



67th
ANNUAL REPORT
2013-2014

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE - 641 006



Board of Directors
 Sri R.DORAISWAMI
 (Chairman)

D.LAKSHMINARAYANASWAMY
 (Managing Director)

Sri N.JOTHIKUMAR
 Sri R.NARAYANAMURTHY
 Sri.R.RADHAKRISHNAN
 Smt.L. NAGASWARNA

Company Secretary
 Sri S.A. SUBRAMANIAN

Chief Financial Officer
 Sri G.KRISHNAKUMAR

Internal Auditor
 Smt.SASIREKHA VENGATESH
 Coimbatore.

Cost Auditor
 M/s. 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.1493, SATHYAMANGALAM ROAD
 GANAPATHY POST
 COIMBATORE - 641 006
 Phone : 0422-2531022 / 2531122
 Fax : 0422-2531579
 E-mail : srmc@vsnl.com

Mill
 NAGARI (A.P)

CONTENTS	Page Nos
Directors' Report	2
Management Discussion & Analysis Report	4
Corporate Governance	5
Auditors' Report on Corporate Governance	9
Auditors' Report	9
Balance Sheet	11
Statement of Profit & Loss	12
Cash Flow Statement	13
Accounting Policy	14
Notes to Financial Statements	16

Notice for Annual General Meeting is being sent separately through Speed post / Registered post as required under the Companies Act, 2013 & Rules made thereunder.

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 31.03.2014.

After meeting all working expenses, interest, repairs to machinery and buildings, the working results of the company for the year 2013-14 is given below :-

	Year Ended	
	31.03.2014	31.03.2013
Profit/(Loss) before Interest and Depreciation	(10,52,273)	1,04,86,478
Less: Interest	(3,23,31,592)	(3,86,79,643)
Depreciation	(1,02,13,362)	(91,82,249)
(Loss) before Exceptional items	(4,35,97,227)	(3,73,75,414)
Exceptional Item: Surplus on conversion of land into Stock-in-Trade	85,92,500	1,03,29,657
(Loss) after Exceptional Item	(3,50,04,727)	(2,70,45,757)
(DEFICIT) carried over to Balance Sheet	(3,50,04,727)	(2,70,45,757)

Performance:

The turnover of the Company has come down from Rs.37.82 crores to Rs.17.31 crores and the Company has incurred a loss of Rs. 4.36 crores after charging Interest and Depreciation, before the exceptional items. This is mainly due to severe power shortage in Andhra Pradesh and suspension of activity in Tamilnadu.

There was volatility in cotton price and due to general sluggishness of the economy in the Country as well as in the World over, there was no pick up in demand. Consequently, much progress could not take place in the performance of the company. However, the prospects for textile industry looks promising provided a favourable condition prevails in the Country due to Governments initiatives.

Directors:

Sri.R.Doraiswami has expressed his desire to retire from the Board owing to advancing age, after being at the helm of affairs of the company for the past 66 years

In terms of provisions of the Companies Act, 2013, the existing three non-executive Directors - Sri.N.Jothikumar, Sri.R.Narayanamurthy and Sri.R.Radhakrishnan had ceased to be directors of the company at the ensuing Annual General Meeting and the Board considers that their continued association will be beneficial to the company and as such it is proposed to re-appoint them as independent directors of the company for the next five years i.e. upto 28th September 2019 and during this period they are not liable to retire by rotation. Necessary resolutions for their re-appointment are placed before the Members for seeking their consent therefor.

According to the provisions of the Companies Act, 2013 and the Regulation 35B of Listing Agreement, our Company has to have a Woman Director. Therefore it is proposed to appoint Smt.L.Nagaswami (DIN 00051610) as a Director of the Company, who at present is the Chief Executive of the Company. Necessary Resolution for her appointment is included in the Agenda of the ensuing Annual General Meeting. She will draw the same Remuneration as at present and her period of Office is liable to determination by retirement of Directors by rotation.

The appointment of Sri.D.Lakshminarayanawamy, Managing Director expired on 31.03.2014 and is eligible for reappointment and is proposed to reappoint him for a further period of 3 years at the same remuneration as he is drawing at present as the Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Sri.D.Lakshminarayanawamy as Managing Director. Necessary resolution for his re-appointment is included in the Agenda of the Annual General Meeting.

Fixed Deposits:

As on 31.03.2014, 1,96,66,000 Deposits totaling Rs.45,000/- 4 deposits totaling have not been claimed after the due dates of the respective deposits.

Technology absorption, 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.

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 are 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, 2014 and of the Loss of the company for the year ended on that date.
- 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.
- 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, certificate from Mr.G.Krishnakumar, CFO was placed before the Board of Directors at their meeting held on 14.08.2014.

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.



General:

Under the existing circumstances, it is proposed to carry on the business of trading in various securities as the same may be conveniently or advantageously combined with the business of the Company. Accordingly it is necessary to amend the Memorandum of Association of the company which has to be effected through voting by Postal Ballet. Further, due to administrative convenience the Registered Office of the Company is proposed to be shifted to Coimbatore from Sathyamangalam. Necessary resolution for this has to be passed through voting by Postal Ballet.

As reported last year, the company proposes to develop the land at its Ganapathy Unit in stages and suitable actions are being taken/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., 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.

For the Board of Directors
(Sd.) D.Lakshminarayananaswamy
Chairman of the meeting

Place: Coimbatore

Date: 14.08.2014

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.

	Year Ended	
	31.03.2014	31.03.2013
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	54.32	94.00
Total amount (Rs.in lakhs)	359.79	564.95
Rate per Unit (Rs.)	6.62	6.01
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	--	1.59
Units per litre of Diesel Oil	--	2.78
Cost/Unit (Rs.)	--	17.83
ii) Through Steam turbine/Generator	--	--
2. Coal	Not used	Not used
3. Furnace Oil	Not used	Not used
4. Other/internal generation	--	--
(B) Consumption per unit of production:		
Electricity - Units per kg. of yarn	5.98	5.20

B. Technology Absorption:

Efforts made in Technology absorption as per Form B:

The company used indigenous technology only. Being a member of The 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:

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.

i) Total foreign exchange earned and used:

Earned: Export of yarn - in Foreign Exchange (FOB)	NIL
Used : Expenditure in Foreign Currency on account of: Travelling	67,035

Place: Coimbatore

Date: 14.08.2014

For the Board of Directors
(Sd.) D.Lakshminarayananaswamy
Chairman of the meeting

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

The Indian Textile Industry is one of the major Sectors of the Country's economy accounting for about 4% of Country's GDP and contributes considerably for the export earnings of the Country. Next to agriculture, it is the provider of largest employment and hence its growth and development has a direct bearing on the growth of the country's economy.

However, due to uncertain global economic outlook and other domestic factors contributed for its sluggish growth in the past few years.

