73rd
ANNUAL REPORT
2019-2020

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE - 641 006

CONTENTS

Board of Directors

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

Company Secretary
Sri S.A. SUBRAMANIAN

Chief Financial Officer
Sri G. KRISHNAKUMAR

Internal Auditor
Smt. SASIREKHA VENGATESH
Coimbatore.

Secretarial Auditor
Smt. C. JAYANTHI
Coimbatore

Auditors
M/s.CSK PRABHU & Co
Coimbatore

Bankers
THE SOUTH INDIAN BANK LTD

Registered Office
No.1493, SATHYAMANGALAM ROAD
GANAPATHY POST
COIMBATORE – 641 006
PHONE : 0422-2531022 / 2531122
E-mail : mail@ramakrishnamills.com

Mill
NAGARI (A.P)

NOTICE OF THE 73rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 73rd ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Monday, the 28th day of September 2020 at 9.00 a.m. at the Registered Office of the Company at No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore-641006 to transact the following business:

A G E N D A

ORDINARY BUSINESS

ITEM NO.1

To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the company for the year ended 31st March 2020 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO.2

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

SPECIAL BUSINESS :

ITEM NO.3

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

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

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

a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act 1961.

b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

c) encashment of leave at the end of the tenure.

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

Salary : Rs 3,70,000/- per month

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

a) contribution to provident fund, superannuation fund or annuity fund to the extent that these either singly or put together are not taxable under the Income Tax Act 1961 or any statutory modification or re-enactment thereof.

b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

c) encashment of leave at the end of the tenure".

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

ITEM NO.4

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications) or re-enactment(s) thereof for the time being in force and the Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Smt.L.Nagaswarna (DIN: 00051610) on the recommendation of Nomination & Remuneration Committee of the Company as Whole Time Director of the Company for a further period of three years from 14.08.2020."

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

Salary per month : Rs.2,00,000/-

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

Minimum Remuneration:

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

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

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

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

Place : Coimbatore
Date : 30.06.2020

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

NOTES:

1. (i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY OR PROXIES MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   (ii) A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **22.09.2020 to 28.09.2020** (both days inclusive).
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report for the meeting.
4. The Shareholders are requested to intimate, if shares are held in the same name or in the same order and names, but in more than one folio to enable the Company to consolidate the said folios into one folio.
5. Members desirous of making nomination in respect of their shareholding in the company as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form 2B for this purpose to the Company.
6. Members are requested to communicate their change of address, if any, quoting their folio numbers to the Registrars and Share Transfer Agents, M/s.SKDC Consultants Limited, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006. Similarly members holding shares in Demat form, shall intimate the change of address, if any, to their respective Depository Participants.
7. Electronic copy of the Notice of the 73rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 73rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip and Proxy Form is being sent in the permitted mode.
8. Members who have still not registered their e-mail ID are required to register their e-mail addresses, in respect of shares held in electronic mode, with their Depository Participant and in respect of the shares held in physical mode, with the Company / Registrar and Share Transfer Agent of the Company.
9. Members may also note that the Notice of the 73rd Annual General Meeting and the Annual Report for the year 2019-20 will also be available on the Company's website www.ramakrishnamills.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email ID : mail@ramakrishnamills.com
10. According to SEBI's amendment to Regulation No.40 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, dt.05.07.2018, all the shares held in physical form should be mandatorily converted into Demat form on or before 05.12.2018. Provided that except in the case of transmission or transposition of securities, requests for effecting of transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 73rd Annual general Meeting scheduled to be held on **Monday, the 28th September 2020 at 9.00 a.m** by electronic means and the business may be transacted through e-voting. The company has engaged the services of CDSL as the authorized Agency to provide the e-voting facilities as per instructions below:-

The instructions for shareholders voting electronically are as under :

i) The voting period begins on **25.09.2020** at **9.00 a.m.** IST and ends on **27.09.2020** at **5.00 p.m.** IST. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date **21.09.2020** cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii) The shareholders should log on to the e-voting website www.evotingindia.com

iv) Click on "Shareholders" tab

v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi) Next enter the Image Verification Code as displayed and Click on Login.

vii) If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence 1, then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

ix) After entering these details appropriately, click on "SUBMIT" tab.

