



62nd ANNUAL REPORT

2008 - 2009

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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

| CONTENTS | Page Nos |
|--|----------|
| Notice of Annual General Meeting | 2 |
| Directors' Report | 3 |
| Management Discussion & Analysis Report | 4 |
| Corporate Governance | 6 |
| Auditors' Report on Corporate Governance | 8 |
| Auditors' Report | 9 |
| Balance Sheet | 11 |
| Profit & Loss Account | 12 |
| Cash Flow Statement | 13 |
| Balance Sheet Schedules | 15 |
| Profit & Loss A/c Schedules | 19 |
| Accounting Policy | 20 |
| Notes on Accounts | 22 |
| General Profile | 27 |

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**NOTICE OF THE 62nd ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 62nd ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Friday, the 18th day of SEPTEMBER 2009 at 9.00 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, 2009 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 N Jothikumar 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 : 30.06.2009

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 11th day of September 2009 to 18th day of September 2009 (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, New No.7 (Old 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 THE LISTING AGREEMENT:

| | |
|---|---|
| Name | Sri N Jothikumar |
| Age | 71 Years |
| Qualification | B E |
| Experience | Well experienced in the Management particularly of textile mills owing to his long association with several such units. |
| Name of the Companies in which he also holds Directorship | Nil |
| Other Directorships | Nil |
| Shareholding in SRMC | 12600 Equity Shares |
| Other Committee membership | Remuneration Committee, Audit Committee, Shareholders'/Investors' Committee. Share Transfer Committee. |

Place : COIMBATORE

Date : 30.06.2009

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 31.03.2009.

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

FINANCIAL-RESULTS:

| | Year Ended 31.03.2009 Rs. | Year Ended 31.03.2008 Rs. |
|--|---------------------------------|---------------------------------|
| Profit/(Loss) before Interest, Depreciation and Extraordinary Income | (1,95,83,707) | 7,80,87,915 |
| ADD : Extraordinary Income | 6,00,00,000 | - |
| LESS : Interest | 5,88,10,258 | 6,93,81,988 |
| Depreciation | 1,81,73,920 | 2,14,89,854 |
| Net Profit / (Loss) before Taxes | (3,65,67,885) | (1,27,83,927) |
| LESS : Tax Adjustments: | | |
| Fringe Benefit Tax | (2,79,145) | (1,57,508) |
| Net Profit / (Loss) after taxes | (3,68,47,030) | (1,29,41,435) |
| ADD : Prior year Adjustments (Net) | (14,82,010) | (1,56,55,047) |
| Donations | - | (3,16,000) |
| Loss b/f from Previous Year | (4,27,75,910) | (1,38,63,428) |
| Surplus / (Deficit) Carried Over to B/S | (8,11,04,950) | (4,27,75,910) |

The above deficit has been carried over to Balance Sheet.

PERFORMANCE:

During the beginning of this year, the rupee appreciation against US Dollar led to a fall in export of Textiles and though the trend started reversing later, due to the global industrial and economic recession prevailing in US, European and Asian Countries, the exports have not picked up significantly.

As observed in last year's report, the cotton prices ruled high by about 25 to 30% over international market prices on account of minimum support price announced by Govt. of India for cotton. Hence, the industry could not take advantage of record production of cotton in India.

The units in Tamil Nadu suffered huge production losses due to unscheduled power shutdowns and power cuts imposed by Tamil Nadu Electricity Board.

Under these circumstances, your Directors feel that the company could not achieve the expected results.

However, we expect that with the intervention of new Govt. and with the improved power supply and taking into account the importance of this industry in the Indian economy, the Board of Directors hope that during the current year the working results of the company might stabilize.

REAL ESTATE OPERATION:

It was mentioned in the earlier Directors' Report that the company intends to develop the land at its Ganapathy Unit. Accordingly, it had entered into a Joint Development Agreement with M/s Arihant Griha Ltd., Chennai. Due to the present recessionary conditions prevailing both at home and abroad which has affected the real estate business to a great extent, the Developers have intimated and we have accepted to terminate the contract. In view of this development, the company is looking at other avenues in this regard.

DIRECTORS:

Retiring Directors:

Sri N Jothikumar, one of the Directors of the Company retires by rotation at the ensuing Annual General Meeting of the Company. The place so vacated by him has to be filled up 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 was placed before the Board of Directors at their meeting held on 30.06.2009.

