



65th
ANNUAL REPORT
2011 - 2012

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

SATHYAMANGALAM - 638 402

Board of Directors

Sri R.DORAI SWAMI
(Chairman)
Sri D. LAKSHMINARAYANASWAMY
(Managing Director)
Sri N. JOTHIKUMAR
Sri R. NARAYANAMURTHY
Sri R. RADHAKRISHNAN

Chief Executive
Smt L. NAGASWARNA

CFO- Vice-President
Sri N.NARASIMHALU

Company Secretary
Sri S.A. SUBRAMANIAN

Internal Auditor
Smt.SASIREKHA VENGATESH
COIMBATORE

Cost Auditor
S.MAHADEVAN & Co.
COIMBATORE.

Auditors
M/s.M.S.JAGANNATHAN & VISVANATHAN
COIMBATORE.

Bankers
THE SOUTH INDIAN BANK LTD
KOTAK MAHINDRA BANK LTD

Registered Office
NO.3, BHAVANI RIVER STREET
ARIAPPAMPALAYAM
SATHYAMANGALAM - 638 402

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Mills

1. COIMBATORE
2. NAGARI (A.P)
3. SATHYAMANGALAM

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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTICE OF THE 65th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 65th ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on **Wednesday, the 26th day of September 2012 at 9.30 a.m.** at the Registered Office of the Company at **No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638 402, Erode District**, to transact the following business:

AGENDA

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss of the Company for the year ended on that date and the reports of the Directors and Auditors thereon.
- To appoint Sri.N.Jothikumar as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or enactments thereof for the time being in force) and subject to the provisions in the Memorandum of Association of the Company and in accordance with the Listing Agreement entered into by the Company with Bombay Stock Exchange where the Equity shares of the Company are listed, and such approvals, consents, sanctions and permissions as may be necessary the Articles of Association of the Company be and is hereby altered in the manner and to the extent as follows :-

- Article 2B with all the sub-clauses there under.
- Article 3 and
- Article 26 with all the sub-clauses be deleted
- Articles 4 to 25 are re-numbered as Articles 3 to 24.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary and/or desirable to comply with the required formalities so as to give effect to this resolution".

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof, for the time being in force) and subject to such approvals / consents / permissions as may be required, consent of the company be and is hereby accorded for continuation of Smt.L.Nagaswama as Chief Executive with effect from 01.05.2012 on such remuneration and terms and conditions as set out below, notwithstanding that the remuneration paid to Smt.L.Nagaswama exceeds the limits prescribed for the time being under Section 314 of the Companies Act, 1956 or such other provisions as may be applicable for this purpose"

Salary : Rs.1,17,000 - 12000 (2) - 1,41,000 - 15000 (3) -

Rs.1,86,000 - 18000 (3) - 2,40,000

She shall also be eligible for the payment of the following perquisites and benefits :- Variable Dearness Allowance (VDA) along with other perquisites, benefits and incentives as applicable to the members of staff in similar position.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary and are desirable and to comply with all the formalities as may be required so as to give effect to this Resolution."

By Order of the Board
For Sri Ramakrishna Mills (Coimbatore) Ltd
(Sd.) D. LAKSHMINARAYANASWAMY
Managing Director

Coimbatore
13.08.2012

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL. INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY OR PROXIES MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- The Register of Members and Share Transfer Books of the Company will remain closed from **19th day of September 2012 to 26th day of September 2012** (both days inclusive).

- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report for the meeting.
- The Shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but in more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pincode number, to the Registrar & Share Transfer Agent, M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/ A-1 Sathy Road, Ganapathy, Coimbatore 641006.
- Members desirous of making nomination in respect of their shareholding in the company as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose to the Company.
- The Company's ISIN No. is INE306D01017

BRIEF RESUME OF PERSON PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:

Details of a Director seeking reappointment at the Annual General Meeting

Name : N. Jothikumar
Age : 74
Qualification : B.E
Experience : Well experienced with the management particularly of Textile Mills owing to his long association with several such organisations. Has served on the Board of various Companies.

Name(s) of the Companies in which he also holds Directorship : NIL
Name of the companies in and committees of which he also holds Membership/ Chairmanship : Chairman of Audit Committee Remuneration Committee, Shareholders'/Investors' Grievance Committee and Share Transfer Committee of our Company

Share holding in Sri Ramakrishna Mills (CBE) Ltd : 12600 Equity Shares

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.4 of the Agenda:

The Company has executed -

- a Warrant Subscription Agreement dated July 7, 2006 ("the Subscription Agreement") with Sri.D.Lakshminarayanawamy, Sri.R.Doraiswami, Smt.D.Ranganayakiammal, Smt.L.Nagaswama, Smt.L.Suhasini, Smt.L.Swathy, Swathy Processors Limited, Suhasini Spinners Limited, Sri Ramakrishna Yarn Carriers Limited, Sri Jaganatha Textiles Limited, Sri Jaganatha Ginning & Oil Mills - Firm, Sri Ranga Enterprises - Firm and Sri Jaganatha Agencies - Firm (the "Promoters") and Clearwater Capital Partners (Cyprus) Limited, a Company duly organized and existing under the Laws of Cyprus with its principal Office at 27, Pindarou Street, Alpha Business Centre 2nd Floor, PC. 1060, Nicosia, Cyprus (the "Investor"), and
- a Loan Agreement dated July 7, 2006 ("Loan Agreement") with Clearwater Capital Partners India Private Limited, a Company incorporated in India under the provisions of the Companies Act, 1956 and having its Registered Office at, 202, 2nd Floor, Central Plaza, 166, CST Road, Kalina, Mumbai-400 098 (the "Lender") and Sri.D.Lakshminarayanawamy, Sri.R.Doraiswami, Smt.D.Ranganayakiammal, Smt.L.Nagaswama, Smt.L.Suhasini, Smt.L.Swathy, Swathy Processors Limited, Suhasini Spinners Limited, Sri Ramakrishna Yarn Carriers Limited, Sri Jaganatha Textiles Limited, Sri Jaganatha Ginning & Oil Mills - Firm Sri Ranga Enterprises - Firm and Sri Jaganatha Agencies - Firm (the "Sponsors"). The Subscription Agreement and the Loan Agreement shall hereinafter be collectively referred to as the "Agreements". Under the terms of these Agreements, the Company has effected certain amendments to the Articles of Association after duly approved by the Members at the 59th Annual General Meeting held on 18th September 2006. Now that the rights and obligations under the above Agreements have been fully carried out, the amendments serve no purpose and therefore, it is decided to delete them.

In terms of Section 31 of the Companies Act, 1956, any amendment to the Articles of Association requires the approval of the Members by way of Special Resolution. The Board of Directors therefore recommends this Resolution for the approval of the Members.

Consequent to the deletion of the Articles mentioned in the Resolution, the Promoters - Directors alongwith other Promoters/Sponsors of the above agreements are relieved of certain rights and obligations earlier assumed by them, and to this extent the Promoters - Directors are deemed to be concerned or interested in this resolution. The above mentioned Promoters hold 4264679 shares (59.91%) in aggregate in the Company. A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at Company's Registered Office situated at No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638402 during the business hours of the company.

ITEM NO.5 of the Agenda:

Smt.L.Nagaswama, the Chief Executive of the Company is now being paid a remuneration of Rs.1,05,000/- per month apart from variable Dearness Allowance (VDA) along with the perquisites and incentives as applicable to the members of staff in similar position with effect from 1.5.2011 and with annual increments as approved by Remuneration / Selection Committee subject to the ceiling that may be fixed by the Government under Section 314 of the Companies Act, 1956 from time to time. The above remuneration for Smt.L.Nagaswama was fixed by the Board at its Meeting held on 30.05.2011 and approved by the Company at the AGM held on 22.07.2011. At

present, the Central Government has permitted the Companies to pay a total monthly remuneration of Rs.2,50,000/- without seeking its approval. Now that the Central Government has taken a liberalized view with regard to remuneration payable to managerial personnel for Public Limited Companies and in keeping with the present pattern of payment of remuneration to the managerial personnel and considering the cost of living, it is felt that Chief Executive of the Company should be remunerated adequately.

Accordingly, the Remuneration / Selection Committee has recommended for a revision in the remuneration payable to the Chief Executive.

None of the Directors of the Company other than Sri.R.Doraiswami, Chairman and Sri.D.Lakshminarayanawamy, Managing Director being releatives of Smt.L.Nagaswama are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution for approval by the Members of the Company.

Coimbatore
13.08.2012

By Order of the Board
For Sri Ramakrishna Mills (Coimbatore) Ltd
(Sd.) D. LAKSHMINARAYANASWAMY
Managing Director

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors submit the following report on the working of the company for the year ended 31.03.2012.

After meeting all working expenses, interest, repairs to machinery and buildings, the working results of the company are as follows:

FINANCIAL RESULTS:

	Year Ended	
	31.03.2012 Rs.	31.03.2011 Rs.
Profit/(Loss) before Interest and Depreciation	(6,18,34,436)	6,72,25,726
LESS: Interest	(4,16,25,788)	3,27,38,437
Depreciation	(1,80,39,234)	1,82,75,274
Net Profit/(Loss) before Exceptional items and Tax	(12,14,99,458)	1,62,12,015
Less: Surplus on conversion of land into Stock-in-Trade	7,99,96,614	-
Profit after Exceptional Item and before Tax	(4,15,02,844)	1,62,12,015
Less : Tax Adjustments :-		
Provision for Income Tax - MAT	-	32,31,200
MAT Credit entitlement	-	(32,31,200)
Surplus/(Deficit) carried over to Balance Sheet	(4,15,02,844)	1,62,12,015

The above deficit has been carried over to Balance Sheet.

PERFORMANCE:

During the year under review, the turnover of the Company has reduced to Rs.38.34 crores from Rs.65.95 crores in the previous year and the Company has incurred a loss of Rs.12.15 crores before taking into account the exceptional item during the year, due to margins turning negative on account of steep fall in cotton yarn prices and high cost of cotton inventory procured during the last cotton season.

