



60th ANNUAL REPORT

2006 - 2007

Report  junction.com

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

SATHYAMANGALAM 638 402

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTICE OF THE 60TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 60th ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Friday, the 28th day of September 2007 at 10.00 A.M at No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam-638 402, Erode District, to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2007 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors' thereon.
2. To appoint Sri L. Damodaraswamy as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

Place : COIMBATORE

Date : 30.06.2007

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

NOTES:

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st day of September 2007 to 28th day of September 2007 (both days inclusive).
3. Members/Proxy holders are requested to bring their copies of the Annual Report to the Meeting as no further copies would be made available.
4. 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, No.11, S.N. Layout, Street No.1 (West Power House Road), Tatabad, Coimbatore 641012.
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.
5. 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 THIS LISTING AGREEMENT:

Name	Sri L. Damodaraswamy
Age	91 years
Qualification	School Final
Nature of Expertise	Management of Companies in General
Experience	More than 60 years
Name of Companies in which also holds Directorship	None
Name of the companies in committees of which also holds Membership / Chairmanship	Also Member of Audit Committee / Shareholders Investors Grievance Committee and Remuneration Committee of our company.

Place : COIMBATORE

Date : 30.06.2007

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



SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Board of Directors

Sri R. DORAISWAMI

(Chairman)

Sri D. LAKSHMINARAYANASWAMY

(Managing Director)

Sri L. DAMODARASWAMY

Sri N. JOTHIKUMAR

Sri R. NARAYANAMURTHY

Sri R. RADHAKRISHNAN

CFO-Vice-President and Company Secretary

Sri N. NARASIMHALU

Internal Auditor

Smt. SHASHIREKHA VENKATESH

Auditors

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

Bankers

THE SOUTH INDIAN BANK LTD.

Registered Office

No.3, Bhavani River Street

Ariappampalayam

Sathyamangalam-638 402

PHONE : 04295-220681, 0422-2531022

FAX : 04295-220681, 0422-2531579

E-mail : srmc@vsnl.com

Mills

1. COIMBATORE

2. NAGARI (A.P.)

3. SATHYAMANGALAM

CONTENTS	Page Nos
Directors' Report	2
Management Discussion & Analysis Report	3
Corporate Governance	4
Auditors' Report on Corporate Governance	6
Auditors' Report	7
Balance Sheet	9
Profit & Loss Account	10
Cash Flow Statement	11
Balance Sheet Schedules	13
Profit & Loss A/c Schedules	17
Accounting Policy	18
Notes on Accounts	20
General Profile	24

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Ladies and Gentlemen,

Your Directors submit the following report on the working of the company for the year ended 31.03.2007.

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

FINANCIAL RESULTS:

	Year Ended 31.03.2007	Year Ended 31.03.2006
	Rs.	Rs.
Net Profit before Interest, Depreciation and Extra-ordinary Items	6,40,09,734	5,65,90,844
ADD: Extraordinary Items	34,27,48,529	2,34,08,307
LESS: Interest	5,10,80,965	6,81,85,774
Depreciation	2,19,69,861	2,20,50,280
Net Profit/(Loss) before Taxes	33,37,07,437	(1,02,36,903)
Less: Tax Adjustments:		
Deferred Tax (Liability)/Assets	(5,10,294)	1,00,90,985
Fringe Benefit Tax	(1,28,211)	(1,54,786)
Prior Year Taxes	(61,922)	—
Net Profit/(Loss) after taxes	33,30,07,010	(3,00,704)
Less: Prior year Adjustments (Net)	(1,44,82,239)	6,05,859
Donations	(6,000)	(17,000)
B/f from Previous Year	(33,23,82,199)	(33,26,70,354)
Deficit Carried Over to B/S	(1,38,63,428)	(33,23,82,199)

The above deficit has been carried over to Balance Sheet. *

PERFORMANCE:

With the efforts taken by the Management and with the market support both in raw-material and finished goods fronts during the first part of the year, the company has made reasonable profits inspite of adverse market conditions prevailed during the later part of the year of review.

CAPITAL EXPENDITURE:

The Company has increased during the year under review the installed capacity of Ring Spindles at its Ganapathy unit from 44764 spindles to 46692 spindles and Spinning Rotors at its Sathy unit-1 from 744 to 936.

FINANCE:

During the year under report the company has implemented an OTS scheme successfully with the support of the Lenders and consequently the company's net worth has turned positive and the company has also been dissociated from BIFR with effect from 12.03.2007.

