



61st
ANNUAL REPORT
2007 - 2008

Report  junction.com

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

SATHYAMANGALAM 638 402



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

Sri N. NARASIMHALU

Company Secretary

Sri. S.A. SUBRAMANIAN

Internal Auditor

Smt. SASIREKHA VENGATESH

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

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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTICE OF THE 61st ANNUAL GENERAL MEETING

NOTICE is hereby given that the 61st ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Monday, the 29th day of SEPTEMBER 2008 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, 2008 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 R Narayanamurthy 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 : 25.06.2008

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 22nd day of September 2008 to 29th day of September 2008 (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.
5. 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.
6. 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 R Narayanamurthy
Age	70 years
Qualification	LTM (Diploma Holder in Textile Manufacturing)
Experience	Had training for Technical and Management Cadre in Lakshmi Mills and joined as a Supervisor in our Mills and gradually promoted as the General Manager of our Mills at Ganapathy, Coimbatore
Names of Companies in which he also holds Directorship	Suhasini Spinners Ltd.
Name of the companies or committees in which he also holds Membership / Chairmanship	None

Place : COIMBATORE

Date : 25.06.2008

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



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 31.03.2008.

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

FINANCIAL-RESULTS :

	Year Ended 31.03.2008	Year Ended 31.03.2007
	Rs.	Rs.
Net Profit before Interest, Depreciation and Extraordinary Items	7,56,99,815	6,40,09,734
ADD : Extraordinary Items	-	34,27,48,529
LESS : Interest	6,69,93,888	5,10,80,965
Depreciation	2,14,89,854	2,19,69,861
Net Profit/(Loss) before Taxes	(1,27,83,927)	33,37,07,437
Less : Tax Adjustments:		
Deferred Tax (Liability)/Assets	-	(5,10,294)
Fringe Benefit Tax	(1,57,508)	(1,28,211)
Prior Year Taxes	-	(61,922)
Net Profit /(Loss) after taxes	(1,29,41,435)	33,30,07,010
Add : Prior year Adjustments (Net)	(1,56,55,047)	(1,44,82,239)
Donations	(3,16,000)	(6,000)
Loss b/f from Previous Year	(1,38,63,428)	(33,23,82,199)
Deficit Carried over to B/S	(4,27,75,910)	(1,38,63,428)

The above deficit has been carried over to Balance Sheet.

PERFORMANCE :

The year in review saw a steep appreciation of the rupee against the dollar which led to a fall in exports of the entire textile supply chain. This further resulted in yarn supply far exceeding the demand, pushing yarn prices down. This year's record crop of cotton resulted in a very high export of cotton. This led to an increase of almost 25% increase in the cotton prices without any significant increase in yarn prices.

The units in Tamil Nadu suffered unscheduled power shut downs which led to huge production losses.

Under these circumstances, the Directors felt that the company could not achieve the expected results. The current year cotton prices have risen unabatedly and further dented into performance of the company.

Polyester Staple Fibre prices have risen by 30% in the last quarter due to the huge increase in crude prices. Even though a large cotton crop is envisaged, unless the exports of cotton is curtailed, the Directors feel that the working will be affected in the coming year also.

However, the yarn prices have moderately increased and with raw material prices stabilizing and if Government intervenes in the cotton export, the working results might stabilize. Since the company has decided to get into real estate operations by developing the Ganapathy Unit land, the production capacities will reduce at Ganapathy and the company is taking measures to shift them to other locations.

FINANCE :

During the year under report the paid up share capital has been increased from Rs. 3,98,33,300 to Rs.7,11,83,300 by conversion of 31,35,000 share warrants as share capital. The share warrant was issued at a premium of Rs. 10.60 per share and accordingly the securities premium account has been increased by Rs. 3,32,31,000/-

REAL ESTATE OPERATION :

In pursuance of Clause III (32) of the Memorandum of Association, our company has decided to commence real estate operations during the coming year. Necessary formalities required in this regard are being complied with.

As we intend to develop the land at our Ganapathy Unit, a portion of land has been converted into stock-in-trade during the year under report.

DIRECTORS :

Retiring Directors:

Sri R. Narayanamurthy, 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:

During the year under report, we have implemented a Voluntary Retirement Scheme in Ganapathy Unit at a cost of Rs. 289.55 lacs involving 177 workers.