The Textile Industry as a whole witnessed an unexpected downturn during the year resulting in reduction of demand and yarn prices. Our arrangement for the purchase of private power and expected increase in the utilization of installed capacity and the certainty of increase in demand, the prospects of industry is expected to improve during the current year.

DIRECTORS:

Retiring Director:

Sri.N. Jothikumar one of the Directors of the Company retires by rotation at the ensuing Annual General Meeting of the Company. The place so vacated by him has to be filled up at the same meeting. The retiring Director is eligible for re-appointment at the ensuing Annual General Meeting.

Accordingly, a resolution is included for consideration of members at the ensuing Annual General Meeting of the Company.

ENERGY-CONSERVATION etc:

Information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the Companies (Declaration of Particulars in the Report of Board of Directors) Rules, 1988 are annexed separately and they form part of this report.

EMPLOYEES:

No employee of the company has drawn salary in excess of Rs.5,00,000/- per month. Hence the particulars of employees as per Section 217(2A) of the Companies Act, 1956 has not been given.

At the 64th Annual General Meeting held on 22.07.2011, Members accorded their approval for a revision in the remuneration payable to the Chief Executive who is related to Sri.R.Doraiswami, Chairman and Sri.D.Lakshminarayanawamy, Managing Director of the Company pursuant to the provisions of Sec 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules 2003 and the Amended Rules 2011, thereof, as Rs.1,05,000/- p.m. with eligibility to receive all other perquisites and benefits as applicable to the members of staff in similar position in the company. A revision in her remuneration is being recommended by the Remuneration / Selection Committee with effect from 01.05.2012. Accordingly, a resolution is included for consideration of members at the ensuing Annual General Meeting.

STATEMENT OF RESPONSIBILITY OF DIRECTORS:

As required under section 217 (2AA) of the Companies Act, 1956, your Directors state:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure from the same.
- that the accounting policies selected and applied are consistent and the judgements and estimates made are 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 ended March 31,2012 and of the loss of the company for the year ended on that date.

(iii) that proper and sufficient care has been taken 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 annual accounts have been prepared on a "going concern" basis.

CORPORATE GOVERNANCE

A separate Report on Corporate Governance is attached to this report. A certificate from the Auditors of the company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

CODE OF CONDUCT:

The Company has adopted a code of conduct for the Board of Directors and Senior Management of the company and all of them have affirmed compliance of the same.

CEO/CFO CERTIFICATION:

As contemplated under Clause 49 of the Listing Agreement, the certificate from Mr N Narasimhalu, CFO-Vice President was placed before the Board of Directors at their meeting held on 13.08.2012.

AUDITORS:

The Auditors of the Company M/s.M.S.Jagannathan & Visvanathan retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment at the same meeting.

COST AUDITORS:

Pursuant to the directions of the Central Government for audit of the Cost Accounting Records maintained by the Company as required under section 209(1)(d) of the Companies Act, 1956, the proposal for appointment of M/s.S.Mahadevan & Co, Cost Accountants, Coimbatore as Cost Auditors for the year ended 31st March 2011 was approved by the Central Government and they were accordingly appointed.

The Cost Audit Report for the year 2010-11 was filed on 29.09.2011.

In respect of the Financial Year ended 31st March 2012, the Company with the approval of the Central Government has appointed M/s.S.Mahadevan & Co, Cost Accountants for audit of Cost Accounting Records maintained by the Company. The due date for filing the Cost Audit Report is 30th September 2012.

GENERAL:

The company proposes to develop the land at its Ganapathy Unit in stages and suitable action will be taken in this regard at appropriate time.

During the year under review, a part of land has been transferred to Stock-in-trade.

Our thanks are due to The South Indian Bank Ltd., and Kotak Mahindra Bank Ltd., for their support and assistance to meet our business needs..

The Directors appreciate the services rendered by the Officers, Staff and the employees of the Company.

We pray for the Grace of Almighty Sri Jaganatha Perumal for the prosperity of the Company.

Coimbatore
13.08.2012

For the Board of Directors
(Sd.) R Doraiswami
Chairman



ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken : None
- b) Additional investments and proposals being implemented for reduction of consumption and consequent impact on cost of production:
Propose to replace the existing motors with energy efficient motors in various machinery.
- c) Impact of measures (a) and (b) for reduction of energy consumption and consequent impact on cost of production:
The proposals implemented in the earlier years are closely monitored.
- d) Total energy consumption and energy consumption per unit of production as prescribed in Form-A.

FORM-A

	Year Ended 31.03.2012	Year Ended 31.03.2011
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	119.66	175.10
Total amount (Rs.in lakhs)	542.37	790.57
Rate per Unit (Rs.)	4.53	4.51
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	0.12	5.12
Units per litre of Diesel Oil	3.06	3.16
Cost/Unit (Rs.)	14.63	12.08
ii) Through Steam turbine/Generator	Nil	Nil
2. Coal	Not used	Not used
3. Furnace Oil	Not used	Not used
4. Other/internal generation	Nil	Nil
(B) Consumption per unit of production: Electricity – Units per kg. of yarn	5.21	5.03

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B:

The company used indigenous technology only. Being a member of South India Textile Research Association, the company is able to get the benefits of the latest technology available for textile industry as its member.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- i) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Steps are being taken to export yarn and to explore new markets.

- ii) Total foreign exchange earned and used:

Earned : Export of yarn - in Foreign Exchange (FOB)	Rs: 1,05,58,928
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Used : Expenditure in Foreign Currency on account of: Travelling	Rs: 3,89,654
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Coimbatore
13-08-2012

For the Board of Directors
(Sd.) R Doraiswami
Chairman

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The spinning industry is continuously expanding in South Asia and China in the last few years and is becoming growth engine of these economics.

At present the contribution of the Indian Textile Industry to its GDP is about 4%. The Textile Industry provides direct employment to more than 35 million people and is the second largest employment provider in India after agriculture. It is also estimated that the Industry will generate 12 million new jobs by the year 2014.

After the removal of quotas by European Union in 2005 and because of Textile Upgradation Fund (TUF) interest subsidy, huge capacity expansions have taken place in Textile Industry in India.

Policies of Government of India restricting yarn exports in December 2010 had a serious negative impact on cotton spinning Industry of India as huge yarn stocks were carried into next financial year that led to adverse pressure on yarn prices. Cotton prices fell very sharply and the industry held high priced cotton stock and high priced yarn stock. As a consequence the yarn prices fell down drastically during May 2011 to September 2011 causing heavy valuation losses to the spinning industry. Your company was also affected by this development.

OUTLOOK

The outlook for Textile Industry in India is optimistic. It is expected that Indian Textile Industry would continue to grow at an impressive rate. The fundamental strength of this industry flows from its strong production base of wide range of fibres/ yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic. In fact, apart from China, no other country can boast of such strong and diverse base in textile fibres/ yarns. The complex and varied structure of industry coupled with India's close linkage with culture and multi-fibre raw material base enables it to produce variety of products for varying consumer needs and preferences. The growth pattern of the Indian Textile Industry in the last decade has been considerably more than the previous decades, primarily on account of liberalization of trade and economic policies initiated by the Indian Government in the 1990s.

The inherent strengths of the Textile Industry have seen the Textile Industry through rough days and hard times. There have been many periods of adversity, when growth charts have dipped and it has appeared that misfortune will overtake. But like phoenix, the Textile Industry has risen each time from the ashes.

RISK & CONCERNS

High volatility of cotton, yarn prices, rupee exchange rate, high attrition and shortage of work force are the major concerns for us. In order to mitigate the above risks, we have been taking several initiatives like lowering inventory levels, reducing manpower requirement by modernization of machines, application of autonomous maintenance philosophy, rationalization of workforce, employee training and development, etc.

INTERNAL CONTROLS

There is proper and adequate system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly. The internal control systems are supplemented by Internal Audits and review of the same by Audit Committee at corporate level.

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER FOR THE FINANCIAL STATEMENTS OF THE COMPANY

I, N Narasimhalu, Chief Financial Officer of M/s.Sri Ramakrishna Mills (Cbe) Ltd, certify that

- a. I have reviewed the financial statements and the cash flow statement for the year ended 31.03.2012 and that to the best of my knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I am responsible for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken to rectify these deficiencies.
- d. I have indicated to the auditors and the audit committee:
 - i) Significant changes in internal control during the year
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Coimbatore
13.08.2012

(Sd.) N NARASIMHALU
Chief Financial Officer

CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sri Ramakrishna Mills believes that good corporate governance is essential to achieve long term corporate goals and enhance shareholder value on a sound basis.

2) BOARD OF DIRECTORS

The Board consists of Sri R Doraiswami as the Chairman and Sri D Lakshminarayanawamy as the Managing Director and Sri N Jothikumar, Sri R Narayanamurthy and Sri R Radhakrishnan as the non-executive independent Directors.

The table below gives the particulars of attendance of each director at the Board Meetings held during the year ended 31.03.2012 and at the last AGM as also the number of directorships in other companies and memberships in other Board Committees.

Name of the Director (1)	Position (2)	No. of Board Meetings attended (3)	Attendance at last AGM (4)	No. of Directorships in other companies (5)	No. of Memberships in Board Committee of other companies (6)	No. of shares held (7)
Sri R Doraiswami	Executive-Chairman	5	Present	Nil	Nil	407363
Sri D Lakshminarayanawamy	Managing Director	5	Present	6	Nil	513814
Sri N Jothikumar	Non-Executive Independent	5	Present	Nil	Nil	12600
Sri R Narayanamurthy	Non-Executive Independent	5	Present	1	Nil	500
Sri R Radhakrishnan	Non-Executive Independent	5	Present	1	Nil	500

DIRECTOR RETIRES BY ROTATION

Sri. N. Jothikumar retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

BOARD MEETINGS

From 01.04.2011 to 31.03.2012, five (5) board meetings were held on the following dates:

21.04.2011, 30.05.2011, 26.07.2011, 10.11.2011 and 08.02.2012.

