



69th
ANNUAL REPORT
2015-2016

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE - 641 006

Board of Directors

Sri. D. LAKSHMINARAYANASWAMY (DIN : 00028118)
(Managing Director)

Sri. N. JOTHIKUMAR (DIN : 00028025)

Sri. R. NARAYANAMURTHY (DIN : 00028158)

Sri. R. RADHAKRISHNAN (DIN : 00028190)

Smt. L. NAGASWARNA (DIN : 00051610)

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 69th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 69th ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Monday, the 12th day of September 2016 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 2016 including audited Balance Sheet of the Company as at 31st March, 2016 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 – RE-APPOINTMENT OF DIRECTOR

To appoint a Director in the place of Smt.L.Nagaswama (DIN: 00051610) who retires by rotation and being eligible, offers herself for re-appointment.

ITEM NO.3 – APPOINTMENT OF AUDITORS

To appoint the Auditors of the Company and fix their remuneration and in this regard to pass the following resolution as an Ordinary Resolution thereof.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee, M/s.M.S.Jagannathan & Visvanathan (Firm Registration No.001209S), Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors.

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

Place : Coimbatore
Date : 28.07.2016

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

NOTES:

- i) 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.
- ii) A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 06.09.2016 to 12.09.2016 (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, “Kanapathy 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. Electronic copy of the Notice of the 69th 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 69th 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.
8. Members who have still not registered their e-mail ID are required to register their e-mail addresses, in respect of shares held in electronic mode, with their Depository Participant and in respect of the shares held in physical mode, with the Company / Registrar and Share Transfer Agent of the Company.
9. Members may also note that the Notice of the 69th Annual General Meeting and the Annual Report for the year 2015-16 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
10. Mrs. Sasirekha Vengatesh, Chartered Accountant has been appointed as a scrutinizer to scrutinize e-voting process in a fair and transparent manner.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 69th Annual general Meeting scheduled to be held on Monday, the 12th September 2016 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 below:-

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 09.09.2016 at 9.00 a.m. IST and ends on 11.09.2016 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 05.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website www.evotingindia.com.



- iv) Click on Shareholders.
- v) 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.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 8 digits of the sequence number in the PAN field. In case the sequence 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection 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.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant SRI RAMAKRISHNA MILLS (COIMBATORE) LTD, on which you choose to vote.
- xiii) 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.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.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 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 / VOTING IN TERMS OF Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, 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 of the 69th Annual General Meeting of the Company.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Annexure-I to ITEM NO.3 OF THE NOTICE

Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the following information is furnished about the Director proposed to be reappointed.

Name of the Director	Smt. Lakshminarayanawamy Nagaswama
Age	64 years
Date of appointment on Board	14.08.2014
Qualification	B.Com., MBA
Brief Resume including experience	She was employed with Lakshmi Machine Works Ltd, a premier Textile Manufacturing Company in Coimbatore as its Financial Controller. Joined the company as Administrative Manager in 1982 and elevated to the position of Chief Executive of the Company in 1988. She was responsible for the general administration of the Company comprising purchase of stores, spares and other commodities, recruitment and training and coordinating various activities relating to the operations of the company.
Experience in specific functional area	More than 4 decades of experience in textile industry
Other Directorship	NIL
Relationship with other Directors	Related to Managing Director
No.of Equity shares held in the company.	937264

Place: Coimbatore
Date : 28.07.2016

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

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

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 31.03.2016.

After meeting all working expenses, interest, repairs to machinery and buildings, the working result of the company for the year 2015-16 is given below :-

Financial results:

	Year Ended	
	31.03.2016 Rs.	31.03.2015 Rs.
(Loss) before Interest and Depreciation	(1,42,80,294)	(2,74,43,316)
Less : Interest	(3,11,59,857)	(4,49,04,680)
Depreciation	(80,21,409)	(1,23,38,637)
(Loss) before Exceptional items	(5,34,61,560)	(8,46,86,633)
Exceptional Item: Surplus on conversion of land into Stock-in-Trade	-	6,82,42,005
(Loss) after Exceptional Item	(5,34,61,560)	(1,64,44,628)
(DEFICIT) carried over to Balance Sheet	(5,34,61,560)	(1,64,44,628)

Performance:

The turnover of the Company marginally increased to Rs.18.62 crores from Rs.16.25 crores and the company has incurred a loss of Rs.5.35 crores after charging interest and depreciation. This is mainly due to increase in raw material cost and sub-optimal utilization of capacity.

The volatility in cotton price continues to hurt the industry very much and there is no matching price increase in yarn prices. Further, the demand has also not picked up significantly. Add to this, higher interest rate has affected the performance.

Future:

Given the strong urban consumption boosted by Pay Commission dole outs and favourable monsoon the demand is expected to pick up considerably. Further, the Government has recently announced a slew of measures for Textile Sector to generate 10 million jobs, boost exports and improve competitiveness and to achieve economy of scales. The company intends to operate its plant in a healthier environment utilizing the available power to the maximum and thereby improve its performance.

