Annexure : FORM A

A) Power and fuel consumption

1) Power purchased from TANGEDCO , IEX and Private power suppliers.
 a) TANGEDCO 31.3.2014 31.3.2013

Units in	KWH	6,599,863	466,184
Amount	Rs.	74,067,491	28,405,231
b) IEX and Private power suppliers			
Units in	KWH	20,281,338	24,336,436
Amount	Rs.	99,906,322	129,926,346
Total (a + b)			
Total Units in	KWH	26,881,201	24,802,620
Total amount	Rs.	173,973,813	158,331,577
Avg Rate per unit	Rs.	6.47	6.38

2) Own Generation

a) Through Diesel Gensets			
Units in	KWH	273,768	860,313
Amount	Rs.	5,296,148	11,562,152
Units per Litre	KWH	3.19	3.27
Cost per unit	Rs.	19.35	13.44

b) Through Power plant (HFO)

Units in	KWH	0	0
Amount	Rs.	0	0
Units per Litre	KWH	0	0
Cost per unit	Rs.	0	0

B) Consumption per unit of production

Electricity unit consumed per kg of yarn (40s conv) is 4.23 as compared to 4.19 in last year.

ANNEXURE: FORM “B”

Research and Development:-

1. Special areas in which R & D carried out by the company : 1. Grading of Cotton for specific count and quality of yarn
 : 2. Evaluation and maintenance quality of yarn at the various stages of processing and optimising the process parameters to achieve the best yarn quality to meet the International Standards.
2. Benefit derived as a result of of the above R & D : Sustaining and improving existing and future overseas sales contracts as well as realizing good prices for yarn in indigenous markets.
3. Future Plan of Action : To compete effectively in the International/Indigenous Markets.
4. Expenditure on R & D
 a) Capital
 b) Rcurring
 c) Total
 d) Total R & D expenditure as percentage of total turnover (Gross Receipts)

Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief , made towards : Continuous efforts are made towards technology absorption, adaptation and innovation benefits derived as a result of the above efforts e.g product improvement, cost reduction, product development, import substitution etc.

2. Imported Technology : Nil

REPORT ON CORPORATE GOVERNANCE (ANNEXURE – II) :

The present status with regard to the various aspects of the corporate governance is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Tamilnadu Jai Bharath Mills Limited's philosophy on corporate governance envisages transparency, accountability and equity in all facets of its operations, and in all its interactions with its Stakeholders, Suppliers, Creditors, Employees etc., The Company's decisions / actions in the conduct of business and in the treatment of its employees shall be devoid of any discriminations on the basis of sex, colour, creed castes etc.

2. MANAGEMENT DISCUSSION AND ANALYSIS :

FUTURE:

Though the global economy has sufficiently recovered from the recession of 2008 economy could achieve only 4.6% GDP during 2013-2014 compared to about 6% last year which is the least since 2008. However the company continues to be a potentially sick company.

RISK FACTORS AND MITIGATION

1) Labour.

We have sufficient work force as the Company is functioning in a area were there are no alternative employment opportunities. Adequate measures are being undertaken to have conducive industrial relation in the organization and to maintain the required level of work force.

2) Depreciating Rupee and Exports .

Though the rupee has been depreciating during this year also we are unable to take advantage due to insufficient exports sales.

3. BOARD OF DIRECTORS :

Composition

The present strength of the Board is Six. Its composition / particulars of Directors and the details of the Board meetings held and attended by the Directors during the year under report are given below. The Chairman of the Board is a Non-executive and Independent Director. All Directors, except the Managing Director, Executive Director and Independent Directors liable to retire by rotation.

Particulars	Composition of the Board No.of Directors	% of Total Directors	Minimum requirement as per Clause 49 of the Listing Agreement
Non executive Directors	4	66.67	50%
(Independent Directors)	(3)	(50.00)	(33.33%)
Whole Time Director	2	33.33	
Total	6	100	

The necessary disclosures regarding the Committee positions held by them have been made by all the Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees.

The relationship between the Directors inter-se is given below :

Shri T.R.Dhinakaran, Managing Director : F/o. Shri D. Senthilkumar and Smt. D. Kothai ,
 Shri D. Senthilkumar ,E.D : S/o. Shri T.R.Dhinakaran and Brother of Smt. D. Kothai
 Smt. D. Kothai , Director : D/o.Shri T.R.Dhinakaran and Sister of
 Shri D. Senthilkumar

Six Board Meetings were held on 29.5.2013, 3.7.2013,6.8.2013,25.10.2013,24.12.2013 and 3.2.2014
 The gap between any two meetings did not exceed four months.

The Details of attendance of the Directors are given below:

Name of the Director	Nature of Directorship	No of Board Meetings Attended	Attendace at last AGM 31.03.2012 (**)	No of other Directorship (**)	No.of other Committee Membership (**)	No.of other Committee Chairmanship
1. Shri Srinivas A Naidu, Chairman	NEID	6	YES	3	NIL	NIL
2. Shri T.R.Dhinakaran,M.D	ED	6	YES	28	NIL	NIL
3. Shri D.Senthilkumar, E.D	ED	4	YES	17	3	NIL
4. Smt. D. Kothai	NED	3	YES	5	NIL	NIL
5. Shri T.Balakumar	NEID	6	YES	3	NIL	NIL
6. Shri Manoj Kumar Kedia	NEID	---	-----	3	NIL	NIL

** includes all companies viz., public and private companies. ED - Executive Director, NEID -Non- Executive and Independent Director, NED-Non-Executive Director
Mandatory Committees

4. AUDIT COMMITTEE :

In compliance with the requirement of Section 292 A read with Clause 49 of the Listing Agreement, the Board has constituted an Audit Committee with terms of reference as detailed in the said section / clause.

The Audit Committee of the Board is headed by Shri T.Balakumar, a Non Executive and Independent Director . Other members of the Committee are Shri Srinvias A Naidu , Shri Senthilkumar, Shri Manoj Kumar Kedia and Smt. D.Kothai.