



**64<sup>th</sup>**  
**ANNUAL REPORT**  
**2010 - 2011**

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

Board of Directors

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

Chief Executive  
Smt L NAGASWARNA

CFO- Vice-President  
Sri N.NARASIMHALU

Company Secretary  
Sri S.A. SUBRAMANIAN

Internal Auditor  
Smt.SASIREKHA VENGATESH

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

Bankers  
THE SOUTH INDIAN BANK LTD  
KOTAK MAHINDRA BANK LTD

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

PHONE : 04295-220681, 0422-2531022  
FAX : 04295-220681, 0422-2531579  
E-mail : srmc@vsnl.com

Mills

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

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# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## NOTICE OF THE 64<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 64<sup>th</sup> ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Friday the 22<sup>nd</sup> day of July 2011 at 10.00 A M at the Registered Office of the Company at No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam-638 402, Erode District, to transact the following business:

### AGENDA

#### ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To appoint Sri R.Narayanamurthy as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

#### SPECIAL BUSINESS:

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

"Resolved that Smt L Nagaswama, the Chief Executive of the company be paid a revised remuneration by way of monthly salary of Rs.1,05,000 with Variable Dearness Allowance (VDA) along with other perquisites and incentives as applicable to the members of staff in similar position with effect from 01.05.2011 and with annual increments that may be approved by Remuneration/Selection Committee subject to the approval of Board and subject to the ceiling as may be fixed by the Govt. under section 314 of the Companies Act, 1956 from time to time".

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

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

Coimbatore  
30.05.2011

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY OR PROXIES MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- The Register of Members and Share Transfer Books of the Company will remain closed from 15<sup>th</sup> day of July 2011 to 22<sup>nd</sup> day of July 2011 (both days inclusive).
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report for the meeting.
- The Shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but in more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pincode number, to the Registrar & Share Transfer Agent, M/s. SKDC Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1 Sathy Road, Ganapathy, Coimbatore 641006.

- Members desirous of making nomination in respect of their shareholding in the company as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose to the Company.
- The Company's ISIN No. Is INE306D01017
- In view of the benefits available, Members who hold their shares in physical form are requested to get their shares dematerialized through a Depository Participant.

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

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

Name	: Sri.R.Narayanamurthy
Age	: 73 years
Qualification	: L T M (Diploma Holder in Textile Manufacturing)
Experience	: Had training in Technical and Management Cadre in Lakshmi Mills and joined as a Supervisor in our mills and gradually got promoted as the General Manager of our Mills at Ganapathy, Coimbatore.

Name(s) of the Companies in which he also holds Directorship : Suhasini Spinners Limited

Name of the companies in and committees, of which he holds Membership/Chairmanship : None

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

#### Item No.4 of the Agenda :

Smt.L.Nagaswama is a B.Com., MBA from Madras University. She was employed at M/s. Lakshmi Machine Works Ltd, a premier Textile Machinery Manufacturer as its Financial Controller upto 1973 and joined Sri Ramakrishna Mills (Cbe) Ltd as Administrative Manager in 1982. She was elevated as Chief Executive of the Company with effect from 01.10.1988 and was made responsible for the General Administration of the Company, purchase of stores, spares and other commodities, approval of specifications / quality and price of the same, recruitment and training of Staff, and to co-ordinate various works related to the operations of the company.

Now, as her duties and responsibilities have increased and she has also taken efforts to make available all credit facilities required by the company and as the cost of living has gone up significantly and as the Central Govt. has since revised the remuneration payable to relatives of a Director under Director's Relatives (Office or Place of Profit) Rules 2003 read with Director's Relatives (Office or Place of Profit) Amendment Rules, 2011 wherein the Central Government has permitted the companies to pay a monthly remuneration upto Rs.2,50,000/- without seeking its approval. Remuneration Committee of the Board of Directors has recommended the increase in the remuneration payable to the Chief Executive as stated in the resolution with effect from 01.05.2011 and the same has been approved by the Selection Committee.

Under the above facts and circumstances the Board has decided to revise the remuneration payable to the Chief Executive such that the total average monthly remuneration payable does not exceed Rs.2,50,000/- or the amount as may be fixed by the Government".

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

By Order of the Board  
For Sri Ramakrishna Mills (Coimbatore) Ltd  
(Sd.) D. LAKSHMINARAYANASWAMY  
Managing Director  
Coimbatore  
30-05-2011



## 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 31.03.2011.

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

### FINANCIAL-RESULTS:

	Year Ended	
	31.03.2011 Rs.	31.03.2010 Rs.
Profit before Interest and Depreciation	<b>6,72,25,726</b>	12,69,37,608
LESS: Interest	<b>3,27,38,437</b>	3,49,03,755
Depreciation	<b>1,82,75,274</b>	1,89,07,127
Net Profit before Taxes	<b>1,62,12,015</b>	7,31,26,726
Less: Tax Adjustments:		
Provision for Income Tax – MAT	<b>32,31,200</b>	1,33,00,000
MAT Credit entitlement	<b>(32,31,200)</b>	(1,33,00,000)
Net Profit after taxes	<b>1,62,12,015</b>	7,31,26,726
Add: Prior year Adjustments (Net)	-	(22,09,662)
Loss b/f from Previous Year	<b>(1,01,87,886)</b>	(8,11,04,950)
Surplus/(Deficit) Carried Over to Balance Sheet	<b>60,24,129</b>	(1,01,87,886)

The above surplus has been carried over to Balance Sheet.

### PERFORMANCE:

The year under review was a good year for the spinning industry in India. In spite of the steep increase in cotton prices, demand and prices for cotton yarn kept pace for 3 quarters i.e. upto 31.12.2010. However Government interventions like restrictions on yarn exports and withdrawal of export benefits on cotton yarn exports created huge problems during the last quarter of the year.

Cotton prices in India registered unprecedented increase until March 2011, commencing from the current cotton year. Though this was mostly in response to global price, the decision of Government to permit exports during the early part of the cotton year also played a role in increasing the domestic cotton prices. The present problems are thus temporary and a significant improvement in the demand and price realization for cotton yarn can be expected during the second half of the current financial year.

The long term prospects of industry look promising as there is certainty of increase in demand both domestic and exports for cotton yarn.

We expect that the power supply in Tamil Nadu will also improve due to determination of State Government and by good monsoon expected.

### DIRECTORS:

Retiring Director:

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

### ENERGY-CONSERVATION etc:

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

### EMPLOYEES:

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

At the 63<sup>rd</sup> Annual General Meeting held on 11.08.2010 Members accorded their approval for an increase in the remuneration payable to the Chief Executive who is related to Sri R Doraiswami, Chairman and Sri D Lakshminarayanaswamy, Managing Director pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules 2003. On seeking the approval of the Central Government as required by the above Rules, Central Government had approved only a payment of Rs.50,000/- per month. Now that the Central Government has amended the ceiling of remuneration payable to a relative of a Director from the existing limit of Rs.50,000/- to Rs.2,50,000/- per month vide Director's Relatives (Office or Place of Profit) Amendment Rules, 2011, it has been proposed by the Board of Directors to increase the remuneration payable to her on the basis of approval of the Remuneration/Selection Committee with effect from 01.05.2011. Accordingly, a resolution is included for consideration of members at the ensuing Annual General Meeting.

### STATEMENT OF RESPONSIBILITY OF DIRECTORS:

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

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure from the same.
- that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31,2011 and of the profit of the company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a "going concern" basis.

### CORPORATE GOVERNANCE

A separate Report on Corporate Governance is attached to this report. A certificate from the Auditors of the company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

### CODE OF CONDUCT:

The Company has adopted a code of conduct for the Board of Directors and Senior Management of the company and all of them have affirmed compliance of the same.

### CEO/CFO CERTIFICATION:

As contemplated under Clause 49 of the Listing Agreement, the certificate from Mr. N. Narasimhalu, CFO-Vice President was placed before the Board of Directors at their meeting held on 30-05-2011

### GENERAL

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

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

The cost accounting records maintained by the Company as required under Sec.209(1)(d) of the Companies Act, 1956 would be audited by M/s. S.Mahadevan & Co., Cost Accountants, whose appointment as Cost Auditor of the Company for the year ended 31-03-2011 duly approved by the Government to comply with statutory requirements.

Our thanks are due to M/s Clearwater Capital Partners India P. Ltd., / The South Indian Bank Ltd., and Kotak Mahindra Bank Ltd. for their support and assistance to meet our business needs.

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

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

Coimbatore  
30.05.2011

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

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## ANNEXURE TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken :  
Installed additional capacitors during previous year to reduce the energy losses.
- b) Additional investments and proposals being implemented for reduction of consumption and consequent impact on cost of production:  
Propose to replace the existing motors with energy efficient motors in various machinery.
- c) Impact of measures (a) and (b) for reduction of energy consumption and consequent impact on cost of production:  
The proposals implemented in the earlier years are closely monitored.  
Total energy consumption and energy consumption per unit of production as prescribed in Form-A.

#### FORM-A

	Year Ended 31.03.2011	Year Ended 31.03.2010
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	175.10	165.44
Total amount (Rs.in lakhs)	790.57	714.00
Rate per Unit (Rs.)	4.51	4.32
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	5.12	2.10
Units per litre of Diesel Oil	3.16	2.96
Cost/Unit (Rs.)	12.08	11.82
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	5.03	4.78

### B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B:

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- i) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:  
Steps are being taken to export yarn and to explore new markets.
- ii) Total foreign exchange earned and used:  
Earned : Export of yarn - in Foreign Exchange (FOB) Rs: 1,67,49,642  
Used : a) Expenditure in Foreign Currency on account of:  
    Travelling Rs: 1,31,175  
    b) Value of imports calculated on CIF basis Nil

Coimbatore  
30-05-2011

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Industry has significant presence in the full value chain of the industry, starting from raw material and yarn, and extending to fabrics, home textiles and garments. The Government of India had launched in 1999 the Textile Upgradation Fund Scheme and has extended it further. The Country has only 4% of the global business and there is good potential to increase this in the coming years. The size of the Indian Textile and Clothing Industry is US\$ 62 billion, with 60% being domestic sales. It employs 77 million people directly and indirectly.

### 2. RISKS AND CONCERNS

The industrial developments in India has showed broad based recovery and it is continually in an expansion mode as in the last year. With the revival of Technology Upgradation Scheme for Spinning Industry also, we expect good future for Textile Industry.

On the other hand, the low demand in both global and domestic markets, increase of finished goods stocks together with shortage of power in Tamil Nadu has affected the working of spinning mills.

