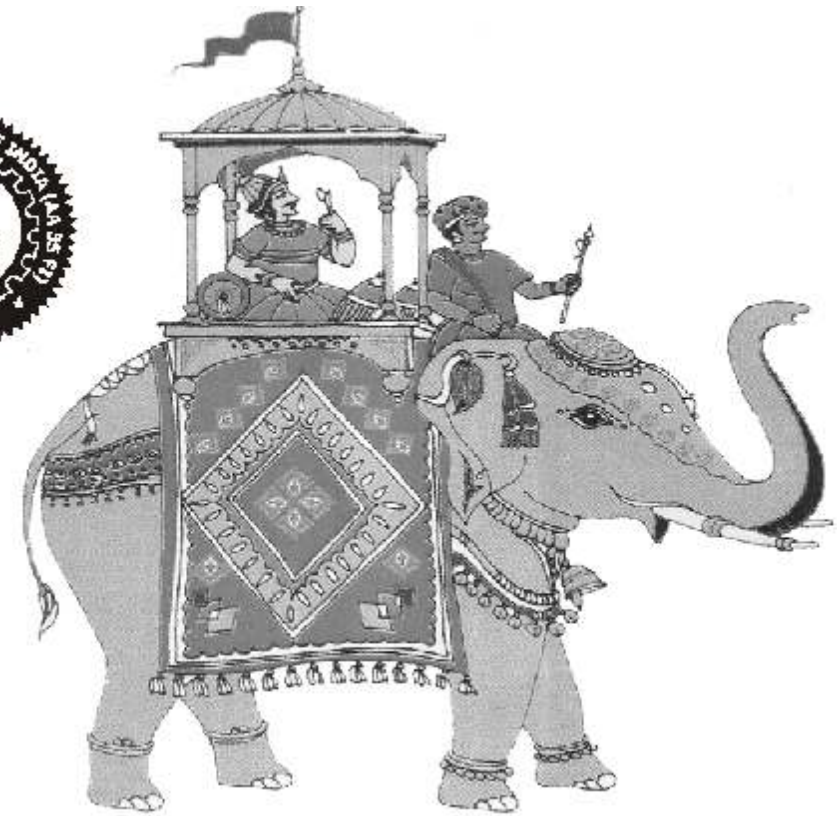


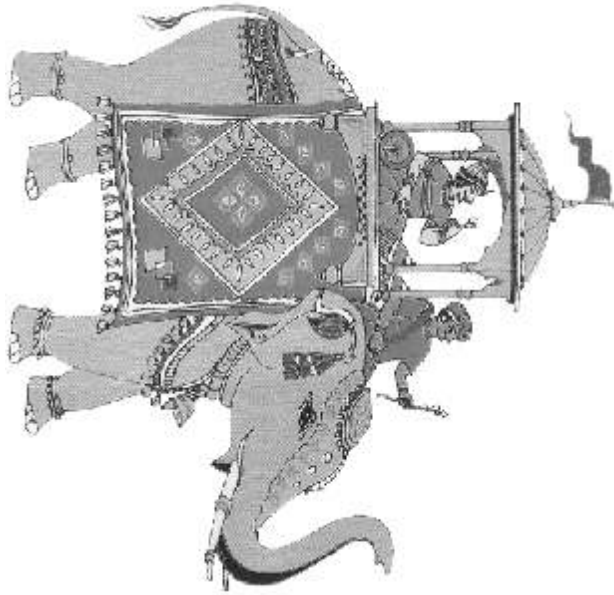
# Tamilnadu **JAI BHARATH** Mills Limited



**29<sup>th</sup> ANNUAL REPORT 2017 - 2018**

BOOK POST

To



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
<p><b>BOMBAY STOCK EXCHANGE LTD.,</b> Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001.</p>

(CIN : L17111TN1989PLC018267)

**BOARD OF DIRECTORS**

**Shri T.R.Dhinakaran**

Chairman and Managing Director

(DIN No. 00053927)

**Shri D.Senthilkumar** - Director

(DIN No. 00006172)

**Ms. D.Kothai**, Director

(DIN No. 00264935)

**Shri P.Manojkumar Kedia**, Director

(DIN No. 00395103)

**Shri T.Balakumar**, Director

(DIN No. 00440500)

**Lt. Shri K.Subbarajulu**, Director

(DIN No. 07284462)

Demise on 01.03.2018

**COMPANY SECRETARY**

Shri M.V.Mahadevan

**AUDITORS**

M/s. Srithar & Associates

Chartered Accountants, Chennai

**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.,

Kanapathy Towers

3rd Floor, 1391/A-1, Sathy Road,

Ganapathy Post, Coimbatore-641006.

