



71st
ANNUAL REPORT
2017-2018

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.CSK PRABHU & Co
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)

CONTENTS

Page Nos

Notice of Annual General Meeting	3
Directors' Report	6
Secretarial Auditors' Report	24
Auditors' Report	26
Financial Statements Standalone	29
Consolidated Financial Statements	
Auditors' Report	58
Financial Statements	60



NOTICE OF THE 71st ANNUAL GENERAL MEETING

NOTICE is hereby given that the 71st ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Thursday, the 27th day of September 2018 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

To receive, consider and adopt the Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2018 together with the Reports of the Directors and the Auditors.

ITEM NO.2

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

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act 2013, and the Rules framed thereunder, as amended from time to time, and pursuant to the resolution passed by the Members at the 70th Annual General Meeting (AGM) held on 28th September 2017, the appointment of M/s.C.S.K.Prabhu & Co, Chartered Accountants (Form Regn.No.002485S) as Auditors of the Company for a term of five years i.e. till the conclusion of 75th Annual General Meeting, which was subject to annual ratification, be and is hereby ratified to hold Office from the conclusion of this Annual General Meeting till the conclusion of the 72nd Annual General Meeting of the company at such remuneration plus applicable taxes, out of pocket expenses, etc., as may be decided by the Board of Directors.”

Place : Coimbatore
Date : 10.08.2018

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

NOTES:

1. (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 21.09.2018 to 27.09.2018 (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 71st 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 71st 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 71st Annual General Meeting and the Annual Report for the year 2017-18 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

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 71st Annual general Meeting scheduled to be held on Thursday, the 27th September 2018 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 24.09.2018 at 9.00 a.m. IST and ends on 26.09.2018 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 20.09.2018 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” tab
- v) Now Enter your User ID

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification Code 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	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 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. E.g. If your name is Ramesh Kumar with sequence 1, then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	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 <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 (v).

- 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 on 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 relevant EVSN-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 Notice.
- 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 out print of the voting done by you clicking on "Click here to print" option on the Voting page.
- xviii) If Demat account holder has forgotten the login password then Enter the User ID and 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. 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 e-mailed 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 issue 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 e-mail 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 4958995, 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.com

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 71st Annual General Meeting of the Company.

