



68th
ANNUAL REPORT
2014-2015

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE - 641 006

Board of Directors

Sri. D. LAKSHMINARAYANASWAMY
(Managing Director)

Smt. L. NAGASWARNA
(Whole-time Director)

Sri N. JOTHIKUMAR

Sri R. NARAYANAMURTHY

Sri R. RADHAKRISHNAN

Company Secretary

Sri S.A. SUBRAMANIAN

Chief Financial Officer

Sri G. KRISHNAKUMAR

Internal Auditor

Smt. SASIREKHA VENGATESH
Coimbatore.

Secretarial Auditor

Smt. C. JAYANTHI
Coimbatore

Auditors

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

Bankers

THE SOUTH INDIAN BANK LTD

Registered Office

No.1493, SATHYAMANGALAM ROAD
GANAPATHY POST

COIMBATORE – 641 006

PHONE : 0422-2531022 / 2531122

E-mail : srmc@vsnl.com

Mill

NAGARI (A.P)

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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTICE OF THE 68th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 68th ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Wednesday, the 16th day of September 2015 at 9.00 a.m. at the Registered Office of the Company at No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore-641006 to transact the following business:

A G E N D A

ORDINARY BUSINESS

ITEM NO.1 – ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Financial Statements of the company for the year ended 31st March 2015 including audited Balance Sheet of the Company as at 31st March, 2015 and Statement of Profit and Loss of the Company and Cash Flow Statement for the year ended on that date and the reports of the Directors and Auditors thereon.

ITEM NO.2 – APPOINTMENT OF AUDITORS

To ratify the appointment of Auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof.

RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by Members at the 67th Annual General Meeting held on 29th September 2014, the appointment of M/s.M.S.Jagannathan & Visvanathan (Firm Registration No.001209S) as the Auditors of the Company to hold Office till the conclusion of the 69th Annual General Meeting to be held during 2015-16 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the Financial Year ending March 31, 2016 as may be determined by the Audit Committee.

SPECIAL BUSINESS

ITEM NO.3

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 applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company Smt.L.Nagaswama (DIN: 00051610) who was appointed on the recommendation of Nomination & Remuneration Committee of the Company as an Additional Director and subsequently as Woman Director of the Company from 14.08.2014 whose period of Office is liable to determination by retirement of Directors by rotation, be and is hereby reappointed as Whole Time Director of the Company, subject to the approval of members for a period of three years from 14.08.2014.

“RESOLVED FURTHER that, pursuant to the provisions of Sections 196, 197 Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) based on the recommendation of Nomination & Remuneration Committee of the Company, Smt.L.Nagaswama (DIN: 00051610) be and is hereby paid the following remuneration :

Salary per month : Rs.1,41,000 – 15000 – 186000

She shall be eligible for payment of the following perquisites and benefits Variable Dearness Allowance (VDA) along with other perquisites, benefits and incentives as applicable to the other members of Staff.

Minimum Remuneration :

Notwithstanding anything hereinabove stated, where in any financial year during the tenure of Smt.L.Nagaswama, (DIN: 00051610) the company has no profits or the profits are inadequate, the above salary and perquisites not exceeding the ceiling limits prescribed in Section-II of Part-II of Schedule V of the Companies Act, 2013 be paid to her as minimum remuneration.

Her period of Office shall be liable to determination by retirement of directors by rotation as hitherto.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration subject to the same not exceeding the limits specified under Section 197, read with Schedule-V of the Companies Act 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and to take all such steps as may be required and desirable and 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) Limited

D. LAKSHMINARAYANASWAMY
Managing Director

Place : Coimbatore
Date : 28.05.2015

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 10.09.2015 to 16.09.2015 (both days inclusive).
3. 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.
4. The Shareholders are requested to 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.
5. Members desirous of making nomination in respect of their shareholding in the company as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form 2B for this purpose to the Company.
6. Members are requested to communicate their change of address, if any, quoting their folio numbers to the Registrars and Share Transfer Agents, M/s.SKDC Consultants Limited, “Kanakapathy Towers”, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006. Similarly members holding shares in Demat form, shall intimate the change of address, if any, to their respective Depository Participants.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the Notice. The Director has furnished the requisite declaration for her re-appointment.
8. Electronic copy of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 68th Annual General Meeting and the Annual Report for the year 2014-15 will also be available on the Company's website www.ramakrishnamills.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email ID : srmc@vsnl.com