**FACTORY**

Malayankulam village, Sankarankovil

Tirunelveli District – 627 756.

பொருள்கருவி காலம் வினைஇடனொடு ஐந்தும்

இருள்தீர எண்ணிச் செயல்

- திருக்குறள் 675

Five things should be carefully pored in deciding of all actions

namely, resource, instrument, proper time, nature of action and proper place.

- Thirukkural 675

## Notice of the 29th Annual General Meeting of the Shareholders

Notice is hereby given that the 29th Annual General Meeting of the company will be held on Friday the 28th September, 2018 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, 2018 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 (DIN 00264935), Director who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as a Special Resolution.

Re-appointment of Shri. T. R.Dhinakaran as Managing Director

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Shri. T.R.Dhinakaran (DIN 00053927) as Managing Director of the Company for a period of five years with effect from 18.01.2018 to 17.01.2023 and he will not draw any remuneration for the position till the accumulated losses are wiped out as per his own decision”.

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri. V.R.Rajendran (DIN 08204715), who has submitted a declaration of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. V.R.Rajendran as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 13.08.2018 upto 12.08.2023 and whose office shall not be liable to retire by rotation."

5. To approve Related Party transactions for the year 2017-2018 by Special Resolution.

Sl.No.	Name of the Company / Firm	Interested Directors	AMOUNT Rs.
Transaction Type : Cotton Waste Sales			
1	Shri Ramalinga Mills Ltd.,	Sri T.R. Dhinakaran, Sri D.Senthilkumar	1,06,49,556
2	Lakshmi Electrical Drives Ltd., Textile Division - Sunspintex, Anamalai	Sri D.Senthilkumar	1,58,97,059
Transaction Type : Cotton Waste Purchase			
1	Shri Ramalinga Mills Ltd.,	Sri T.R. Dhinakaran, Sri D.Senthilkumar	1,62,14,189
Transaction Type : Interest Paid			
1	Shri T.R.Dhinakaran	CMD	1,48,69,306
2	Kedia Enterprises	Manoj kumar kedia	7,70,000
Transaction Type : Rent Paid			
1	Harshni Textiles Limited, Coimbatore	Sri D.Senthilkumar	3,00,160
2	Shri Ramalinga Mills Ltd Aruppukottai	Sri T.R. Dhinakaran Sri D. Senthilkumar	72,000
Transaction Type : Services			
	Hank Yarn Obligation Received		
1	Shri Ramalinga Mills Ltd Aruppukottai	Sri T.R. Dhinakaran, Sri D. Senthilkumar	12,19,289
LORRY FREIGHT PAID			
1	Nirmala & Company	Sri D. Senthilkumar, Partner	2,19,000
2	Sri Ramasamy & Company	Smt.D.Kothai, Partner	36,600
Transaction Type : Services			
	Conversion charges paid		
1	Shri Ramalinga Mills Ltd.,Aruppukottai	Sri T.R.Dhinakaran, Sri.D.Senthilkumar	40,25,663
Transaction Type: Loan Received			
1	Shri T.R.Dhinakaran	CMD	2,76,50,000

“ 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”.

Place: Aruppukottai  
Date: 29.05.2018

By order of the Board  
**T.R.DHINAKARAN**  
Chairman and Managing Director

### 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 Members 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 22.09.2018 to 28.09.2018 (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 after the Explanatory Statement.

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.