### 3. FINANCIAL AND OPERATIONAL PERFORMANCE

The financial year 2010-11 was a good year for the spinning industry in spite of the steep increase in cotton prices since demand and price for cotton yarn kept pace with such increase during the first half of the year. However, restrictions imposed by Government for cotton yarn exports, withdrawal of incentives for exports by way of DEPB, draw back facilities and interest concessions on cotton yarn exports in addition to frequent shut downs with the announced power cuts in Tamil Nadu have greatly affected company's production plan and cost of production reducing margin since last quarter of financial year 2010-11.

All the problems are attended to by the Management promptly to the best of its ability.

### 4. INTERNAL CONTROL SYSTEMS & PROCEDURES

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The company periodically reviews the adequacy and effectiveness of the control systems. The Audit Committee at their meetings regularly reviews the significant observations of the compliance and other monitoring reports. The heads of various monitoring / operating cells and statutory auditors are invited to attend the Audit Committee meetings.

### 5. OPPORTUNITIES & THREATS

India is expected to be the principal beneficiary of the world textile market in the coming years and taking into account, the diversified raw material base and entrepreneurial skills, India will take advantage of this situation. The increase in purchasing power of people in India will also increase domestic demand and the long term prospect of the textile industry looks promising and will be fuelled both by domestic demand as well as exports.

### 6. OUTLOOK

Very high price realization on cotton during the current year, area under cotton for the coming year is expected to increase. Cotton consumption would also improve on the strength of economical recovery in the global markets. Cotton prices are expected to remain low during the coming years. Demand for finished products has started picking up and recovery in demand for cotton yarn is expected to pick up soon. Significant improvement in demand and price realization for cotton yarn and other textile products are expected during the second half of the current fiscal year.

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

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

- a. I have reviewed the financial statements and the cash flow statement for the year ended 31.3.2011 and that to the best of my knowledge and belief :
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I am responsible for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken to rectify these deficiencies.
- d. I have indicated to the auditors and the audit committee:
  - i) Significant changes in internal control during the year
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Coimbatore  
30.05.2011

(Sd.) N NARASIMHALU  
Chief Financial Officer

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## CORPORATE GOVERNANCE

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

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

### 2) BOARD OF DIRECTORS

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

The table below gives the particulars of attendance of each director at the Board Meetings held during the year ended 31.03.2011 and at the last AGM as also the number of directorships in other companies and memberships in other Board Committees.

Name of the Director (1)	Position (2)	No. of Board Meetings attended (3)	Attendance at last AGM (4)	No. of Director-ships in other companies (5)	No. of Memberships in Board Committee of other companies (6)	No. of shares held (7)
Sri R Doraiswami	Executive-Chairman	5	Present	Nil	Nil	407363
Sri D Lakshminarayananaswamy	Managing Director	5	Present	6	Nil	489814
Sri N Jothikumar	Non-Executive Independent	5	Present	Nil	Nil	12600
Sri R Narayanamurthy	Non-Executive Independent	5	Present	1	Nil	500
Sri R Radhakrishnan	Non-Executive Independent	4	Present	1	Nil	500

### DIRECTOR RETIRES BY ROTATION

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

### BOARD MEETINGS

From 01.04.2010 to 31.03.2011, five (5) board meetings were held on the following dates:

13.5.2010, 28.6.2010, 27.7.2010, 29.10.2010 and 28.1.2011.

The reappointment of Sri D Lakshminarayananaswamy, Managing Director of the company for a further term of three years from 01.04.2011 to 31.3.2014 and the terms of his appointment was approved by the members at the 63<sup>rd</sup> Annual General Meeting held on 11.08.2010.

### 3) COMMITTEES OF THE BOARD

#### a) REMUNERATION/SELECTION COMMITTEE

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

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

This Committee has been formed to recommend to the Board the appointment/reappointment of the executive and non-executive directors, the induction of Board members into various committees. For the appointment of Senior Executives including Chief Executive, the Selection Committee is formed which consists of the above three independent directors of the company and an expert in the respective field of specialization of the prospective appointee. The Chairman, the Managing Director and the Chief Executive are paid salary as recommended by the Remuneration Committee and approved by the Shareholders/Central Government wherever necessary. No sitting fee has been paid to them. The committee has also been empowered to determine the periodic increments in salary and annual incentive of the executive director(s).

This committee comprises entirely of independent directors.

Remuneration to Non-executive Directors for the year ended 31.03.2011.

Sl. No.	Director	Sitting Fees (Rs.)
1	Sri N. Jothikumar	5000
2	Sri R Narayanamurthy	5000
3	Sri R Radhakrishnan	4000

#### b) AUDIT COMMITTEE

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

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

The Company Secretary is the convenor.

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

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

The Audit Committee met five times on 7.5.2010, 25.6.2010, 26.7.2010, 28.10.2010 and 27.01.2011

The attendance during the year is as under:-

Sl.No.	Members	Meetings attended
1	Sri.N. Jothikumar	5
2.	Sri. R. Narayanamurthy	5
3.	Sri. D. Lakshminarayananaswamy	5



**c) INVESTORS' GRIEVANCE COMMITTEE**

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

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

The Committee has been formed to specifically look into Shareholders' / Investors' complaints, if any, on transfer of shares, non-receipt of Annual Report, non-receipt of interest and redemption of debentures etc.

Sri S A Subramanian, Company Secretary is the Compliance Officer.

During the year, the Committee met four times to deliberate on various matters referred to it and all of them were resolved. As on 31.03.2011 no complaint from shareholders/investors is pending.

The attendance during the year is as under:-

Sl.No.	Members	Meetings attended
1	Sri.N. Jothikumar	4
2.	Sri. R. Radhakrishnan	4
3.	Sri. D. Lakshminarayananaswamy	4

**d) SHARE TRANSFER COMMITTEE**

The Share Transfer Committee not being a Statutory / Mandatory one, has been formed by two members of the Board and two representatives from the Registrar and Share Transfer Agent who are authorized to effect the transfer after approved by the Committee.

The Committee meets at frequent intervals to review and approve transfers and transmission of equity shares. The Committee met Twelve (12) times during the financial year ended 31st March 2011.

**4) DETAILS OF GENERAL MEETINGS**

**a) Annual General Meetings :-**

Information regarding last 3 years' Annual General Body meetings are given below

Sl.No.	Venue	Day	Date	Time
1.	No.3, Bhavani River Street,Ariappampalayam, Sathyamangalam 638 402	Wednesday	11.08.2010	9.30 AM
2.	No.3, Bhavani River Street,Ariappampalayam, Sathyamangalam 638 402	Friday	18.09.2009	9.00 AM
3.	No.3, Bhavani River Street,Ariappampalayam, Sathyamangalam 638 402	Monday	29.09.2008	10.00 AM

**b) Extraordinary General Meeting :-**

No Extraordinary General Meeting was held during the year 2010-11.

**5. GENERAL SHAREHOLDER INFORMATION:**

- 1 64th AGM to be held on : Friday 22.07.2011  
At : 10.00 AM.  
Venue : Regd.Office. No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam 638 402
- 2 Date of Book Closure : 15.07.2011 to 22.07.2011 (both days inclusive)
- 3 Financial Calendar :  
Results announced : 30.05.2011  
Posting of Annual Reports : 22.06.2011  
Last date of Receipt of Proxy Forms : 20.07.2011  
Announcement of Quarterly Results : July 2011, October 2011, January 2012 and May 2012
- 4 Listing on Stock Exchanges : Bombay Stock Exchange – Scrip Code No.521178 – ISIN No.INE306D01017  
Annual listing fee to the Stock Exchange paid upto date.
- 5 Registered Office : No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam-638 402  
Phone & Fax No.: 04295-220681
- 6 Administrative Office : 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore-641 006  
Phone : 0422-2531022/1122 Fax : 0422-2531579 E-mail: srnc@vsnl.com
- 7 Plant Location : Coimbatore, Nagari & Sathyamangalam
- 8 Share Transfer System : Shares are in physical and demat form. Share Transfer documents received at the office of Registrar and Share Transfer Agent are processed and returned with in a period of 15 days from the date of receipt.
9. Share Transfer Agents' Address : M/s. S.K.D.C. Consultants Ltd., Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1 Sathy Road, Ganapathy Post, Coimbatore 641 006.  
Phone : 0422-6549995, 2539835-836 Fax : 0422-2539837 Email : info@skdc-consultants.com

**6) DEMATERIALISATION OF SHARES:**

93.0% of total equity capital is held in dematerialised form with NSDL and CDSL Shareholders have an option to keep their shareholdings in dematerialized form with any one of the two depositories.

**7) MARKET PRICE DATA**

The High & Low prices during each month in last financial year in The Stock Exchange, Mumbai, are given below:

B S E in (Rs.)												
MONTH	April '10	May	June	July	August	September	October	November	December	January'11	February	March
<b>HIGH</b>	25.50	25.40	24.80	28.00	29.90	27.00	27.45	32.50	27.45	26.10	23.50	23.50
<b>LOW</b>	20.00	17.00	18.00	20.00	21.30	23.15	23.30	24.00	22.00	21.00	19.00	19.90



# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## 8) DISTRIBUTION OF SHARE HOLDING (AS ON 31-03-2011)

Range (No. of Shares)		No. of Shares	No. of Shareholders	% to paid-up capital
Upto	5000	305160	1736	4.29
5001	- 10000	155323	208	2.18
10001	- 20000	191398	134	2.69
20001	- 30000	120102	48	1.69
30001	- 40000	83999	24	1.18
40001	- 50000	56011	12	0.79
50001	- 100000	140517	21	1.97
100001	and Above	6065820	37	85.21
Total		7118330	2220	100.00

Shares under Lock in : NIL

Legal proceeding/disputes on share transfer against the company : NIL

Contact address for Shareholders/Analyst : **Company Secretary**  
Sri Ramakrishna Mills (Coimbatore) Ltd. 1493, Sathyamangalam Road, Ganapathy, Coimbatore-641 006. Phone No.: 0422-2531022, 2531122 Fax No : 0422-2531579 E-mail smc@vsnl.com

The Company currently does not have any Stock Option Scheme.

## 9) INFORMATION PURSUANT TO AMENDMENT IN CLAUSE 5A INTRODUCED IN THE LISTING AGREEMENT ON 24.12.2010

Under Clause 5 A-I and 5 A-II there are NIL unclaimed shares as per the certificate issued by Registrars and Share Transfer Agents of the company and as such the question of adhering to the procedure specified and furnishing the details required, as per the amendment to the Listing Agreement does not arise.