EXPLANATORY STATEMENT IN RESPECT OF ITEM NO.3 OF THE AGENDA PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.3 of the Agenda:

At the last Annual General Meeting, Smt.L.Nagaswama was appointed as a Woman Director of the Company and subsequently ratified by the Board of Directors as a Whole Time Director whose period of office is liable to determination by retirement of Director by rotation.

It is proposed that she can be reappointed on the basis of the recommendations of the Nomination and Remuneration Committee for a period of three years with effect from 01.10.2014 with a view to avail her services on continued basis with salary and perquisites in accordance with the guidelines issued in this regard by the Central Government, which is the same as drawn by her at present as per the earlier approval accorded by the Members. The Board of Directors recommends the resolution as set out in Item No.2.

Details of Smt. L. Nagaswama (DIN : 00051610) seeking reappointment at the Annual General Meeting:

Name : Smt.L. Nagaswama
Date of birth : 28.12.1952
Date of appointment : 14.08.2014
Expertise in specific Functional area : General Administration and Communication.
Directorship in other Public Ltd Companies : Sri Ramakrishna Yarn Carriers Ltd
: Suhasini Spinners Ltd
: Sentra Yarns Ltd

Membership of Committees in other Public Ltd companies : None

Information to be provided under Schedule-V Part-II Section-II of the Companies Act, 2013:-

I. General Information

1. Nature of Industry : Textile Industry.
2. Date or expected date of commencement of commercial production : The Company was incorporated on 6.9.1946 and commenced production subsequently during the year 1951
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
4. Financial performance based on given indicators: Rs.in lakhs

Particulars	2014-2015	2013-14
Sales and other Income	1636.34	1907.77
Profit/(Loss) after Tax and depreciation and exceptional items	(164.45)	(350.05)
Profit/(Loss) after Tax	(164.45)	(350.05)
Paid up Equity Capital	711.83	711.83
Reserves and Surplus	490.67	897.98
Basic Earnings per share	(2.31)	(4.92)

5. Foreign investments and collaborators, if any : NIL

II. Information about the Appointee:

1	Background details	Smt.L.Nagaswama, is a citizen of India, 63 year old. She is a Commerce Graduate with MBA Qualification. She was employed with M/s.Lakshmi Mahine Works Ltd, a premier Textile Machinery Manufacturers in Coimbatore as its Financial Controller upto 1973. She joined our company as Administrative Manager in 1982 and was elevated as Chief Executive of the Company with effect from 01.10.1988. In this capacity, she was responsible for the general administration of the Company, purchase of stores, spares and other commodities, approval of specifications / quality and price of the items, recruitment and training of staff and co-ordinating various activities related to the operations of the company. .
2	Past remuneration	Rs. 1,41,000/- per month Plus Allowances and perquisites
3	Recognition or awards	B.Com., M B A
4	Job profile and her suitability	Smt. L. Nagaswama is with the Company since 1982.
5	Remuneration Proposed	Salary of Rs.1,56,000 per month in the scale of 1,41,000-15,000-1,86,000 with such allowances and perquisites as applicable to the members of staff.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by her and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages adopted by other Companies in the industry in similar position.
7	Pecuniary relationship directly or indirectly with the company or relation-ship with the managerial personnel, if any	Besides the remuneration proposed, the Whole Time Director does not have any other pecuniary relationship with the Company except being a relative of Managing Director.

