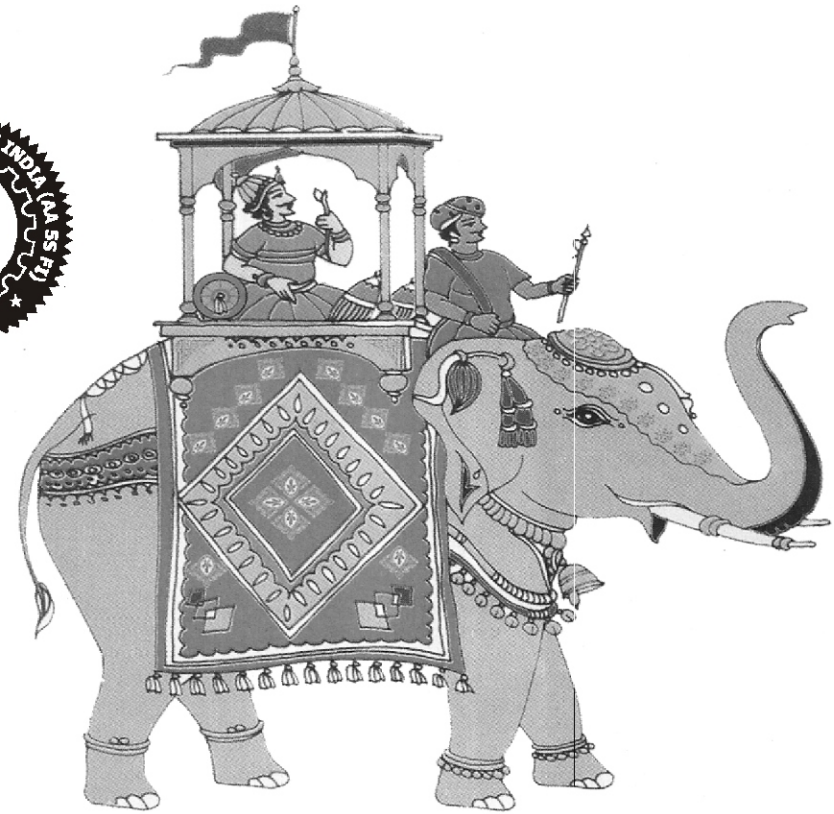
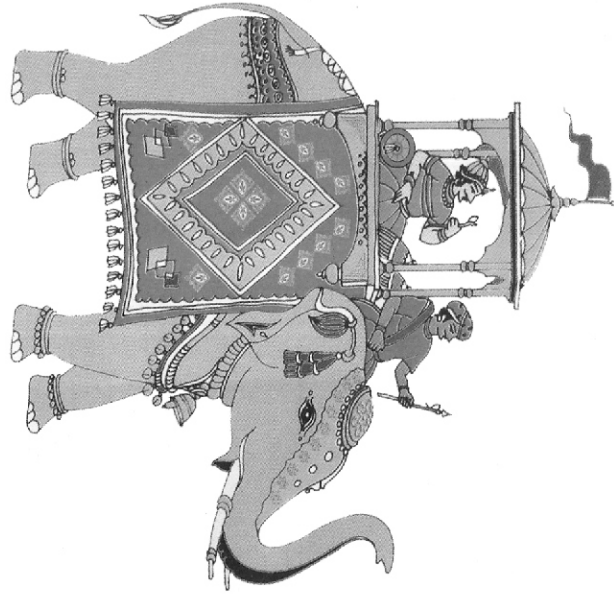


# Tamilnadu **JAI BHARATH** Mills Limited



**26<sup>th</sup> ANNUAL REPORT 2014 - 2015**



To



BOOK POST

If undelivered please return to :  
Tamilnadu Jai Bharath Mills Limited  
212, Ramasamy Nagar, Aruppukottai - 626 159.

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Names & Address of the Stock Exchange
<b>BOMBAY STOCK EXCHANGE LTD.,</b> Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001.