## 10) CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2011

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoter's Holding	15	3920438	55.07
2	Directors & Relatives	11	98382	1.38
3	Private Corporate Bodies	65	139374	1.96
4	Banks	1	100	-
5	Financial Institutions	1	750000	10.54
6	N R I	6	32691	0.46
7	Foreign Institutional Investor	1	1000000	14.05
8	Other Public	2120	1177345	16.54
Total		2220	7118330	100.00

## 11) NOMINATION FACILITY

As provided in the Companies Act, 1956, nomination facility is available for the shares held in the Company. The nomination form (Form 2B) will be provided to the members on request.

## 12) DISCLOSURES:

- Disclosure of material transaction  
During the financial year ended 31<sup>st</sup> March 2011 there was no material, financial or commercial transaction which had potential interest of the senior management personnel or which might have had potential conflict with the interests of the Company.
- Related party transactions  
During the financial year ended 31<sup>st</sup> March, 2011 there were no transactions of material nature, with the Promoters, Directors and Relatives and the Management that had potential conflict with the interest of the company. Details of related party transactions are given elsewhere in the Annual Report.
- Information supplied to the Board  
All information, as required under Annexure 1A to Clause 49 of the Listing Agreement, is made available to the Board. The Board is also regularly updated on statutory compliances, as are applicable to the Company.
- Code of Conduct  
The Company has adopted a Code of Conduct for Directors and Senior Management personnel for prevention of Insider Trading based on SEBI (Insider Trading) Regulations 1992. The Directors and Senior Management Personnel of the Company have affirmed their adherence to the Code.
- Compliance by the Company  
During the last three years, there were no penalties imposed by either SEBI or Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets.

## 13) MEANS OF COMMUNICATION

The quarterly/annual results are published in the Newspapers in the proforma prescribed by Stock Exchange.

### AUDITORS' CERTIFICATE

To the Members of  
M/s.Sri Ramakrishna Mills (Coimbatore) Limited, Coimbatore.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by M/s Sri Ramakrishna Mills (Coimbatore) Limited, for the year ended on 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd., Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner prescribed in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

On the basis of Certificate issued by the share transfer agents, we state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders/investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.S.JAGANNATHAN & VISVANATHAN  
Chartered Accountants  
Firm Reg. No.001209S  
(Sd.) M J Vijayaraaghavan  
Partner, M No.7534

Place: Coimbatore  
Date : 30-05-2011



**AUDITOR'S REPORT TO THE MEMBERS OF SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**

- 1) We have audited the attached balance sheet of SRI RAMAKRISHNA MILLS [COIMBATORE] LIMITED as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies [ Auditor's Report] Order, 2003, and as amended by the Companies (Auditor's Report) Amendment order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that;
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on that said date.;
- 5) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of Balance sheet, of the state of affairs of the company as at 31st March 2011.
  - b) In the case of Profit and Loss account, of the Profit for the year ended on that date
  - c) In the case of the cash flow statement, of the cash flows for the year ended on that date

Coimbatore  
30.05.2011

For M S Jagannathan & Visvanathan  
Chartered Accountants  
Firm Regd. No. 001209S  
(Sd.) M J Vijayaraaghavan  
Partner  
M No.7534

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## ANNEXURE REFERRED TO IN PARAGRAPH [3] OF OUR REPORT OF EVEN DATE

- i) a The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b The fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year. Discrepancies noticed on such physical verification were not material and have been properly dealt with in books of accounts.
- c There were no sale of substantial part of fixed assets during the year and hence the going concern of the company is not affected.
- ii) a Physical verification of Inventory [excluding stocks with third parties] has been conducted at reasonable intervals by the Management. In respect of inventory lying with third parties. These have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c The company has maintained proper records of inventory and discrepancies noticed on physical verification of inventories as compared to book records were not material and have been appropriately dealt with.
- iii) a During the year, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence sub clauses b, c & d of clause (iii) are not applicable
- b During the year, the company has taken unsecured loans in the nature of trade deposit amounting to Rs.2.00 Crore from one party covered in the register maintained under section 301 of the Act and the maximum amount outstanding as on the date is Rs.6.02 Crores.
- c The rate of interest and other terms and conditions of the unsecured loans taken are not prima facie prejudicial to the interest of the company.
- d There are no overdue principal and interest on loans taken from parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- iv) a In our opinion and according to the explanation and information given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods.
- b During the course of our Audit no major weakness has been noticed in the internal controls.
- v) a The transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been recorded in the register maintained for the purpose
- b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, have been made at prices which are reasonable having regard to the Prevailing Market prices at the relevant time other than for conversion charges paid amounting to Rs.4,05,54,795/- (Net) for which no comparable market prices were available and are considered to be of special nature as explained by the management of the Company.
- vi) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion and according to the information and explanations given to us, the internal audit was carried out by an external Chartered Accountant and is commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a. According to the information and explanation given to us and records examined by us, the company subject to (b) stated below is regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Value Added Tax, Wealth Tax, Service Tax and any other statutory dues with the appropriate authorities.
- b. According to the information and explanation given to us, the undisputed arrears of statutory dues which were outstanding as at 31st March 2011 for a period of more than Six months from the date they became payable are as follows:
- | Name of the Statute | Amount (Rs.) | Period to which the amount relates |
|---------------------|--------------|------------------------------------|
| Income tax          | 1,14,84,366  | A.Y. 2010 - 2011                   |
- c. According to the information and explanations given to us, the statutory dues which have not been deposited on account of dispute are as follows:
- | Name of the Statute | Nature of the Dues     | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|------------------------|-----------------------|------------------------------------|--------------------------------|
| TNGST               | Addl. Sales tax        | 7.43                  | A.Y.2004-05 to 2006-07             | Madras High Court              |
| TNGST               | Sales tax              | 54.59                 | A.Y.1995-96                        | Madras High Court              |
| TNGST               | Sales tax              | 89.37                 | A.Y.1999-00                        | Madras High Court              |
| TNGST*              | Sales Tax              | 61.66*                | A.Y.1998-99                        | Madras High Court              |
| TNGST               | TNGST, AST             | 121.97                | F.Y.2000-01                        | Madras High Court              |
| Customs             | Customs duty on Cotton | 8.26                  | F.Y.2003-04                        | Madras High Court              |
- \*(Rs.31 lakhs, since paid)
- x) The company does not have any accumulated losses as at 31st March 2011. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to any of the banks.
- xii) During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion the company is not a chit fund or a nidhi/mutual benefit/society. Therefore, clause 4(xiii) of the Companies (Auditors Report) order 2003 is not applicable to the Company.
- xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing or trading in Shares, Securities, debentures and other Investments.
- xv) In our opinion and according to the information and explanation given to us, the company, during the year has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance sheet of the company, we report that no funds raised on short time basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year to the parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the financial year and hence creation of security in respect thereof does not arise.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our Audit.

Coimbatore  
30.05.2011

For M S Jagannathan & Visvanathan  
Chartered Accountants  
Firm Regd. No. 001209S  
(Sd.) M J Vijayaraaghavan  
Partner  
M No.7534

**BALANCE SHEET AS AT 31st MARCH 2011**

Particulars	Schedule No	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	<b>1</b>	<b>7,11,83,300</b>	7,11,83,300
b) Reserves & Surplus	<b>2</b>	<b>21,29,04,146</b>	21,32,78,453
Total Shareholders' Funds		<b>28,40,87,446</b>	28,44,61,753
<b>2 Loan Funds</b>			
a) Secured loans	<b>3</b>	<b>22,12,09,306</b>	23,28,76,992
b) Unsecured Loans	<b>4</b>	<b>7,89,74,150</b>	2,45,29,279
Total Loan Funds		<b>30,01,83,456</b>	25,74,06,271
<b>TOTAL</b>		<b>58,42,70,902</b>	54,18,68,024
<b>APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
Gross Block	<b>5</b>	<b>71,92,55,258</b>	71,78,59,468
Less: Depreciation		<b>48,54,75,766</b>	46,50,12,920
Net Block		<b>23,37,79,492</b>	25,28,46,548
<b>2 Investments</b>	<b>6</b>	<b>99,350</b>	3,27,350
<b>3 Deferred Tax Asset</b>	<b>7</b>	<b>10,94,47,410</b>	10,94,47,410
<b>4 Current Assets, Loans and Advances</b>			
a) Inventories	<b>8</b>	<b>12,87,97,042</b>	6,33,15,377
b) Sundry debtors	<b>9</b>	<b>8,34,63,088</b>	7,67,36,452
c) Cash and Bank Balances	<b>10</b>	<b>1,46,48,501</b>	96,60,213
d) Other Current Assets	<b>11</b>	<b>5,67,137</b>	4,35,271
e) Loans and Advances	<b>12</b>	<b>18,42,53,824</b>	19,17,98,053
		<b>41,17,29,592</b>	34,19,45,366
<b>Less: Current Liabilities and Provisions</b>			
a) Current Liabilities	<b>13</b>	<b>13,59,79,910</b>	14,59,88,301
b) Provisions	<b>14</b>	<b>3,48,05,032</b>	2,68,98,235
		<b>17,07,84,942</b>	17,28,86,536
<b>Net Current Assets</b>		<b>24,09,44,650</b>	16,90,58,830
<b>5 Profit &amp; Loss Account</b>		-	1,01,87,886
<b>TOTAL</b>		<b>58,42,70,902</b>	54,18,68,024

Schedules 1 to 14, Statement on Significant Accounting Policies and Notes on Accounts form Part of this Balance Sheet.

