



73rd ANNUAL REPORT 2019-2020

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE - 641 006

Board of Directors

Sri.D.LAKSHMINARAYANASWAMY (DIN:00028118)
(Managing Director)
Smt.L.NAGASWARNA (DIN:00051610)
Sri.RAVICHANDRAN DHAMODARAN (DIN:00054538)
Sri.R.GURU CHANDRASEKAR (DIN:0008421861)
Sri.A.SURENDRAN (DIN: 00765292)
Sri.P. MUTHUSWAMY (DIN: 02651331)

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 : mail@ramakrishnamills.com

Mill

NAGARI (A.P)

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NOTICE OF THE 73rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 73rd ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Monday, the 28th day of September 2020 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 audited Standalone and Consolidated Financial Statements of the company for the year ended 31st March 2020 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO.2

To appoint a Director in the place of Sri.P.Muthuswamy (02651331) who retires by rotation and being eligible, offers himself for re-appointment.

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 provisions of Sections 196 & 197 read with Schedule-V and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company by a Special Resolution be and is hereby accorded for the reappointment of Sri.D.Lakshminaryanaswamy, the present Managing Director of the Company on the recommendation of the Nomination and Remuneration Committee of the Company for a further tenure of 3 years commencing from 01.04.2020 and that an aggregate remuneration of not exceeding 5% of the net profits of the company as laid down in sub section (1) of section 197 of the Companies Act 2013 and the overall limit of 11% of net profits as laid down in subsection (1) of section 198 of the Companies Act 2013 and that taking into account other details and profile of the incumbent and circumstances including the working results of the company and the remuneration drawn earlier, the present package of remuneration offered by industries in general, an aggregate remuneration of not exceeding 5% of net profits of the company and such remuneration which may be by way of Salary, Variable Dearness Allowance, Accommodation, Commission, Medical reimbursement towards expenses incurred by the Managing Director, Club Fees, Personal Accident and Medical insurance premia, car with driver, phone and such other allowances as the Board may think fit, be paid to him.

The Managing Director shall also be eligible for the following prerequisites which shall not be included in the computation of ceiling on remuneration specified above.

- contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act 1961.
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- encashment of leave at the end of the tenure.

“RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or the profits are inadequate, the following salary and prerequisites not exceeding the ceiling limits prescribed in Section II of Part II of Schedule V of Companies Act 2013 be paid to him as minimum remuneration:-
Salary : Rs 3,70,000/- per month

He shall also be eligible for the payment of the following prerequisites which shall not be included in the computation of the ceiling on remuneration specified above:

- contribution to provident fund, superannuation fund or annuity fund to the extent that these either singly or put together are not taxable under the Income Tax Act 1961 or any statutory modification or re-enactment thereof.
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- encashment of leave at the end of the tenure”.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Sri.P.Muthuswamy, Director of the Company and Sri.S.A. Subramanian, Company Secretary be and are hereby severally authorized on behalf of the Board to file the various applications, forms and returns required to be filed under the provisions of the Companies Act, 2013 and do all such things, acts and deeds as are considered necessary, expedient and/or proper.

ITEM NO.4

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, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Smt.L.Nagaswama (DIN: 00051610) on the recommendation of Nomination & Remuneration Committee of the Company as Whole Time Director of the Company for a further period of three years from 14.08.2020.”

“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) 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.2,00,000/-

She shall be eligible for payment of the following prerequisites and benefits Variable Dearness Allowance (VDA) along with other prerequisites, 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 prerequisites 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) Ltd

Place : Coimbatore
Date : 30.06.2020

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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 **22.09.2020 to 28.09.2020** (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 73rd 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 73rd 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 73rd Annual General Meeting and the Annual Report for the year 2019-20 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 : mail@ramakrishnamills.com
10. According to SEBI's amendment to Regulation No.40 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, dt.05.07.2018, all the shares held in physical form should be mandatorily converted into Demat form on or before 05.12.2018. Provided that except in the case of transmission or transposition of securities, requests for effecting of transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

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 73rd Annual general Meeting scheduled to be held on **Monday, the 28th September 2020 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 **25.09.2020 at 9.00 a.m.** IST and ends on **27.09.2020 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 **21.09.2020** 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
 - 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.