3) COMMITTEES OF THE BOARD

a) REMUNERATION/SELECTION COMMITTEE

Remuneration/Selection Committee constituted on 30.10.2009 consists of the following members:

- Sri N Jothikumar - Chairman
- Sri R Narayanamurthy - Member
- Sri R Radhakrishnan - Member

This Committee has been formed to recommend to the Board the appointment/reappointment of the executive and non-executive directors, the induction of Board members into various committees. For the appointment of Senior Executives including Chief Executive, the Selection Committee is formed which consists of the above three independent directors of the company and an expert in the respective field of specialization of the prospective appointee. The Chairman, the Managing Director and the Chief Executive are paid salary as recommended by the Remuneration Committee and approved by the Shareholders/Central Government wherever necessary. No sitting fee has been paid to them. The committee has also been empowered to determine the periodic increments in salary and annual incentive of the executive director(s).

This committee comprises entirely of independent directors.

Remuneration to Non-executive Directors for the year ended 31.03.2012.

Sl. No.	Director	Sitting Fees (Rs.)
1	Sri N Jothikumar	5000
2	Sri R Narayanamurthy	5000
3	Sri R Radhakrishnan	5000

b) AUDIT COMMITTEE

Audit Committee consists of the following Directors after being reconstituted on 30.10.2009

- Sri N Jothikumar - Chairman
- Sri R Narayanamurthy - Member
- Sri D Lakshminarayanawamy - Member

The Company Secretary is the convenor.

The Audit Committee would monitor and provide effective supervision and also assure the Board in compliance of adequate internal control systems and other financial disclosures in addition to the issues conforming to the requirements specified by the Company Law / Stock Exchanges etc.

The minutes of the Audit Committee meetings were circulated to the Board where they were discussed and taken note of.

The Audit Committee met four times on 18.05.2011, 25.07.2011, 09.11.2011 & 06.02.2012.

The attendance during the year is as under:-

Sl.No.	Members	Meetings attended
1	Sri N Jothikumar	4
2.	Sri R Narayanamurthy	4
3.	Sri D Lakshminarayanawamy	4

c) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Shareholders' / Investors' Grievance Committee consists of the following members after being reconstituted on 30.10.2009

- Sri N Jothikumar - Chairman
- Sri R Radhakrishnan - Member
- Sri D Lakshminarayanawamy - Member

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

The Committee has been formed to specifically look into Shareholders' / Investors' complaints, if any, on transfer of shares, non-receipt of Balance sheet, non-receipt of interest and redemption of debentures etc.

Sri S A Subramanian, Company Secretary is the Compliance Officer.

During the year, the Committee met four times on 18.05.2011, 25.07.2011, 19.10.2011 and 01.02.2012 to deliberate on various matters referred to it and all of them were resolved. As on 31.03.2012 no complaint from shareholders/investors is pending.

The attendance during the year is as under:-

Sl.No.	Members	Meetings attended
1	Sri N Jothikumar	4
2.	Sri R Radhakrishnan	4
3.	Sri D Lakshminarayananaswamy	4

d) SHARE TRANSFER COMMITTEE

The Share Transfer Committee not being a statutory / mandatory one, has been formed by two members of the Board and two representatives from the Registrar and Share Transfer Agent who are authorized to effect the transfer after approved by the Committee.

The Committee meets at frequent intervals to review and approve transfers and transmission of equity shares. The Committee met Four (4) times during the financial year ended 31st March 2012.

4) DETAILS OF GENERAL MEETINGS

a) Annual General Meetings :-

Information regarding last 3 years' Annual General Body meetings are given below

Sl.No.	Venue	Day	Date	Time
1.	No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402	Friday	22.07.2011	10.00 AM
2.	No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402	Wednesday	11.08.2010	9.30 AM
3.	No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402	Friday	18.09.2009	9.00 AM

5) GENERAL SHAREHOLDER INFORMATION:

- 1 65th AGM to be held on :
 - Day : Wednesday
 - Date : 26th September 2012
 - Time : 9.30 a.m.
 - Venue : Regd. Office: No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402
- 2 Date of Book Closure : 19th Sept 2012 to 26th Sept.2012 (both days inclusive)
- 3 Financial Calendar :
 - Results announced : 13.08.2012
 - Posting of Annual Reports : 30.08.2012
 - Last date of Receipt of Proxy Forms : 24.09.2012
 - Announcement of Quarterly Results : Aug 2012, Oct 2012, Jan.2013 & June 2013
- 4 Listing on Stock Exchanges : BSE Ltd - Scrip Code No.521178 - ISIN No.INE306D01017
Annual listing fee to the Stock Exchange paid upto date.
- 5 Registered Office : No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402
Phone & Fax No.: 04295-220681
- 6 Administrative Office : 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore 641 006
Phone : 0422-2531022/1122 Fax : 0422-2531579 E-mail: srmc@vsnl.com
The Company's Website www.ramakrishnamills.com containing financial information, share holding pattern and compliance with Corporate Governance, etc has been activated. The contents are periodically updated. The Company has created an ID as required by SEBI under its SCORES - the web based complaint redressal system - "secretary@ramakrishnamills.com"
- 7 Plant Location : Coimbatore, Nagari & Sathyamangalam
- 8 Share Transfer System : Shares are in physical and demat form. Share Transfer documents received at the office of Registrar and Share Transfer Agent are processed and returned within a period of 15 days from the date of receipt.
- 9 Share Transfer Agents' Address : M/s.S.K.D.C. Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy Post, Coimbatore 641 006.
Phone : 0422-6549995, 2539835-836 Fax : 0422-2539837 Email : info@skdc-consultants.com

6) DEMATERIALISATION OF SHARES:

6651216 shares representing 93.4 % of total equity capital is held in dematerialised form with NSDL and CDSL whereby the shares are available for trading in the dematerialized form under both the Depositories. The annual custody fees for the Financial Year 2012-13 have been paid to NSDL and CDSL.

7) MARKET PRICE DATA

The High & Low prices during each month in last financial year in The BSE Ltd, Mumbai, are given below:

B S E in (Rs.)												
MONTH	April '11	May	June	July	August	September	October	November	December	January'12	February	March
HIGH	22.35	22.95	21.00	21.90	20.50	19.10	19.00	17.50	17.69	16.80	16.60	16.30
LOW	20.00	20.10	18.25	19.10	18.00	16.50	16.50	13.60	13.80	12.50	14.60	14.00

**8) DISTRIBUTION OF SHARE HOLDING (AS ON 31-03-2012)**

Range (No. of Shares)		No. of Shares	No. of Shareholders	% to total shares
Upto	5000	855973	2109	12.0
5001	– 10000	152345	22	2.1
10001	– 20000	228578	17	3.2
20001	– 30000	169579	6	2.4
30001	– 40000	103076	3	1.5
40001	– 50000	0	0	0
50001	– 100000	164450	2	2.3
100001	and above	5444329	12	76.5
Total		7118330	2171	100.00

Shares under Lock in : NIL
 Legal proceeding/disputes on share transfer against the company : NIL
 Contact address for Shareholders/Analyst : **Company Secretary**

Sri Ramakrishna Mills (Coimbatore) Ltd. 1493, Sathyamangalam Road, Ganapathy, Coimbatore-641 006. Phone No.: 0422-2531022, 2531 122 Fax No : 0422-2531579 E-mail: srmc@vsnl.com

The Company currently does not have any Stock Option Scheme.

9) INFORMATION PURSUANT TO AMENDMENT IN CLAUSE 5A INTRODUCED IN THE LISTING AGREEMENT ON 24.12.2010

Under Clause 5 A-I and 5 A-II there are NIL unclaimed shares as per the certificate issued by Registrars and Share Transfer Agents of the company and as such the question of adhering to the procedure specified and furnishing the details required, as per the amendment to the Listing Agreement does not arise.

10) CATEGORIES OF SHAREHOLDING AS ON 31-03-2012

Sl. No.	Category	No. of Share holders	No. of Shares	% Shareholding
1	Promoters' Holding	10	4264679	59.91
2	Directors & Relatives	9	98382	1.38
3	Private Corporate Bodies	66	135832	1.90
4	Banks	1	100	-
5	Financial Institutions	1	750000	10.54
6	NRI	6	47567	0.67
7	Other Public	2078	1821770	25.60
Total		2171	7118330	100.00

11) NOMINATION FACILITY

As provided in the Companies Act, 1956, nomination facility is available for the shares held in the Company. The nomination form (Form 2B) will be provided to the members on request.

12) DISCLOSURES:

- Disclosure of material transaction
During the financial year ended 31st March 2012 there was no material, financial or commercial transaction which had potential interest of the senior management personnel or which might have had potential conflict with the interests of the Company.
- Related party transactions
During the financial year ended 31st March, 2012 there were no transactions of material nature, between the Promoters, Directors and Relatives and the Management that had potential conflict with the interest of the company. Details of related party transactions are given elsewhere in the Annual Report.
- Information supplied to the Board
All information, as required under Annexure 1A to Clause 49 of the Listing Agreement, is made available to the Board. The Board is also regularly updated on statutory compliances, as are applicable to the Company.
- Code of Conduct
The Company has adopted a Code of Conduct for Directors and Senior Management personnel for prevention of Insider Trading based on SEBI (Insider Trading) Regulations 1992. The Directors and Senior Management Personnel of the Company have affirmed their adherence to the Code.
- Compliance by the Company
During the last three years, there were no penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

13) MEANS OF COMMUNICATION

The quarterly/annual results are published in the Newspapers in the proforma prescribed by Stock Exchange.