(Sd.) **R.Doraiswami**  
Chairman(Sd.) **D.Lakshminarayananaswamy**  
Managing Director(Sd.) **N.Narasimhalu**  
C F O - Vice President(Sd.) **S.A. Subramanian**  
Company SecretaryThis is the Balance Sheet referred to in our report of even date  
For **M.S.JAGANNATHAN & VISVANATHAN**Chartered Accountants,  
Firm Regd.No.001209S(Sd.) **M.J.VIJAYARAAGHAVAN**  
Partner

M.No. 7534

(Sd.) **Sasirekha Vengatesh**

Chartered Accountant

Internal Auditor

M NO 200464

Place : **Coimbatore**Date : **30-5-2011**

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2011

Particulars	Schedule No	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
<b>INCOME</b>			
Sales	15	68,12,51,666	53,03,34,484
Sale of Rawmaterial		1,54,57,093	56,14,164
Other Income	16	70,63,844	9,57,01,872
<b>Total Income</b>		<b>70,37,72,603</b>	<b>63,16,50,520</b>
<b>EXPENDITURE</b>			
Raw material consumption	17	41,02,81,502	24,86,62,226
Purchase of Rawmaterial		1,59,90,463	55,89,956
Purchase of Yarn		21,79,327	-
Stores Consumed		1,39,10,188	1,02,75,113
Power and Fuel		8,72,00,199	7,39,08,095
Personnel Cost	18	8,35,49,739	9,66,92,864
Processing Charges		4,86,57,118	4,83,22,683
Financial Charges	19	3,27,38,437	3,49,03,755
Repairs and Maintenance	20	88,26,081	67,18,203
Depreciation		2,41,56,409	
Less: Depreciation transferred to Revaluation reserve		58,81,135	
		1,82,75,274	1,89,07,127
Other Expenses	21	1,53,34,175	2,94,78,237
		73,69,42,503	57,34,58,259
Add/Less: Depletion/(Accretion) in Stock	22	(4,93,81,915)	(1,49,34,465)
<b>Total Expenditure</b>		<b>68,75,60,588</b>	<b>55,85,23,794</b>
<b>PROFIT BEFORE TAX</b>		<b>1,62,12,015</b>	<b>7,31,26,726</b>
Less : Provision for - Current Tax - MAT		32,31,200	1,33,00,000
Less : MAT Credit Entitlement		(32,31,200)	(1,33,00,000)
<b>PROFIT AFTER TAX</b>		<b>1,62,12,015</b>	<b>7,31,26,726</b>
Prior year Items	23	-	(22,09,662)
Deficit brought forward from previous year		(1,01,87,886)	(8,11,04,950)
<b>Surplus / (Deficit) carried over to Balance Sheet</b>		<b>60,24,129</b>	<b>(1,01,87,886)</b>
Basic and Diluted EPS( of Rs 10/-each)		1.82	8.09

Schedules 15 to 23 Statement on Significant Accounting Policies and Notes on Accounts form part of this Profit and Loss Account.

(Sd.) **R.Doraiswami**  
Chairman

(Sd.) **D.Lakshminarayananaswamy**  
Managing Director

(Sd.) **N.Narasimhalu**  
C F O - Vice President

(Sd.) **S.A. Subramanian**  
Company Secretary

Place : Coimbatore  
Date : 30-05-2011

This is the Profit and Loss account referred to in our report of even date  
For **M.S.JAGANNATHAN & VISVANATHAN**

Chartered Accountants,  
Firm Regd.No.001209S

(Sd.) **M.J.VIJAYARAAGHAVAN**

Partner  
M.No. 7534

(Sd.) **Sasirekha Vengatesh**

Chartered Accountant  
Internal Auditor  
M NO 200464

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH 2011**

<b>Particulars</b>	<b>Year ended 31.03.2011 Rs.</b>	<b>Year ended 31.03.2010 Rs.</b>
<b>1. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	1,62,12,015	7,31,26,726
Adjustments for :		
Depreciation	1,82,75,274	1,89,07,127
Interest Charged	2,73,94,648	3,22,69,715
Profit on sale of Assets (Net)	(10,44,664)	(9,34,88,375)
Dividend receipts	(60,800)	(49,400)
Lease rent	(9,93,124)	(17,24,410)
Interest Receipts	(15,32,010)	(12,35,287)
Profit on sale of Investments	(30,18,456)	-
Operating profit before working capital changes	<u>5,52,32,883</u>	<u>2,78,06,096</u>
Adjustments for change in :		
Trade & Other Receivables	8,17,593	11,05,71,059
Inventories	(6,54,81,665)	6,66,63,154
Other current assets	(21,565)	2,76,591
Trades Payable	(31,90,565)	(10,40,42,725)
Cash Generated from Operations	<u>(1,26,43,319)</u>	<u>10,12,74,175</u>
Add: Direct taxes paid	8,14,902	1,06,52,871
Cash Flow from operating Activities	<u>(1,18,28,417)</u>	<u>11,19,27,046</u>
Extraordinary items	-	(22,09,662)
Cash Flow after Extraordinary items	<u>(1,18,28,417)</u>	<u>10,97,17,384</u>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed Assets	(56,50,990)	(38,62,827)
Interest Received	14,21,709	15,41,400
Sale of fixed Assets	10,89,000	9,51,25,007
Sale of Investments	32,46,456	-
Dividend receipts	60,800	49,400
Lease rent	9,93,124	17,24,410
Net Cash flow from Investing Activities	<u>11,60,099</u>	<u>9,45,77,390</u>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Long Term Borrowings Received	41,20,000	2,18,13,015
Long Term Borrowings Repaid	(6,62,54,070)	(15,58,37,092)
Short Term Borrowings Received	10,29,96,674	(3,08,29,053)
Interest paid	(2,52,05,998)	(3,62,28,536)
Net Cash used in financing Activities	<u>1,56,56,606</u>	<u>(20,10,81,666)</u>
Net charges in Cash and Cash Equivalents (1+2+3)	<u>49,88,288</u>	<u>32,13,108</u>
Cash and Cash equivalents as at - Opening	<u>96,60,213</u>	<u>64,47,105</u>
Cash and Cash equivalents as at - Closing	<u>1,46,48,501</u>	<u>96,60,213</u>
Closing Cash balance consists of the following:		
Cash on hand	5,20,245	3,20,431
Bank balances:		
- In Current Account	41,03,256	23,35,666
- In LC Margin Deposit *	<u>1,00,25,000</u>	<u>70,04,116</u>
	<u>1,46,48,501</u>	<u>96,60,213</u>

\* LC Margin deposit is not available for use by the Company

This is the Cash Flow Statement referred to in our report of even date.

(Sd.) **R.Doraiswami**

Chairman

(Sd.) **D.Lakshminarayananaswamy**

Managing Director

(Sd.) **N.Narasimhalu**

C F O - Vice President

(Sd.) **S.A. Subramanian**

Company Secretary

**Place : Coimbatore****Date : 30.5.2011****For M.S.JAGANNATHAN & VISVANATHAN**

Chartered Accountants,

Firm Regd.No.001209S

(Sd.) **M.J.VIJAYARAAGHAVAN**

Partner

M.No. 7534

(Sd.) **Sasirekha Vengatesh**

Chartered Accountant

Internal Auditor

M NO 200464

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## SCHEDULES ANNEXED TO THE BALANCE SHEET AS AT 31st MARCH, 2011

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,000 Equity shares of Rs-10/- each	10,00,00,000	10,00,00,000
5,00,000 Preference Shares of Rs.100/- each	5,00,00,000	5,00,00,000
	<b>15,00,00,000</b>	<b>15,00,00,000</b>
<b>Issued</b>		
71,19,421 Equity Shares of Rs.10/ each	7,11,94,210	7,11,94,210
<b>SUBSCRIBED, CALLED AND PAID-UP</b>		
71,18,330 Equity Shares of Rs.10/- each (Of the above shares, 7,69,810 Equity shares of Rs.10/- each have been allotted as fully paid Bonus shares by Capitalisation of Reserves)	7,11,83,300	7,11,83,300
<b>TOTAL</b>	<b>7,11,83,300</b>	<b>7,11,83,300</b>
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last Balance Sheet	10,81,07,045	10,81,07,045
<b>Sub -Total -I</b>	<b>10,81,07,045</b>	<b>10,81,07,045</b>
<b>Revaluation Reserve (Land)</b>		
As per last Balance Sheet	4,04,11,872	5,64,91,968
Less:Adjustment on assets sold during the year	-	1,60,80,096
<b>Sub -Total -II</b>	<b>4,04,11,872</b>	<b>4,04,11,872</b>
<b>Revaluation Reserve (Building &amp; Machinery)</b>		
As per last Balance Sheet	6,47,59,536	7,62,66,656
Less:Adjustment on assets sold during the year	5,17,301	52,15,789
	<b>6,42,42,235</b>	<b>7,10,50,867</b>
Less : Depreciation on Revaluation surplus of Building, Plant & Machinery transferred from Profit and Loss Account	58,81,135	62,91,331
<b>Sub -Total -III</b>	<b>5,83,61,100</b>	<b>6,47,59,536</b>
<b>Surplus Transferred from P &amp; L A/c This year</b>	<b>60,24,129</b>	-
<b>Sub-Total IV</b>	<b>60,24,129</b>	-
<b>Totoal-I+II+III+IV</b>	<b>21,29,04,146</b>	<b>21,32,78,453</b>
<b>SCHEDULE 3 - SECURED LOANS</b>		
<b>1 From Banks</b>		
a) Cash Credit Account	4,74,25,555	3,17,17,315
b) Working Capital Term Loan	2,00,00,000	2,00,00,000
c) Inland Letters of Credit	9,83,03,433	6,10,69,965
d) Bills Scheme	-	43,89,905
e) Interest accrued and due	2,72,889	2,56,286
<b>2. From Others</b>		
Clearwater Capital Partners India Private Ltd (CCPI PVT LTD)	4,86,62,124	11,26,54,991
ICICI Bank Limited - Hire purchase Loan	-	13,20,058
Kotak Mahindra Prime Ltd.,- Hire purchase loan	46,47,327	14,68,472
Interest accrued and due	18,97,978	-
<b>Total</b>	<b>22,12,09,306</b>	<b>23,28,76,992</b>
<b>Details of Security:</b>		
1. Term Loan from CCPI Pvt Ltd is secured by first mortgage/charge on immovable and movable properties present and future and second charge of the immovable and movable properties is extended to The South Indian Bank Ltd., Promoters have pledged 3918116 of their equity shares of the company as collateral for this term loan with CCPI Pvt.Ltd		
2. Loans from The South Indian Bank Ltd are secured by first charge on hypothecation of stock-in-trade, and Book Debts, and second charge of the same is given to CCPI PVT LTD.		
3. Hire Purchase Loans are secured by Hypothecation of respective assets.		
4. Aggregate amount of loans guaranteed by Chairman & Managing Director		
	(Rs.Lacs)	
i) Term Loan from CCPI Pvt Ltd	3893/-	
ii) Bank Borrowing for Working Capital	2905/-	
<b>SCHEDULE 4 - UNSECURED LOANS</b>		
Fixed Deposits	2,30,45,000	-
Trade Deposits	3,72,99,234	2,09,66,938
Others	1,86,29,916	35,62,341
<b>Total</b>	<b>7,89,74,150</b>	<b>2,45,29,279</b>
Repayable within 1 Year	<b>2,30,45,000</b>	-