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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

ITEM NO.3 and ITEM NO.4 of the Agenda:

- A. (i) The present tenure of Sri. D. Lakshminarayanawamy as Managing Director of the Company expired on 31.03.2020 and it is proposed that he can be reappointed on the recommendations of the Nomination and Remuneration Committee for a further period of three years with effect from 01.04.2020 with a view to avail his services on a continued basis with salary and perquisites in accordance with the guidelines issued in this regard by the Central Government. The Board of Directors recommends the resolution as set out in Item No.3 of the Agenda for approval by Members.
- (ii) It is proposed that Smt. L. Nagaswama can be reappointed on the recommendations of the Nomination and Remuneration Committee for a period of three years with effect from 14.08.2020 with a view to avail her services on a continued basis with salary and perquisites in accordance with the guidelines issued in this regard by the Central Government. The Board of Directors recommends the resolution as set out in Item No.4 of the Agenda for approval of Members.
- (iii) Details of Appointee :

1.	Name	Sri. D. Lakshminarayanawamy	Smt. L. Nagaswama
2.	Date of Birth	13.04.1950	28.12.1952
3.	Date of appointment	01.04.1981	14.08.2014
4.	Expertise in specific functional area	Textile (Spinning) Cotton Trade and marketing of yarn	General Administration and Communication
5.	Directorship in other Public Ltd Companies	Sri Jaganatha Textiles Ltd Sentra Yarns Ltd	Sri Ramakrishna Yarn Carriers Ltd Sentra Yarns Ltd

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

6.	Membership of Committees in other Public Ltd Companies	None	None
7.	Background details	Mr D Lakshminarayanawamy is a citizen of India, 70 years of age. He is a Textile Graduate from PSG College of Technology, Coimbatore and MBA from Pennsylvania State University, USA and has about 4 decades of experience in Textile industry, Yarn Marketing and Cotton Trade. He is past Chairman of Indian Cotton Mills Federation (ICMF) the Apex Body representing Textile Industry in India, Southern India Mills Association (SIMA) and a Member of The Cotton Textiles Export Promotion Council (TEXPROCIL), SITRA and various other Committees connected with Textiles.	Smt.L.Nagaswama, is a citizen of India, 68 years 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 the 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.
8.	Past remuneration	Rs.3,50,000/- per month Plus Allowances and perquisites	Rs.1,98,288/- per month Plus Allowances and perquisites
9.	Job profile and his suitability	Mr D Lakshminarayanawamy is the Managing Director of the company since 1981, He is well known in the Textile World.	Smt.L.Nagaswama is with the Company since 1982.
10.	Remuneration period	As per the resolution at Item No.3 of Notice convening the Annual General Meeting on 28.09.2020.	As per the resolution at Item No.4 of Notice convening the Annual General Meeting on 28.09.2020.
11.	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 appointees, the responsibilities shouldered by the appointees 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 of the respective appointee.	
12.	Pecuniary relationship directly or indirectly with the company or relation-ship with the managerial personnel, if any	Besides the remuneration proposed, the Managing Director do not have any other pecuniary relationship with the Company and its managerial personnel except being a relative of Wholetime Director.	Besides the remuneration proposed, the Whole Time Director does not have any other pecuniary relationship with the company and its managerial personnel except being a relative of Managing Director.

B. 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 06.09.1946 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 (except s.no. vi)	
	Particulars	2019-2020	2018-19
(i)	Sales and other Income	3210.93	2744.54
(ii)	Profit/(Loss) before Tax and depreciation	1151.88	778.89
(iii)	Profit/(Loss) after Tax	543.03	364.16
(iv)	Paid up Equity Capital	711.83	711.83
(v)	Reserves and Surplus	176.59	(372.14)
(vi)	Basic Earnings per share	Rs. 7.63	5.12
5.	Foreign investments and collaborators, if any	Nil	

II. Information about the Appointee:

Details in respect of the appointees is given under A(ii) above.

III. Other Information

1. Reasons of loss or inadequate profits :

- Continued recession in the global economy resulting in sluggish market conditions.
- Exports of textile falls appreciably resulting in over supply in the domestic market.
- Highly fluctuating cotton price with depressed yarn prices,
- Increased labour cost due to increments and increase in Dearness Allowance.
- Increase in interest costs

2. Steps taken or proposed to be taken for improvement :
 - a) Company is restructuring its product mix
 - b) Reduction in accounts receivables
 - c) Steps announced by the Central Government recently to rejuvenate the industry
 - d) Company entering into development of Real Estate
 - e) Modernization of the Textile Plant.
3. Expected increase in productivity and profits in measurable terms :

The Company is expected to perform well in the near future on account of the steps envisaged.