AUDITORS' CERTIFICATE

To the Members of
M/s. Sri Ramakrishna Mills (Coimbatore) Limited, Coimbatore.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by M/s. SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd., Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner prescribed in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

On the basis of Certificate issued by the share transfer agents we state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders/investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.S.JAGANNATHAN & VISVANATHAN
Chartered Accountants
Firm Reg. No.001209S
(Sd.) M J Vijayaraghavan
Partner, M No.7534

Place: Coimbatore
Date : 13-08-2012

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

AUDITORS' REPORT TO THE MEMBERS OF SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

- 1) We have audited the attached balance sheet of SRI RAMAKRISHNA MILLS [COIMBATORE] LIMITED as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies [Auditors' Report] Order, 2003, and as amended by the Companies (Auditors' Report) Amendment order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that;
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on that said date.;
- 5) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance sheet, of the state of affairs of the company as at 31st March 2012.
 - b) In the case of Statement of Profit and Loss , of the Loss for the year ended on that date
 - c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date

Coimbatore
13.08.2012

For M S Jagannathan & Visvanathan
Chartered Accountants
Firm Regd. No. 001209S
(Sd.) M J Vijayaraghavan
Partner
M No.7534

ANNEXURE REFERRED TO IN PARAGRAPH [3] OF OUR REPORT OF EVEN DATE

- i) a The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b The fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year discrepancies noticed on such physical verification were not material and have been properly dealt with in books of accounts.
- c There were no sale of substantial part of fixed assets during the year and hence the going concern of the company is not affected.
- ii) a Physical verification of Inventory [excluding stocks with third parties] has been conducted at reasonable intervals by the Management. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- iii) c The company has maintained proper records of inventory and discrepancies noticed on physical verification of inventories as compared to book records were not material and have been appropriately dealt with.
During the year, the company has neither granted nor taken any loans, secured or unsecured from or to parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence sub clauses b, c & d of clause (iii) are not applicable.
- iv) a In our opinion and according to the explanation and information given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods.
- b During the course of our Audit no major weakness has been noticed in the internal controls.
- v) a The transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been recorded in the register maintained for the purpose
- b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time other than for conversion charges paid amounting to Rs.1,93,28,907/- (Net) for which no comparable market prices were available and are considered to be of special nature as explained by the management of the Company.
- vi) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion and according to the information and explanations given to us, the internal audit was carried out by an external Chartered Accountant and is commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a According to the information and explanations given to us and records examined by us, the company subject to (b) stated below is regular in depositing undisputed statutory dues including Investor Education and

Protection Fund, Income Tax, Value Added Tax, Wealth Tax, Service Tax and any other statutory dues with the appropriate authorities.

- b According to the information and explanation given to us, the undisputed arrears of statutory dues which were outstanding as at 31st March 2012 for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Amount (Rs.)	Period to which the amount relates
Income tax	57,63,387	A.Y 2010-2011

- c According to the information and explanations given to us, the statutory dues which have not been deposited on account of dispute are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
TNGST	Addl. Sales tax	7.43	A.Y.2004-05 to 2006-07	Madras High Court
TNGST	Sales tax	54.59	A.Y.1995-96	Madras High Court
TNGST	Sales tax	89.37	A.Y.1999-00	Madras High Court
TNGST*	Sales Tax	61.66*	A.Y.1998-99	Madras High Court
TNGST	TNGST, AST	121.97	F.Y.2000-01	Madras High Court
Customs	Customs duty on Cotton	8.26	F.Y.2003-04	Madras High Court

*(Rs.31 lakhs, since paid)

- x) The Company has accumulated loss of Rs.3,54,78,715/- for the year ended 31st March 2012 and it has incurred cash loss for the above year. However, in the immediately preceding Financial Year, there was no cash loss.
- xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to any of the banks.
- xii) During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion the company is not a chit fund or a nidhi/mutual benefit/society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) order 2003 is not applicable to the Company.
- xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other Investments.
- xv) In our opinion and according to the information and explanation given to us, the company, during the year has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance sheet of the company, we report that short term funds amounting to Rs.2.94 crores have been used for long term application.
- xviii) The Company has not made any preferential allotment of shares during the year to the parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the financial year and hence creation of security in respect thereof does not arise.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our Audit.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

BALANCE SHEET AS AT 31st MARCH 2012

Particulars	Note No.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. EQUITY AND LIABILITIES:			
Shareholders' funds :			
a) Share capital	2	7,11,83,300	7,11,83,300
b) Reserves and surplus	3	15,59,40,942	21,29,04,146
Non-current liabilities :			
a) Long Term Borrowings	4	11,87,62,226	10,57,25,583
b) Long Term Provisions	5	2,43,44,634	2,04,09,703
Current liabilities :			
a) Short Term Borrowings	6	19,39,80,315	18,74,03,904
b) Trade payables	7	4,60,75,131	6,81,92,413
c) Other current liabilities	8	9,08,58,643	7,43,52,896
d) Short-term provisions	9	40,67,818	1,48,83,899
TOTAL		70,52,13,009	75,50,55,844
II. ASSETS:			
Non-current assets :			
a) Fixed assets			
i. Tangible assets	10	20,19,41,177	23,31,84,616
ii. Intangible assets		-	5,94,876
b) Non-Current Investments	11	36,74,100	99,350
c) Deferred Tax Assets		10,94,47,410	10,94,47,410
d) Long-term loans and advances	12	17,42,09,308	17,45,38,427
e) Other non-current assets	13	1,86,94,609	2,03,27,122
Current assets :			
a) Inventories	14	13,40,09,716	12,87,97,042
b) Trade receivables	15	3,18,89,158	6,31,35,966
c) Cash and cash equivalents	16	1,99,28,009	1,46,48,501
d) Short-term loans and advances	17	1,04,16,097	97,15,397
e) Other current assets	18	10,03,425	5,67,137
TOTAL		70,52,13,009	75,50,55,844

Significant Accounting Policies	1
Additional Information to financial statements	26

See accompanying notes to the financial statements

(Sd.) **R.Doraiswami**
Chairman

(Sd.) **D.Lakshminarayananaswamy**
Managing Director

(Sd.) **N.Narasimhalu**
C F O - Vice President

(Sd.) **S.A. Subramanian**
Company Secretary

In terms of our report of even date
For **M.S.JAGANNATHAN & VISVANATHAN**
Chartered Accountants,
Firm Regd.No.001209S

(Sd.) **M.J.VIJAYARAGHAVAN**
Partner
M.No. 7534

(Sd.) **Sasirekha Vengatesh**
Chartered Accountant
Internal Auditor
M NO 200464

Place : Coimbatore
Date : 13-8-2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Note No	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
REVENUE			
Revenue from operations	19	42,08,93,636	68,12,51,666
Sale of Raw Materials		-	1,54,57,093
Other income	20	53,89,302	70,63,844
Total Revenue		42,62,82,938	70,37,72,603
EXPENSES			
Cost of materials consumed	21	25,23,98,673	41,02,81,502
Purchase of raw materials		-	1,59,90,463
Changes in inventories of finished goods, work in progress	22	5,36,18,848	(4,93,81,915)
Purchase of yarn		68,21,879	21,79,327
Power and fuel		5,67,29,722	8,72,00,199
Employee benefits expense	23	6,89,14,590	8,35,49,739
Finance costs	24	4,16,25,788	3,27,38,437
Depreciation		2,34,99,264	
Less: Depreciation transferred to Revaluation Reserve		54,60,030	1,82,75,274
Other expenses	25	4,96,33,662	8,67,27,562
Total Expenses		54,77,82,396	68,75,60,588
Profit before Exceptional Items and Tax		(12,14,99,458)	1,62,12,015
Exceptional Items			
Surplus on conversion of Land into Stock-in-Trade		7,99,96,614	-
Profit after Exceptional Items and before Tax		(4,15,02,844)	1,62,12,015
Tax expense:			
Less : Provision for :-			
- Current tax - MAT		-	3,231,200
Less : MAT Credit Entitlement		-	(3,231,200)
Profit / (loss) after tax		(4,15,02,844)	1,62,12,015
Basic and Diluted EPS (of Rs.10/- each) before exceptional items		-17.07	1.82
Basic and Diluted EPS (of Rs.10/- each) after exceptional items		-5.83	1.82
Significant Accounting Policies	1		
Additional Information to financial statements	26		
See accompanying notes to the financial statements			

(Sd.) **R.Doraiswami**
Chairman

(Sd.) **D.Lakshminarayanawamy**
Managing Director

(Sd.) **N.Narasimhalu**
C F O - Vice President

(Sd.) **S.A. Subramanian**
Company Secretary

In terms of our report of even date
For **M.S.JAGANNATHAN & VISVANATHAN**
Chartered Accountants.
Firm Regd.No.001209S
(Sd.) **M.J.VIJAYARAGHAVAN**
Partner
M.No. 7534
(Sd.) **Sasirekha Vengatesh**
Chartered Accountant
Internal Auditor
M NO 200464