Outlook

The Textile Industry seems to be witnessing some slackness again. Cotton prices have increased and demand as well as prices for cotton yarn has not been able to keep up. A steep appreciation of Rupee has also made exports less competitive. China, which has been a major importer of cotton yarn has reduced its buying. Domestic demand also has not been up to the mark in Yarn, Fabrics and Finished products. The cotton prices have presently started to decline and because of a good monsoon so far, the acreage output of cotton is expected to be good whereby the raw material prices will come down and stabilize.

The economy is expected to pick up in the coming months and with good monsoon. The rural buying would help in increasing the demand for Textiles and Clothing. A new Textile Policy is on the anvil both at the Central and the Southern States which will provide an impetus to the Industry in the years to come. Power situation also might improve due to the monsoon and increase in hydro electric generation.

Risk & Concerns

Availability of cotton depends on the vagaries of nature and the prices fluctuate widely based on supply / demand position in the World Market. Lack of uninterrupted power and increased power costs and high cost of labour are hindering the progress. To a certain extent fluctuation in the currency against dollar is also a matter of concern for exports.

Internal Controls

The Company has adequate internal control procedures and systems commensurate with its size and nature of its business. Its checks and controls are periodically reviewed by the Audit Committee and improvements are suggested. The system and procedures are modified to meet the changes in business auditors and statutory requirement.

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER FOR THE

FINANCIAL STATEMENTS OF THE COMPANY

I, G. Krishnakumar, Chief Financial Officer of M/s.Sri Ramakrishna Mills (Coimbatore) Ltd, certify that

- a. I have reviewed the financial statements and the cash flow statement for the year ended 31.03.2014 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.

Place: Coimbatore

Date: 14.08.2014

(Sd.) G. KRISHNAKUMAR

Chief Financial Officer



CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY AND 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

As on 31.03.2014, the Board comprised of Sri R.Doraiswami, 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 31.03.2014 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 other companies (5)	No. of Memberships in Board Committee of (6)	No. of shares held (7)
Sri R Doraiswami	Executive Chairman	2	Leave of absence granted	Nil	Nil	407363
Sri D.Lakshminarayanawamy	Managing Director	8	Present	6	Nil	648158
Sri N Jothikumar	Non - Executive Independent	8	Present	Nil	Nil	12600
Sri R Narayanamurthy	Non-Executive Independent	7	Present	1	Nil	500
Sri R Radhakrishnan	Non-Executive Independent	5	Present	1	Nil	500

DIRECTORS' REAPPOINTMENT

Sri.R.Doraiswami has since resigned from the directorship of the company due to his advancing age. Pursuant to the provisions of Sec.149 of the Companies Act 2013, the Board of Directors of the Company at its meeting held on 14.08.2014, on the basis of recommendation by Nomination & Remuneration Committee and subject to the approval of the shareholders and that of the Central Government, if any, has approved the appointment of Smt.L.Nagaswama as a Wholtime Director of the Company. At that Meeting, the reappointment of Sri.D.Lakshminarayanawamy as a Managing Director for further term of 3 years from 01.04.2014 on the same remuneration as hitherto fore was also considered subject to the approval of members. The above have been included in the Agenda of the ensuing Annual General Meeting for obtaining the approval of Members.

BOARD MEETINGS

From 01.04.2013 to 31.03.2014, Eight (8) board meetings were held on the following dates:

30.04.2013, 30.05.2013, 13.08.2013, 27.08.2013, 08.11.2013, 18.12.2013, 13.02.2014 and 26.03.2014

3) COMMITTEES OF THE BOARD

a) Nomination and Remuneration Committee Pursuant to the provisions of the Companies Act, 2013, the erstwhile Remuneration / Selection Committee has been renamed as Nomination & Remuneration Committee. Its Members are as given below :-

1. Sri N Jothikumar - Chairman
2. Sri R Narayanamurthy - Member
3. 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. 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 31.03.2014.

Sl.No.	Director	Sitting Fees (`)
1	Sri N Jothikumar	32000
2	Sri R Narayanamurthy	22000
3	Sri R Radhakrishnan	14000

b) AUDIT COMMITTEE

Audit Committee consists of the following Directors :

1. Sri N Jothikumar - Chairman
2. Sri R Narayanamurthy - Member
3. Sri D Lakshminarayanawamy - Member

The Company Secretary is the convenor.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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, MCA. It plays a significant role regarding the appointments and monitoring of auditors, financial reporting of the company, monitoring inter-corporate loans, related party transactions, reviewing the functioning of the whistle blower mechanism.

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 29.05.2013, 12.08.2013, 07.11.2013 & 12.02.2014.

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) Share transfer Cum Investors' Grievance Committee

Effective 01.09.2012, it was decided that the role of the two Committees - i) Share Transfer Committee (ii) Investors' Grievance Committee be merged into one and the reconstituted committee be under the nomenclature - Share Transfer-cum-Investors' Grievance Committee and the Members of the said Committee are :-

- i) Sri.N. Jothikumar
- ii) Sri.R. Radhakrishnan
- iii) Sri.D. Lakshminarayanawamy

The above Committee shall be empowered to deal with all the matters connected with Transfer of securities of the company issue of duplicate / new Certificates, etc., and interalia oversee redressal of the Shareholders' and Investors' Grievance and other matters related to Shareholders.

M/s. S.K.D.C Consultants Ltd, Coimbatore shall continue to act as Registrars & Transfer Agents providing Investors' servicing such as Share Registration and other related services under the supervision of this Committee.

The committee monitors and reviews the performance and service standards of the Registrar and Share Transfer Agents of the company and provides continuous guidance to improve the service levels for investors.

There were four meetings of this Committee during the Financial Year ended 31.03.2014 - viz. on 29.05.2013, 12.08.2013, 07.11.2013 & 12.02.2014. All the above members attended the above four meetings.

As on 31.03.2014, no complaint from shareholder / investor is pending.

The above Committee has since been renamed as Stakeholders Relationship Committee and consists of the same members.

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 638402	Wednesday	26.07.2013	09.30 a.m.
2.	No.3, Bhavani River Street, Ariappampalayam Sathyamangalam 638402	Wednesday	26.09.2012	09.30 a.m.
3.	No.3, Bhavani River Street, Ariappampalayam Sathyamangalam 638402	Friday	22.07.2011	10.00 a.m.

During 2013-14, the Company conducted Postal Ballot seeking the approval of members for the following Special Resolutions :

- i) Shifting of Registered Office of the Company
 - ii) Altering the Memorandum of Association to substitute a new Clause-III(15)
- Both resolutions have been passed with requisite majority.

5) General Shareholder Information:

1 67th AGM to be held on :

Day : Monday
 Date : 29th September 2014
 Time : 9.00 A.M.
 Venue : Regd. Office : No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006

2 Date of Book Closure : From 22nd Sept 2014 to 29th Sept 2014 (both days inclusive)

3 Financial Calendar:

Results announced : 14th August 2014
 Posting of Annual Reports : End August 2014
 Last date of Receipt of Proxy Forms : 27th September 2014
 Announcement of Quarterly Results : Aug 2014, Nov 2014, Feb.2015 & June 2015

4 Listing on Stock Exchanges : Bombay Stock Exchange - Scrip Code No.521178 - ISIN No. INE306 D01017 Annual listing fee to the Stock Exchange paid upto date.