**SCHEDULES ANNEXED TO THE BALANCE SHEET (CONTD.,)**
**SCHEDULE 5 - FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2010	Additions during the year	Sales/ Withdrawals during the year	As at <b>31.03.2011</b>	As at 31.03.2010	Provided during the year	Withdrawn during the year	As at <b>31.03.2011</b>	As at <b>31.03.2011</b>	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE ASSETS:</b>										
LAND: COST	9,93,451 (10,00,856)	-	-	<b>9,93,451</b> (9,93,451)	-	-	-	-	<b>9,93,451</b> (9,93,451)	9,93,451
REVALUED	4,04,11,872 (5,64,91,968)	-	-	<b>4,04,11,872</b> (4,04,11,872)	-	-	-	-	<b>4,04,11,872</b> (4,04,11,872)	4,04,11,872
BUILDING :COST	7,03,89,043 (8,09,09,923)	2,58,765 (77,194)	-	<b>7,06,47,808</b> (7,03,89,043)	5,33,23,811 (6,08,44,317)	12,87,315 (14,55,372)	-	<b>5,46,11,126</b> (5,33,23,811)	<b>1,60,36,682</b> (1,70,65,232)	1,70,65,232
REVALUED	6,68,98,442 (8,18,00,694)	-	-	<b>6,68,98,442</b> (6,68,98,442)	3,44,23,884 (4,05,02,063)	32,47,456 (36,08,284)	-	<b>3,76,71,340</b> (3,44,23,884)	<b>2,92,27,102</b> (3,24,74,558)	3,24,74,558
PLANT & MACHINERY-COST	47,33,15,947 (47,29,05,646)	3,31,053 (6,32,834)	32,83,642 (2,22,533)	<b>47,03,63,358</b> (47,33,15,947)	35,02,14,837 (33,55,13,325)	1,49,01,130 (1,49,18,004)	32,39,803 (2,16,492)	<b>36,18,76,164</b> (35,02,14,837)	<b>10,84,87,194</b> (12,31,01,110)	12,31,01,110
REVALUED	5,08,15,292 (5,08,15,292)	-	9,35,000 (-)	<b>4,98,80,292</b> (5,08,15,292)	1,85,30,314 (1,58,47,267)	26,33,679 (26,83,047)	4,17,699 (-)	<b>2,07,46,294</b> (1,85,30,314)	<b>2,91,33,998</b> (3,22,84,978)	3,22,84,978
FURNITURE	54,06,842 (52,68,342)	88,350 (1,38,500)	-	<b>54,95,192</b> (54,06,842)	43,00,794 (38,35,396)	3,48,843 (4,65,398)	-	<b>46,49,637</b> (43,00,794)	<b>8,45,555</b> (11,06,048)	11,06,048
MOTOR VEHICLES	77,24,707 (49,71,011)	49,72,822 (30,14,299)	36,558 (2,60,603)	<b>1,26,60,971</b> (77,24,707)	33,86,086 (20,53,135)	12,62,196 (15,92,564)	36,061 (2,59,613)	<b>46,12,221</b> (33,86,086)	<b>80,48,750</b> (43,38,621)	43,38,621
LIBRARY	1,921 (1,921)	-	-	<b>1,921</b> (1,921)	1,908 (1,908)	1 (-)	-	<b>1,909</b> (1,908)	<b>12</b> (13)	13
<b>INTANGIBLE ASSETS:</b>										
SOFTWARE	19,01,951 (19,01,951)	-	-	<b>19,01,951</b> (19,01,951)	8,31,286 (3,55,497)	4,75,789 (4,75,789)	-	<b>13,07,075</b> (8,31,286)	<b>5,94,876</b> (10,70,665)	10,70,665
<b>TOTAL</b>	<b>71,78,59,468</b>	<b>56,50,990</b>	<b>42,55,200</b>	<b>71,92,55,258</b>	<b>46,50,12,920</b>	<b>2,41,56,409</b>	<b>36,93,563</b>	<b>48,54,75,766</b>	<b>23,37,79,492</b>	<b>25,28,46,548</b>

Note : 1) Land Revalued as on 30.09.2003  
Building and Plant & Machinery revalued as on 30.09.2002  
2) Figures in brackets indicate previous year's.

	<b>As at 31.03.2011 Rs.</b>	As at 31.03.2010 Rs.
<b>SCHEDULE 6 - INVESTMENTS (At Cost)</b>		
<b>NON-TRADE INVESTMENTS</b>		
<b>Quoted</b>		
3800 Equity Shares of Rs.10/- each fully paid up in State Bank Of Travancore	-	2,28,000
<b>NON-TRADE INVESTMENTS</b>		
<b>UN-QUOTED</b>		
25 Shares of Rs.10/- each fully paid up in Sri Ramakrishna Mills Co-op Stores Ltd	<b>250</b>	250
2000 Equity Shares of Rs.10/- each fully paid up in Senra Yarns Ltd	<b>20,000</b>	20,000
7 year National Savings Certificate	<b>1,000</b>	1,000
6 year National Savings certificate	<b>62,000</b>	62,000
Indira Vikas Patra	<b>1,100</b>	1,100
Investment in the Capital of Partnership firm	<b>15,000</b>	15,000
<b>TOTAL</b>	<b>99,350</b>	3,27,350
Net Aggregate Value of quoted Investments		
Cost:	-	2,28,000
Market Value:	-	23,27,880
Aggregate Value of Unquoted Investments		
Cost:	<b>99,350</b>	99,350
<b>SCHEDULE 7 - DEFERRED TAX ASSET</b>		
As per last Balance Sheet	<b>10,94,47,410</b>	10,94,47,410
<b>TOTAL</b>	<b>10,94,47,410</b>	10,94,47,410

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## SCHEDULES ANNEXED TO THE BALANCE SHEET AS AT 31st MARCH, 2011

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
<b>SCHEDULE 8 - INVENTORIES</b>		
Stock of Stores	75,49,344	61,18,316
Raw Materials	2,85,25,215	1,38,56,493
Process Stock	2,14,02,055	1,41,15,951
Waste	28,52,641	9,29,853
Finished Goods	6,84,67,787	2,82,94,764
<b>TOTAL</b>	<b>12,87,97,042</b>	<b>6,33,15,377</b>
(For method of Valuation refer Statement on Significant Accounting Policy)		
<b>SCHEDULE 9 - SUNDRY DEBTORS</b>		
Unsecured, considered good:		
More than six months	2,99,50,279	3,56,30,859
Less than Six Months	5,35,12,809	4,11,05,593
<b>TOTAL</b>	<b>8,34,63,088</b>	<b>7,67,36,452</b>
<b>SCHEDULE 10 - CASH AND BANK BALANCES</b>		
Cash on hand	5,19,402	3,18,203
Stamps on hand	843	2,228
Bank balances with Scheduled banks:		
In current Account	41,03,256	23,35,666
In Margin Money Deposit Account	1,00,25,000	70,04,116
<b>TOTAL</b>	<b>1,46,48,501</b>	<b>96,60,213</b>
<b>SCHEDULE 11 - OTHER CURRENT ASSETS</b>		
Interest accrued on deposits	4,51,967	3,41,666
Conversion Charges Receivable	1,15,170	90,235
Income Receivable	-	3370
<b>TOTAL</b>	<b>5,67,137</b>	<b>4,35,271</b>
<b>SCHEDULE 12 - LOANS AND ADVANCES</b>		
Unsecured, considered good:		
Advances Recoverable in cash or in kind or for value to be received :		
Due from Partnership Firm in which Company is Partner	1,52,780	1,60,338
Due from Companies in which Directors are interested	3,04,21,198	3,04,21,198
Due from Employees	17,33,697	30,98,192
Advance to Suppliers	60,62,694	1,55,73,584
Advance for purchase of Capital Assets	10,90,04,611	10,94,20,161
MAT Credit Entitlement	1,65,31,200	1,33,00,000
Balances with Excise Department , Sales tax , Customs etc	20,41,898	9,68,814
Sundry Deposits	1,65,56,711	1,73,08,563
Prepaid Expenses	17,49,035	15,47,203
<b>TOTAL</b>	<b>18,42,53,824</b>	<b>19,17,98,053</b>
<b>SCHEDULE 13 - CURRENT LIABILITIES</b>		
Liabilities for Purchases:		
Due to Micro, Small & Medium Enterprises	-	-
Others	6,81,92,413	5,81,23,067
Liabilities for expenses	1,94,48,272	2,58,55,612
Liabilities for other finance	4,72,71,366	6,12,15,832
Interest accrued but not due	10,67,859	7,93,790
<b>TOTAL</b>	<b>13,59,79,910</b>	<b>14,59,88,301</b>
<b>SCHEDULE 14 - PROVISIONS</b>		
Provision for Income Tax (Net) (Advance Tax including TDS ) - Current year Rs. 50,63,427 - Previous year Rs. 26,47,129	1,14,67,773	1,06,52,871
Provision for FBT (Net ) (Advance FBT) - Current year Rs. 4,36,653 - Previous year Rs. 4,36,653		
Provision for Gratuity:		
Managerial Personnel	51,31,154	17,67,500
Others	1,82,06,105	1,44,77,864
<b>TOTAL</b>	<b>3,48,05,032</b>	<b>2,68,98,235</b>

## SCHEDULES ANNEXED TO THE PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs
<b>SCHEDULE 15 - SALES</b>		
Yarn	65,94,62,906	51,53,43,820
Waste	1,17,78,955	28,19,024
Conversion Charges Receipts	1,00,09,805	1,21,71,640
<b>TOTAL</b>	<b>68,12,51,666</b>	<b>53,03,34,484</b>
Tax deducted at source: On Conversion Charges	1,95,670	2,73,527
<b>SCHEDULE 16 - OTHER INCOME</b>		
Interest receipts	15,32,010	12,35,287
Miscellaneous Income	4,90,142	6,18,416
Profit on sale of assets(Net)	10,44,664	9,34,88,375
Dividend receipts from long term Investments	60,800	49,400
Lease Rent	9,93,124	17,24,410
Share of Profit/(Loss) from partnership firm	(7,558)	(7,760)
Loss on Sale of Stock in Trade (Land)	-	(14,05,616)
Profit on Sale of Investments	30,18,456	-
Foreign Exchange Fluctuation	(67,794)	(640)
<b>TOTAL</b>	<b>70,63,844</b>	<b>9,57,01,872</b>
Tax deducted at source:		
On Interest	1,25,727	1,59,876
On Rent	68,320	2,34,094
<b>SCHEDULE 17 - RAW MATERIAL CONSUMPTION</b>		
Opening Stock	1,38,56,493	83,30,122
Less: Rejected	-	44,865
Add: Purchases	42,71,79,862	25,42,85,422
	44,10,36,355	26,25,70,679
Less: Sales	22,29,638	51,960
	43,88,06,717	26,25,18,719
Less: Closing Stock	2,85,25,215	1,38,56,493
<b>TOTAL</b>	<b>41,02,81,502</b>	<b>24,86,62,226</b>
<b>SCHEDULE 18 - PERSONNEL COST</b>		
Salaries, Wages, Bonus etc.,	6,20,31,578	8,37,69,754
Contribution to PF, ESI and other funds	95,13,390	61,29,911
Managerial Remuneration	70,40,374	22,97,601
Workmen and Staff Welfare Expenses	49,64,397	44,95,598
<b>TOTAL</b>	<b>8,35,49,739</b>	<b>9,66,92,864</b>
<b>SCHEDULE 19 - FINANCIAL CHARGES</b>		
Interest : on Fixed Loans	1,16,35,325	2,07,09,563
on others	1,57,59,323	1,15,60,152
Bank charges	53,43,789	26,34,040
<b>TOTAL</b>	<b>3,27,38,437</b>	<b>3,49,03,755</b>
<b>SCHEDULE 20 - REPAIRS AND MAINTENANCE</b>		
Buildings	4,62,208	5,96,290
Machinery	54,99,718	41,55,715
Others	28,64,155	19,66,198
<b>TOTAL</b>	<b>88,26,081</b>	<b>67,18,203</b>

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## SCHEDULES ANNEXED TO THE PROFIT AND LOSS ACCOUNT (CONTD.)