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



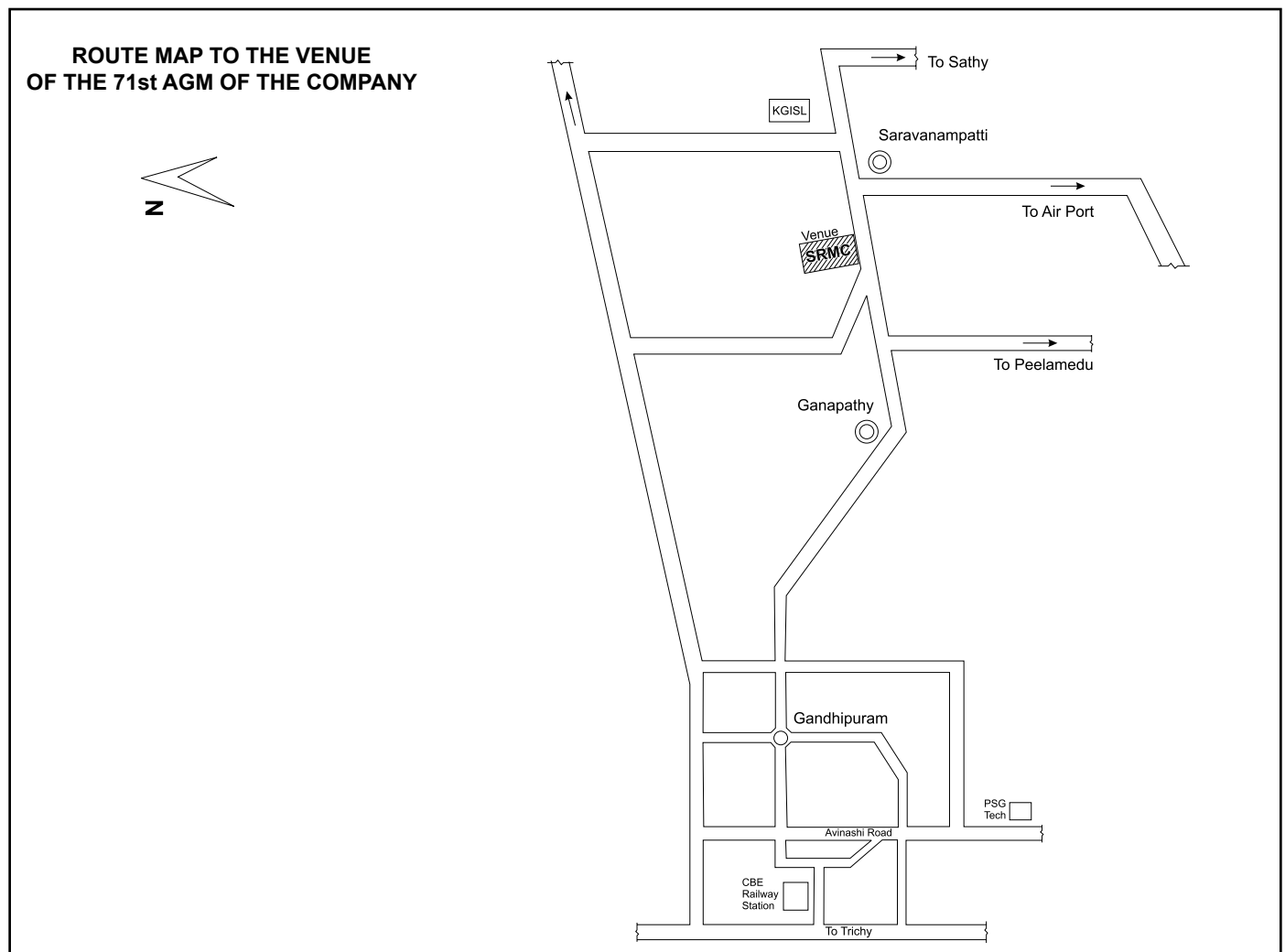
The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days 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 after the conclusion of the AGM of the Company and communicated to the Stock Exchange(s) simultaneously.

Place: Coimbatore
Date : 10.08.2018

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

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)



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 31.03.2018

After meeting all working expenses, interest, repairs to machinery and buildings, the working result of the company for the year 2017-18 is given below :-

Financial results:

	Year Ended	
	31.03.2018 Rs.in lakhs	31.03.2017* Rs.in lakhs
(Loss) before Interest and Depreciation	(326.25)	(170.65)
Less / Add : Interest	238.82	260.09
Depreciation	39.38	64.32
(Loss) / Profit before Exceptional items	(604.45)	(495.06)
Exceptional Items	-	497.68
Deferred Tax Credit	220.40	1.82
Surplus/(Deficit) after Exceptional Item	(384.05)	4.44
Surplus/(Deficit) carried over to Balance Sheet	(384.05)	4.44

* Figures of 31.03.2017 have been regrouped to confirm to accounting Standard Ind AS.

Performance:

The turnover of the company had been Rs.13.33 crores registering an increase of 22.5% over last year. However, due to increase in input costs and other overheads, the company incurred a loss of Rs.3.26 crores before interest and depreciation. After charging the above items and taking credit for Deferred Tax (credit), the net deficit of Rs.3.84 crores carried over to Balance Sheet.

Textile Industry had been experiencing a series of challenges during the year, such as increased raw material cost with no commensurate price increase for yarn, high interest rates, etc. Add to this, the impact of GST and demonetization of high value currency provided some adverse impact on the fortune of the industry during the year.

Future:

With cotton prices stabilizing, the yarn market has gained momentum in recent times. Government has increased Minimum Support Price for cotton and its effect has to be watched for the coming season. A slew of measures announced by Textile & Finance Ministries should help the industry also.