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
 - 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.

The Explanatory Statements together with the accompanying Notice may be regarded as disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The shareholdings of Sri. D. Lakshminarayanawamy and Smt. L. Nagaswama have been given under "Corporate Governance".

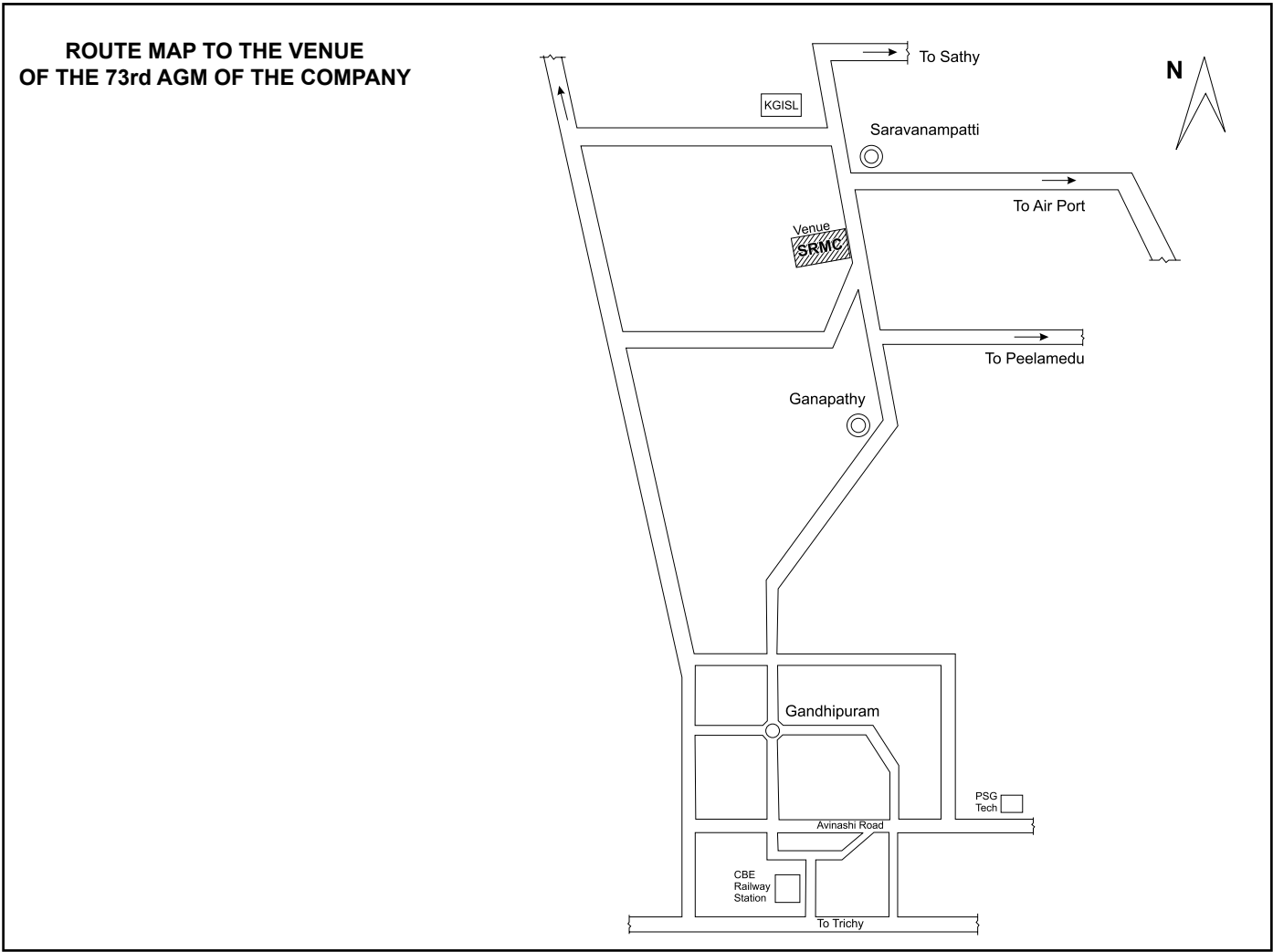
The resolutions are accordingly recommended for members' approval.

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

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

Place: Coimbatore
Date : 30.06.2020

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 31.03.2020.