	For the year 31.03.2011 Rs.	For the year 31.03.2010 Rs.
<b>SCHEDULE 21 - OTHER EXPENSES</b>		
Printing & Stationery	3,19,882	3,23,884
Postage, Telegram & Telephones	5,60,252	5,51,681
Travelling and maintenance of vehicles	35,35,755	21,34,898
Insurance	3,63,647	3,98,611
Advertisement, Subscription and Periodicals	3,29,674	2,78,373
Taxes & Licences	47,61,709	35,66,803
Brokerage on yarn sales	19,23,435	17,10,928
Filing Fees	27,271	10,442
Directors sitting fees	14,000	18,000
Auditors Remuneration	1,32,859	1,35,463
Yarn sales expenses other than Brokerage	22,28,941	18,91,666
Legal and Professional Charges	7,96,372	3,81,678
Miscellaneous Expenses	2,20,178	1,47,027
Bad debts Written Off	-	1,79,28,783
Rent	33,400	-
Donations	86,800	-
<b>TOTAL</b>	<b>1,53,34,175</b>	<b>2,94,78,237</b>
<b>SCHEDULE 22 - DEPLETION/(ACCRETION) IN STOCK</b>		
Opening Stock :		
Finished Goods	2,82,94,764	1,77,54,243
Process Stock	1,41,15,951	95,79,037
Waste	9,29,853	10,72,823
<b>Sub Total - I</b>	<b>4,33,40,568</b>	<b>2,84,06,103</b>
Closing Stock :		
Finished Goods	6,84,67,787	2,82,94,764
Process Stock	2,14,02,055	1,41,15,951
Waste	28,52,641	9,29,853
<b>Sub Total - II</b>	<b>9,27,22,483</b>	<b>4,33,40,568</b>
<b>Depletion/(Accretion) in stock Net I - II</b>	<b>(4,93,81,915)</b>	<b>(1,49,34,465)</b>
<b>SCHEDULE 23 - PRIOR YEAR ITEMS</b>		
Prior Year Adjustments	-	(22,09,662)
<b>TOTAL</b>	<b>-</b>	<b>(22,09,662)</b>

## **NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011**

### **SIGNIFICANT ACCOUNTING POLICIES:**

#### **AS-1 DISCLOSURE AND BASIS OF ACCOUNTING**

- a) The Financial statements have been prepared under the Historical Cost Convention except for Land, Building, Plant and Machinery and is in accordance with the provisions of the Companies Act, 1956. The Company has complied with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
- b) The company has been consistently following the accrual basis of accounting in respect of Income and Expenditure
- c) The accounts are prepared on the basis of Going Concern concept only.

#### **AS-2 VALUATION OF INVENTORIES**

Inventories are valued at lower of Cost and net realizable value, where,

- a) Cost of raw material is determined on Specific Identification method
- b) Stock of Stores and Spares is determined on Weighted Average Cost
- c) Finished Goods and Work in Progress is determined under FIFO where cost includes conversion and other costs incurred in bringing the inventories to their present location and condition.

#### **AS-3 CASH FLOW STATEMENTS:**

Cash flows are reported using Indirect Method whereby Profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and Cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent that are not available for use by the company.

#### **AS-5 NET PROFIT/LOSS FOR THE PERIOD AND PRIOR YEAR ITEMS**

- a) All items of income and expenses pertaining to the year are included in arriving at the net profit for the year unless specifically mentioned elsewhere in the financial statement or as required by Accounting Standards.
- b) Prior year items are disclosed separately in the Profit & Loss Account below the line.

#### **AS-6 DEPRECIATION ACCOUNTING**

Depreciation on Fixed Assets has been provided as per Schedule XIV of the Companies Act, 1956 adopting the methods as under:-

- a) Plant and Machinery – Straight Line Method as applicable to continuous process plants
- b) Building, Motor Vehicles, Furniture and Library – Written down Value Method
- c) Depreciation in respect of Revaluation Surplus is deducted from Revaluation Reserve.

#### **AS-9 REVENUE RECOGNITION**

- a) Income and Expenditure are recognized and accounted on accrual basis as and when they are earned and incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer and is net of Sales Tax and Transportation charges.
- b) Revenue from service transactions are recognized on the completion of the contract at the contracted rates when no significant uncertainty as to its measurability or collectability exists.
- c) Other Incomes are accounted on accrual basis except interest on NSC and dividend income.

#### **AS-10 ACCOUNTING FOR FIXED ASSETS**

- 1) Land : Shown at revalued value .
- 2) Building, Plant & Machinery is shown at revalued value Net of Cenvat Credit/ Value Added tax less accumulated depreciation and impairment losses, if any.
- 3) Replacements of parts of capital equipments like Spindles, Bobbins, Rings, Rotors etc., are capitalised from 01.10.2003.
- 4) Other fixed assets are shown at cost less accumulated depreciation.

#### **AS-11 FOREIGN CURRENCY TRANSACTIONS**

Foreign Currency transactions are recorded at the prevailing exchange rates at the time of initial recognition . Exchange differences arising on final settlement are recognized as income or expense in the profit and loss account. Outstanding balances of Monetary items denominated in Foreign Currency are restated at closing rates and the difference is adjusted as income or expense in the profit and loss account. The premium or discount arising at the inception of forward contract is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expense in the period in which they arise.

#### **AS-13 ACCOUNTING FOR INVESTMENTS**

Long Term Investments are stated at cost. A provision for diminution, if any, is made to recognize a decline, other than temporary in the value of long term investments.

#### **AS-15 EMPLOYEE BENEFITS**

- a) Short term employee benefits (other than terminal benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis.

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

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## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011 (Contd.,)

### Defined Contribution Plans

Company's contributions paid / payable during the year to Provident Fund and Employees' State Insurance Fund are recognised in the Profit and Loss Account.

### Defined Benefit Plans

Company's Liabilities towards Gratuity is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate.

### AS-16 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are charged to revenue.

### AS-19 LEASES

The lease income under operational lease agreement is accounted on straight line basis over the lease term.

### AS-20 EARNINGS PER SHARE

The Earnings considered in ascertaining the Company's earnings per share comprises of Net Profit after tax and includes post tax adjustments of prior year and extra-ordinary items.

### AS-22 ACCOUNTING FOR TAXES ON INCOME

Deferred tax resulting from timing differences between book and tax profits is accounted under liability method as enacted or substantially enacted rate as on the date of balance sheet. Deferred tax asset, other than those arising on account of unabsorbed depreciation or carry forward of losses under tax laws are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Deferred tax asset, arising on account of unabsorbed depreciation or carry forward of loss under tax laws are recognised and carried forward subject to consideration of prudence only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

### AS-26 INTANGIBLE ASSETS

Software is being amortized over a period of 4 years

### AS-28 IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of the recoverable amount.

### AS-29 CONTINGENT LIABILITY

- a) A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reasonable estimate can be made. Provisions are not discounted to the present value and are determined based on Management estimate. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.
- b) Contingent liabilities are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.
- c) Contingent liability under various fiscal laws includes those in respect of which the Company/Department is in appeal.

### OTHERS

#### (i) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted Accounting Principles requires Management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

#### (ii) CENVAT

- a) The Value of CENVAT benefit is being reduced from the value of purchase of materials. Consumption of materials is arrived at accordingly.
- b) The value of CENVAT benefit eligible in respect of capital item is reduced from the cost and depreciation is claimed accordingly.

#### (iii) SUNDRY DEBTORS AND ADVANCES

Doubtful advances are disclosed by way of notes.