Place : **Coimbatore**
Date : **13-08-2012**

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
1) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and exceptional items	(12,14,99,458)	1,62,12,015
Adjustments for :		
Depreciation	1,80,39,234	1,82,75,274
Interest Charged	3,53,23,176	2,73,94,648
Profit on sale of Assets (Net)	(4,77,529)	(10,44,664)
Dividend receipts	-	(60,800)
Lease rent	(12,03,283)	(9,93,124)
Interest Receipts	(23,30,741)	(15,32,010)
Profit on sale of Investments	-	(30,18,456)
Operating profit before working capital changes	(7,21,48,601)	5,52,32,883
Add/Deduct Adjustments for		
Trade & Other Receivables	3,25,07,990	8,17,593
Inventories	(52,12,674)	(6,54,81,665)
Other current assets	1,13,550	(21,565)
Trades Payable	(18,20,557)	(31,90,565)
Cash Generated from Operations	(4,65,60,292)	(1,26,43,319)
Add: Direct taxes paid	(90,48,165)	8,14,902
Cash Flow from operating Activities	(5,56,08,457)	(1,18,28,417)
Extraordinary items - Profit on conversion of land into stock-in-trade	7,99,96,614	-
Cash Flow after Extraordinary items	2,43,88,157	(1,18,28,417)
2) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed Assets	(22,05,188)	(56,50,990)
Interest Received	17,80,903	14,21,709
Sale of fixed Assets	10,21,438	10,89,000
Sale of Investments	-	32,46,456
Dividend Receipt	-	60,800
Lease Rent Receipts	12,03,283	9,93,124
Purchase of investment	(35,75,000)	-
Net Cash flow from Investing Activities	(17,74,564)	11,60,099
3) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings Received	7,00,00,000	41,20,000
Long Term Borrowings Repaid	(5,69,63,357)	(6,62,54,070)
Short Term Borrowings Received	65,76,411	10,29,96,674
Interest paid	(3,69,47,139)	(2,52,05,998)
Net Cash used in financing Activities	(1,73,34,085)	1,56,56,606
Net charges in Cash and Cash Equivalents (1+2+3)	52,79,508	49,88,288
Cash and Cash equivalents as at - Opening	1,46,48,501	96,60,213
Cash and Cash equivalents as at - Closing	1,99,28,009	1,46,48,501
Closing Cash balance consists of the following:		
Cash on hand	11,59,864	5,20,245
Bank balances:		
-On Current Account	1,54,572	41,03,256
-On Margin money Deposit Account	1,86,13,573	1,00,25,000
	1,99,28,009	1,46,48,501

In terms of our report of even date.

(Sd.) **R.Doraiswami**
Chairman

(Sd.) **D.Lakshminarayanawamy**
Managing Director

(Sd.) **N.Narasimhalu**
C F O - Vice President

(Sd.) **S.A. Subramanian**
Company Secretary

Place : Coimbatore
Date : 13.08.2012

For **M.S.JAGANNATHAN & VISVANATHAN**

Chartered Accountants,
Firm Regd.No.001209S

(Sd.) **M.J.VIJAYARAGHAVAN**

Partner
M.No. 7534

(Sd.) **Sasirekha Vengatesh**

Chartered Accountant
Internal Auditor
M NO 200464

1. SIGNIFICANT ACCOUNTING POLICIES:

AS-1 DISCLOSURE AND BASIS OF ACCOUNTING

- a) The Financial statements have been prepared under the Historical Cost Convention except for Land, Building, Plant and Machinery and is in accordance with the provisions of the Companies Act, 1956. The Company has complied with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
- b) The company has been consistently following the accrual basis of accounting in respect of Income and Expenditure
- c) The accounts are prepared on the basis of Going Concern concept only.

AS-2 VALUATION OF INVENTORIES

Inventories are valued at lower of Cost and net realizable value, where,

- a) Cost of raw material is determined on Specific Identification method
- b) Stock of Stores and Spares is determined on Weighted Average Cost
- c) Finished Goods and Work in Process is determined under FIFO where cost includes conversion and other costs incurred in bringing the inventories to their present location and condition.

AS-3 CASH FLOW STATEMENTS:

Cash flows are reported using Indirect Method whereby Profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and Cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent that are not available for use by the company.

AS-5 NET PROFIT/LOSS FOR THE PERIOD AND PRIOR YEAR ITEMS

- a) All items of income and expenses pertaining to the year are included in arriving at the net loss for the year unless specifically mentioned elsewhere in the financial statement or as required by Accounting Standards.
- b) Prior year items are disclosed separately in the Statement of Profit and Loss below the line.

AS-6 DEPRECIATION ACCOUNTING

Depreciation on Fixed Assets has been provided as per Schedule XIV of the Companies Act, 1956 adopting the methods as under:-

- a) Plant and Machinery - Straight Line Method as applicable to continuous process plants
- b) Building, Motor Vehicles, Furniture and Library - Written down Value Method
- c) Depreciation in respect of Revaluation Surplus is deducted from Revaluation Reserve.

AS-9 REVENUE RECOGNITION

- a) Income and Expenditure are recognized and accounted on accrual basis as and when they are earned and incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer and is net of Sales Tax and Transportation charges.
- b) Revenue from service transactions are recognized on the completion of the contract at the contracted rates when no significant uncertainty as to its measurability or collectability exists.
- c) Other Incomes are accounted on accrual basis except interest on NSC and dividend income.

AS-10 ACCOUNTING FOR FIXED ASSETS

- 1) Land : Shown at revalued figure .
- 2) Building, Plant & Machinery is shown at revalued figure Net of Cenvat Credit/ Value Added tax less accumulated depreciation and impairment losses, if any.
- 3) Replacements of parts of capital equipments like Spindles, Bobbins, Rings, Rotors etc., are capitalised from 01.10.2003.
- 4) Other fixed assets are shown at cost less accumulated depreciation.

AS-11 FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are recorded at the prevailing exchange rates at the time of initial recognition . Exchange differences arising on final settlement are recognized as income or expense in the Statement of Profit and Loss. Outstanding balances of monetary items denominated in Foreign Currency are restated at closing rates and the difference is adjusted as income or expense in the Statement of Profit and Loss. The premium or discount arising at the inception of forward contract is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expense in the period in which they arise.

AS-13 ACCOUNTING FOR INVESTMENTS

Long Term Investments are stated at cost. A provision for diminution, if any, is made to recognize a decline, other than temporary in the value of long term investments.

AS-15 EMPLOYEE BENEFITS

- a) Short term employee benefits (other than terminal benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis.

Defined Contribution Plans

Company's contributions paid / payable during the year to Provident Fund and Employees' State Insurance Fund are recognised in the Statement of Profit and Loss.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES: (Contd...)

Defined Benefit Plans

Company's Liabilities towards Gratuity is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate.

AS-16 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are charged to revenue.

AS-19 LEASES

The lease income under operational lease agreement is accounted on straight line basis over the lease term.

AS-20 EARNINGS PER SHARE

The earnings considered in ascertaining the Company's earnings per share comprises of Net Loss and extraordinary item.

AS-22 ACCOUNTING FOR TAXES ON INCOME

Deferred tax resulting from timing differences between book and tax profits is accounted under liability method as enacted or substantially enacted rate as on the date of balance sheet. Deferred tax asset, other than those arising on account of unabsorbed depreciation or carry forward of losses under tax laws are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Deferred tax asset, arising on account of unabsorbed depreciation or carry forward of loss under tax laws are recognised and carried forward subject to consideration of prudence only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

AS-26 INTANGIBLE ASSETS

Software is being amortized over a period of 4 years

AS-28 IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of the recoverable amount.

AS-29 CONTINGENT LIABILITY

- a) A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reasonable estimate can be made. Provisions are not discounted to the present value and are determined based on Management estimate. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.
- b) Contingent liabilities are disclosed by way of notes to financial statements. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.
- c) Contingent liability under various fiscal laws includes those in respect of which the Company/Department is in appeal.

OTHERS

(i) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted Accounting Principles requires Management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

(ii) CENVAT

- a) The Value of CENVAT benefit is being reduced from the value of purchase of materials. Consumption of materials is arrived at accordingly.
- b) The value of CENVAT benefit eligible in respect of capital item is reduced from the cost and depreciation is claimed accordingly.

(iii) SUNDRY DEBTORS AND ADVANCES

Doubtful advances are disclosed by way of notes.

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
2. SHARE CAPITAL:				
(a) Authorised:				
i) Equity Shares of Rs.10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
ii) Redeemable Preference Shares of Rs.100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
Total		15,00,00,000		15,00,00,000
(b) Issued:				
Equity Shares of Rs.10 each	71,19,421	7,11,94,210	71,19,421	7,11,94,210
(c) Subscribed and Fully Paid Up:				
Equity Shares of Rs.10 each	71,18,330	7,11,83,300	71,18,330	7,11,83,300

"Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year:"

Particulars	No. of Shares	No. of Shares
Shares at the beginning of the year	71,18,330	71,18,330
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	71,18,330	71,18,330

Details of shares held by each shareholder holding more than 5% of the Share Capital:

Name of Shareholder	No. of Shares held	% of holding	No. of Shares held	% of holding
Sri. R. Doraiswami	407363	5.72	407363	5.72
Sri. D. Lakshminarayanawamy	513814	7.22	489814	6.88
Sri. R. Doraiswami & Sri.D.Lakshminarayanawamy	369916	5.20	369916	5.20
Smt. L. Nagaswama	803037	11.29	762037	10.71
Smt. L. Suhasini	612528	8.60	447037	6.28
Smt. L. Swathy	563406	7.92	449656	6.32
Stressed Assets Stabilisation Fund	750000	10.54	750000	10.54
Clearwater Capital Partners (Cyprus) Ltd	-	-	1000000	14.05

NOTE:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Share holder is eligible for one vote per share.

In the event of liquidation the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back.

3. RESERVES AND SURPLUS:
Securities Premium Account

As per last Balance Sheet		10,81,07,045	10,81,07,045
Closing balance	I	10,81,07,045	10,81,07,045

Revaluation Reserve (Land)

As per last Balance Sheet		4,04,11,872	4,04,11,872
Less: Adjustment on assets converted into Stock-in-Trade during the year		89,34,114	-
Closing balance	II	3,14,77,758	4,04,11,872

Revaluation Reserve (Buildings and Machinery)

As per last Balance Sheet		5,83,61,100	6,47,59,536
Less: Adjustment on assets sold during the year		10,66,216	5,17,301
		5,72,94,884	6,42,42,235

Less : Depreciation on Revaluation Surplus of Building,

Plant & Machinery transferred from Profit & Loss A/c

		54,60,030	58,81,135
Closing balance	III	5,18,34,854	5,83,61,100

Surplus

As per last Balance Sheet		60,24,129	1,62,12,015
Loss for the year		(4,15,02,844)	(1,01,87,886)
Closing balance	IV	(3,54,78,715)	60,24,129
Total (I+II+III+IV)		15,59,40,942	21,29,04,146

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTES TO FINANCIAL STATEMENTS (Contd...)