- 5 Registered Office & Administrative : 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore 641 006
OfficePhone : 0422-2531022/1122
Fax : 0422-2531579
E-mail: srmc@vsnl.com
CIN : L17111TZ1946PLC000175
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"
- 6 Plant Location : Nagari (Andhra Pradesh)
- 7 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 after the shares are transferred and registered, if the documents being valid and complete in all respects. In order to expedite the process of share transfers, the Board has delegated the power of share transfer to the Registrar & Share Transfer Agents.
- 8 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) De materialisation of Shares:

6659936 shares representing 93.56% 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 2014-15 have been paid to NSDL and CDSL.

7) Market Price Data

The High & Low prices during each month in the last financial year in BSE Ltd, Mumbai, are given below during 2013-14

B S E in (`)												
Month	April '13	May	June	July	August	September	October	November	December	January'14	February	March
High	15.04	21.60	26.00	26.00	26.00	20.75	21.75	23.15	23.45	22.30	23.30	22.15
Low	12.36	15.80	20.50	20.50	20.50	20.75	21.75	22.15	22.30	22.30	23.30	21.05

8) Distribution of Shareholding (AS ON 31.03.2014):

Range (No. of shares)	No. of Shareholders	No. of shares	% to total shares
Upto - 5000	2027	811867	11.41
5001 - 10000	21	143383	2.01
10001 - 20000	16	205447	2.89
20001 - 30000	4	112158	1.58
30001 - 40000	4	134976	1.89
40001 - 50000	1	40500	0.57
50001 - 100000	2	164450	2.31
100001 and above	11	5505549	77.34
Total	2086	7118330	100.00

9) Categories of Shareholding as on 31st March 2014

S.No	Category	No. of shareholders	No. of shares	% to total shares
1	Promoters' Holding	9	4266250	59.93
2	Directors & Relatives	9	98382	1.38
3	Corporate Bodies	54	78519	1.11
4	Banks	1	100	--
5	Financial Institutions	1	745500	10.47
6	N R I	5	47616	0.67
7	Other Public	2007	1881963	26.44
	Total	2086	7118330	100.00

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Shares under lock in	: NIL
Legal proceedings / 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, 2531122 Fax No. : 0422-2531579 E-mail : srmc@vsnl.com

The Company currently does not have any Stock Option Scheme.

10) 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.

11) Nomination facility:

As provided in the Companies Act, 2013, 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:

a. Disclosure of material transaction

During the financial year ended 31st March 2014 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.

b. Related party transactions

During the financial year ended 31st March, 2014 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.

c. 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.

d. 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.

e. Whistle Blower Policy :

The company has adopted a Whistle Blower Policy enabling any employee, if he/she so desires to have free access to meet Senior Level Management and report any matter of concern.

f. 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 as prescribed by Stock Exchange.



AUDITORS' REPORT

TO THE MEMBERS OF SRI RAMAKRISHNA MILLS [COIMBATORE] LIMITED

Report on the Financial Statements:

1 We have audited the accompanying financial statements of SRI RAMAKRISHNA MILLS [COIMBATORE] LIMITED which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - (ii) In the case of the Statement of Profit and Loss, of the LOSS for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 and Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Coimbatore
Date : 14.08.2014

For M.S.Jagannathan & Visvanathan
Chartered Accountants
Firm Registration No: 001209S
(sd.) M.J.VIJAYARAGHAVAN
Partner
M.No.7534

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 7 of our report of even date to the members of M/s SRI RAMAKRISHNA MILLS (CBE) LIMITED (the Company) for the year ended 31st March 2014:

- 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.
- 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.
- iii) a During the year, the Company has not granted any loans, secured or unsecured 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
- b During the year, the company has taken unsecured loans amounting to Rs.5,03,56,122/- from two parties covered in the register maintained under section 301 of the Act.
- c The rate of interest and other terms and conditions of the unsecured loans taken are not prima facie prejudicial to the interest of the company.
- 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 received amounting to Rs.35,29,825/- (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 explanation 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 2014 for a period of more than Six months from the date they became payable are as follows:

Name of the Statute	Amount	Period to which the amount relates
Income tax	13,00,000/-	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 (in lakhs)	Period to which the amount relates	Forum where dispute is pending
TNGST	Addl. Sales tax	7.43	A.Y.2004-05 to A.Y.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	A.Y.2000-01	Madras High Court
Customs	Customs duty on Cotton	8.26	A.Y.2003-04	Madras High Court
APEB	Fuel Surcharge adjustment	3.20	July 2012 and November 2012	AP High Court

* [Rs.31 lakhs, since paid]

- x) The company has accumulated loss of Rs.9,75,29,199/- for the year ended 31st March 2014 and it has incurred cash losses both during the current financial year and in the immediately preceding financial year.
- 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 funds raised on short term basis to the extent of Rs 5,22,33,094/- have been used for long-term investment.
- 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.

Place: Coimbatore
Date : 14.08.2014

For M.S.Jagannathan & Visvanathan
Chartered Accountants
Firm Registration No: 001209S
(sd.) M.J.VIJAYARAGHAVAN
Partner
M.No.7534



BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note No.	As at 31-03-2014	As at 31-03-2013
EQUITY AND LIABILITIES:			
Shareholders' funds :			
Share capital	2	7,11,83,300	7,11,83,300
Reserves and surplus	3	8,97,98,185	13,02,96,048
Non-current liabilities :			
Long Term Borrowings	4	8,25,41,274	11,41,42,297
Other Non Current Liabilities	5	1,92,00,000	1,92,00,000
Long Term Provisions	6	1,18,80,977	2,43,91,888
Current liabilities :			
Short Term Borrowings	7	12,54,87,660	14,26,32,262
Trade payables	8	5,97,26,469	6,83,63,976
Other current liabilities	9	12,38,00,779	5,25,09,407
Short-term provisions	10	36,50,889	17,58,165
Total		58,72,69,533	62,44,77,344
ASSETS			
Non-current assets :			
Fixed assets			
a) Tangible assets	11	14,33,14,375	17,78,15,890
b) Capital Work in progress		0	11,45,524
Non-Current Investments	12	1,99,100	99,100
Deferred Tax Assets		10,94,47,410	10,94,47,410
Long-term loans and advances	13	15,56,90,231	14,86,77,097
Other non-current assets	14	8,73,146	47,15,945
Current assets :			
Inventories	15	13,63,63,222	11,99,07,652
Trade receivables	16	1,55,69,669	4,60,07,135
Cash and cash equivalents	17	62,21,130	76,97,960
Short-term loans and advances	18	1,75,13,991	85,43,670
Other current assets	19	20,77,259	4,19,961
Total		58,72,69,533	62,44,77,344
Significant Accounting Policies	1		
Additional Information to financial statements	27		
See accompanying notes to the financial statements			