Real Estate Development

After complying with all the requirements of the Town Planning Authority and Real Estate (Regulation and Development) Act, the project is being launched on 17th August 2018. There is a good response to the project which consists of only villas including flats for economically weaker section. The project is expected to be completed by April 2020 in full

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 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.Lakshminarayanadaswamy (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

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:

M/s.C.S.K.Prabhu & Co, Chartered Accountants, Coimbatore were appointed as Statutory Auditors at the 70th Annual General Meeting held on 28.09.2017 to hold such Office for a term of five consecutive financial years from the conclusion of 70th Annual General Meeting to the conclusion of the 75th Annual General Meeting to be held in the year 2022, pursuant to the provisions of Section 139, 141 and 142 of the Act, read with companies (Audit & Auditors) Rules 2014.

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 2017-18 as required under Sec.204 of the Act, and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2017-18 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 2018-19.

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 2018 and of the profit 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.

Amount due from the Group Companies in which directors are interested :

The amount of Rs.118.81 lakhs from the Group Companies arose in the normal course of business on account of operating transaction prior to the commencement of the Companies Act 2013 and is not in the nature of loan.

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 has had investment in the Partnership Firm by name Dove Real Estate with a Capital contribution of Rs.1.00 lakh for 98% share therein. The said Partnership Company – Dove Real Estate, now stands converted into a company during the year under Part-I of Chapter XXI of the Act, under the name Doral Real Estates Private Ltd. As a consequence, such conversion of the firm into a company, Doral Real Estates Private Ltd being a company under the Act, by conversion has become a subsidiary of the company. Being a conversion of an existing firm into a company, there is no investment additionally made and the firm stands now vested in the company which has become the subsidiary of the company with the same capital contribution. Pursuant to the provisions of Sec 129 of the Act, the consolidated financial statement of the company and the subsidiary had been prepared in the Annual Report for laying before the ensuing Annual General Meeting.

Further, along with the financial statement of the company, a separate statement containing the salient features of the financial statement of the subsidiary is attached to the Annual Report in form AOC1.

Pursuant to Regulation 24(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Sri.R.Narayanamurthy, an Independent Director of the company has been appointed as Director in the subsidiary company during the year.

Amount due from the Subsidiary Company :

Rs.97.55 lakhs due from the Subsidiary company represents share of surplus arose on account of revaluation of land which was the capital contribution by the company in the erstwhile partnership firm in which the company was a Partner . The amount due from the subsidiary does not partake the character of loan.

The company does not have any Associate Company.

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Fixed Deposits:

The Company has not accepted any deposits within the meaning of Section 73 of the Act, and the Rules framed thereunder.

Details of money accepted from Directors under Clause-2(viii) of Companies (Acceptance of Deposits) Rules 2014, after obtaining declarations from the directors to the effect that the amounts deposited were not out of funds acquired by borrowing or accepting loans or deposits from others which fall outside the purview of deposits under the above rules.

S. No.	Designation	Long Term Borrowings Rs.in lacs	Current Liabilities Rs.in lacs
1.	Managing Director	975.67	442.78
2.	Wholetime Director	250.35	252.61
3.	Other Director	2.00	---
	Total	1228.02	695.39

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
- 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
- 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
- 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 30.05.2018.
- 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.
- Default in the payment to the lenders :
Owing to the tight liquidity position, the company approached its Bank to permit overdraft of its limit to the extent of Rs.174.20 lakhs and the same has been acceded to by the Bank. However, this has been since regularized.
 - Default in remittance of TDS :
The Company could not remit the TDS amount by Rs.12.73 lakhs owing to the stringent liquidity position. Rs.4.50 lakhs has since been paid. Efforts will be taken to remit the balance soon.
 - Regarding re-appointment of Smt.L. Nagaswamy :
Pursuant to Regulation 36(3) of the SEBI (LO & DR) Regulations 2015 and the Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information furnished in respect of Smt.L.Nagaswamy proposed to be reappointed :-
 - Name : Smt.L. Nagaswamy
 - Age : 28.12.1952
 - Qualification : Commerce Graduate with MBA
 - Brief Resume including Experience : wide experience in the field of Administration, Management and Finance
 - Other Directorships in Listed Entities : NIL
 - Except being a relative of Managing Director, She is not related to any other Directors and Key Management Personnel of the Company / their relatives.
 - She is Whole time Director of the Company liable to retire by rotation

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 : 10.08.2018

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

D. LAKSHMINARAYANASWAMY
Chairman of the meeting
(DIN : 00028118)