As at 31.03.2012
Rs.

As at 31.03.2011
Rs.

Non-Current Liabilities:

4. LONG TERM BORROWINGS:

Secured

From Banks

Term Loans	6,40,81,208	1,95,11,848
Hire Purchase loans	10,122	50,785

From Others

Term Loans	-	4,86,62,124
Hire Purchase loans	23,53,336	32,84,866

Unsecured

Fixed Deposits	2,06,69,000	-
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Trade Deposits

From Associates	3,12,07,560	3,37,74,960
From Others	4,41,000	4,41,000

Total

11,87,62,226	10,57,25,583
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There is no case of continuing default as on the balance sheet date in respect of repayment of loans and interest.

Particulars	Outstanding amount	No of instalment	Interest %	Periodicity
Kotak Mahindra Bank Ltd;				
Term Loan : Rs. 50.00 lacs	50,00,000	1	13.50	Monthly
Term Loan : Rs. 139.51 lacs	1,22,84,033	50	16.75	Monthly
Term Loan : Rs. 510.48 lacs	4,45,17,303	49	16.75	Monthly
The South Indian Bank Ltd:				
Working Capital Term Loan	1,95,11,848	39	17.4	Monthly
Hire Purchase Loan:				
Kotak Mahindra Prime Ltd	32,84,866	87	6.45	Monthly
Kotak Mahindra Bank Limited	50,785	15	4.77	Monthly
Repayment Schedule for term loans:				
Within 1 year	1,72,31,976			
Beyond 1 year	6,40,81,208			
Repayment Schedule for hire purchase:				
Within 1 year	9,72,193			
Beyond 1 year	23,63,458			

Details of Security :

- Secured by equitable mortgage of 4.135 acres of vacant land situated at Coimbatore with all its present and future superstructure
- Hire Purchase Loans are secured by hypothecation of respective assets

Aggregate amount of loans guaranteed by Chairman & Managing Director towards term loans:

	Rs.in lacs
i) From The South Indian Bank Ltd	2905
ii) From Kotak Mahendra Bank Ltd	1000

5. LONG TERM PROVISIONS:

Provision for Gratuity :

- Managerial personnel	52,95,000	51,31,154
- Others	1,90,49,634	1,52,78,549
Total	2,43,44,634	2,04,09,703

6. SHORT TERM BORROWINGS:

Secured

From Banks

Cash Credit Account	3,82,36,253	4,74,25,555
Letter of Credit	12,85,44,133	9,83,03,433
Bills	15,00,000	-

Unsecured

Fixed Deposits	-	2,30,45,000
Others	2,56,99,929	1,86,29,916
Total	19,39,80,315	18,74,03,904

Loans from The South Indian Bank Ltd are secured by first charge on hypothecation of Stock-in-Trade, and Book Debts and Second charge of the movable and immovable properties of the company.



NOTES TO FINANCIAL STATEMENTS (Contd...)

As at 31.03.2012
Rs.

As at 31.03.2011
Rs.

7. TRADE PAYABLES:

Due to Micro, Small & Medium Enterprises	-	-
Others	4,60,75,131	6,81,92,413
Total	4,60,75,131	6,81,92,413

8. OTHER CURRENT LIABILITIES:

Current maturities of term loans - Secured	1,72,31,976	4,88,152
Current maturities of Hire Purchase Loan - Secured	9,72,193	13,11,676
Current maturities of long term debt - Unsecured	35,78,926	30,83,274
Interest accrued and due on borrowings	2,88,349	21,70,867
Interest Accrued but not due on Borrowings	13,26,414	10,67,859
Unclaimed Matured Deposits and Interest Accrued thereon	2,45,350	-
Liabilities for expenses	1,28,55,516	1,89,59,702
Liabilities for other finance	5,43,59,919	4,72,71,366
Total	9,08,58,643	7,43,52,896

9. SHORT TERM PROVISIONS:

Provision for taxation	24,19,608	1,14,67,773
Provision for Gratuity	11,65,749	29,27,556
Provision for Leave Encashment	4,82,461	4,88,570
Total	40,67,818	1,48,83,899

10 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Sales/ Withdrawals during the year	As at 31.03.2012	As at 01.04.2011	Provided during the year	Withdrawn during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. TANGIBLE ASSETS:										
Land : (Cost)	9,93,451	-	4,552	9,88,899	-	-	-	-	9,88,899	9,93,451
(Revalued)	4,04,11,872	-	89,34,114	3,14,77,758	-	-	-	-	3,14,77,758	4,04,11,872
Buildings : (Cost)	7,06,47,808	-	-	7,06,47,808	5,46,11,126	1,183,664	-	5,57,94,790	1,48,53,018	1,60,36,682
(Revalued)	6,68,98,442	-	-	6,68,98,442	3,76,71,340	2,922,711	-	4,05,94,051	2,63,04,391	2,92,27,102
Plant & Machinery (Cost)	47,03,63,358	15,99,156	43,35,617	46,76,26,897	36,18,76,164	1,37,92,024	37,96,274	37,18,71,914	9,57,54,983	10,84,87,194
(Revalued)	4,98,80,292	-	18,25,000	4,80,55,292	2,07,46,294	25,37,319	7,58,784	2,25,24,829	2,55,30,463	2,91,33,998
Computer	25,99,590	-	-	25,99,590	22,00,360	1,52,356	-	23,52,716	2,46,874	3,99,230
Office Equipment	16,86,434	-	-	16,86,434	12,77,707	74,802	-	13,52,509	3,33,925	4,08,727
Furniture	12,09,168	-	-	12,09,168	11,71,570	6,441	-	11,78,011	31,157	37,598
Motor Vehicles	1,26,60,971	6,06,032	13,689	1,32,53,314	46,12,221	22,35,070	13,675	68,33,616	64,19,698	80,48,750
Library	1,921	-	-	1,921	1,909	1	-	1,910	11	12
TOTAL (A)	71,73,53,307	22,05,188	1,51,12,972	70,44,45,523	48,41,68,691	2,29,04,388	45,68,733	50,25,04,346	20,19,41,177	23,31,84,616
B. INTANGIBLE ASSETS :										
Software	19,01,951	-	-	19,01,951	13,07,075	5,94,876	-	19,01,951	-	5,94,876
TOTAL (B)	19,01,951	-	-	19,01,951	13,07,075	5,94,876	-	19,01,951	-	5,94,876
TOTAL (A+B)	71,92,55,258	22,05,188	1,51,12,972	70,63,47,474	48,54,75,766	2,34,99,264	45,68,733	50,44,06,297	20,19,41,177	23,37,79,492
Previous Year	71,78,59,468	56,50,990	42,55,200	71,92,55,258	46,50,12,920	2,41,56,409	36,93,563	48,54,75,766	23,37,79,492	25,28,46,548

Note: 1) Land Revalued as on 30.09.2003

2) Building and Plant & Machinery revalued on 30.09.2002

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTES TO FINANCIAL STATEMENTS (Contd...)

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
11. NON-CURRENT INVESTMENT:		
NON - TRADE INVESTMENTS		
UN-QUOTED		
Investments in Equity Instruments		
25 Shares of Rs.10/- each fully paid up in Sri Ramakrishna Mills Co-Op. Stores Ltd	-	250
2,000 Equity Shares of Rs.10/-each fully paid up in Sentra Yarns Ltd	20,000	20,000
3,57,500 Shares of Rs.10/- each fully paid up in Maple Renewable Power Private Limited	35,75,000	-
Investments in Government Securities		
7 Years National Savings Certificate	1,000	1,000
6 Years National Savings Certificate	62,000	62,000
Indira Vikas Patra	1,100	1,100
Investment in the Capital of Partnership Firm	15,000	15,000
Total	36,74,100	99,350
Details regarding Investment in the Capital of Partnership Firm (Dove Real Estate)		
Name of the partner	Percentage	Percentage
Sri Ramakrishna Mills (CBE) Limited	98	98
Sri.D.Lakshminarayanaswamy	1	1
Smt.L.Nagaswama	1	1
NON-CURRENT ASSETS:		
12. LONG TERM LOANS AND ADVANCES:		
Unsecured, considered Good:		
Advances recoverable in cash or in kind, or for value to be received	20,32,406	20,24,707
Due from Companies in which Directors are interested - Associates	3,04,21,198	3,04,21,198
Sundry Deposits	1,41,24,435	1,65,56,711
Advance for purchase of capital assets	11,11,00,069	10,90,04,611
MAT Credit Entitlement	1,65,31,200	1,65,31,200
Total	17,42,09,308	17,45,38,427
13. OTHER NON-CURRENT ASSETS:		
TRADE RECEIVABLES:		
Unsecured, considered good :		
Long-term trade receivables	1,86,94,609	2,03,27,122
Total	1,86,94,609	2,03,27,122
CURRENT ASSETS:		
14 INVENTORIES "(at lower of cost or net realisable value)"		
Raw materials	85,20,196	2,85,25,215
Work-in-process	1,15,29,760	2,14,02,055
Finished Goods	2,61,30,566	6,84,67,787
Waste	14,43,309	28,52,641
Stock-in-Trade-Land	8,00,00,000	-
Stock of Stores	63,85,885	75,49,344
Total	13,40,09,716	12,87,97,042
15. TRADE RECEIVABLES:		
Unsecured, considered good :		
Outstanding for a period exceeding six months from the due date	1,10,37,032	96,23,157
Others	2,08,52,126	5,35,12,809
Total	3,18,89,158	6,31,35,966
16. CASH AND CASH EQUIVALENTS:		
Cash on hand	11,59,192	5,19,402
Balance with banks :		
In Current Account	1,54,572	41,03,256
In Margin Money Deposit Account	1,86,13,573	1,00,25,000
Stamps on hand	672	843
Total	1,99,28,009	1,46,48,501
17. SHORT TERM LOANS AND ADVANCES:		
Unsecured, considered Good:		
Advances recoverable in cash or in kind, or for value to be received	47,39,986	57,71,684
Due from Partnership Firm in which Company is Partner - Dove Real Estate	1,46,586	1,52,780
Balance with Excise Department, Sales Tax, etc.	24,18,234	20,41,898
Pre-paid expenses	31,11,291	17,49,035
Total	1,04,16,097	97,15,397
18. OTHER CURRENT ASSETS:		
Interest accrued on Deposits	10,01,805	4,51,967
Conversion charges receivable	-	1,15,170
Income receivable	1,620	-
Total	10,03,425	5,67,137

NOTES TO FINANCIAL STATEMENTS (Contd...)