After meeting all working expenses, interest, repairs to machinery and buildings, the working result of the company for the year 2019-20 is given below :-

Financial results:

	Year Ended	
	31.03.2020 Rs.in lakhs	31.03.2019 Rs.in lakhs
Profit before Interest and Depreciation	1480.97	1089.92
Less / Add : Interest	259.53	296.77
Depreciation	27.93	34.79
(Loss) / Profit before Exceptional items	1193.51	758.36
Exceptional Items	69.53	(14.24)
Current Tax	24.48	--
Deferred Tax Credit	556.48	379.96
Surplus/(Deficit) after Exceptional Item	543.02	364.16
Surplus/(Deficit) carried over to Balance Sheet	543.02	364.16

* Figures of 31.03.2019 have been regrouped to conform to accounting Standard Ind AS.

Performance:

The turnover of the company for the year 2019-20 had been Rs.31.40 crores against Rs.27.36 crores in the previous year. The above figure includes Rs.26.08 crores relating to Real Estate Income. After charging depreciation, interest and other overheads and adjustment of Exceptional items the company recorded a profit of Rs.11.26 crores which had resulted into Rs.5.45 crores Net Profit after adjustment on account of Current Tax and Deferred Tax.

Future

The Cotton Spinning Industry which had already been facing multiple challenges – low demand, unfavourable duty structure and volatile cotton fibre prices – is confronting another trouble in the form of the COVID-19 pandemic.

The shut down of manufacturing units and weak demand are expected to take a heavy toll on cotton yarn industry in the next two quarters. This will lead to a drop in revenue and a fall in profit margin. For the past few years, cotton yarn exports have taken a hit, mainly on account of subdued demand from China, a leading importer of Indian Cotton yarn. Cotton prices have fallen drastically, making Indian Cotton the cheapest fibre globally. But, it is not possible to take advantage of this. Owing to subdued demand, yarn prices also started to crash squeezing the spreads.

The rural economy is doing better than most other sectors and will play a crucial role in the revival of the Country's economy.

Real Estate Development

After complying with all the statutory requirements of the Directorate of Town and Country Planning and Real Estate (Regulations and Development) Act, the project was launched on 17th August 2018. So far about 50% of the Villas has been completed.

Construction activity came to a complete halt during the lock down. It is expected that the entire project would be completed by middle of 2021. The company is optimistic of disposing of the Villas as there is good response.

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.

Sri.Ravichandran Dhamodaran (DIN : 00054538), Sri.R.Guru Chandrasekar (DIN : 0008421861) and Sri.A. Surendran (DIN : 00765292) are appointed as Independent Directors at the 72nd Annual General Meeting for a period of 5 years with effect from 27.09.2019. All the Independent Directors have affirmed that they satisfy the criteria laid down under Sec.149(6) of the Companies Act, 2013 and Regulations 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Further, the Company's code of conduct suitably incorporates the duties of Independent Directors as laid down in the Act.

In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in the Act and SEBI (LO & DR) Regulations 2015 and are independent of the Management.

The Ministry of Corporate Affairs, Govt. of India has launched the Independent Directors' databank and it has entrusted the Indian Institute of Corporate Affairs with creating and operating such a data bank under the Notification No.GSR804(E), dt.22nd October 2019. All the existing Independent Directors are required to register themselves in the data bank. Accordingly, the Company's Independent Directors have got themselves registered in the data bank for 5 (five) years.

Reappointment :

Consequent to the expiry of the three year term of Sri.D.Lakshminaraswamy, Managing Director and Smt.L. Nagaswamy, Wholtime Director, it is proposed to reappoint them. Necessary resolutions have been included in the Agenda of the ensuing Annual General Meeting for members approval.

Retirement by rotation:

Sri.P. Muthuswamy (DIN : 02651331), who has been appointed as a Director-Operations, retires by rotation at the ensuing Annual General Meeting of the Company, as per the terms of his appointment. The place so vacated by him has to be filled up at the same meeting. The retiring Director is eligible for re-appointment at the ensuing Annual General Meeting. Accordingly, a resolution 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 Five (5) 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:

Pursuant to the provisions of the Companies Act, 2013 (Para-VII(1) of Schedule-IV, one separate meeting of independent directors without the attendance of Non-Independent Directors and Members of Management was held during the year and all the independent directors were present at this meeting. In the said meeting, the independent directors