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 31.03.2009 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 for the Grace of Almighty Sri Jaganatha Perumal for the prosperity of the Company.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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 31.03.2009 | Year Ended 31.03.2008 |
|---|--------------------------|--------------------------|
| (A) Power and Fuel Consumption: | | |
| 1. Electricity: | | |
| a) Purchased: | | |
| Units (In lakhs) | 171.17 | 266.54 |
| Total amount (Rs.in lakhs) | 666.98 | 1069.72 |
| Rate per Unit (Rs.) | 3.90 | 4.01 |
| b) Own Generation: | | |
| i) Through Diesel Generator | | |
| Units (in lakhs) | 2.30 | 0.17 |
| Units per litre of Diesel Oil | 2.55 | 2.32 |
| Cost/Unit (Rs.) | 13.74 | 14.54 |
| 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 | 4.57 | 5.12 |

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:
Steps are being taken to increase export of yarn and to explore new markets.
- ii) Total foreign exchange earned and used:

| | |
|---|--------|
| | Rs. |
| Earned : Export of yarn - in Foreign Exchange (FOB) | 9,558 |
| Used : a) Subscription to periodicals | 797 |
| b) Travelling | 69,993 |

Ganapathy
Coimbatore 641 006
30.06.2009

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Textile Industry has evolved into a class manufacturing center. With the implementation of Technology Upgradation in Textile machinery and Technology Mission in cotton increasing the per capita world class quality cotton production, the textile industry has a future in catering to the world by increasing its exports as also increased domestic demand.

2. 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 of raw material at international prices are the greatest threats to the industry. Rise in oil prices will increase freight costs and PSF. The power situation for the next few years is also worrisome.

3. FINANCIAL AND OPERATIONAL PERFORMANCE

Last year the centre fixed the minimum support price for cotton at an unrealistic level unrelated to global market conditions. While exporters were unhappy, cotton textile mills have been complaining about high domestic price of raw material that render textile exports uncompetitive a slow down in the global economic activity also resulted in a slow down in textile exports and loss of export earnings. With the continued adverse market conditions, shortage in power and increase in cost of raw material and other inputs, the working of the company has suffered very badly.

Keeping in view the importance of the textile industry, the Govt. will look to quicken the Technology Upgradation Fund Scheme and Technology Mission on Cotton during the 11th Plan period. Govt. is also pondering over certain steps to be taken to help rejuvenate the textile industry including liberalization of labour laws.

4. 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.

5. OPPORTUNITIES & THREATS

The slow down and recession in other parts of the world have forced to improve availability of exports in India with less cost. This offers immense opportunity in India for the future. With the proper support from the Govt. on infrastructure, finance and taxation, the Indian Industry can grow manifold and your company shall also take part of it.

High interest rates, lack or inadequate credit facilities extended by Banks to their customers, pricing pressure on cotton, power and other inputs, fluctuating foreign currency, global recession are threats thrown to the textile industry and any adverse change may influence the profitability of the company.

6. OUTLOOK

The Indian Textile Sector is suffering on account of high interest costs, shortage of power, higher raw material prices both Cotton and PSF. With the Govt's determination to strive for service tax exemption for the textile industry reducing interest rates on pre and post-shipment credits and formulating a National Fibre Policy and a scheme for technology mission on cotton during the 11th plan period is what is needed at this juncture and will reduce the burden on the textile industry. The company cannot guarantee the accuracy of assumptions and perceive performance of the company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed in this report.



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

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

- a. I have reviewed the financial statements and the cash flow statement for the year ended 31.3.2009 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) Instance of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Coimbatore
30.06.2009

(Sd.) N NARASIMHALU
Chief Financial Officer

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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2) BOARD OF DIRECTORS

The Board consists of Sri R Doraiswami as the Chairman and Sri D Lakshminarayanawamy as the Managing Director 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 31.03.2009 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 Lakshminarayanawamy | Executive-Managing Director | 6 | Present | 06 | Nil | 398171 |
| Sri L Damodarawamy | 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 | 5 | Present | 01 | Nil | 500 |

DIRECTOR RETIRES BY ROTATION

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

BOARD MEETINGS

From 01.04.2008 to 31.03.2009 six board meetings were held on the following dates:

22.05.2008, 25.06.2008, 31.07.2008, 24.10.2008, 19.11.2008 and 30.01.2009

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 18.09.2009.

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 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 31.03.2009.

| Director | Sitting Fees (Rs.) |
|----------------------|--------------------|
| Sri L Damodarawamy | 6000 |
| Sri N Jothikumar | 6000 |
| Sri R Narayanamurthy | 6000 |
| Sri R Radhakrishnan | 5000 |

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 Lakshminarayanawamy - 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 specified by the Company Law / Stock Exchanges etc.

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

The Audit Committee met four times on 23.06.2008, 31.7.2008, 24.10.2008, 30.01.2009 -

The attendance during the year is as under:-

| Members | Meetings attended |
|---------------------------|-------------------|
| Sri D Lakshminarayanawamy | 4 |
| Sri N Jothikumar | 4 |
| Sri R Radhakrishnan | 3 |

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 S A Subramanian, Company Secretary is the Compliance Officer.

During the year, the Committee met six times to deliberate on various matters referred to it and all of them were resolved. As on 31.03.2009 no complaint from shareholders/investors is pending.