**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011 (Contd.,)**

	<b>Year ended 31.03.2011 Rs.</b>	Year ended 31.03.2010 Rs.
1. Estimated amount of contracts remaining to be executed on Capital account (Net of Advance)	<b>10,02,54,641</b>	9,80,86,659
2. Contingent Liabilities not provided for in accounts:		
a) Bills discounted with Banks pending realisation:-		
[i] Export Bills	<b>Nil</b>	Nil
[ii] Domestic Bills	<b>Nil</b>	43,89,905
b) Following Sales Tax assessments are contested before Madras High Court and stayed:-		
<u>Asst. Year</u>	<u>Nature of Dispute</u>	<u>Disputed Demand</u> (Rs. in Lakhs)
	<b>31.03.2011</b>	31.03.2010
1995-96	TNGST Demand <b>54.59</b>	54.59
1998-99	TNGST Demand <b>61.66</b>	61.66
	(Rs.31/- lacs since paid as per Madras High Court Interim Order.)	
1999-00	TNGST Pre-assessment Demand <b>89.37</b>	89.37
2000-01	TNGST, Additional Sales Tax <b>121.97</b>	121.97
1.4.2004 to 31.12.2006	TNGST Additional Sales Tax <b>7.43</b>	7.43
c) Customs department filed an appeal before Madras High Court against the orders of Settlement Commission under Advance Licence Scheme in respect of reduction of Interest of Rs.8.26 lakhs allowed to us.		
3. a) Income Tax assessments are completed upto Assessment year 2008-09		
b) Sales Tax Assessments pending:		
a) Under TNGST	: 1999-00 to 2000-01 & 2004-05 to 31.12.06	
b) Under TNVAT	: 01.01.07. to 31.03.11	
c) Under CST (TN)	: 1999-00 to 2010-11	
d) Under KGST	: 2005-06	
e) Under CST (Kerala)	: 2005-06	
f) Under CST (Kerala)	: 2005-06	
g) Under APVAT	: 2009-10 & 2010-11	
h) Under CST (AP)	: 2009-10 & 2010-11	
4. QUANTITATIVE INFORMATION:		
Additional Information pursuant to Part II of Schedule VI to the Companies Act,1956	<b>YEAR ENDED 31.03.2011</b>	YEAR ENDED 31.03.2010
a) Licensed Capacity	<b>Not Applicable</b>	Not Applicable
b) Installed Capacity		
Spindles	<b>62,780</b>	62,780
Rotors	<b>1,104</b>	1,104
Installed capacities are as furnished by the Managing Director on which the Auditors have relied.		
c) Production of Finished Goods :		
Yarn – Own	Kgs.	<b>33,73,281</b>
Conversion to others	Kgs.	<b>3,62,519</b>
5. I. a) Sale of Finished Goods:		
Yarn	Kgs.	<b>32,31,860</b>
Conversion to others	Rs.	<b>65,94,62,906</b>
Yarn	Kgs.	<b>3,62,519</b>
Conversion to others	Rs.	<b>1,00,09,805</b>
b) Sale of Waste :		
Cotton Waste	Kgs.	<b>5,25,093</b>
Cotton Waste	Rs.	<b>1,17,78,955</b>
II. Raw materials consumed :		
Cotton and Cotton Waste	Kgs.	<b>43,84,952</b>
Cotton and Cotton Waste	Rs.	<b>41,02,81,502</b>
III. Stock of Finished Goods :		
Opening :		
Yarn	Kgs.	<b>2,06,065</b>
Yarn	Rs.	<b>2,82,94,764</b>
IV Stock of finished goods :		
Closing :		
Yarn	Kgs.	<b>3,50,797</b>
Yarn	Rs.	<b>6,84,67,787</b>



# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011 (Contd..)

V Stock of Waste:				
a) Stock of opening				
Cotton Waste / Yarn Waste	Kgs.	<b>39,784</b>		30,369
	Rs.	<b>9,29,853</b>		10,72,823
b) Stock of closing				
Cotton Waste / Yarn Waste	Kgs.	<b>39,092</b>		39,784
	Rs.	<b>28,52,641</b>		9,29,853
6. Value of Imports:				
I CIF Value:				
a. Raw materials	Rs.	-		-
b. Components & Spares	Rs.	-		3,46,103
c. Capital Goods	Rs.	-		-
II Consumption	<b>31.03.2011</b>		31.03.2010	
	<b>Value (Rs.)</b>	%	<b>Value (Rs.)</b>	%
a. Raw materials :				
Imported	-	-	-	-
Indigenous	<b>41,02,81,502</b>	<b>100</b>	24,86,62,226	100
Total	<b>41,02,81,502</b>	<b>100</b>	24,86,62,226	100
b. Stores, Spares & Components :				
Imported	-	-	4,46,431	4.34
Indigenous	<b>1,39,10,188</b>	<b>100</b>	98,28,682	95.66
Total	<b>1,39,10,188</b>	<b>100</b>	1,02,75,113	100.00
7. The amount remitted during the year in				
i. Foreign Currencies on account of dividends:-				
a. Number of Non-resident shareholders		<b>7</b>		14
b. Number of shares held by them		<b>10,32,691</b>		10,44,146
c. The years to which the dividend related		<b>Nil</b>		Nil
d. The amount remitted in foreign currencies		<b>Nil</b>		Nil
ii. Earnings in Foreign Exchange				
a. Export of goods :				
i. Foreign currency exports:				
FOB Value Rs.		<b>1,67,49,642</b>		-
iii. Expenditure in foreign currency				
i. Travelling (Rs.)		<b>1,31,175</b>		1,07,840
ii. Technical Knowhow, Royalty, Consultation, etc.		<b>Nil</b>		Nil
iii. Interest		<b>Nil</b>		Nil
iv. Others		<b>Nil</b>		Nil
8. CALCULATION OF MANAGERIAL REMUNERATION :				
Net Profit as per Profit and Loss A/c.		<b>1,62,12,015</b>		7,31,26,726
Add :				
Managerial remuneration charged		<b>70,40,374</b>		22,97,601
Depreciation charged in Books		<b>1,82,75,274</b>		1,89,07,127
Donations		<b>86,800</b>		-
		<b>4,16,14,463</b>		9,43,31,454
Add / (Less) :				
Profit on sale of investments		<b>(30,18,456)</b>		-
Profit on sale of assets		<b>(10,44,664)</b>		(9,34,88,375)
Prior year Adjustments (Net)		-		(22,09,662)
Depreciation under Sec.350		<b>(1,82,75,274)</b>		(1,89,07,127)
Balance of Profit / (Loss)		<b>1,92,76,069</b>		(2,02,73,710)
(Loss) under Sec.349 brought forward		<b>(74,30,84,005)</b>		(72,28,10,295)
Net (Loss) under Sec. 349		<b>(72,38,07,936)</b>		(74,30,84,005)

Due to inadequacy of profits, only minimum remuneration is paid as below:

	Sri. R. Doraiswami, Chairman		Sri D Lakshminarayanawamy, Managing Director	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Salary	<b>4,08,000</b>	4,08,000	<b>30,00,000</b>	9,00,000
PF Contribution	<b>9,360</b>	9,360	<b>9,360</b>	9,360
Superannuation	-	61,200	-	1,35,000
Gratuity Provision	<b>1,24,231</b>	2,95,740	<b>32,39,423</b>	4,78,941
Leave Salary	-	-	<b>2,50,000</b>	-
<b>Total</b>	<b>5,41,591</b>	7,74,300	<b>64,98,783</b>	15,23,301

9. Balance of Sundry Debtors and Sundry Creditors are subject to confirmation, reconciliation and consequent adjustments thereof.

10. In the opinion of Directors, current assets, loans and advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

11. Sales Tax collections not included in the Sales for the year ended 31.03.2011 is Rs.1,11,62,019/- (Previous year Rs. 95,35,049/-)

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011 (Contd..)**

12. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

a) Principal amount due	<b>Nil</b>	Nil
Interest due on the above	<b>Nil</b>	Nil
b) Interest paid during the period beyond the appointed day	<b>Nil</b>	Nil
c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	<b>Nil</b>	Nil
d) Amount of interest accrued and remaining unpaid at the end of the period	<b>Nil</b>	Nil
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	<b>Nil</b>	Nil

The above information and that given in Schedule 13 "Current Liabilities" regarding micro enterprises and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the Auditors.

13. Building, Plant & Machinery had been revalued as on 30<sup>th</sup> September 2002 and land had been revalued as on 30<sup>th</sup> September 2003 ( by approved valuers, since their original costs no longer gave a true and fair view of their then values) and surplus (arisen on revaluation of Building, Plant & Machinery) amounting to Rs.15,56,26,170/- and Rs.6,88,20,020/- respectively were credited to Revaluation Reserve Account.

14. Particulars regarding investment in the capital of M/s.Dove Real Estates:

Particulars	<b>31.3.2011</b>	31.3.2010
Capital Contribution	Rs.15,000/-	15,000/-
Profit Sharing Ratio	98%	98%

15. Auditors Remuneration:

	<b>31.03.2011</b>	31.03.2010
	<b>Rs.</b>	Rs.
Audit fees	<b>71,695</b>	71,695
Tax Audit fee	<b>16,545</b>	16,545
I T Representation fee	<b>16,455</b>	16,545
Certificate fees	<b>23,164</b>	28,128
Travelling Expenses	<b>5,000</b>	2,550
<b>Total</b>	<b>1,32,859</b>	1,35,463

**Disclosures under Accounting Standards:**

16. Details of prior year items (AS-5) charged to Profit & Loss account below the line:-

(Amount in Rupees)

	<b>31<sup>st</sup> March, 2011</b>		31 <sup>st</sup> March, 2010	
	<b>Expenses</b>	<b>Income</b>	Expenses	Income
<b>A Prior Year Expenses</b>				
i) EPCG Interest	---	---	21,62,458	
ii) Others	---	---	12,360	
iii) Electricity Tax	---	---	3,06,989	
<b>B Prior Year Income</b>				
Others	---	---		2,72,145
<b>TOTAL</b>	---	---	24,81,807	2,72,145
<b>Net</b>	---	---	22,09,662	

17. Employee Benefits (AS-15):

I. Defined Benefit Plans

Gratuity (unfunded)

	<b>31.03.2011</b>	31.03.2010	31.03.2009
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>A. Expense recognised in the Profit and Loss Account for the year ended</b>			
1. Current Service cost	<b>13,00,436</b>	7,95,342	8,48,545
2. Interest cost	<b>11,12,202</b>	10,32,868	10,43,678
3. Settlement Cost	Nil	Nil	Nil
4. Expected return on planned assets	Nil	Nil	Nil
5. Net actuarial (Gain) / Loss recognised during the year	<b>24,88,859</b>	3,39,685	(12,25,334)
6. Expenses / (Income) recognised in the Profit & Loss Account	<b>49,01,497</b>	21,67,895	6,66,889
<b>B. Actuarial return on Plan assets for the year ended</b>			
1. Expected return on plan assets	Nil	Nil	Nil
2. Actuarial (Gain) / Loss on Plan assets	Nil	Nil	Nil
3. Actuarial return on plan assets	Nil	Nil	Nil
<b>C. Net Asset/(Liability) recognised in the Balance Sheet as at</b>			
1. Present value of obligation	<b>1,82,06,105</b>	1,44,77,864	1,34,89,060
2. Fair value of plan assets	Nil	Nil	Nil
3. Net Asset/(Liability) recognised in the Balance Sheet	<b>(1,82,06,105 )</b>	(1,44,77,864)	(1,34,89,060)
<b>D. Change in Defined Obligation during the year ended</b>			
1. Present value obligation at the beginning of the year	<b>1,44,77,864</b>	1,34,89,060	1,32,61,341
2. Current service cost	<b>13,00,436</b>	7,95,342	8,48,545
3. Interest cost	<b>11,12,202</b>	10,32,868	10,43,678
4. Benefits paid	<b>11,73,256</b>	11,79,091	4,39,170
5. Actuarial (gain) loss	<b>24,88,859</b>	3,39,685	(12,25,334)
6. Present value obligation at the end of the year	<b>1,82,06,105</b>	1,44,77,864	1,34,89,060

