



**65<sup>th</sup>**  
**ANNUAL REPORT**  
**2011 - 2012**

**SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**  
SATHYAMANGALAM - 638 402

Board of Directors

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

Chief Executive  
Smt L NAGASWARNA

CFO- Vice-President  
Sri N.NARASIMHALU

Company Secretary  
Sri S.A. SUBRAMANIAN

Internal Auditor  
Smt.SASIREKHA VENGATESH  
COIMBATORE

Cost Auditor  
S.MAHADEVAN & Co.  
COIMBATORE.

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

Bankers  
THE SOUTH INDIAN BANK LTD  
KOTAK MAHINDRA BANK LTD

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

PHONE : 04295-220681, 0422-2531022  
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Mills

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

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# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## NOTICE OF THE 65<sup>th</sup> ANNUAL GENERAL MEETING

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

### AGENDA

#### ORDINARY BUSINESS

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

#### SPECIAL BUSINESS

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

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

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

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

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

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

Salary : Rs.1.17,000 - 12000 (2) - 1,41,000 - 15000 (3) -

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

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

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

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

Coimbatore  
13.08.2012

### NOTES:

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

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

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

### Details of a Director seeking reappointment at the Annual General Meeting

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

Name(s) of the Companies in which he also holds Directorship : NIL

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

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

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

### ITEM NO.4 of the Agenda:

The Company has executed -

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

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

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

**ITEM NO.5 of the Agenda:**

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

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

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

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

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

Coimbatore  
13.08.2012

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

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

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

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

### FINANCIAL RESULTS:

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

The above deficit has been carried over to Balance Sheet.

### PERFORMANCE:

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

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

### DIRECTORS:

Retiring Director:

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

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

### ENERGY-CONSERVATION etc:

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

### EMPLOYEES:

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

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

### STATEMENT OF RESPONSIBILITY OF DIRECTORS:

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

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure from the same.
- that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31,2012 and of the loss of the company for the year ended on that date.

- 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, the certificate from Mr N Narasimhalu, CFO-Vice President was placed before the Board of Directors at their meeting held on 13.08.2012.

### AUDITORS:

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

### COST AUDITORS:

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

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

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

### GENERAL:

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

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

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

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

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

Coimbatore  
13.08.2012

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

## ANNEXURE TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

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

#### FORM-A

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

### B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B:

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

Coimbatore  
13-08-2012

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

# **SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

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

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

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

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

### **OUTLOOK**

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

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

### **RISK & CONCERNS**

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

### **INTERNAL CONTROLS**

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

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

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

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

Coimbatore  
13.08.2012

**(Sd.) N NARASIMHALU**  
Chief Financial Officer

## CORPORATE GOVERNANCE

### 1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

### 2) BOARD OF DIRECTORS

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

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

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

### DIRECTOR RETIRES BY ROTATION

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

### BOARD MEETINGS

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

21.04.2011, 30.05.2011, 26.07.2011, 10.11.2011 and 08.02.2012.

### 3) COMMITTEES OF THE BOARD

#### a) REMUNERATION/SELECTION COMMITTEE

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

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. No sitting fee has been paid to them. The committee has also been empowered to determine the periodic increments in salary and annual incentive of the executive director(s).

This committee comprises entirely of independent directors.

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

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

#### b) AUDIT COMMITTEE

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

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

The Company Secretary is the convenor.

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

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

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

The attendance during the year is as under:-

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

#### c) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

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