**BOARD OF DIRECTORS****Shri Srinivas A Naidu** - Chairman

(Resigned w.e.f. 19.3.2015)

**Shri T.R.Dhinakaran** CMD

(Appointed w.e.f. 19.3.2015)

**Shri D.Senthilkumar** - Executive Director**Smt. D.Kothai**, Director**Shri P.Manojkumar Kedia**, Director**Shri T.Balakumar**, Director**COMPANY SECRETARY**

Shri V.N. Kittappa

**AUDITORS**

M/s. Krishnan &amp; Raman

Chartered Accountants, Rajapalayam

**BANKERS**

State Bank of India

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.

What is there, too subtle to be faced by them that  
have penetration and learning?

- Thirukkural

மதிநுட்பம் நூலோடு உடையார்கு அதிநுட்பம்

யாவுள முன்றிற் பவை - திருக்குறள்

### Notice of the 26th Annual General Meeting of the Shareholders

Notice is hereby given that the 26th Annual General Meeting of the company will be held on Friday the 25th September, 2015 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 :

- To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2015 and the Audited Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
- To continue Smt. D. Kothai, Director who retires by rotation and being eligible offers herself for re-appointment.
- 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 :

- Approval of Related Party transactions by Special Resolution:

Sl.No.	Name of the Company / Firm	Interested Directors	AMOUNT Rs.
<b>Transaction Type : Cotton Waste Sales</b>			
1	Shri Ramalinga Mills Ltd.,	Sri T.R. Dhinakaran, Sri D.Senthilkumar	14,727,528
2	Lakshmi Electrical Drives Ltd.,	Sri D.Senthilkumar	24,301,324
	Textile Division - Sunspintex, Anamalai		
<b>Transaction Type : Cotton Purchase</b>			
1	Shri Ramalinga Mills Ltd.,	Sri T.R. Dhinakaran, Sri D.Senthilkumar	34,397,800
<b>Transaction Type : Cotton Waste Purchase</b>			
1	Shri Ramalinga Mills Ltd.,	Sri T.R. Dhinakaran, Sri D.Senthilkumar	3,338,898
2	Aruppukottai Shri Ramalinga Spinners Private Ltd	Sri T.R. Dhinakaran, Smt.D.Kothai	4,826,697
<b>Transaction Type : Packing Material Purchase</b>			
1	Texcones,Sankarankovil	Sri T.Balakumar	6,035,037
<b>Transaction Type : Interest Paid</b>			
1	Shri T.R.Dhinakaran	CMD	9,351,307
2	Smt.D.Nirmala	CMD Spouse	334,440
3	Kedia Enterprises	Sri.Manoj Kumar Kedia	770,000
<b>Transaction Type : Rent Paid (Building&amp;Machinery)</b>			
1	Shri Ramalinga Mills Ltd	Sri T.R. Dhinakaran, Sri D.Senthilkumar	72,000
2	Harshni Textiles Limited, Coimbatore	Sri D.Senthilkumar	265,962
<b>Transaction Type : Services</b>			
	<b>Hank Yarn obligation Received</b>		
1	Shri Ramalinga Mills Ltd	Sri T.R. Dhinakaran, Sri D. Senthilkumar	54,221
<b>Transaction Type : Services</b>			
	<b>Hank Yarn obligation Paid</b>		
1	Shri Ramalinga Mills Ltd	Sri T.R. Dhinakaran, Sri D. Senthilkumar	51,810
<b>Transaction Type : Services</b>			
	<b>Conversion charges Paid</b>		
1	Shri Ramalinga Mills Ltd	Sri T.R. Dhinakaran, Sri D. Senthilkumar	7,815,885
<b>LORRY FREIGHT PAID</b>			
1	Nirmala & Company	Sri D. Senthilkumar, Partner	252,000
2	Sri Ramasamy & company	Sri T.R.Dhinakaran, Partner	147,000
	<b>TOTAL</b>		<b>106,741,909</b>

"Resolved that pursuant to the provisions of Section 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, and all other applicable provisions if any of the Companies Act, 2013, consent of the members of the Company, be and is hereby accorded by Special Resolution for the above related party transactions."