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

**Item No.3**

**Re-appointment of Shri. T.R.Dhinakaran as Managing Director :**

The Board of Directors in their meeting held on 18.01.2013, appointed Shri. T.R.Dhinakaran as Managing Director for a period of 5 years w.e.f. 18.01.2013 . Shri. T.R.Dhinakaran is a Post Graduate Engineer . Shri.T.R.Dhinakaran has to his credit nearly 30 years of industrial experience. He is largely responsible for the efficient operations and its excellent financial performance. It is also essential for the Company to have his continued services for its future growth. The Board of Directors, at their Meeting held on 13.08.2018, considered and decided to entrust Shri. T.R.Dhinakaran with increased role and responsibility by elevating him as Managing Director of the Company. The term of his appointment as Managing Director will be for a period of five years from 18.01.2018 to 17.01.2023. He has voluntarily declined to take any remuneration till the company wipes out its accumulated losses.

None of the Directors is interested in the resolution except Shri. D. Senthikumar and Smt. D.Kothai.

**Item No.4**

The Board of Directors has, by a resolution passed at its meeting held on 13.08.2018, recommended to the shareholders that Mr. V.R.Rajendran be appointed as an Independent Director of the Company for a term of five years from 2018. A notice, in writing, under Section 160 of the Companies Act, 2013 has been received from a Member of the Company signifying his intention to propose Shri.V.R.Rajendran as a candidate for the office of Independent Director.Shri.V.R.Rajendran is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has consented to act as Director of the Company. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

**PROFILE OF THE DIRECTOR IS TO BE ENCLOSED**

DOB	Date of Appointment	Qualification	Expert in Specific Area	No., of Other Directorship	No. of Membership/ Chairmanship of the Committee of Company
15.08.1952	13.08.2018	B.B.A.,	He has extensive experience in Cotton & Yarn business and Financial Management	NIL	NIL

**Item No.5**

**Related Party Transactions:**

The related party transaction 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 by the shareholders.

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

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

**Details of appointment / re- appointment of Directors as per SEBI(LODR) Regulations, 2015 of the Listing Agreement.**

Ms. 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	Ms. D. Kothai	B.Com.,	She has excellent exposure in Managing Spinning Mills	5

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

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

Place: Aruppukottai

Date: 29.05.2018

Voting through electronic means

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The remote e-voting period, commences on 25th September 2018 (9:00 am) and ends on 27th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The process and manner for remote e-voting are as under:  
How do I vote electronically using NSDL e-Voting system?  
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:  
  
Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website? Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

- Your password details are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
  - If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - After you click on the "Login" button, Home page of e-Voting will open.
- Details on Step 2 is given below:
- How to cast your vote electronically on NSDL e-Voting system?
  - After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  - After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  - Select "EVEN" of company for which you wish to cast your vote.
  - Now you are ready for e-Voting as the Voting page opens.
  - Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [smrajunaidu@gmail.com](mailto:smrajunaidu@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2018.
  - Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [smrajunaidu@gmail.com](mailto:smrajunaidu@gmail.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - Mr. S. Muthu Raju, Practising Company Secretary (C.P.No.4181) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [tnjb.net.in](http://tnjb.net.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

## DIRECTORS' REPORT :

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

The Directors hereby present their Twenty Ninth Annual Report on the business and operations of the Company and Financial Results for the year ended 31st March, 2018.

FINANCIAL RESULTS :		2017 – 2018. Rs.		2016 – 2017 Rs.
Profit (+)/Loss(-) from operations	(-)	3,60,51,824	(-)	1,02,88,275
Before Depreciation	(-)	2,51,77,698	(-)	2,42,12,144
Less/Add : Depreciation	(-)		(-)	
Profit (+)/Loss (-) after Depreciation	(-)	6,12,29,522	(-)	3,45,00,419
Less : Deferred Tax Assets	(-)	1,95,13,956	(-)	42,53,290
NET PROFIT(+)/LOSS(-)				
Trs.to Balance Sheet	(-)	4,17,15,566	(-)	3,02,47,129
Add Balance of Loss as per	(-)	38,72,37,037	(-)	35,69,89,908
Last Balance Sheet				
Balance Loss carried over to next year	(-)	42,89,52,603	(-)	38,72,37,037

## TURNOVER & PROFITABILITY:

The Company has achieved an overall Turnover of Rs...91.95 Crores during the year against the turnover of Rs. 101.08 Crores for the previous year, resulting in an decrease of Rs. 9.13 Crores.