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 was placed before the Board of Directors at their meeting held on 25.06.2008.

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, whose appointment as Cost Auditor of the Company for the year ended 31.03.2008 duly approved by the Government to comply with statutory requirements.

Our thanks are due to M/s Clearwater Capital Partners India P. Ltd., 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 the Almighty Sri Jagannatha Perumal for the prosperity of the Company.

Ganapathy
Coimbatore 641 006
25.06.2008

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 during previous year to reduce the energy losses.
- 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 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 31.03.2008	Year Ended 31.03.2007
--------------------------	--------------------------

(A) Power and Fuel Consumption:**1. Electricity:**

a) Purchased:		
Units (in lakhs)	266.54	285.07
Total amount (Rs.in lakhs)	1069.72	1,118.70
Rate per Unit (Rs.)	4.01	3.92
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	0.17	1.43
Units per litre of Diesel Oil	2.32	3.23
Cost/Unit (Rs.)	14.54	10.59
ii) Through Steam turbine/Generator	Nil	Nil

2. Coal

Not used

3. Furnace Oil

Not used

4. Other/internal generation

Nil

(B) Consumption per unit of production: Electricity – Units per kg. of yarn

5.12

4.89

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B :

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

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: Rs.
 Earned : Export of yarn - in Foreign Exchange (FOB) 10,83,268
 Used :
 a) Expenditure in Foreign Currency on account of :
 Commission on sales 10,859
 b) Value of imports calculated on CIF basis:
 Capital Goods 1,26,013

Ganapathy
Coimbatore 641 006
25.06.2008

For the Board of Directors
Sd.) R Doraiswami
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS**1. OPERATIONS OVERVIEW**

The year under review was a challenging year for the Textile Industry. The opportunities, which were expected out of record crop of cotton could not be fully realized on account of ever increasing cotton prices fuelled by uncontrolled exports.

The business environment has become challenging due to steep appreciation of the rupee against the USD which led to fall in exports of the entire textile supply chain and due to rapid expansion of spinning capacity in India, there was an oversupply of yarn which led to a dip in the yarn prices.

The cost of production also increased due to stoppages arising out of frequent power shut downs in Tamilnadu and due to increase in wages. Consequently margins have come under severe pressure.

2. FINANCIAL AND OPERATIONAL PERFORMANCE

With the adverse market conditions and increasing costs of raw material and other inputs, the working of the company has been affected very badly.

3. INDUSTRY STRUCTURE AND DEVELOPMENT

The textile industry is one of the oldest and largest industries in India, which influences the country's economy employing largest number of work force. Worldwide India is the second largest producer of cotton, the third largest producer of yarn and the fifth largest producer of synthetic fibre.

Foreign Direct Investment is allowed in textile sector under the automatic route and the fiscal duty structure has been generally rationalized to achieve growth and maximum value addition within the country.

Realizing the importance, the Govt. of India has also extended the Textile Upgradation Fund Scheme for the modernization and upgradation of the Sector and technology mission of cotton to improve the production and productivity and quality of cotton in India.

4. RISKS AND CONCERNS

Though a bright future is envisaged for the textile industry, but it is not immune from the normal business risks like fierce competition from neighbouring countries. Availability and fluctuation in prices of raw material are the greatest threats to the industry. Rise in oil prices will increase freight costs and PSF have increased by 30% due to petro products price increase.

5. INTERNAL CONTROL SYSTEMS & PROCEDURES

The Company is having a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or dispositions. All transactions are authorized, recorded and reported correctly. These systems are supplemented by internal audit.

6. OUTLOOK

The Indian Textile sector is struggling to survive because of increase in interest cost, high cost of power and its shortage, uncontrolled export of cotton thereby prices increase alarmingly and PSF also increasing due to oil price hike.

With the Government's initiative to support the industry what is needed at this juncture is to properly leverage our strength in raw material to improve production efficiencies, cost control and marketing abilities to have a sustainable growth and profitability.



CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2) BOARD OF DIRECTORS

The Board consists of Sri R Doraiswami as the Chairman and Sri D Lakshminarayananaswamy as the Managing Director and Sri L Damodaraswamy, 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 31.03.2008 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	6	Present	Nil	Nil	429782
Sri D Lakshmi-narayananaswamy	Managing Director	6	Present	06	Nil	398171
Sri L Damodaraswamy	Non-Executive Independent	6	Present	Nil	Nil	3525
Sri N Jothikumar	Non-Executive Independent	6	Present	Nil	Nil	12600
Sri R Narayanamurthy	Non-Executive Independent	6	Present	01	Nil	500
Sri R Radhakrishnan	Non-Executive Independent	6	Present	01	Nil	500

DIRECTOR RETIRES BY ROTATION

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

BOARD MEETINGS

From 01.04.2007 to 31.03.2008, six board meetings were held on the following dates:

27.04.2007, 30.06.2007, 30.07.2007, 31.10.2007, 28.01.2008 and 05.02.2008

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 29.09.2008.

3) COMMITTEES OF THE BOARD

a) REMUNERATION COMMITTEE

Remuneration Committee constituted on 28.04.2003 consists of the following members:

- | | | |
|-------------------------|---|----------|
| 1. Sri L Damodaraswamy | - | 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 recommended by the Remuneration Committee and approved by the Shareholders/Central Government wherever necessary. No sitting fee has been paid to them. The committee has also been empowered to determine the periodic increments in salary and annual incentive of the executive director(s).

This committee comprises entirely of independent directors.

Remuneration to Non-executive Directors for the year ended 31.03.2008.

Director	Sitting Fees (Rs.)
Sri L Damodaraswamy	6000
Sri N Jothikumar	6000
Sri R Narayanamurthy	6000
Sri R Radhakrishnan	6000

b) AUDIT COMMITTEE

Audit Committee consists of the following Directors after being reconstituted on 31.10.2007:

- | | | |
|---------------------------------|---|----------|
| 1. Sri N Jothikumar | - | Chairman |
| 2. Sri D Lakshminarayananaswamy | - | Member |
| 3. Sri R Radhakrishnan | - | Member |

The Company Secretary is the convenor.

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

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

The Audit Committee met 4 times on 28th June 2007, 27th July 2007, 31st Oct.2007 and 25th Jan.2008. The attendance during the year is as under:-

Members	Meetings attended
Sri L Damodaraswamy (upto 31.10.07)	2
Sri N Jothikumar	4
Sri R Radhakrishnan	4
Sri D Lakshminarayananaswamy (from 31.10.07)	2

c) INVESTORS' GRIEVANCE COMMITTEE

Shareholders' / Investors' Grievance Committee consists of the following members:

- | | | |
|---------------------------------|---|----------|
| 1. Sri N Jothikumar | - | Chairman |
| 2. Sri D Lakshminarayananaswamy | - | Member |
| 3. Sri L Damodaraswamy | - | Member |

The Committee has been formed to specifically look into shareholders' / investors' complaints, if any, on transfer of shares, non-receipt of Balance sheet etc.

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

During the year no complaints were received from the investors.

The Shareholders'/Investors' Grievance Committee met 4 times on 23rd April 2007, 27th July 2007, 31st October 2007 and 28th January 2008. The attendance during the year is as under:

Members	Meetings attended
Sri N Jothikumar	4
Sri D Lakshminarayananaswamy	4
Sri L Damodaraswamy	4

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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 10 times during the financial year ended 31st March 2008.

4) DETAILS OF GENERAL MEETINGS

a) Annual General Meetings :-

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

Venue	Day	Date	Time
1) No.3, Bhavani River Street Ariappampalayam Sathyamangalam-638402	Friday	28.09.2007	10.00 A.M.
2) -do-	Monday	18.09.2006	10.00 A.M.
3) -do-	Wednesday	10.08.2005	9.30 A.M.

b) Extraordinary General Meeting :-

There was one Extraordinary General Meeting held on Tuesday the 25th July 2006 at 11.00 a.m. at the Company's Registered Office to transact the following business :-

- 1) Issue of Share warrants / Shares to Promoters / Associates / Investors / Institutions on Preferential basis.