5. Ratification of appointment of Shri.T.Balakumar, Independent Director as Director representing Small Shareholders.

"Resolved that the appointment of Shri.T.Balakumar, Independent Director as Director representing Small Shareholders approved by the Board be and is hereby ratified".

#### 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.

A person can act as a Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder.

The Register of Members and the Share Transfer Books of the company will remain closed from 19.09.2015 to 25.09.2015 (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.

E-voting facility is being provided as mentioned in the next to Explanatory Statement.

Members holding shares in electronic mode who have yet to furnish their email Id are requested to furnish the same to the Company and also to 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: Aruppukottai  
Date: 27/05/2015

By order of the Board  
**T.R.DHINAKARAN**  
CMD

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

**Related Party Transactions:**

The related party transactions mentioned above have been approved by the Audit Committee as they are at arms length and transparent transactions and was also approved by the Board of Directors. The Board recommends that the above Special resolution may be passed.

The Directors and Key Managerial Personnel of the respective companies are concerned / interested in the resolution being Directors and Key Managerial Personnel and/ or shareholders to the extent of their shareholding in the company will not vote on the resolution.

The Directors recommend the resolution as set out in the Notice for the approval by the members as a Special Resolution.

**Appointment of Director representing Small Shareholders.**

As the members of the Company have not proposed appointment of Director representing Small Shareholders, the Board at its meeting on 30.3.2015 has appointed Shri.T.Balakumar, Independent Director as Director representing Small Shareholders.

The Directors recommend the above resolution to be passed as a Special Resolution.

**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 offers herself for re-appointment. The information / details to be provided in respect of the above Director under Corporate Governance code are as under :

NAME	QUALIFICATION	BRIEF RESUME AREA OF EXPERTISE	OTHER DIRECTORSHIP
Smt. D.Kothai	B.Com.,	She has excellent exposure in Managing Spinning Mills	5

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 30th AGM 2019 as per the new Act 2013.

**Performance Evaluation of Independent Directors by the Board.**

The Board recorded its appreciation of the performance of Shri.T.Balakumar and Shri. Manojkumar Kedia, Independent Directors and recommended their continuance.

Place: Aruppukottai

Date: 27/05/2015

By order of the Board  
**T.R.DHINAKARAN**  
CMD

**The instructions for shareholders voting electronically are as under:**

- The voting period begins on 22.09.2015 at 9.00 AM and ends on 24.09.2015 at 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.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on Shareholders.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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>

- After entering these details appropriately, click on "SUBMIT" tab.
- 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 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN relevant to **Tamilnadu Jaibharath Mills Limited** on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 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.
- 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).



**DIRECTORS' REPORT :**

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

The Directors hereby present their Twenty Sixth Annual Report on the business and operations of the Company and Financial Results for the year ended 31st March, 2015.

<b>FINANCIAL RESULTS :</b>	2014 – 2015 Rs.	2013 – 2014 Rs.
Profit (+)/Loss(-) from operations		
Before Depreciation (+)	6,68,677	(+) 55,25,319
Less/ Add : Depreciation (-)	3,01,08,109	(-) 3,74,20,353
Profit (+) /Loss (-) after Depreciation		
(-)	2,94,39,432	(-) 3,18,95,034
Less: Deferred Tax Asset (+)	58,06,987	(+) 95,68,510
<b>NET PROFIT(+)/LOSS(-)</b>		
Trs.to Balance Sheet (-)	2,36,32,445	(-) 2,23,26,524
Add Balance of Loss as per Last Balance Sheet (-)	31,48,46,435	(-) 29,25,19,911
Balance Loss carried over to next year (-)	33,84,78,880	(-) 31,48,46,435

**TURNOVER & PROFITABILITY:**

The Company has achieved an overall Turnover of Rs.92.01 Crores during the year against the turnover of Rs. 90.57 Crores for the previous year, resulting in an Increase of Rs.1.44 Crores. The ambience of Textile Industry continued to suffer during the year. Depreciation as per the new Act will be provided during the next financial year.