(Sd.) R.Doraiswami
Chairman

(Sd.) D.Lakshminarayanawamy
Managing Director

(Sd.) S.A.Subramanian
Company Secretary

(Sd.) G.Krishnakumar
Chief Financial Officer

For M.S.JAGANNATHAN & VISVANATHAN
Chartered Accountants
Regd. No. 001209S
(Sd.) M.J.Vijayaraghavan

Partner
M.No. 7534

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

Place: Coimbatore
Date: 14.08.2014

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 st MARCH 2014

Particulars	Note No.	As at 31-03-2014	As at 31-03-2013
REVENUE			
Revenue from operations	20	17,30,53,804	37,81,78,076
Other income	21	1,77,23,882	1,61,24,895
Total Revenue		<u>19,07,77,686</u>	<u>39,43,02,971</u>
EXPENSES			
Cost of materials consumed	22	10,62,83,472	20,40,38,839
Changes in inventories of finished goods, work in progress	23	-80,52,196	1,64,42,446
Power and fuel		3,64,42,300	6,07,66,311
Employee benefits expense	24	4,13,09,216	6,54,97,196
Finance costs	25	3,23,31,592	3,86,79,643
Depreciation		1,52,09,940	
Less: Depreciation transferred to Revaluation Reserve		<u>49,96,578</u>	1,02,13,362
Other expenses	26	<u>1,58,47,167</u>	<u>3,70,71,701</u>
Total Expenses		23,43,74,913	43,16,78,385
Loss before Exceptional Items and Tax		<u>(4,35,97,227)</u>	<u>(3,73,75,414)</u>
Exceptional Items			
Surplus on conversion of Land into Stock-in-Trade		1,09,67,500	1,03,29,657
Compensation towards employees		(23,75,000)	
Loss after Exceptional Items Transferred to Surplus A/c		(3,50,04,727)	(2,70,45,757)
Basic and Diluted EPS (of Rs.10/- each) before exceptional items		-6.12	-5.25
Basic and Diluted EPS (of Rs.10/- each) after exceptional items		-4.92	-3.80
Significant Accounting Policies	1		
Additional Information to financial statements	27		
See accompanying notes to the financial statements			

(Sd.) R.Doraiswami
Chairman

(Sd.) D.Lakshminarayananaswamy
Managing Director

(Sd.) S.A.Subramanian
Company Secretary

(Sd.) G.Krishnakumar
Chief Financial Officer

Place: Coimbatore
Date: 14.08.2014

For M.S.JAGANNATHAN & VISVANATHAN
Chartered Accountants
Regd. No. 001209S
(Sd.) M.J.Vijayaraghavan
Partner
M.No. 7534
(Sd.) Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No.200464



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

Particulars	As at 31-03-2014	As at 31-03-2013
1) Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax and extraordinary items	(4,59,72,227)	(3,73,75,414)
Adjustments for :		
Depreciation	1,02,13,362	91,82,249
Interest Charged	2,98,49,963	3,55,33,024
Profit on sale of Assets	(1,57,32,807)	(1,26,23,147)
Lease rent	(8,36,000)	(11,81,053)
Interest Receipts	(8,64,741)	(14,13,719)
Operating profit before working capital changes	<u>(2,33,42,450)</u>	<u>(78,78,060)</u>
Adjustments for change in :		
Trade & Other Receivables	1,90,67,985	76,77,563
Inventories	(51,68,070)	2,46,02,064
Other current assets	(14,95,860)	1,620
Trades Payable	5,20,75,637	31,60,905
Cash Generated from Operations	4,11,37,242	2,75,64,092
Direct taxes paid	(7,71,175)	(43,94,354)
Cash Flow from operating activities before extraordinary items	4,03,66,067	2,31,69,738
Extraordinary items- Profit on conversion of land into stock-in-trade	-	-
Cash Flow after Extraordinary items	<u>4,03,66,067</u>	<u>2,31,69,738</u>
2) Cash Flow from Investing Activities:		
Purchase of fixed Assets	(11,33,252)	(62,81,764)
Interest Received	7,03,303	19,95,563
Sale of fixed Assets	3,64,86,599	2,42,87,894
Lease rent Receipt	8,36,000	11,81,053
Purchase of investment	-	-
Sale of Investment	(1,00,000)	35,75,000
Net Cash Flow from Investing Activities:	<u>3,67,92,650</u>	<u>2,47,57,746</u>
3) Cash Flow from Financing Activities:		
Long term Borrowings Received	-	2,30,45,520
Long term Borrowings Repaid	(3,16,01,023)	-
Short term Borrowings Received	-	-
Short term Borrowings Repaid	(1,71,44,602)	(4,78,05,942)
Interest paid	(2,98,89,922)	(3,53,97,111)
Net Cash Flow from Financing Activities:	<u>(7,86,35,547)</u>	<u>(6,01,57,533)</u>
Net changes in Cash and Cash Equivalents (1+2+3)	(14,76,830)	(1,22,30,049)
Cash and Cash equivalents as at - Opening	76,97,960	1,99,28,009
Cash and Cash equivalents as at - Closing	62,21,130	76,97,960
Closing Cash balance consists of the following:		
Cash on hand	180,713	5,06,117
Bank balances:		
- In Current Account	1,73,334	13,51,391
- In LC Margin Deposit *	58,66,597	58,39,310
Stamps on hand	486	1,142
	<u>62,21,130</u>	<u>76,97,960</u>

(Sd.) R.Doraiswami
Chairman

(Sd.) D.Lakshminarayanawamy
Managing Director

(Sd.) S.A.Subramanian
Company Secretary

(Sd.) G.Krishnakumar
Chief Financial Officer

For M.S.JAGANNATHAN & VISVANATHAN
Chartered Accountants
Regd. No. 001209S
(Sd.) M.J. Vijayaraghavan
Partner
M.No. 7534
(Sd.) Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No.200464

Place: Coimbatore
Date: 14.08.2014

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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 Progress 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 & 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 recognized in the statement of Profit and Loss Account.

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 after exceptional items.