PROSPECTS:

The Company has taken up modernising the machines to achieve higher productivity and also taken efforts to reduce its power cost and hopes to make a reasonable profit during the current year.

DIRECTORS:

Retiring Directors:

Sri L. Damodaraswamy, 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 in the same meeting. The retiring Director is eligible for re-appointment.

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 form part of this report.

EMPLOYEES:

No employee of the company has drawn salary in excess of Rs.2,00,000/- 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.
- 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 and of the profit or loss of the company for that period.
- 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.

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 and Company Secretary was placed before the Board of Directors at their meeting held on 30.06.2007.

GENERAL:

The Auditors of the company M/s.M.S.Jagannathan & Visvanathan retire at the ensuing Annual General Meeting and are eligible for re-appointment at the same meeting. The cost accounting records maintained by the Company as required under Sec.209(1)(d) of the Companies Act, 1956 would be audited by M/s. S.Mahadevan & Co., Cost Accountants, duly approved by the Government upto the period ended 31.03.2007 to comply with statutory requirements.

Our thanks are due to our Lenders for their support and assistance in implementing the OTS scheme successfully during the year under report.

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.

Ganapathy
Coimbatore 641 006
30.06.2007

For the Board of Directors
(Sd/-) R Doraiswami
Chairman

ADDENDUM TO DIRECTORS' REPORT

Regarding the Auditors remarks under para No.5 item Nos (i) to (v), the Company's explanation on such qualifications are as follows :-

- | | | |
|------------------------------------|---|--|
| i) On doubtful advances | - | Steps are being taken to reconcile the parties and provision will be made after such reconciliation. |
| ii) Incremental Gratuity Liability | - | It will be accounted at the time of payment. |
| iii) On electricity tax demand | - | It will be accounted at the time of Payment |
| iv) Professional Fees for OIS | - | Will be written off over a period of five years |
| v) Deferred Tax liability | - | Will be made good out of future income. |

Ganapathy
Coimbatore 641 006
30.06.2007

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 :
Installed additional capacitors to reduce the energy losses.
- b) Additional investments and proposals being implemented for reduction of consumption and consequent impact on cost of production:
Proposed to replace the existing motors with energy efficient motors in all our LR Ring Frames.
- 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 31.03.2007	Year Ended 31.03.2006
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	285.07	287.59
Total amount (Rs.in lakhs)	1,118.70	1,123.80
Rate per Unit (Rs.)	3.92	3.91
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	1.43	2.40
Units per litre of Diesel Oil	3.23	3.19
Cost/Unit (Rs.)	10.59	9.96
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	4.89	6.12

B. TECHNOLOGY ABSORPTION*Efforts made in Technology absorption as per Form B:*

Indigenous technology alone is used and Research and Development is carried out by a separate Textile Research Association viz. South India Textile Research Association for Textile Units situated in the Southern Region of which the Company is a 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:
Presently exporting yarn. Steps are being taken to increase export of yarn further and to explore new markets.
- ii) Total foreign exchange earned and used (excluding on capital goods, components and spares):
- | | |
|---|-------------|
| | Rs. |
| Earned : Export of yarn - in Foreign Exchange (FOB) | 2,30,11,790 |
| Used : | |
| a) Expenditure in Foreign Currency on account of: | |
| Commission on sales | Nil |
| Travel | 17,275 |
| b) Value of imports calculated on CIF basis: | |
| Capital Goods | ₹2,05,449 |
| Raw material | Nil |

Ganapathy
Coimbatore 641 006
30.06.2007

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

MANAGEMENT DISCUSSION & ANALYSIS**1. INDUSTRY STRUCTURE AND DEVELOPMENTS :**

The vision statement of Confederation of Indian Textile Industry (CITI) on Textile Industry brought in by them in December 2006 envisages the growth in the total market size for textiles and garments from 52 billion USD in 2006 to 110 billion USD by March 2012, the end of 11th plan period. Therefore the future scope for capacity expansion and modernisation is promising. Developments are taking place all round to provide excellent infrastructure facilities to produce world class textile products in India.

2. OPPORTUNITIES AND THREATS :

Prospects of Textile Spinning Units depend on adequate supply of quality cottons at competitive prices. Cotton Advisory Board estimates good and bumper crop during the ensuing season. Therefore it is expected that working of Spinning Mills will be comfortable. However availability of quality power and its cost continue to harm the industry alongwith labour cost and productivity. Unless these two cost components are made competitive, exports will get affected. Exporters already face a steep appreciation of rupee which has resulted in reduced yarn offtake as well as an excess supply.