**DIVIDEND:**

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

**PERSONNEL :**

Particulars of Employees pursuant to Rule(5)(2) of the Companies (Appointment and Remuneration Rules) 2014.

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

We have so far provided Rs.40.55 lakhs towards the gratuity fund. As the Company continues to be a potentially sick company we could not make further provisions for gratuity and it will be paid as and when the need arises.

**DIRECTORS RESPONSIBILITY STATEMENTS:**

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, your Directors declare:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- 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.
- 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the accounts for the financial year ended 31st March, 2015 on a going concern basis.
- that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- that the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Share Capital :**

As per directions of BIFR the Company has infused further capital converting the Un-secured loans of promoters strictly following the guidelines of SEBI and the further listing of these shares are pending with BSE and the issue is being pursued.

**Directors :**

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

**Auditors:**

M/s. Krishnan & Raman, Rajapalayam the present Auditor of the Company hold office till the conclusion of Twenty Sixth 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.

**Secretarial Auditors**

M/s. K.Elangovan & Associates, a firm of Practising Company Secretaries, Chennai has been appointed as Secretarial Auditors of the Company for the financial year ended 31.3.2015 vide Board resolution dated 27.5.2015.

The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure-III** and forms part of this report.

**Corporate Social Responsibility Policy (CSR) : N.A.**
**Risk Management Policy:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis.

**Whistle Blower Policy - Code of Conduct:**

The Company conducts its affairs in a completely fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics. The Company accordingly adopts this updated code of Conduct concerning the principles and standards governing the actions of the Company and its employees. Any actual or potential violation of this code would be dealt with promptly.

Every aggrieved employee may make a protected disclosure under the whistle blower policy of the company directly to the Chairperson of the Audit Committee or any member of the Audit Committee nominated by the Chairman in this behalf. The aggrieved employee shall address the above authority directly with a covering letter which may bear his / her identity. The Company would provide necessary protection to such whistle blower and any attempt to intimidate the whistle blower will be considered as a violation of the code.

This mechanism is established as per Sec.177 (9) of the Companies Act, 2013 read with Rule 7 of the Company (meeting of Board and its powers) Rules 2014. Clause 49 of the Listing Agreement also makes it mandatory to establish a whistle blower mechanism for employees including directors. Hence any aggrieved Director / Employee may make a complaint either to the Chairman of the Audit Committee or the Authority nominated by him. Thus this policy covers the entire employees of the organization.

While it will be ensured that genuine whistle blowers are given complete protection from any kind of unfair treatment, any abuse of this protection will entail disciplinary action. Whistle blowers who make frivolous, baseless, malicious will be disqualified from further protected disclosures under this policy and Audit Committee / Company reserves it right to take appropriate disciplinary action. If a protected disclosure is received by any executive of the company other than the above mentioned authorities the same should be forwarded to the Chairman of the Audit Committee or the authority notified by him without disclosing the identity of the whistle blower for necessary action.

All protected disclosures will be thoroughly investigated by the Chairman Audit Committee. He may at his discretion involve any investigators for the purpose.

The investigation shall be completed normally within 45 days of the receipt of the protected disclosure.

**INFORMATION AS PER SECTION 134(3) OF THE COMPANIES ACT, 2013 :**

Particulars required under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 2014 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 appreciates the support and co-operation extended by the Members, Customers, Suppliers, Bankers, Statutory Authorities and also its Employees for their continued good performance.

Place: Aruppukottai

Date: 27/05/2015

By order of the Board  
**T.R.DHINAKARAN**  
CMD