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.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at	As at	As at	As at
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	No.of shares	No.of shares	Amount `	Amount `
2. SHARE CAPITAL:				
(a) Authorised:				
i) Equity Shares of Rs.10 each	1,00,00,000	1,00,00,000	10,00,00,000	10,00,00,000
ii) Redeemable Preference Shares of Rs.100/- each	5,00,000	5,00,000	5,00,00,000	5,00,00,000
Total			<u>15,00,00,000</u>	<u>15,00,00,000</u>
(b) Issued:				
Equity Shares of Rs.10 each	71,19,421	7,11,94,21	7,11,94,210	7,11,94,210
Total	<u>71,19,421</u>	<u>7,11,94,21</u>	<u>7,11,94,210</u>	<u>7,11,94,210</u>
(c) Subscribed and Fully Paid Up:				
Equity Shares of Rs.10 each	71,18,330	71,18,330	7,11,83,300	7,11,83,300
Total	<u>71,18,330</u>	<u>71,18,330</u>	<u>7,11,83,300</u>	<u>7,11,83,300</u>
"Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year:"				
Shares at the beginning of the year	71,18,330	71,18,330		
Shares issued during the year	-	-		
Adjustments 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	% of holding	No.of shares	% of holding
Sri.R. Doraiswami	4,07,363	5.72	4,07,363	5.72
Sri.D. Lakshminarayanawamy	6,48,158	9.11	5,13,814	7.22
Sri.R. Doraiswami & Sri.D.Lakshminarayanawamy	3,69,916	5.20	3,69,916	5.20
Smt.L. Nagaswarna	9,37,264	13.17	8,03,037	11.29
Smt.L. Suhasini	6,14,099	8.63	6,12,528	8.60
Smt.L. Swathy	5,63,406	7.92	5,63,406	7.92
Stressed Assets Stabilisation Fund	7,45,500	10.47	7,50,000	10.54
NOTE:				
The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder 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 in the immediately preceding previous years.				
3. RESERVES AND SURPLUS:				
Capital Reserve - Land			96,45,052	96,45,052
Securities Premium Account				
As per last Balance Sheet			10,81,07,045	10,81,07,045
Revaluation Reserve (Land)				
As per last Balance Sheet			3,13,62,851	3,14,77,758
"Less: Adjustment on assets converted into Stock-in- Trade during the year"			4,96,558	1,14,907
Closing balance			<u>3,08,66,293</u>	<u>3,13,62,851</u>
Revaluation Reserve (Buildings and Machinery)				
As per last Balance Sheet			4,37,05,572	5,18,34,854
Less: Adjustment on assets sold during the year			0	28,20,623
			4,37,05,572	4,90,14,231
Less : Depreciation on Revaluation Surplus of Building, Plant & Machinery transferred from Profit & Loss A/c			49,96,578	53,08,659
Closing balance			<u>3,87,08,994</u>	<u>4,37,05,572</u>
Surplus				
As per last Balance Sheet			(6,25,24,472)	(3,54,78,715)
Loss for the year			(3,50,04,727)	(2,70,45,757)
Closing balance			<u>(9,75,29,199)</u>	<u>(6,25,24,472)</u>
Total			<u>8,97,98,185</u>	<u>13,02,96,048</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS (Cont'd...)

Particulars	As at 31-03-2014	As at 31-03-2013		
Non-Current Liabilities:				
4. LONG TERM BORROWINGS:				
Secured				
From Banks				
Term Loans	4,90,68,545	8,48,11,099		
From Others				
Hire Purchase loans	38,00,739	45,25,087		
Unsecured				
Fixed Deposits	1,96,21,000	2,08,43,000		
Directors Deposit	96,29,990	35,42,111		
Trade Deposits				
From Others	4,21,000	4,21,000		
Total	<u>8,25,41,274</u>	<u>11,41,42,297</u>		
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. 139.51 lacs	78,64,465	26	16.75	Monthly
Term Loan : Rs. 510.48 lacs	2,80,51,879	25	16.75	Monthly
The South Indian Bank Ltd :				
Working Capital Term Loan	5,64,51,863	115	17.40	Monthly
Hire Purchase Loan :				
Kotak Mahindra Prime Ltd	32,75,248	48	10.31	Monthly
Kotak Mahindra Prime Ltd	16,36,587	30	6.45	Monthly
Kotak Mahindra Prime Ltd	13,61,700			
Repayment Schedule for term loans:				
Within 1 year	4,32,99,662			
Beyond 1 year	4,90,68,545			
Repayment Schedule for hire purchase:				
Within 1 year	24,72,796			
Beyond 1 year	38,00,739			
Details of Security :				
i) Secured by equitable mortgage of 4.135 acres of vacant land situated at Coimbatore with all its present and future superstructure				
ii) 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	1730			
ii) From Kotak Mahendra Bank Ltd	950			
5. OTHER NON CURRENT LIABILITIES				
Advances Towards Land	1,92,00,000			1,92,00,000
6. LONG TERM PROVISIONS:				
Provision for Gratuity :				
- Managerial personnel	47,59,615			46,15,385
- Others	71,21,362			1,97,76,503
	<u>1,18,80,977</u>			<u>2,43,91,888</u>
7. SHORT TERM BORROWINGS:				
Secured				
From Banks				
Cash Credit Account	67,98,469			23,48,033
Letter of Credit	6,51,67,979			8,00,46,115
Bills	-			29,00,000
Unsecured				
Others	5,35,21,212			5,73,38,114
Total	<u>12,54,87,660</u>			<u>14,26,32,262</u>

"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

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (Cont'd...)

Particulars	As at 31-03-2014	As at 31-03-2013
properties of the company."		
8. TRADE PAYABLES:		
Due to Micro, Small & Medium Enterprises	42,45,071	39,43,755
Others	5,54,81,398	6,44,20,221
Total	5,97,26,469	6,83,63,976
9. OTHER CURRENT LIABILITIES:		
Current maturities of term loans - Secured	4,32,99,662	1,26,81,856
Current maturities of Hire Purchase Loan - Secured	24,72,796	18,01,061
Interest accrued and due on borrowings	6,38,456	2,69,701
Interest Accrued but not due on Borrowings	11,06,611	15,15,325
Advance towards Land	1,65,00,000	1,00,00,000
Unclaimed Matured Deposits	45,000	45,000
Liabilities for expenses	1,65,94,749	1,55,47,195
Liabilities for other finance	4,31,43,505	1,06,49,269
Total	12,38,00,779	5,25,09,407
10. SHORT TERM PROVISIONS:		
Provision for Gratuity	27,62,168	12,17,602
Provision for Leave Encashment	8,88,721	5,40,563
Total	36,50,889	17,58,165

11. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.13	Additions during the year	Sales/ Withdrawals during the year	As at 31.03.2014	Up to 31.03.2013	Provided during the year	Withdrawn during the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. TANGIBLE ASSETS:										
Land : (Cost)	8,18,556	0	3,20,000	4,98,556	0	0	0	0	4,98,556	8,18,556
(Revalued)	3,13,62,851	0	4,96,558	3,08,66,293	0	0	0	0	3,08,66,293	3,13,62,851
Buildings : (Cost)	6,42,85,602	1,562,901	22,76,021	6,35,72,482	5,14,58,718	7,74,227	16,14,447	5,06,18,498	1,29,53,984	1,28,26,884
(Revalued)	6,68,98,442	0	0	6,68,98,442	4,35,22,622	26,35,712	0	4,61,58,334	2,07,40,108	2,33,75,820
Plant & Machinery (Cost)	42,00,66,787	20,647	13,60,69,200	28,40,18,234	34,03,13,462	71,25,937	11,59,76,980	23,14,62,419	5,25,55,815	7,97,53,325
(Revalued)	4,50,77,438	0	0	4,50,77,438	2,47,47,686	23,60,866	0	2,71,08,552	1,79,68,886	2,03,29,752
Computer	26,18,440	0	0	26,18,440	24,47,257	43,164	0	24,90,421	1,28,019	1,71,183
Office Equipment	16,86,434	0	0	16,86,434	14,12,949	51,076	0	14,64,025	2,22,409	2,73,485
Furniture	12,05,668	9,235	0	12,14,903	11,80,605	4,701	0	11,85,306	29,597	25,063
Motor Vehicles	1,47,37,938	6,85,993	0	1,54,23,931	58,58,978	22,14,256	0	80,73,234	73,50,697	88,78,960
Library	1,921	0	0	1,921	1,910	0	0	1,910	11	11
TOTAL (A)	64,87,60,077	22,78,776	13,91,61,779	51,18,77,074	47,09,44,187	1,52,09,939	11,75,91,427	36,85,62,699	14,33,14,375	17,78,15,890
(B) INTANGIBLE ASSETS :										
Software	1,901,951	0	0	1,901,951	1,901,951	0	0	1,901,951	0	0
TOTAL (B)	1,901,951	0	0	1,901,951	1,901,951	0	0	1,901,951	0	0
TOTAL (A+ B)	650,662,028	2,278,776	139,161,779	513,779,025	472,846,138	15,209,939	11,75,91,427	37,04,64,650	14,33,14,375	177,815,890
Capital Work-in-progress										1,145,524
Previous Year	70,63,47,474	51,36,240	6,08,21,686	65,06,62,028	50,44,06,297	1,44,90,908	4,60,51,066	47,28,46,139	17,78,15,889	20,19,41,177

"Note: 1) Land Revalued as on 30/09/2003
2) Building and Plant & Machinery revalued on 30/09/2002"



NOTES FORMING PART OF FINANCIAL STATEMENTS (Cont'd...)

Particulars	As at 31-03-2014	As at 31-03-2013
12. NON-CURRENT INVESTMENT:		
NON - TRADE INVESTMENTS		
UN-QUOTED		
Investments in Equity Instruments		
2000 Equity Shares of Rs.10/-each fully paid up in Sentra Yarns Ltd	20,000	20,000
357500 Equity Shares of Rs.10/- each fully paid up in Maple renewable Power Pvt Ltd.,	0	35,75,000
10000 Equity Shares of Rs.10/- each fully paid up in COSCO LTD.,	1,00,000	0
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	<u>1,99,100</u>	<u>36,74,100</u>
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.Lakshminarayanawamy	2	1
Smt.L.Nagaswarna	-	1
NON-CURRENT ASSETS:		
13. LONG TERM LOANS AND ADVANCES:		
Unsecured, considered Good:		
Advances recoverable in cash or in kind, or for value to be received	10,16,681	17,59,796
Due from Companies in which Directors are interested - Associates	3,04,21,198	3,04,21,198
Due from Partnership Firm in which Company is Partner	97,76,869	97,83,189
Due from Partnership Firm in which Director is Partner	6,03,21,062	6,12,43,658
Sundry Deposits	2,33,57,978	1,54,43,988
Advance for purchase of capital assets	1,15,19,322	1,15,19,322
MAT Credit Entitlement	1,65,31,200	1,65,31,200
Advance tax (Net of provisions)	27,45,921	19,74,746
Total	<u>15,56,90,231</u>	<u>14,86,77,097</u>
14. OTHER NON-CURRENT ASSETS:		
TRADE RECEIVABLES:		
Unsecured, considered good :		
Long-term trade receivables	8,73,146	47,15,945
Total	<u>8,73,146</u>	<u>47,15,945</u>
CURRENT ASSETS:		
15 INVENTORIES (at lower of cost or net realisable value)"		
Raw materials	3,14,530	21,33,019
Work-in-process	36,09,071	75,57,444
Finished Goods	2,66,28,599	1,46,71,603
Waste	4,75,716	4,32,142
Stock-in-Trade-Land	10,17,87,500	9,05,00,000
Stock of Stores	35,47,806	46,13,444
Total	<u>13,63,63,222</u>	<u>11,99,07,652</u>
16. TRADE RECEIVABLES:		
Unsecured, considered good :		
"Outstanding for a period exceeding six months from the due date"	56,47,658	99,38,889
Others	99,22,011	3,60,68,246
Total	<u>1,55,69,669</u>	<u>4,60,07,135</u>

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (Cont'd...)

Particulars	As at 31-03-2014	As at 31-03-2013
17. CASH AND CASH EQUIVALENTS:		
Cash on hand	1,80,713	5,06,117
Balance with banks :		
In Current Account	1,73,334	13,51,391
In Margin Money Deposit Account	58,66,597	58,39,310
Stamps on hand	486	1,142
Total	<u>62,21,130</u>	<u>76,97,960</u>
18. SHORT TERM LOANS AND ADVANCES:		
Unsecured, considered Good:		
Advances recoverable in cash or in kind, or for value to be received	1,41,93,009	50,56,950
Balance with Excise Department, Sales Tax, etc.	14,41,541	15,10,421
Pre-paid expenses	18,79,442	19,76,299
Total	<u>1,75,13,991</u>	<u>85,43,670</u>
19. OTHER CURRENT ASSETS:		
Interest accrued on Deposits	5,81,399	4,19,961
Conversion Charges Receivable	14,95,860	-
Total	<u>20,77,259</u>	<u>4,19,961</u>
20. REVENUE FROM OPERATIONS:		
Sale of products :		
Yarn	15,63,03,542	36,57,97,141
Waste	50,76,289	55,54,885
Sale of services - Conversion receipts	1,16,73,973	68,26,050
Total	<u>17,30,53,804</u>	<u>37,81,78,076</u>
21. OTHER INCOME:		
Interest Receipts	8,64,741	14,13,719
Miscellaneous Income	2,96,653	9,15,426
Profit on sale of Assets (Net)	1,57,32,807	1,26,23,147
Lease Rent	8,36,000	11,81,053
Share of profit/(Loss) from Partnership Firm	(6,320)	(8,450)
Total	<u>1,77,23,882</u>	<u>1,61,24,895</u>
22. COST OF MATERIALS CONSUMED:		
Opening Stock	21,33,019	85,20,196
Add : Purchases	10,44,64,983	19,76,51,662
	<u>10,65,98,002</u>	<u>20,61,71,858</u>
Less: Closing Stock	3,14,530	21,33,019
Total	<u>10,62,83,472</u>	<u>20,40,38,839</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS		
Opening Stock		
Finished Goods - Yarn	<u>1,46,71,603</u>	<u>2,61,30,566</u>
Work-in-process	75,57,444	1,15,29,760
Waste	4,32,142	14,43,309
Sub-Total (1)	2,26,61,189	3,91,03,635
Closing Stock		
Finished Goods - Yarn	<u>2,66,28,599</u>	<u>1,46,71,603</u>
Work-in-process	36,09,071	75,57,444
Waste	4,75,716	4,32,142
Sub-Total (2)	<u>3,07,13,385</u>	<u>2,26,61,189</u>
Stock (Decrease) / Increase Net (1 - 2)	<u>-80,52,196</u>	<u>1,64,42,446</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS (Cont'd...)