3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :

The Company is engaged only in Spinning under a single broad segment (Textile Intermediary Products).

4. OUTLOOK :

From the first quarter of the year 2007, the performance of the company suffered due to glut in yarn market, which still continues. Company is exploring the possibility of implementing modernisation scheme to improve quality and quantity of yarn produced to meet both local and export markets and also reduce costs.

5. RISKS AND CONCERNS :

Cotton prices, surplus supply of yarn to domestic market and exchange fluctuation are the key risk factors.

6. INTERNAL CONTROL SYSTEMS AND PROCEDURES :

The Company has a proper and adequate internal control system commensurate with its size and nature of business to protect and safeguard all its assets and to ensure reliability of financial records.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

With the efforts taken by the Management and with the market support both in raw-material and finished goods fronts during the first part of the year, the company has made reasonable profits inspite of adverse market conditions which prevailed during the latter part of the year under review.

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 shareholders value.

2) BOARD OF DIRECTORS

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

The table below gives the particulars of attendance of each director at the Board Meetings held during the year ended 31.03.2007 and during the tenure and at the last AGM as also the number of directorships in other companies and memberships in other Board Committees.

Name of the Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other companies	No. of Membership in Board Committee of other companies	No. of shares held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sri R Doraiswami	Executive - Chairman	7	Present	Nil	Nil	79,782
Sri D Lakshminarayanawamy	Executive - Managing Director	7	Present	06	Nil	1,48,171
Sri L Damodarawamy	Non-Executive Independent	7	Present	Nil	Nil	3,525
Sri N Jothikumar	Non-Executive Independent	7	Present	Nil	Nil	12,600
Sri R Narayanamurthy	Non-Executive Independent	7	Present	01	Nil	500
Sri R Radhakrishnan	Non-Executive Independent	7	Present	01	Nil	500

DIRECTORS RETIRE BY ROTATION

Mr L Damodarawamy retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

BOARD MEETINGS

From 01.04.2006 to 31.03.2007, seven board meetings were held on the following dates:

27.04.2006, 28.06.2006, 31.07.2006, 07.08.2006, 09.09.2006, 27.10.2006 and 31.01.2007

As required under Clause 49 XI(A), particulars of director seeking re-appointment is given in the explanatory statement in the Notice for the Annual General Meeting to be held on 28.09.2007.

3) COMMITTEES OF THE BOARD

a) REMUNERATION COMMITTEE

Remuneration Committee constituted on 28.04.2003 consists of the following members:

1. Sri L Damodarawamy - Chairman
2. Sri N Jothikumar - Member
3. Sri R Narayanamurthy - 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. The Chairman and the Managing Director are paid salary as approved 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 31.03.2007.

Director	Sitting Fees (Rs.)
Sri L Damodarawamy	7,000
Sri N Jothikumar	7,000
Sri R Narayanamurthy	7,000
Sri R Radhakrishnan	7,000

b) AUDIT COMMITTEE

Audit Committee consists of the following independent Directors:

1. Sri N Jothikumar - Chairman
2. Sri L Damodarawamy - Member
3. Sri R Radhakrishnan - Member

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 confirming to the requirements specified by the Company Law / Stock Exchanges etc.

The Audit Committee met six times on 24th April 2006, 23rd June 2006, 24th July 2006, 8th September 2006, 25th October 2006 and 29th January 2007. The attendance during the year is as under:-

Members	Meetings attended
L Damodarawamy	6
N Jothikumar	6
R Radhakrishnan	6

c) INVESTORS GRIEVANCE COMMITTEE

Shareholders / Investors Grievance Committee consists of the following members:

1. Sri N Jothikumar - Chairman
2. Sri D Lakshminarayanawamy - Member
3. Sri L Damodarawamy - Member

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 N Narasimhalu, CFO - VP and Company Secretary is the Compliance Officer.

During the year two complaints were received from the investors and resolved.

The Shareholders/Investors Grievance Committee met five times on 24th April 2006, 23rd June 2006, 24th July 2006, 25th October 2006 and 29th January 2007. The attendance during the year is as under:

Members	Meetings attended
N Jothikumar	5
D Lakshminarayanawamy	5
L Damodarawamy	5

**d) SHARE TRANSFER COMMITTEE**

The Share Transfer Committee not being a Statutory / Mandatory one, has been formed by the members of the Board and representatives from Registrar and Share Transfer Agent.