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011 (Contd.,)

<b>E. Changes in Fair Assets during the year ended</b>			
1. Fair value of Plan assets as at 1.4.2010	Nil	Nil	Nil
2. Expected return on Plan assets	Nil	Nil	Nil
3. Contributions made	Nil	Nil	Nil
4. Benefits paid	Nil	Nil	Nil
5. Actuarial gain / (loss) on Plan assets	Nil	Nil	Nil
6. Fair value of Plan assets as at 31.3.2011	Nil	Nil	Nil
<b>F. Major categories of Plan assets as a percentage of total Planned assets</b>			
1. Central Government Securities	Nil	Nil	Nil
2. State Government Securities	Nil	Nil	Nil
3. Private Sector Bonds	Nil	Nil	Nil
4. Special Deposit Scheme	Nil	Nil	Nil
5. Cash at Bank	Nil	Nil	Nil
6. Investments in Insurance Companies	Nil	Nil	Nil
7. Others	Nil	Nil	Nil
<b>G. Actuarial Assumptions</b>			
1. Discount rate	8%	8%	8%
2. Expected rate of return on Planned assets	Nil	Nil	Nil
3. Salary escalation	6%	6%	6%
4. Mortality rate	LIC (94-96)	LIC (94-96)	LIC (94-96)
Future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.			
<b>II. Defined Contribution Schemes</b>			
1. Provident Fund	46,30,613	32,69,860	28,80,892
2. Superannuation Fund	-	1,96,200	1,96,200

### 18. Segmental Reporting (AS-17):

The Company has only Single Reportable Business Segment, i.e. "Yarn Segment" in terms of requirements of AS-17.

### 19. Related party disclosure (AS-18)

(As identified by the Management)

#### i. Related party Relationships :

Associates	Key Management Personnel	Relatives of Key Management Personnel
Sri Jaganatha Ginning.& Oil Mills (JGOM)	Sri R Doraiswami	Smt D Ranganayaki
Sri Jaganatha Textiles Ltd (SJTL)	Sri D Lakshminarayananaswamy	Smt R Suhasini
Suhasini Spinners Ltd (SSL)	Smt L Nagaswarna	Smt L Swathy
Swathy Processors Ltd (SPL)		
Sri Ramakrishna Yarn Carriers Ltd (SRYC)		
Dove Real Estates		

#### ii. Transactions with Related Parties / Concerns :

Nature of Transactions	31.03.2011			31.03.2010		
	Associates Rs.	Key Management Personnel Rs.	Relatives of Key Management personnel Rs.	Associates Rs.	Key Management Personnel Rs.	Relatives of Key Management personnel Rs.
<b>Managerial Remuneration :</b>						
D. Lakshminarayananaswamy	—	64,98,783	—	—	15,23,301	—
Others	—	5,41,591	—	—	7,74,300	—
<b>Salaries :</b>						
Smt. L. Nagaswarna	—	—	4,76,828	—	—	2,50,630
<b>Lease Rent Received :</b>						
SJTL	62820	—	—	79775	—	—
SPL	59904	—	—	59904	—	—
SRYC	155520	—	—	161266	—	—
<b>Yarn Conversion Charges Received :</b>						
SPL	4767690	—	—	24,45,180	—	—
Others	352692	—	—	—	—	—
<b>Yarn Conversion charges paid :</b>						
SJTL	10194334	—	—	16375389	—	—
SPL	35480843	—	—	31030895	—	—
<b>Purchase of Assets :</b>						
SSL	—	—	—	1,45,600	—	—
<b>Share of Profit / (Loss) from Firm :</b>						
Dove Real Estates	(7,558)	—	—	(7,760)	—	—
<b>Raw Material Purchase :</b>						
SJTL	1608065	—	—	—	—	—
SPL	1728463	—	—	501628	—	—
Others	—	—	—	5076	—	—



	31.03.2011			31.03.2010		
	Associates Rs.	Key Management Personnel Rs.	Relatives of Key Management personnel Rs.	Associates Rs.	Key Management Personnel Rs.	Relatives of Key Management personnel Rs.
Sale of Raw material :						
SPL	77,59,932	—	—	—	—	—
Purchase of Yarn :						
SJTL	7,49,493	—	—	—	—	—
Hank Yarn Obligation Paid :						
SJTL	—	—	—	38,359	—	—
SPL	—	—	—	38,407	—	—
Hank Yarn Obligation Received :						
SJTL	—	—	—	3,312	—	—
Interest on Trade Deposit :						
JGOM	54,06,492	—	—	32,69,069	—	—
Trade Deposit Received :						
JGOM	2,00,00,000	—	—	—	—	—
Trade Deposit Repaid :						
JGOM	9,33,204	—	—	—	—	—
Reimbursement of Expenses Paid :						
SRYC	71,50,618	—	—	32,05,342	—	—
SSL	—	—	—	88,020	—	—
Reimbursement of Expenses Received :						
JGOM	26,949	—	—	19,185	—	—
<b>Outstanding Balance -</b>						
<b>Payable :</b>						
JGOM	6,02,94,352	—	—	205,26,028	—	—
SPL	72,35,837	—	—	45,88,309	—	—
Others	16,327	—	—	40,77,03	—	—
<b>Receivable :</b>						
SJTL	2,39,22,921	—	—	30,42,11,98	—	—
JGOM	—	—	—	97,56,81,36	—	—
Others	1,67,780	—	—	60,866	—	—

#### 20. Lease (AS-19)

The Lease Agreement provides for an option to the company to renew the lease period for a further period varying from 1 to 2 years at the end of the period provided atleast three months prior notice is given:

Future Minimum lease rent to be received:

	31.03.2011 Rs.	31.03.2010 Rs.
Not later than 1 year	7,85,218	3,29,280
Later than 1 year but not more than 5 years	9,78,463	7,60,317
More than 5 years	34,86,600	36,49,241

#### 21. Earnings Per Share (AS-20)

Net Profit after tax	1,29,80,815	5,98,26,726
Less: Adjustments (+/-)	—	(22,09,662)
Net Profit after tax & adjustments	1,29,80,815	5,76,17,064
Weighted average number of shares	71,18,330	71,18,330
Nominal Value / share	Rs.10/-	Rs.10/-
Basic & diluted EPS	1.82	8.09

22. a) The company has not provided for Deferred tax asset as on 01.04.2001

b) The company has also not provided for Deferred tax asset on account of prudence for the current year as there is no virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized.

23. The figures have been rounded off to the nearest rupee and previous year's figures have been re-grouped and re-classified wherever necessary.

Signature to Schedules, Accounting Policies and Notes on Accounts

(Sd.) **R.Doraiswami**  
Chairman

(Sd.) **D.Lakshminarayanawamy**  
Managing Director

(Sd.) **N.Narasimhalu**  
C F O - Vice President

(Sd.) **S.A. Subramanian**  
Company Secretary

**Place : Coimbatore**  
**Date : 30-5-2011**

To be read with our report of even date  
**For M.S.JAGANNATHAN & VISVANATHAN**  
Chartered Accountants,  
Firm Regd.No.001209S

(Sd.) **M.J.VIJAYARAAGHAVAN**  
Partner  
M.No. 7534

(Sd.) **Sasirekha Vengatesh**  
Chartered Accountant  
Internal Auditor  
M NO 200464

# SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

## INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details

Registration No.	:	L17111TZ1946PLC000175
State code	:	18.
Balance Sheet Date	:	31.03.2011

### II Capital Raised during the year(Amount in Rs.Thousands)

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

### III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	5,84,270	Total Assets	:	5,84,270
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#### Sources of Funds:

Paid-up Capital	:	71,183
Reserves & Surplus	:	2,12,904
Secured Loans	:	2,21,209
Unsecured Loans	:	78,974

#### Application of Funds:

Net Fixed Assets	:	2,33,779
Investments	:	99
Deferred Tax	:	1,09,447
Net Current Assets / Liabilities	:	2,40,945

### IV Performance of Company(Amount in Rs.Thousands)

Turnover / Income	:	7,03,773	Total Expenditure	:	6,87,561
Profit before tax	:	16,212	Profit after tax	:	16,212
Earning per share (Face value Rs.10/-)	:	1.82	Dividend Rate (Equity)%	:	Nil

### V Generic Names of Three Principal Products/Services of the Company (as Per monetary terms)

Item Code No. (ITC Code)	Product Description
5205	Cotton Yarn containing 85% or more by weight of cotton
5509	Yarn of synthetic staple fibre
5202	Cotton Wase

(Sd.) **R.Doraiswami**  
Chairman

(Sd.) **D.Lakshminarayanawamy**  
Managing Director

(Sd.) **N.Narasimhalu**  
C F O - Vice President

(Sd.) **S.A. Subramanian**  
Company Secretary

Place : **Coimbatore**  
Date : **30.05.2011**

**SRI RAMAKRISHNA MILLS (COIMBATORE) LTD.**

Regd. Office : No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638402

**ATTENDANCE SLIP**

( Particulars to be completed by Member / Proxy )

Name of the Member : \_\_\_\_\_

(IN BLOCK LETTERS)

Member Folio Number / ID No. : \_\_\_\_\_

Name of Proxy : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 64<sup>th</sup> Annual General Meeting of the Company at the Registered Office at No.3, Bhavani River Street, Ariappampalayam, Sathyamangalam - 638 402 on Friday, 22nd day of July, 2011.

\_\_\_\_\_  
Signature of the Member / Proxy

**NOTE:**

1. The meeting is for Members of the Company only. Members are requested not to bring non members or children.
2. The Company will accept only the attendance slip of person personally attending the meeting as a Member or a valid proxy duly registered with the company.

**SRI RAMAKRISHNA MILLS (COIMBATORE) LTD.**

Regd. Office : No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam – 638402

**PROXY FORM**

**64<sup>th</sup> Annual General Meeting**

I/We ..... of ..... being a member/members of the above named Company, hereby appoint .....or failing him ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 64<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 22<sup>nd</sup> July, 2011 and at any adjournment thereof.

Signed this ..... day of ..... 2011.

Signature :.....

Affix  
Re. 1/-  
Revenue  
Stamp

**Folio No/ Client ID No:** \_\_\_\_\_

**No. of Shares :** \_\_\_\_\_

**DP ID:** \_\_\_\_\_

Note : The Form, complete in all respects, must be deposited at the Registered Office of the Company not less than 48 hours before the time of meeting..

**Book-Post**

If undelivered please return to

**SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**

Post Box No. 2007 ● Ganapathy Post

Coimbatore - 641 006