Particulars	As at 31-03-2014	As at 31-03-2013
24 Employee Benefits Expense :		
Salaries and wages	3,30,52,369	5,28,83,047
Contribution to provident and other funds	23,57,015	50,71,560
Staff Welfare expenses	25,01,352	37,02,024
Managerial Remuneration	33,98,480	38,40,565
Total	<u>4,13,09,216</u>	<u>6,54,97,196</u>
25 Finance cost :		
Interest expenses		
On Fixed Loans	1,51,79,903	1,53,48,858
On others	1,46,70,060	2,01,84,166
Bank charges	24,81,629	31,46,619
Total	<u>3,23,31,592</u>	<u>3,86,79,643</u>
26 Other Expenses		
Consumption of stores and spare parts	17,56,572	36,20,397
Consumption of Packing Materials	19,16,788	35,84,300
Processing Charges	18,36,285	1,32,30,284
Repairs & Maintenance of :		
i) Buildings	3,47,651	8,88,425
ii) Machinery	14,28,717	33,07,660
iii) Other Assets	11,23,216	30,10,877
Printing & Stationery	1,47,578	2,52,472
postage, Telegram & Telephones	4,74,569	5,26,762
Travelling and maintenance of vehicles	26,91,191	32,32,460
Insurance	3,47,865	3,36,715
Advertisement, Subscription and Periodicals	4,22,714	4,92,777
Rates and taxes, excluding, taxes on income.	19,78,412	22,16,387
Brokerage on yarn sales	4,02,867	8,53,307
Filing Fees	12,060	10,163
Directors' sitting Fees	72,200	44,000
Auditors' Remuneration	1,86,585	1,60,517
Yarn Sales Expenses other than brokerage	2,43,195	5,12,841
Legal and Professional charges	2,32,828	3,54,184
Rent	1,205	59,640
Donations	22,600	1,95,480
Miscellaneous expenses	2,02,069	1,82,053
Total	<u>1,58,47,167</u>	<u>3,70,71,701</u>

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

27. Additional Information to Financial Statements

Year ended
31.03.2014

Year ended
31.03.2013

1. Estimated amount of contracts remaining to be executed on Capital account (Net of Advance) 11,77,42,209 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	31.03.2014	31.03.2013
		Disputed Demand (Rs.in lakhs)	
1995-96	TNGST Demand	54.59	54.59
1998-99	TNGST Demand	61.66	61.66
		(Rs.31.00 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
01.04.2004 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 License Scheme in respect of reduction of Interest of Rs.8.26 lakhs allowed to us.
4. There is a demand of Rs.3,19,712/- raised by Andhra Pradesh Electricity Department in respect of Fuel Surcharge adjustment (FSA). The same is disputed by the Company before Hon'ble High Court and pending orders no provision is made in the accounts.
5. a) Income Tax assessments from Assessment year 2012-13 and onwards are pending.
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 31.03.14
c) Under CST (TN):1999-00 to 2013-14
d) Under KGST:2005-06
e) Under CST (Kerala):2005-06
f) Under APVAT:2011-12 to 2013-14
g) Under CST (AP):2011-12 to 2013-14

Consumption:	31.03.2014		31.03.2013	
	Value `	%	Value `	%
Raw materials:				
Imported	---	---	---	---
Indigenous	10,62,83,472	100	20,40,38,839	100
Total	10,62,83,472	100	20,40,38,839	100

7. Stores, Spares & Components:	31.03.2014		31.03.2013	
	Value `	%	Value `	%
Imported	---	---	---	---
Indigenous	36,73,360	100	72,04,697	100
Total	36,73,360	100	72,04,697	100

8. i. The amount remitted during the year in Foreign currencies on account of dividends:-
- a. Number of Non-resident shareholders 5 5
- b. Number of shares held by them 47,616 47,567
- c. The year to which the dividend related-- --
- d. The amount remitted in foreign currencies -- --
- ii. Earnings in Foreign Exchange:
Export of goods - FOB Value (Rs.) -- --
- iii Expenditure in foreign currency
- i. Travelling (Rs) 67,035 65,670
- ii. Technical Knowhow, Royalty, Consultation, etc. - -
- iii. Interest - -
- iv. Others - -

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Cont'd)

9. Managerial Remuneration: Due to inadequacy of profits, only minimum remuneration was paid as under:-

	Sri R Doraiswami, Chairman		Sri D Lakshminarayanawamy, Managing Director	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Salary	1,36,000	4,08,000	30,00,000	30,00,000
P F Contribution	3,120	9,360	9,360	9,360
Gratuity Provision	--	19,615	--	1,44,230
Leave Salary	--	--	2,50,000	2,50,000
Total	1,39,120	4,36,975	32,59,360	34,03,590

10. Balance of Sundry Debtors and Sundry Creditors are subject to confirmation, reconciliation and consequent adjustments thereof.

11. 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.

12. Sales Tax collections not included in the Sales for the year ended 31.03.2014 is Rs.24,84,441/- (previous year Rs.65,61,597/-).

13. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

	31.03.2014	31.03.2013
(a) Principal amount due	42,45,071	39,43,755
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

14. 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.

15. Particulars regarding investment in the capital of M/s.Dove Real Estates:

Particulars	31.03.2014	31.03.2013
Capital Contribution	15,000/-	15,000/-
Profit Sharing Ratio	98%	98%

16. Auditors' Remuneration:

	31.03.2014	31.03.2013
Audit fees	73,034	73,034
Tax Audit fee	21,910	16,854
I T Representation fee	21,910	16,854
Certificate fees	<u>64,731</u>	<u>48,775</u>

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Cont'd)

17. Employee Benefits (AS-15):

I. Defined Benefit Plans

	31.03.2014	31.03.2013	31.03.2012
A. Expenses recognized in the Profit and Loss Account for the year ended:- Gratuity (unfunded)			
1 Current Service Cost	6,72,696	12,37,885	12,63,401
2 Interest Cost	16,12,051	14,91,523	13,41,639
3 Settlement Cost	Nil	Nil	Nil
4 Expected return on Planned assets	Nil	Nil	Nil
5 Net actuarial(gain)/Loss recognized during the year	(19,668)	4,10,182	23,31,734
6 Expenses/(Income)recognized in the Profit and Loss Account	22,65,079	31,39,590	49,36,834
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	1,14,88,077	2,01,50,643	2,02,15,383
2 Fair Value of Plan assets	Nil	Nil	Nil
3 Net asset/(liability)recognised in the Balance Sheet	(1,14,88,077)	(2,01,50,643)	(2,02,15,383)
D. Change in Defined Obligation during the year ended:			
1 Present Value Obligation at the beginning of the Year	2,01,50,643	2,02,15,383	1,82,06,105
2 Current Service Cost	6,72,696	12,37,885	12,63,401
3 Interest Cost	16,12,051	14,91,523	13,41,639
4 Benefits paid	1,09,27,646	32,04,330	29,27,556
5 Actuarial (gain) / Loss	(19668)	4,10,182	23,31,734
6 Present Value Obligation at the end of the year	3,33,43,368	2,01,50,643	2,02,15,383
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 Investm Investments in Insurance Companies	Nil	Nil	Nil
7 Others	Nil	Nil	Nil
G. Actuarial assumptions			
1 Discount rate	9%	8 %	8%
2. Expected rate of return on Planned assets	Nil	Nil	Nil
3. Salary Escalation	3%	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.