III. Other Information

1. Reasons of loss or inadequate profits :

The general industrial recession both at domestic and abroad had affected the working of the industry. There were wide fluctuations in the exchange rate of Rupee against US\$ which led to a fall in exports of the entire textile supply chain. This pushed yarn prices down. Cotton Exports had also increased the cost of raw material thereby reducing the profit margin drastically. The unit suffered unscheduled power shut downs and power cuts which led to huge production loss. As a result of these adverse conditions, the company had incurred loss during previous years.

2. Steps taken or proposed to be taken for improvement :

In order to mitigate the sufferings, the Management has taken effective steps to reduce its cost of production by taking steps to contain input costs and other overheads and reducing its borrowings and improving capacity utilisation.

3. Expected increase in productivity and profits in measurable terms :

The Company is expected to perform well in the near future.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

IV. Disclosures:

1. The shareholders of the company shall be informed of the remuneration package of the managerial person: Disclosed
2. The following disclosures shall be mentioned in the Board of Directors' report under the heading "Corporate Governance", if any, attached to the annual report:
 - a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc., all the directors : Disclosed in Corporate, Governance.
 - b. Details of fixed component and performance linked incentives along with the performance criteria : Disclosed
 - c. Service contracts, notice period, severance Fees : Disclosed
 - d. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable : Company has not issued any stock option

The Company has not defaulted in repayment of any of its debts or debentures and public deposits.

None of the Directors of the Company other than Sri. D. Lakshminarayanawamy (DIN:00028118) as a relative and Smt. L. Nagaswama, (DIN: 00051610) Whole Time Director as recipient are concerned or interested in the aforesaid resolution.

The Shareholdings of Smt. L. Nagaswama, Whole Time Director in the Company has been given under "Corporate Governance".

The above statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Clause-35B of the Listing Agreements read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 68th Annual general Meeting scheduled to be held on Wednesday, the 16th September 2015 at 9.00 a.m by electronic means and the business may be transacted through e-voting. The company has engaged the services of CDSL as the authorized Agency to provide the e-voting facilities as per instructions given below:-

Instructions to Members for e-voting are as under :

- (a) Date and time of commencement of voting through electronic means 12th September 2015 at 9.00 a.m. (IST)
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed 15th September 2015 5.00 p.m. (IST)
- (c) Details of Website : www.evotingindia.com

Details of persons to be contacted for issues relating to e-voting:

M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006
Phone : +91 422 6549995, 2539835-836 Fax : +91 422 2539837
E-mail : info@skdc-consultants.com
Website : www.skdc-consultants.com

The e-voting module shall be disabled for voting on 15th September 2015 at 5.00 P.M. (IST). Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on 9th September 2015.

Mrs. Sasirekha Vengatesh, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Managing Director.

The result shall be declared after the AGM of the Company and after submission of the report by the scrutinizer. The results declared along with the scrutinizers report shall be available for inspection and also placed on the website of the Company within two (2) days of conclusion of the AGM of the Company and communicated to the Stock Exchange(s).

In case of members receiving e-mail :

- i) Log on to the e-voting website www.evotingindia.co.in
- ii) Click on "Shareholders" tab.
- iii) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Enter the Image Verification Code as displayed and Click on Login.
- v) If you are holding shares in Demat Form and had logged on to www.evotingindia.co.in and casted your vote earlier for any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below :-

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio numbers in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. If the details are not recorded with the depository or company, please enter the member ID/ folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then reach directly the "Sri Ramakrishna Mills (Coimbatore) Ltd" screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the relevant EVSN-Sri Ramakrishna Mills (Coimbatore) Ltd on which you choose to vote.

- xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "Resolutions File Link" if you wish to view the entire Resolution.
- xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Image verification Code and click on Forgot Password & enter the details as prompted by the system.
- Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.,) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy :

- A) Please follow all steps from Sl.No.(i) to Sl.No.(xvi) above to cast vote.
- B) The voting period begins on 12th September 2015 at 9.00 a.m. (IST) and ends on 15th September 2015 at 5.00 p.m. (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9th September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

The notice of the Annual General Meeting and this communication are also available on the website of the www.evotingindia.co.in

AS THE COMPANY HAS PROVIDED E-VOTING / IN TERMS OF CLAUSE 35B OF THE LISTING AGREEMENT, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING.