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
19. REVENUE FROM OPERATIONS:		
Sale of products :		
Yarn	38,33,65,364	65,94,62,906
Waste	1,18,67,906	1,17,78,955
Sale of services - Conversion receipts	<u>2,56,60,366</u>	<u>1,00,09,805</u>
Total	<u>42,08,93,636</u>	<u>68,12,51,666</u>
20. OTHER INCOME:		
Interest Receipts	23,30,741	15,32,010
Miscellaneous Income	11,40,238	4,90,142
Profit on sale of Assets (Net)	4,77,529	10,44,664
Dividend Receipts from Long Term Investments	-	60,800
Lease Rent	12,03,283	9,93,124
Share of profit/(Loss) from Partnership Firm	(6,194)	(7,558)
Foreign Exchange Fluctuation	2,43,705	(67,794)
Profit on sale of Investments	-	30,18,456
Total	<u>53,89,302</u>	<u>70,63,844</u>
21. COST OF MATERIALS CONSUMED:		
Opening Stock	2,85,25,215	1,38,56,493
Add : Purchases	<u>23,46,04,120</u>	<u>42,71,79,862</u>
	26,31,29,335	44,10,36,355
Less : Sales	<u>22,10,466</u>	<u>22,29,638</u>
	26,09,18,869	43,88,06,717
Less: Closing Stock	<u>85,20,196</u>	<u>2,85,25,215</u>
Total	<u>25,23,98,673</u>	<u>41,02,81,502</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS:		
Opening Stock		
Finished Goods - Yarn	6,84,67,787	2,82,94,764
Work-in-process	2,14,02,055	1,41,15,951
Waste	<u>28,52,641</u>	<u>9,29,853</u>
Sub-Total (1)	<u>9,27,22,483</u>	<u>4,33,40,568</u>
Closing Stock		
Finished Goods - Yarn	2,61,30,566	6,84,67,787
Work-in-process	1,15,29,760	2,14,02,055
Waste	<u>14,43,309</u>	<u>28,52,641</u>
Sub-Total (2)	<u>3,91,03,635</u>	<u>9,27,22,483</u>
Stock (Decrease) / Increase Net (1 - 2)	<u>5,36,18,848</u>	<u>(4,93,81,915)</u>
23 EMPLOYEE BENEFITS EXPENSE :		
Salaries and wages	5,22,70,377	6,20,31,578
Contribution to provident and other funds	92,76,030	95,13,390
Staff Welfare expenses	35,27,618	49,64,397
Managerial Remuneration	<u>38,40,565</u>	<u>70,40,374</u>
Total	<u>6,89,14,590</u>	<u>8,35,49,739</u>
24 FINANCE COST :		
Interest expenses		
On Fixed Loans	1,28,16,205	1,16,35,325
On others	2,25,06,971	1,57,59,323
Bank charges	<u>63,02,612</u>	<u>53,43,789</u>
Total	<u>4,16,25,788</u>	<u>3,27,38,437</u>

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTES TO FINANCIAL STATEMENTS (Contd...)

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
25 OTHER EXPENSES		
Consumption of stores and spare parts	33,17,717	53,74,939
Consumption of Packing Materials	51,65,108	85,35,249
Processing Charges	2,42,11,167	4,86,57,118
Repairs & Maintenance of :		
i) Buildings	4,17,648	4,62,208
ii) Machinery	26,24,901	54,99,718
iii) Other Assets	21,86,306	28,64,155
Printing & Stationery	3,07,714	3,19,882
Postage, Telegram & Telephones	5,69,427	5,60,252
Travelling and maintenance of vehicles	37,04,360	35,35,755
Insurance	3,71,512	3,63,647
Advertisement, Subscription and Periodicals	3,39,609	3,29,674
Rates and taxes, excluding, taxes on income.	31,13,101	47,61,709
Brokerage on yarn sales	9,41,897	19,23,435
Filing Fees	19,646	27,271
Directors' sitting Fees	15,000	14,000
Auditors' Remuneration	1,57,002	1,32,859
Yarn Sales Expenses other than brokerage	14,50,402	22,28,941
Legal and Professional charges	4,07,637	7,96,372
Rent	55,525	33,400
Donations	1,23,490	86,800
Miscellaneous expenses	1,34,493	2,20,178
Total	4,96,33,662	8,67,27,562

26 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
1. Estimated amount of contracts remaining to be executed on Capital account (Net of Advance)	10,02,54,641	10,02,54,641
2. The following Sales Tax demands are being contested before Hon'ble Madras High Court and no provision is made in the accounts as these are stayed:		

Asst. Year	Nature of Dispute	Disputed Demand (Rs. in Lakhs)	
		31.03.2012	31.03.2011
1995-96	TNGST Demand	54.59	54.59
1998-99	TNGST Demand	61.66	61.66
		(Rs.31/- lacs since paid as per Madras High Court Interim Order.)	
1999-00	TNGST Pre-assessment Demand	89.37	89.37
2000-01	Total (TNGST+Additional Sales Tax)	121.97	121.97
1.4.2004 to 31.12.2006	Additional Sales Tax under TNGST	7.43	7.43

3. Customs department filed an appeal before Madras High Court against the orders of Settlement Commission under Advance Licence Scheme in respect of reduction of Interest of Rs.8.26 lakhs allowed to us.
4. a) Income Tax assessments are completed upto and including Assessment year 2009-10
b) Sales Tax Assessments pending:
- a) Under TNGST : 1999-00 to 2000-01 & 2004-05 to 31.12.06
 - b) Under TNVAT : 01.01.07 to 31.03.11
 - c) Under CST (TN) : 1999-00 to 2010-11
 - d) Under KGST : 2005-06
 - e) Under CST (Kerala) : 2005-06
 - f) Under APVAT : 2009-10 & 2010-11
 - g) Under CST (AP) : 2009-10 & 2010-11

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd...)

5. Consumption:	31.03.2012		31.03.2011	
	Value (Rs.)	%	Value (Rs.)	%
Raw materials :				
Imported	-	-	-	-
Indigenous	25,23,98,673	100	41,02,81,502	100
Total	25,23,98,673	100	41,02,81,502	100
6. Stores, Spares & Components :				
Imported	-	-	-	-
Indigenous	84,82,825	100	1,39,10,188	100
Total	84,82,825	100	1,39,10,188	100
7. The amount remitted during the year in		31.03.2012		31.03.2011
i. Foreign Currencies on account of dividends:-				
a. Number of Non-resident shareholders		6		7
b. Number of shares held by them		47,567		10,32,691
c. The years to which the dividend related		-		-
d. The amount remitted in foreign currencies		-		-
ii. Earnings in Foreign Exchange				
a. Export of goods - FOB Value Rs.		1,05,58,928		1,67,49,642
iii Expenditure in foreign currency				
i. Travelling (Rs.)		3,89,654		1,31,175
ii. Technical Knowhow, Royalty, Consultation, etc.		-		-
iii. Interest		-		-
iv. Others		-		-

8. MANAGERIAL REMUNERATION:

Due to inadequacy of profits, only minimum remuneration was paid as under :-

	Sri R Doraiswami, Chairman		Sri D Lakshminarayananaswam, Mg. Director	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Salary	4,08,000	4,08,000	30,00,000	30,00,000
P F Contribution	9,360	9,360	9,360	9,360
Gratuity Provision	19,615	1,24,231	1,44,230	32,39,423
Leave Salary	-	-	2,50,000	2,50,000
Total	4,36,975	5,41,591	34,03,590	64,98,783

9. Balance of Sundry Debtors and Sundry Creditors are subject to confirmation, reconciliation and consequent adjustments thereof.
10. In the opinion of Directors, assets other than fixed assets and non-current investments have the value or realization in the ordinary course of business at least equal to the amount at which they are stated.
11. Sales Tax collections not included in the Sales for the year ended 31.03.2012 is Rs.59,78,344/- (previous year Rs.1,11,62,019/-)
12. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

	31.03.2012	31.03.2011
(a) Principal amount due	Nil	Nil
Interest due on the above	Nil	Nil
(b) Interest paid during the period beyond the appointed day	Nil	Nil
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	Nil	Nil
(d) Amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	Nil	Nil

The above information and that given in Schedule 13 "Current Liabilities" regarding micro enterprises and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the Auditors.

13. Building, Plant & Machinery had been revalued as on 30th September 2002 and land had been revalued as on 30th September 2003 (by approved valuers, since their original costs no longer gave a true and fair view of their then values) and surplus (arisen on revaluation of Building, Plant & Machinery) amounting to Rs.15,56,26,170/- and Rs.6,88,20,020/- respectively were credited to Revaluation Reserve Account.
14. Particulars regarding investment in the capital of M/s.Dove Real Estates:
- | Particulars | 31.03.2012 | 31.03.2011 |
|----------------------|-----------------|------------|
| Capital Contribution | 15,000/- | 15,000/- |
| Profit Sharing Ratio | 98% | 98% |

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd...)