5. GENERAL SHAREHOLDER INFORMATION:

- 1 61st AGM to be held on :
At : Monday, the 29th September 2008
Venue : Regd. Office
No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402
- 2 Date of Book Closure 22.09.2008 to 29.09.2008 (both days inclusive)
- 3 Financial Calendar:
Results announced 25-6-2008
Posting of Annual Reports Last week of August 2008
Last date of Receipt of Proxy Forms 27.09.2008
Announcement of Quarterly Results July 2008, October 2008, January 2009 and June 2009
- 4 Listing on Stock Exchanges
Bombay Stock Exchange – Scrip Code
No. 521178 – ISIN No. INE 306D01017
Annual listing fee to the Stock Exchange was paid upto date.
- 5 Registered Office
No. 3, Bhavani River Street
Ariappampalayam
Sathyamangalam 638 402
Phone & Fax No.: 04295-220681
- 6 Administrative Office
1493, Sathyamangalam Road
Ganapathy Post,
Coimbatore 641 006
Phone: 0422 - 2531022 / 1122
Fax : 0422 - 2531579
E-mail: srmc@vsnl.com
- 7 Plant Location Coimbatore, Nagari & Sathyamangalam
- 8 Share Transfer System
Shares are in physical and demat form. Share Transfer documents received at the office of Registrar and Share Transfer Agent are processed and returned with in a period of 15 days from the date of receipt.
- 9 Share Transfer Agents' Address
M/s. S.K.D.C. Consultants Ltd., P.B.No.2979,
New No.7 (Old No.11), S N Layout, Street No.1,
Tatabad, Coimbatore - 641 012.
Phone : 0422 - 6549995 Fax : 0422 - 2499574

6) DEMATERIALISATION OF SHARES :

77.00% of total equity capital is held in dematerialisation form with NSDL and CDSL whereby shareholders have an option to keep their shareholdings in dematerialized form with any one of the two depositories.

7) MARKET PRICE DATA

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

B S E			
Month-----		High (Rs.)	Low (Rs.)
April	2007	29.35	19.00
May	"	26.30	20.40
June	"	23.50	19.10
July	"	22.75	17.65
August	"	19.00	15.90
September	"	34.90	16.00
October	"	29.75	21.00
November	"	25.50	20.25
December	"	33.00	20.10
January	2008	32.50	23.80.
February	"	26.70	19.85
March	"	21.90	16.85


8) DISTRIBUTION OF SHAREHOLDING (AS ON 31.03.2008)

Range (No. of shares)	No. of shares	No. of Shareholders	% to total shares
Upto 5000	3,32,129	1846	76.82
5001 - 10000	1,81,373	240	9.99
10001 - 20000	2,09,078	148	6.16
20001 - 30000	1,35,770	55	2.29
30001 - 40000	75,744	22	0.92
40001 - 50000	1,18,215	25	1.04
50001 - 100000	1,79,359	27	1.12
100001 - and above	58,86,662	40	1.66
TOTAL	71,18,330	2403	100.00

Shares on conversion of warrants under Lock in : 31,35,000 Equity Shares of Rs.10 each were allotted during the year on conversion of equal number of share warrants issued on Preferential basis. Out of this, 21,35,000 Equity shares will have lock-in period in the following manner :-

No. of Shares	Distinctive Nos. From	To	Lock in period From	To
10,00,000	4983331	5983330	05.02.2008	06.08.2009
11,35,000	5983331	7118330	05.02.2008	27.01.2010

Legal proceedings/disputes on share transfer against the company
Contact address for Shareholders/Analyst

: NIL
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
scysrmc@gmail.com

Designated email id of Shareholders Grievance redressal :
The Company currently does not have any Stock Option Scheme.

9) CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2008

Category	No. of shareholders	No. of shares	% shareholding
Promoter's Holding	21	3786992	53.20
Directors & Relatives	19	106007	1.49
Private Corporate Bodies	87	245339	3.45
Banks	1	750000	10.54
Financial Institutions	1	100	-
NRI	4	834	0.01
Foreign Institutional Investor	1	1000000	14.05
Other Public	2269	1229058	17.26
TOTAL	2403	7118330	100.00

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 2008 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
Related party transactions have been disclosed Vide Note No. 21 attached to accounts
- Information supplied to the Board
All information, as required under Annexure 1A to Clause 49 of the Listing Agreement, is made available to the Board. The Board is also regularly updated on statutory compliances, as are applicable to the Company.
- Code of Conduct
The Company has adopted a Code of Conduct for Directors and Senior Management personnel for prevention of Insider Trading based on SEBI (Insider Trading) Regulations 1992. The Directors and Senior Management Personnel of the Company have affirmed their adherence to the Code.
- Compliance by the Company
During the last three years, there were no penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

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, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd., Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner 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 : 25.06.2008

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