THE SCRUTINIZER WILL COLLATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES POLLED AT THE AGM THROUGH POLLING PAPER TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING.

The documents referred to in the accompanying NOTICE will be available for inspection at the Registered Office of the Company during business hours on all working days upto the date of declaration of the results at the 68th Annual General Meeting of the Company.

Place: Coimbatore
Date : 28.05.2015

By Order of the Board
For Sri Ramakrishna Mills (Coimbatore) Limited

D. LAKSHMINARAYANASWAMY
Managing Director

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

With a deep sense of sorrow, it is reported that Sri.R.Doraiswami Naidu, Chairman of the Company expired on 9th April 2015. The Company hereby places on record the distinguished service rendered by Sri.R.Doraiswami Naidu who founded the Company, by being at the helm of affairs of the company for about 66 years and also the phenomenal contribution made by him for the progress of the company during his tenure of Directorship / Chairmanship.

Your Directors submit the following Report on the working of the Company for the year ended 31.03.2015.

After meeting all working expenses, interest, repairs to machinery and buildings, the working results of the company for the year 2014-15 is given below :-

Financial results:

	Year Ended	
	31.03.2015 Rs.	31.03.2014 Rs.
(Loss) before Interest and Depreciation	(2,74,43,316)	(10,53,969)
Less : Interest	(4,49,04,680)	(3,23,31,592)
Depreciation	(1,23,38,637)	(1,02,13,362)
(Loss) before Exceptional items	(8,46,86,633)	(4,35,98,923)
Exceptional Item: Surplus on conversion of land into Stock-in-Trade	6,82,42,005	85,94,196
(Loss) after Exceptional Item	(1,64,44,628)	(3,50,04,727)
(DEFICIT) carried over to Balance Sheet	(1,64,44,628)	(3,50,04,727)

Performance:

The turnover of the Company has come down from Rs.17.30 crores to Rs.16.25 crores and the Company has incurred a loss of Rs.1.64 crores after charging Interest and Depreciation and the exceptional items. This is mainly due to suspension of activity in Tamilnadu and reduced utilization in Andhra Pradesh.

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

Future:

The economy is expected to pick up in the coming months due to the initiatives taken by the Government. The Company intends to operate its plant during the current year to the full capacity, utilizing the power available to the maximum extent thereby improve its performance.

Management Discussion and Analysis

In terms of the provisions of Clause 49 of the Listing Agreement, the Management Discussion and Analysis is set out in this report. It contains an analysis on the Performance of the industry, the Company, Internal Control System and Risk management policy.

Board of Directors:

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report. The Company has issued a letter of appointment to all independent directors and the terms and conditions of their appointment have been disclosed on the website of the company. In terms of Section 149 of the Companies Act, 2013 (Act), Sri.N.Jothikumar (DIN:00028025) Sri.R.Narayanamurthy (DIN:00028158) and Sri.R.Radhakrishnan (DIN:00028190), Independent Directors were appointed by the Shareholders at the 67th Annual General Meeting (AGM) held on September 29, 2014 for a period of five years to hold Office upto 28th September 2019. All the independent directors have affirmed that they satisfy the criteria laid down under Sec.149(6) of the Act and Clause-49 of the Listing Agreement. Further, the Company's Code of Conduct suitably incorporates the duties of independent directors as laid down in the Act.

Retirement by rotation:

Smt. L. Nagaswami (DIN: 00051610), who has been appointed as a Whole time Director, retires by rotation at the ensuing Annual General Meeting of the Company, as per the terms of her appointment. The place so vacated by her 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 to this effect is included in the Agenda for consideration of members at the ensuing Annual General Meeting of the Company.

Board Meetings:

During the year six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between two consecutive meetings was within the period prescribed under the Act.