Management Discussion and Analysis

In terms of the provisions of Regulation 34(3) and Schedule-V of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, 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 letters of appointment to all the 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 September 28, 2019. All the independent directors have affirmed that they satisfy the criteria laid down under Sec.149(6) of the Act and Regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. 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.Nagaswama (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 Four (4) 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.Lakshminarayanawamy (DIN:00028118), Managing Director, Smt.L.Nagaswama, 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.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Audit Committee:

In terms of the provisions of Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Audit Committee of the Board was reconstituted to act in accordance with the terms of reference prescribed therein. Detailed disclosure on composition, 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. Pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder and on the basis of recommendation of the Audit Committee, subject to approval of Members at the ensuing Annual General Meeting, they can be re-appointed. Necessary resolution is included in the Agenda of the ensuing Annual General Meeting for Members' consideration.

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 2015-16 as required under Sec.204 of the Act, and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2015-16 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 2016-17.

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.

Directors' Responsibility Statement:

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 2016 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.
- 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.

Subsidiary and Associate Companies:

The Company does not have any Subsidiary or Associate Companies. Accordingly, furnishing the details as required in Form AOC-1 pursuant to Section 129 of the Companies Act, 2013 in respect of above does not arise.

Fixed Deposits:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Rules framed thereunder. Further, all the deposits prior to the commencement of the Companies Act, 2013 were fully repaid and as on 31.03.2016, there was no Fixed Deposit 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 Annexure-I.

Particulars of Directors, Key Management Personnel and Employees:

The information required pursuant to Sec.197 of the Act read with 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 Regulation 27 and Part-E of Schedule-II of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, is attached to this report.

Other Disclosures:

- Details of loans, guarantees and investments under the provisions of Sec.186 of the Act are given as Annexure.
- 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 Reg. 22 and Reg.46(2)e of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. 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.

- 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 Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, certificate from MD/CEO Sri.D.Lakshminarayanawamy & CFO Sri.G.Krishnakumar was placed before the Board of Directors at the meeting held on 26.05.2016.
- 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.

Real Estate Development:

Company has entered into a Development Agreement.

Necessary building plans have been submitted to the Town Planning Authority and their approval is expected shortly and the project will be launched immediately.

General:

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 : 28.07.2016

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

D. LAKSHMINARAYANASWAMY

Chairman of the meeting
(DIN : 00028118)

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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	
	31.03.2016	31.03.2015
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	50.22	62.16
Total amount (Rs.in lakhs)	356.67	398.93
Rate per Unit (Rs.)	7.10	6.41
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	5.15	5.16

B. Technology Absorption:

Efforts made in Technology absorption as per Form B:

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

C. Foreign Exchange earnings and Outgo:

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 : Rs. 2,53,114 /-

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

D. LAKSHMINARAYANASWAMY

Chairman of the meeting
(DIN : 00028118)

Place: Coimbatore

Date : 28.07.2016

ANNEXURE - II

DISCLOSURE PURSUANT TO SEC.197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

S.No.	Name / Designation	Remuneration for the year ended		% increase	Ratio of remuneration to Median remuneration
		31.03.2016 Rs.	31.03.2015 Rs.		
1.	D.Lakshminarayanawamy, Managing Director	30,16,500	30,16,500	---	24.8
2.	L. Nagaswama, Whole Time Director	19,79,991	18,26,419	8.4	16.4
3.	Median Remuneration	1,20,999	1,10,844	9.2	---
4.	Total number of permanent Employees	152 Nos.	153 Nos.		
5.	Average increase in remuneration is about 9.8% and this is minimal and in keeping with market trend.				

COMPARISON OF REMUNERATION OF KEY MANAGEMENT PERSONNEL

S.No.	Name / Designation	Remuneration for the year ended		Increase or Decrease %
		31.03.2016 Rs.	31.03.2015 Rs.	
6.	S.A. Subramanian Company Secretary	5,73,379	4,94,226	16.0
	G. Krishnakumar CFO	4,32,487	3,31,774	30.3
7.	Performance of the Company :			
i)	Revenue (in M)	197.70	163.63	20.8
ii)	Loss (in M)	53.46	16.44	-
iii)	Market Capitalisation (in M)	104.64	112.47	(6.96)
iv)	P/E ratio	-ve	-ve	
v)	Market quotation per share	14.70	15.80	(6.96)

8. i) Average percentile increase in the Salaries of employees and the average percentile increase in the remuneration of Managerial Personnel is the same about 9.8%
ii) There is no exceptional circumstances for the increase in the Managerial remuneration.
9. Against the Company's performance, the remunerations to Key Management Personnel are reasonable and market linked.
10. There is no variable component of remuneration availed by the Directors.
11. No employee received remuneration in excess of the highest paid Director.
12. Remuneration received by the employees is as per the Remuneration Policy of the Company.
13. No employee was in receipt of a remuneration of Rs.60.00 lakhs or more per annum if employed throughout the year or Rs.5.00 lakhs or more per month if employed for a part of the year.
14. No employee was in receipt of remuneration in the year which is in excess of that drawn by Managing Director or Whole Time Director and holding not less than two percent of the Equity Share Capital of the Company.