In the normal course, the representatives from Share Transfer Agent are authorised to effect the transfers.

The committee meets at frequent intervals to review and approve transfers and transmission of equity shares. The committee met 15 times during the financial year ended 31st March 2007.

4) DETAILS OF ANNUAL GENERAL MEETINGS

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

Location	Nature of Meeting	Day	Date	Time
1) No.3, Bhavani River Street Ariappampalayam Sathyamangalam-638402	AGM	Monday	18.09.2006	10.00 A.M.
2) -do-	EGM	Tuesday	25.07.2006	11.00 A.M.
3) -do-	AGM	Wednesday	10.08.2005	9.30 A.M.
4) -do-	AGM	Wednesday	23.02.2005	9.30 A.M.

5. GENERAL SHAREHOLDER INFORMATION:

1	60 th AGM to be held on	28.09.2007
	At	10.00 A.M.
	Venue	No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402
2	Date of Book Closure	21.09.2007 to 28.09.2007
3	Financial Calendar	
	Results announced	30.06.2007
	Posting of Annual Reports	Last week of August, 2007
	Last date of Receipt of Proxy Forms	26.09.2007
	Announcement of Quarterly Results	July 2007, Oct 2007, Jan 2008 and Apr 2008
4	Listing on Stock Exchanges	Bombay Stock Exchange - Scrip Code No.521178 - ISIN No.INE306D01017
5	Registered Office	No.3, Bhavani River Street Ariappampalayam Sathyamangalam 638 402 Phone & Fax No.: 04295-220681 1493, Sathyamangalam Road Ganapathy Post Coimbatore 641 006 Phone : 0422-2531022/1122 Fax : 0422-2531579 E-mail: srmc@vsnl.com
6	Administrative Office	Coimbatore, Nagari & Sathyamangalam
7	Plant Location	
8	Share Transfer System	Shares are in physical and demat form. Share Transfer documents received at the office of Registrar and Share Transfer Agent is processed and returned with in a period 20 days from the date of receipt.
9	Share Transfer Agents' Address	M/s.S.K.D.C. Consultants Ltd., P.B.No.2979 No.11, S N Layout, Street No.1, Tatabad, Coimbatore - 641 017. Phone : 0422-6549995 Fax : 0422-2499574

6) DEMATERIALISATION OF SHARES:

74.20% of total equity capital is held in dematerialisation form with NSDL and CDSL.

7) MARKET PRICE DATA

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

Month	BSE	
	High (Rs.)	Low (Rs.)
2006		
Apr.	25.50	21.40
May	24.00	18.50
June	19.80	17.65
July	23.50	14.00
Aug	21.95	14.55
Sep.	23.20	18.00
Oct.	35.75	18.00
Nov.	33.60	25.00
Dec.	39.50	26.60
2007		
Jan.	47.10	32.50
Feb.	35.00	22.05
Mar.	25.85	18.75

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

8) DISTRIBUTION OF SHAREHOLDING (AS ON 31.03.2007)

Range (No. of Shares)	No. of Shareholders	No. of Shares	% to total shares
Upto 5000	1780	320572	8.05
5001 - 10000	238	177770	4.46
10001 - 20000	142	200031	5.02
20001 - 30000	49	123296	3.10
30001 - 40000	21	73032	1.83
40001 - 50000	16	72994	1.83
50001 - 100000	23	157592	3.96
100001 - and Above	34	2858043	71.75
TOTAL	2303	3983330	100.00

9) CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2007

Category	No. of Shareholders	No. of Shares	% Shareholding
Promoter's Holding	16*	16,51,992	41.473
Directors & Relatives	19	1,06,007	2.661
Private Corporate Bodies	90	1,76,595	4.433
Banks	1	100	0.003
Financial Institutions	2	7,50,001	18.828
NRJ	1	200	0.005
Other Public	2,174	12,98,435	32.597
TOTAL	2,303	39,83,330	100.000

* including 4 Bodies Corporate (promoter companies) for 683,655 (17.163%) shares.

10) 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) also will be provided to the members on request.

11) DISCLOSURES:

- Disclosure of material transaction**
During the financial year ended 31st March 2007, 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, 2007, there were no transactions of material nature, with the Promoters, Directors and relatives, the management and the Company's subsidiary, that had potential conflict with interest of the company.
- 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. 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.

12) MEANS OF COMMUNICATION

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

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, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with Mumbai Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described 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.

Place: Coimbatore
Date : 30.06.2007

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