Meeting of Independent Directors:

During the year, one separate meeting of independent directors was held. All the independent directors were present at this meeting. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board and expressed that the current flow of information and contents were adequate for the Board to effectively perform its duties.

Board Evaluation

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been framed by the Nomination and Remuneration Committee and approved by the Board. A questionnaire consisting of certain criteria is adopted for reviewing the functioning and effectiveness of the Board and for identifying possible areas for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision making of the Directors, relationship to Stakeholders, Company performance, company strategy and effectiveness of the whole Board and its various committees on a scale of one to five.

Necessary feed back is provided for improvement in the performance of the Directors and the functioning of the overall Board and the various committees.

Familiarisation Programme for Independent Directors :

The Company has put in place required programme for independent directors to get familiarized with the Organisation and also about their duties and responsibilities.

Key Managerial Personnel:

Sri.D.Lakshminaraswamy (DIN:00028118), Managing Director, Smt.L.Nagaswami, Wholetime Director (DIN:00051610), Sri.S.A.Subramanian and Sri.G.Krishnakumar as Company Secretary and Chief Financial Officer respectively constitute Key Managerial Personnel of the Company.

Remuneration Policy:

The policy on appointment, remuneration and evaluation criteria for Directors and Senior Management is as per the recommendation of the Nomination and Remuneration Committee of the Board. The Company recognized that Compensation Policy is an important and strategic tool in the achievement of vision and goals of the company. It is in keeping with the performance of the individuals, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

The Nomination and Remuneration Committee recommends the remuneration of Directors and Senior Management personnel which is approved by the Board of Directors, subject to the approval of shareholders, where necessary.

Audit Committee:

In terms of the provisions of Section 177 of the Act and Clause 49 of the Listing Agreement, the Audit Committee of the Board was reconstituted to act in accordance with the terms of reference prescribed therein. Detailed disclosure on compositions, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

Statutory Auditors:

The Auditors of the Company M/s.M.S.Jagannathan & Visvanathan were appointed at the last AGM to hold Office till the conclusion of 69th Annual General Meeting subject to ratification by members at the ensuing Annual General Meeting and being eligible offer themselves for their continuance as auditors of the company.

Cost Audit:

Ministry of Corporate Affairs (MCA) has vide Notification dated 31st December 2014 amended the Companies (Cost Records and Audit) Rules 2014. Accordingly, the rules apply to the Companies which have turnover exceeding the prescribed limits. Since the Company's turnover is less than the prescribed limit, the company is exempt from maintenance of Cost Records and Audit thereof.

Secretarial Audit:

Smt.C.Jayanthi, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the Financial year 2014-15 as required under Sec.204 of the Act, and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2014-15 forms part of the Annual Report as annexure to the Board's Report.

The Board has appointed Smt.C.Jayanthi, Practising Company Secretary as Secretarial Auditor of the Company for the Financial Year 2015-16.

Internal Auditor :

The Company continues to engage Smt.Sasirekha Vengatesh, Chartered Accountants as Internal Auditors of the Company. The scope of work includes review of processes for safeguarding the assets of the company, review of operational efficiency, effectiveness of systems and processes and assessing the strength and weaknesses of internal control. Internal Auditors reports are placed before the Audit Committee on a regular basis for taking suitable action for improvement, wherever required.

Statement of Responsibility of Directors:

As required under section 134 of the Act, it is stated

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that 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 (i.e.) 31st March 2015 and of the loss of the company for that period.
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the directors had prepared the annual accounts on a "going concern" basis, and
- that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions:

All contracts / arrangements / transactions entered into by the company during the Financial Year with related parties were in the ordinary course of business and on arm's length basis. During the year, the company had not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Statement giving details of the Contacts / arrangements / transactions with related parties is placed before the Audit Committee and the Board of Directors for their approval on quarterly basis.

Corporate Social Responsibility :

Pursuant to Sec.135 of the Act the Company does not satisfy the eligibility criteria with regard to networth, turnover and net profit and hence the company is not required to comply with the provisions relating to CSR.