II. Defined Contribution Schemes

Provident Fund

23,83,671

38,35,020

31,47,358

18. Segmental Reporting (AS-17):

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

19. Exceptional item in Statement of Profit and Loss represents surplus arising on conversion of land, being capital asset, to stock in trade during the year. The value converted land is taken at the value as certified by certified valuer.



20. 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.Nagaswama	Smt.R.Suhasini Smt.L.Swathy

ii) Transactions with Related Parties / Associates:

Nature of Transactions	31.03.2014			31.03.2013		
	Associates	Key Management Personnel	Relatives of Key Management Personnel	Associates	Key Management Personnel	Relatives of Key Management Personnel
Managerial Remuneration						
D.Lakshminarayanawamy	----	32,59,360	----	----	34,03,590	----
Others	----	1,19,505	----	----	4,36,975	----
Salaries						
Smt.L.Nagaswama	----	16,36,966	----	----	14,80,662	----
Lease Rent Received						
SJTL	3,000	----	----	3,000	----	----
SPL	----	----	----	----	----	----
SRYC	2,05,620	----	----	2,05,620	----	----
JGOM	2,69,664	----	----	2,69,664	----	----
Yarn Conversion Charges Received						
SPL	52,96,377	----	----	37,33,939	----	----
SJTL	23,139	----	----	----	----	----
Yarn Conversion Charges Paid						
SJTL	14,17,657	----	----	10,49,201	----	----
SPL	3,72,034	----	----	1,07,30,058	----	----
Share Of Profit/(Loss) From Firm: Dove Real Estates	(6,320)	----	----	(8,450)	----	----
Raw Material / Waste Purchases:						
SJTL	----	----	----	----	----	----
SPL	----	----	----	8,91,479	----	----
Others	----	----	----	----	----	----
Purchase of Yarn						
SJTL	----	----	----	----	----	----
Trade Deposit Repaid						
JGOM	----	----	----	5,60,061	----	----
Loan Received						
R.Doraiswami	----	57,60,000	----	----	2,00,000	----
D.Lakshminarayanawamy	----	4,45,96,122	----	----	21,50,000	----
Interest on Trade Deposit						
JGOM	11,68,530	----	----	50,50,751	----	----
Loan Repaid						
R.Doraiswami	----	8,78,680	----	----	----	----
D.Lakshminarayanawamy	----	4,33,89,563	----	----	----	----
Interest on Loan						
R.Doraiswami	----	2,36,110	----	----	8,511	----
D.Lakshminarayanawamy	----	7,72,574	----	----	2,59,323	----
R.Suhasini	----	----	4,30,267	----	----	3,84,144
Reimbursement of Expenses Paid						
SRYC	----	----	----	17,54,626	----	----
SSL	----	----	----	----	----	----
Reimbursement of Expenses Recd						
JGOM	----	----	----	----	----	----
Outstanding Balance Payable						
JGOM	----	----	----	----	----	----
SPL	----	----	----	709059	----	----
SRYC	10,38,719	----	----	4,94,313	----	----
R.DORAISWAMI	----	50,85,080	----	----	2,36,328	----
D.Lakshminarayanawamy	----	52,54,989	----	----	35,94,451	----
L.Nagaswama	----	3,76,607	----	----	1,24,955	----
Receivable						
SJTL	2,60,96,262	----	----	2,75,76,598	----	----
Others	14,10,750	----	----	----	----	----
JGOM	6,03,21,062	----	----	6,12,43,659	----	----
Dove Real Estates	97,76,869	----	----	97,83,189	----	----

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Cont'd)

21. Lease (AS-19)

The Lease Agreement provides for an option to the company to renew the lease period at the end of the period provided atleast three months' prior notice is given:

Future Minimum lease rent to be received:

	31.03.2014	31.03.2013
Not later than 1 year	7,92,000	8,45,107
Later than 1 year but not more than 5 years	11,07,000	11,62,876
More than 5 years	21,15,000	34,86,600

22. Earnings per Share (AS-20)

	31.03.2014	31.03.2013
Net Profit / (Loss) before exceptional items	(4,32,37,227)	(3,73,75,414)
Less: Exceptional Items (Net)	85,92,500	1,03,29,657
(Loss) after exceptional items	(3,50,04,727)	(2,70,45,757)
Weighted average number of shares (Nos.)	71,18,330	71,18,330
Nominal Value of share	10/-	10/-
Basic & diluted EPS before exceptional items	(6.12)	(5.25)
Basic & diluted EPS after exceptional items	(4.92)	(3.80)

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

	31.03.2014	31.03.2013
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
Nett 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 current year on account of prudence as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

24. Capital Reserve relates to revaluation of land in Partnership Firm in which Company is a Partner. The revaluation of land is done on the basis of valuation certified by Certified Valuer. Corresponding effect is accounted under receivable from Partnership Firm.

25. Previous year figures have been re grouped and reclassified wherever necessary to correspond with current year's classification/disclosure.

Book - Post

If undelivered please return to
SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
Post Box Np. 2007 Ganapathy Post
Coimbatore - 641 006



Sri Ramakrishna Mills (Coimbatore) Ltd.,

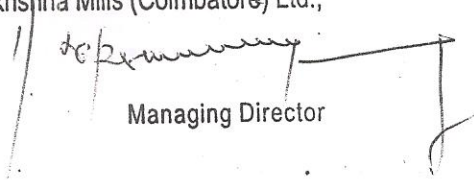

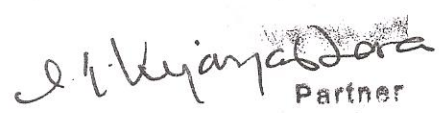
Admn. Off : 1493, SATHYAMANGALAM ROAD, P.B. No. 2007, Ganapathy, Coimbatore - 641 006, India.

Fax : 91-0422-2531579, Phone : 0422 - 2531022 / 2531122. E-mail : srmc@vsnl.com **Regd. Off**

CIN: L17111TZ1946PLC000175

Form A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company:	Sri Ramakrishna Mills (Coimbatore) Ltd
2	Annual financial statements for the year ended	31 st March 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	N.A.
5	Signed by-	
a)	Managing Director	For Sri Ramakrishna Mills (Coimbatore) Ltd.,  Managing Director
b)	Audit Committee Chairman	
c)	Auditor of the company	For M.S.JAGANNATHAN & VISVANATHAN Chartered Accountants FRN 001209S  Partner

Coimbatore

13th October 2014

~~Regd. Office No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638 402~~

TIN 33612200007

CST. RC. No. 551145 / 27-9-57