15. Auditors' Remuneration:	31.03.2012	31.03.2011
	Rs.	Rs.
Audit fees	73,034	71,695
Tax Audit fee	16,854	16,545
I T Representation fee	16,854	16,455
Certificate fees	45,260	23,164
Travelling Expenses	5,000	5,000
Total	1,57,002	1,32,859

16. Employee Benefits (AS-15):

I. Defined Benefit Plans

Gratuity (Unfunded)

	31.03.2012	31.03.2011	31.03.2010
	Rs.	Rs.	Rs.
A. Expenses recognized in the Profit and Loss Account for the year ended:-			
1 Current Service Cost	12,63,401	13,00,436	7,95,342
2 Interest Cost	13,41,639	11,12,202	10,32,868
3 Settlement Cost	Nil	Nil	Nil
4 Expected return on Planned assets	Nil	Nil	Nil
5 Net actuarial(gain)/Loss recognised during the year	23,31,734	24,88,859	3,39,685
6 Expenses/(Income)recognised in the Profit and Loss Account	49,36,834	49,01,497	21,67,895
B. Actuarial return on Plan Assets for the Year Ended:			
1 Expected return on Plan assets	Nil	Nil	Nil
2 Actuarial (gain)/Loss on Plan assets	Nil	Nil	Nil
3 Actuarial return on Plan assets	Nil	Nil	Nil
C. Net Asset / (Liability) recognised in the Balance Sheet as at			
1 Present Value of Obligation	2,02,15,383	1,82,06,105	1,44,77,864
2 Fair Value of Plan assets	Nil	Nil	Nil
3 Net asset/(liability)recognised in the Balance Sheet	(2,02,15,383)	(1,82,06,105)	(1,44,77,864)
D. Change in Defined Obligation during the year ended:			
1 Present Value Obligation at the beginning of the Year	1,82,06,105	1,44,77,864	1,34,89,060
2 Current Service Cost	12,63,401	13,00,436	7,95,342
3 Interest Cost	13,41,639	11,12,202	10,32,868
4 Benefits paid	29,27,556	11,73,256	11,79,091
5 Actuarial (gain) / Loss	23,31,734	24,88,859	3,39,685
6 Present Value Obligation at the end of the year	2,02,15,383	1,82,06,105	1,44,77,864
E. Changes in Fair Asset during the year ended:			
1 Fair Value of Plan assets as at	Nil	Nil	Nil
2 Expected return on Plan assets	Nil	Nil	Nil
3 Contributions made	Nil	Nil	Nil
4 Benefits paid	Nil	Nil	Nil
5 Actuarial gain/(loss) on Plan assets	Nil	Nil	Nil
6 Fair value of Plan assets as at	Nil	Nil	Nil
F. Major categories of Plan assets as a percentage of total Planned assets			
1 Central Government Securities	Nil	Nil	Nil
2 State Government Securities	Nil	Nil	Nil
3 Private Sector bonds	Nil	Nil	Nil
4 Special deposit Scheme	Nil	Nil	Nil
5 Cash at Bank	Nil	Nil	Nil
6 Investments in Insurance Companies	Nil	Nil	Nil
7 Others	Nil	Nil	Nil
G. Actuarial assumptions			
1 Discount rate	8%	8 %	8%
2. Expected rate of return on Planned assets	Nil	Nil	Nil
3. Salary Escalation	6 %	6 %	6%
4. Mortality rate	LIC 94-96	LIC 94-96	LIC 94-96

Future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd...)

II. Defined Contribution Schemes	31.03.2012	31.03.2011	31.03.2010
1 Provident Fund	31,47,358	46,30,613	32,69,860
2 Superannuation Fund	---	--	1,96,200

17. Segmental Reporting (AS-17):

The Company has only Single Reportable Business Segment. i.e. "Yarn Segment" in terms of requirements of AS-17.

**18. i. Related party disclosure (AS-18)
(As identified by the Management)**

Associates	Key Management Personnel	Relatives of Key Management Personnel
Sri Jaganatha Ginning & Oil Mills (JGOM) Sri Jaganatha Textiles Ltd (SJTL) Suhasini Spinners Ltd (SSL) Swathy Processors Ltd (SPL) Sri Ramakrishna Yarn Carriers Ltd (SRYC) Dove Real Estates	Sri R Doraiswami Sri D Lakshminarayanawamy Smt L Nagaswarna	Smt R Suhasini Smt L Swathy

ii. Transactions with Related Parties / Concerns:

Nature of Transactions	31.03.2012		31.03.2011	
	Associates Rs.	Key Management Personnel Rs.	Associates Rs.	Key Management Personnel Rs.
Managerial Remuneration				
D.Lakshminarayanawamy	—	34,03,590	—	64,98,783
Others	—	4,36,975	—	5,41,591
Salaries				
Smt L Nagaswarna	—	12,74,805	—	4,76,828
Lease Rent Received				
SJTL	62,904	—	62,820	—
SPL	59,904	—	59,904	—
SRYC	1,65,500	—	1,55,520	—
Yarn Conversion charges Received				
SPL	35,86,903	—	47,67,690	—
Others	7,529	—	3,52,692	—
Yarn Conversion charges paid				
SJTL	1,98,467	—	1,01,94,334	—
SPL	2,27,24,872	—	3,54,80,843	—
Share of Profit / (Loss) from Firm:				
Dove Real Estates	(6,194)	—	(7,558)	—
Raw Material / Waste Purchase				
SJTL	32,582	—	16,08,065	—
SPL	9,76,680	—	17,28,463	—
Others	—	—	—	—
Sale of Raw material				
SPL	—	—	77,59,932	—
Purchase of Yarn				
SJTL	1,07,144	—	7,49,493	—
Hank Yarn Obligation Paid				
SJTL	—	—	—	—
SPL	—	—	—	—
Hank Yarn Obligation Received SJTL	—	—	—	—
Trade deposit received				
JGOM	—	—	2,00,00,000	—
Trade deposit repaid				
JGOM	15,99,064	—	9,33,204	—
Interest on Trade Deposit				
JGOM	54,76,957	—	54,06,492	—

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd...)

Nature of Transactions	31.03.2012		31.03.2011	
	Associates Rs.	Key Management Personnel Rs.	Associates Rs.	Key Management Personnel Rs.
Reimbursement of Expenses Paid				
SRYC	15,69,417	—	71,50,618	—
SSL—	—	—	—	—
Reimbursement of Expenses Received				
JGOM	—	—	26,949	—
Outstanding Balance				
Payable				
JGOM	—	—	6,02,94,352	—
SPL	67,39,479	—	72,35,837	—
Others	—	—	16,327	—
Receivable				
SJTL	2,67,38,050	—	2,39,22,921	—
Others	36,924	—	1,67,780	—
JGOM	6,44,61,558	—	—	—

19. Lease (AS-19)

The Lease Agreement provides for an option to the company to renew the lease period for a further period varying from 1 to 2 years at the end of the period provided atleast three months' prior notice is given:

Future Minimum lease rent to be received:	31.03.2012	31.03.2011
	Rs.	Rs.
Not later than 1 year	3,38,341	7,85,218
Later than 1 year but not more than 5 years	7,81,540	9,78,463
More than 5 years	34,86,600	34,86,600

20. Earnings Per Share (AS-20)

Net Profit / (Loss) before exceptional items	(12,14,99,458)	1,29,80,815
Less: Exceptional Items	7,99,96,614	--
Net Profit / (Loss) after exceptional items	(4,15,02,844)	1,29,80,815
Weighted average number of shares (Nos.)	7118330	7118330
Nominal Value of share	Rs.10/-	Rs.10/-
Basic & diluted EPS before exceptional items	(17.07)	1.82
Basic & diluted EPS after exceptional items	(5.83)	1.82

21. a) The components of Deferred Tax Asset consists of the following :-

i) Deferred Tax Asset:		
Business Loss	11,23,44,161	11,23,44,161
Unabsorbed Depreciation	2,28,59,177	2,28,59,177
On account of Depreciation	6,42,999	6,42,999
43B Disallowance	10,00,679	10,00,679
Total (i)	13,68,47,016	13,68,47,016
ii) Deferred Tax Liability:		
Reversal of 43B Disallowance	1,49,51,003	1,49,51,003
Long Term Capital Gain	1,24,48,603	1,24,48,603
Total (ii)	2,73,99,606	2,73,99,606
Net Deferred Tax Asset	10,94,47,410	10,94,47,410

b) The company has not provided for Deferred tax asset as on 01.04.2001

c) The company has also not provided for Deferred tax asset for the year on account of prudence for the current year as there is no virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized.

22. The revised Schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped and reclassified wherever necessary to correspond with the current year's classification/disclosure.

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD.

Regd. Office : No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638402

ATTENDANCE SLIP

(Particulars to be completed by Member / Proxy)

Name of the Member : _____

(IN BLOCK LETTERS)

Member Folio Number / ID No. : _____

Name of Proxy : _____

No. of Shares held : _____

I hereby record my presence at the 65th Annual General Meeting of the Company at the Registered Office at No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638 402 on Wednesday, 26th day of September, 2012.

Signature of the Member / Proxy

NOTE:

1. The meeting is for Members of the Company only. Members are requested not to bring non members or children.
2. The Company will accept only the attendance slip of person personally attending the meeting as a Member or a valid proxy duly registered with the company.

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD.

Regd. Office : No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam – 638402

PROXY FORM

65th Annual General Meeting

I/We of being a member/members of the above named Company, hereby appoint or failing him as my/our Proxy to attend and vote for me/us and on my/our behalf at the 65th Annual General Meeting of the Company, to be held on Wednesday, the 26th day of September, 2012 and at any adjournment thereof.

Signed this day of 2012.

Signature :.....

Affix
Re. 1/-
Revenue
Stamp

Folio No/ Client ID No: _____

No. of Shares : _____

DP ID: _____

Note : The Form, complete in all respects, must be deposited at the Registered Office of the Company not less than 48 hours before the time of meeting..

If undelivered please return to
SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
Post Box No. 2007 ● Ganapathy Post
Coimbatore - 641 006