Fixed Deposits:

As on 31.03.2015, there was no Fixed Deposits lying with the Company.

Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo :

The information on the above stipulated under Sec.134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 is annexed herewith as Annxure-I.

Particulars of Directors, Key Management Personnel and Employees:

The information required pursuant to Sec.197 of the Act read with Rule5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of Directors, Key Management Personnel and employees of the Company are provided in the Annual Report.

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.

Other Disclosures:

- Details of loan, guarantees and investments under the provisions of Sec.186 of the Act are given in the Notes.
- The internal control systems and its adequacy are discussed in the Management Discussion and Analysis annexed to the Directors Report.
- There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.
- The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to the Directors' Report.
- The Company has adopted the Whistle Blower Policy for Directors and Employees of the Company to report concerns about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and ethics. The policy is provided pursuant to Clause 7(iii) of Annexure-XII to the Listing Agreement. It also provides for adequate safeguard against victimization of Directors / Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The policy is also disclosed in the Company's Website.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

- f. 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.
- g. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Necessary mechanism has been put across the company in this regard to cover all the women employees in the company.
- h. As contemplated under Clause 49(IX) of the Listing Agreement, certificate from MD/CEO Sri.D.Lakshminarayanawamy & CFO Sri.G.Krishnakumar was placed before the Board of Directors at their meeting held on 28.05.2015.
- i. Pursuant to Sec.134(3)(l) of the Act, there was no significant material changes and commitments affecting the financial position of the Company has taken place between the end of the financial year of the company and the date of Directors' Report.

General:

As reported earlier, the company proposes to develop the land at Ganapathy, in stages and necessary actions are being taken in this regard. If, any material development takes place, the same will be reported in due course.

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

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

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

Place : Coimbatore

Date : 28.05.2015

For and on behalf of the Board of Directors
of Sri Ramakrishna Mills (Coimbatore) Limited

D. LAKSHMINARAYANASWAMY
Chairman of the meeting

ADDENDUM TO DIRECTORS' REPORT

With regard to the Auditors' observation under "Emphasis of Matters" of the Auditor's Report and also Sl. No. 5 of Annexure to Auditor's Report, it is stated as follows by the Management.

"The parties requested to convert their loans into advances towards Villas / Dwelling Units to be constructed by the Company. However, the same could not be done on account of restriction placed in the Companies Act, 2013.

The Company has since repaid 7 loans out of 8 loans which were outstanding as on 31.03.2015."

Place : Coimbatore

Date : 12.08.2015

For and on behalf of the Board of Directors
of Sri Ramakrishna Mills (Coimbatore) Limited

D. LAKSHMINARAYANASWAMY
Chairman of the meeting

ANNEXURE-I TO DIRECTORS' REPORT

Particulars pursuant to provisions of section 134 of the Companies Act, 2013 read with companies (Accounts) Rules, 2014.

A. Conservation of Energy:

- Energy Conservation measures taken : None
- Additional investments and proposals being implemented for reduction of consumption and consequent impact on cost of production:
Proposed to replace the existing motors with energy efficient motors attached to various machinery.
- 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.
- Total energy consumption and energy consumption per unit of production as prescribed in Form-A.

	Year Ended	
	31.03.2015	31.03.2014
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	62.16	54.32
Total amount (Rs.in lakhs)	398.93	359.79
Rate per Unit (Rs.)	6.41	6.62
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	--	--
Units per litre of Diesel Oil	--	--
Cost/Unit (Rs.)	--	--
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	5.16	5.98

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 by being its member.

C. Foreign Exchange earnings and Outgo:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Steps are being taken to export yarn and to explore new markets.

- Total foreign exchange earned and used:

Earned : Export of yarn - in Foreign Exchange (FOB) : NIL

Used : Expenditure in Foreign Currency on account of Travelling : NIL

For and on behalf of the Board of Directors
of Sri Ramakrishna Mills (Coimbatore) Limited

D. LAKSHMINARAYANASWAMY

Chairman of the meeting

Place: Coimbatore

Date : 28.05.2015