The Shareholders'/Investors' Grievance Committee met six times on 22.05.2008, 31.07.2008, 24.10.2008, 10.11.2008, 25.11.2008 and 29.01.2009. The attendance during the year is as under:

| Members | Meetings attended |
|---------------------------|-------------------|
| Sri N Jothikumar | 4 |
| Sri D Lakshminarayanawamy | 4 |
| Sri L Damodarawamy | 4 |



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 fifteen times during the financial year ended 31st March 2009.

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 | Monday | 29.09.2008 | 10.00 A.M. |
| 2) | -do- | Friday | 28.09.2007 | 10.00 A.M. |
| 3) | -do- | Monday | 18.09.2006 | 10.00 A.M. |

b) Extraordinary General Meeting :-

There was one Extraordinary General Meeting held on Saturday, the 27th December 2008 at 11.00 a.m. at the Company's Administrative Office to transact the following business :-

- 1) Consider appointment of Chairman and fix his remuneration.

5. GENERAL SHAREHOLDER INFORMATION :

| | | |
|---|--------------------------------------|---|
| 1 | 62 nd AGM to be held on : | Friday, the 18 th September 2009 |
| | At : | Regd. Office |
| | Venue : | No.3, Bhavani River Street Ariappampalayam Sathyamangalam 638 402 |
| 2 | Date of Book Closure | 11.09.2009 to 18.09.2009 (both days inclusive) |
| 3 | Financial Calendar: | |
| | Results announced | Third week of August 2009 |
| | Posting of Annual Reports | 16.09.2009 |
| | Last date of Receipt of Proxy Forms | July 2009, October 2009, January 2010 and June 2010 |
| | Announcement of Quarterly Results | Bombay Stock Exchange - Scrip Code No.521178 - ISIN No.INE306D01017 |
| 4 | Listing on Stock Exchanges | 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 :

91.4% 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 | 2008 | 26.45 | 18.00 |
| May | " | 29.00 | 20.45 |
| June | " | 26.00 | 20.40 |
| July | " | 26.95 | 18.90 |
| August | " | 27.20 | 21.50 |
| September | " | 27.00 | 17.85 |
| October | " | 18.00 | 12.70 |
| November | " | 14.45 | 12.00 |
| December | " | 12.94 | 11.41 |
| January | 2009 | 15.00 | 10.85 |
| February | " | 17.14 | 11.46 |
| March | " | 19.65 | 13.40 |

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**8) DISTRIBUTION OF SHAREHOLDING (AS ON 31.03.2009)**

| Range (No. of shares) | No. of shares | No. of Shareholders | % to total shares |
|--------------------------|------------------|------------------------|----------------------|
| Upto 5000 | 3024180 | 1734 | 4.25 |
| 5001 - 10000 | 1554110 | 205 | 2.18 |
| 10001 - 20000 | 1939040 | 136 | 2.72 |
| 20001 - 30000 | 1031650 | 41 | 1.45 |
| 30001 - 40000 | 737640 | 21 | 1.04 |
| 40001 - 50000 | 811470 | 17 | 1.14 |
| 50001 - 100000 | 1592250 | 24 | 2.24 |
| 100001 and above | 60492960 | 37 | 84.98 |
| Total | 71183300 | 2215 | 100.00 |

Shares under Lock in conversion of warrants : 31,35,000 Equity Shares of Rs.10 each were allotted during the previous financial 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

The Company currently does not have any Stock Option Scheme.

9) CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2009

| Category | No. of shareholders | No. of shares | % shareholding |
|--------------------------------|------------------------|------------------|-------------------|
| Promoter's Holding | 15 | 3918116 | 55.04 |
| Directors & Relatives | 18 | 101786 | 1.43 |
| Private Corporate Bodies | 74 | 201799 | 2.83 |
| Banks | 1 | 750000 | 10.53 |
| Financial Institutions | 2 | 101 | 0.01 |
| NRI | 8 | 6522 | 0.09 |
| Foreign Institutional Investor | 1 | 1000000 | 14.05 |
| Other Public | 2096 | 1140006 | 16.02 |
| Total | 2215 | 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 2009 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, 2009 there were no transactions of material nature, with the Promoters, Directors and Relatives and the Management that had potential conflict with the interest of the company. Details of related party transactions are given elsewhere in the Annual Report.
- Information supplied to the Board
All information, as required under Annexure 1A to Clause 49 of the Listing Agreement, is made available to the Board. The Board is also regularly updated on statutory compliances, as are applicable to the Company.
- Code of Conduct
The Company has adopted a Code of Conduct for Directors and Senior Management personnel for prevention of Insider Trading based on SEBI (Insider Trading) Regulations 1992. The Directors and Senior Management Personnel of the Company have affirmed their adherence to the Code.
- Compliance by the Company
During the last three years, there were no penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

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, 2009 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 : 30.06.2009

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