## FINANCIAL HIGHLIGHTS (Standalone)

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the company has adopted the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017 Financial Statements for the year ended as at 31st March 2017, has been restated to confirm Ind AS.

## FUTURE OUT LOOK :

This has been discussed in the Annexure of the Report.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of the business during the year.

## TRANSFER TO RESERVES

Due to losses of the Company for the period ended 31.3.2018, your Directors have not proposed any amount to be transferred to the General Reserves of the Company.

## SHARE CAPITAL

The paid-up share capital of the company is 39784736 equity shares of Rs.10/- each. There is no change in the Authorised , Issued, Subscribed and Paid-up share capital of the company during the period under review.

## DEPOSITS

Your Company has not invited or accepted any fixed deposits either from the public or from the shareholders of the Company, during the period under review.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loans, guarantees and investments u/s. 186 of the Companies Act, 2013 has been made or given.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is annexed.

## 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 Rules(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 lacs towards the gratuity fund. As the Company 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 134(5) of the Companies Act, 2013, your Directors declare:

i. that in the preparation of the annual accounts for the financial year ended 31st March, 2018, 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, 2013 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, 2018 on a going concern basis.

v. 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.

vi. 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.

## DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

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

## AUDITORS:

M/s. Sriithar & Associates, Chennai the present Auditor of the Company hold office till the conclusion of Twenty Ninth Annual General Meeting. M/s. Sriithar & Associates, Chennai 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.

## ADDENDUM TO AUDITORS REPORT:

With respect to Gratuity provision, so far the Company had made a provision for Rs.40.55 lakhs towards the Gratuity Fund. As the Company continues to be financially SICK., it could not make the required provision as per the Gratuity Act. However, as and when liability arises, it will be settled in full.

With respect to Deposit from Shareholders, the Company has received Rs.109.90 lakhs as Trade Advance, from M/s. Kedia Exports & Industries, who is also a shareholder of the Company and the same has been settled during this accounting period.

With respect to 'Going Concern', the company is a subsidiary of M/s. Ramalinga Mills Limited, which is doing well. Also, your Directors are taking necessary steps to improve the results of the Company. Consistent steps are being taken to make the unit profitable, despite the moral and financial support extended by Group companies. Considering the above and also foreseeing better prospects for the textile industry, the concept of 'Going Concern' has been followed in preparing the accounts.

## Independent Directors:

Shri. T. Balakumar, Shri. P. Manojkumar Kedia and Shri. K. Subbarajulu (demise on 01.03.2018) 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 Companies Act, 2013.

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the SEBI (LODR) Regulations, 2015.

## DECLARATION BY INDEPENDENT DIRECTORS AND EVALUATION BY THE BOARD.

As per the Regulation 25(3) of SEBI (LODR) Regulations, 2015 during the year under review, the Meeting of the Independent Directors was held on 09.02.2018, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following :

- To review the performance of the Non-Independent Directors and the Board as a whole;
- To review the performance of the Chairperson of your Company, taking into account views of Executive / Non –Executive Directors; and
- To assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

## SECRETARIAL AUDITORS

Mr. S. Muthu Raju Practising Company Secretary, Madurai (C.P.No. 4181) has been appointed as Secretarial Auditors of the Company for the financial year ended 31.3.2018 vide Board resolution dated 9.02.2018

The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as Annexure and forms part of this report. Necessary action has already been initiated to list the pending shares.

## NUMBER OF BOARD MEETINGS HELD DURING THE YEAR 2017-2018

The Company has duly complied with the provisions of the Companies Act, 2013 in holding Board meetings and the details of the meetings are furnished in the Corporate Governance Report.

## CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) :

As per Rule 8 of the Companies (Corporate Social Responsibility Policy Rules) 2014, the Board has, on the recommendation of the CSR Committee approved the CSR Policy which is available on the Company's website tnjb.net.in.

## 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.