x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii) Click on the relevant EVSN-Sri Ramakrishna Mills (Coimbatore) Ltd on which you choose to vote.

xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Notice.

xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii) You can also take out print of the voting done by you clicking on "Click here to print" option on the Voting page.

xviii) If Demat account holder has forgotten the login password then Enter the User ID and Image verification Code and click on Forgot Password & enter the details as prompted by the system.

xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.,) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi) In case you have any queries or issue regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com

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

M/s.SKDC Consultants Limited, Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006
Phone : +91 422 4958995, 2539835-836 Fax : +91 422 2539837
E-mail :info@skdc-consultants.com
Website :www.skdc-consultants.com

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

AS THE COMPANY HAS PROVIDED E-VOTING / VOTING IN TERMS OF Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING. THE SCRUTINIZER WILL COLLATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES POLLED AT THE AGM THROUGH POLLING PAPER TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING.

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

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

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

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

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

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

(ii) It is proposed that Smt. L. Nagaswarna can be reappointed on the recommendations of the Nomination and Remuneration Committee for a period of three years with effect from 14.08.2020 with a view to avail her services on a continued basis with salary and perquisites in accordance with the guidelines issued in this regard by the Central Government. The Board of Directors recommends the resolution as set out in Item No.4 of the Agenda for approval of Members.

(iii) Details of Appointee :

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

6.	Membership of Committees in other Public Ltd Companies	None	None
7.	Background details	Mr D Lakshminarayanaswamy is a citizen of India, 70 years of age. He is a Textile Graduate from PSG College of Technology, Coimbatore and MBA from Pennsylvania State University, USA and has about 4 decades of experience in Textile industry, Yarn Marketing and Cotton Trade. He is past Chairman of Indian Cotton Mills Federation (ICMF) the Apex Body representing Textile Industry in India, Southern India Mills Association (SIMA) and a Member of The Cotton Textiles Export Promotion Council (TEXPROCIL), SITRA and various other Committees connected with Textiles.	Smt.L.Nagaswarna, is a citizen of India, 68 years old. She is a Commerce Graduate with MBA Qualification. She was employed with M/s.Lakshmi Mahine Works Ltd, a premier Textile Machinery Manufacturers in Coimbatore as its Financial Controller upto 1973. She joined the company as Administrative Manager in 1982 and was elevated as Chief Executive of the Company with effect from 01.10.1988. In this capacity, she was responsible for the general administration of the Company, purchase of stores, spares and other commodities, approval of specifications / quality and price of the items, recruitment and training of staff and co-ordinating various activities related to the operations of the company.
8.	Past remuneration	Rs.3,50,000/- per month Plus Allowances and perquisites	Rs.1,98,288/- per month Plus Allowances and perquisites
9.	Job profile and his suitability	Mr D Lakshminarayanaswamy is the Managing Director of the company since 1981, He is well known in the Textile World.	Smt.L.Nagaswarna is with the Company since 1982.
10.	Remuneration period	As per the resolution at Item No.3 of Notice convening the Annual General Meeting on 28.09.2020.	As per the resolution at Item No.4 of Notice convening the Annual General Meeting on 28.09.2020.
11.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into consideration the size of the Company, the profile of the appointees, the responsibilities shouldered by the appointees and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages adopted by other Companies in the industry in similar position of the respective appointee.	
12.	Pecuniary relationship directly or indirectly with the company or relation-ship with the managerial personnel, if any	Besides the remuneration proposed, the Managing Director do not have any other pecuniary relationship with the Company and its managerial personnel except being a relative of Wholetime Director.	Besides the remuneration proposed, the Whole Time Director does not have any other pecuniary relationship with the company and its managerial personnel except being a relative of Managing Director.

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

I. General Information

1.	Nature of Industry	Textile Industry	
2.	Date or expected date of commencement of commercial Production	The Company was incorporated on 06.09.1946 and commenced production subsequently during the year 1951.	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
4.	Financial performance based on given indicators:		Rs in Lakhs (except s.no. vi)
	Particulars	**2019-2020**	**2018-19**
(i)	Sales and other Income	3210.93	2744.54
(ii)	Profit/(Loss) before Tax and depreciation	1151.88	778.89
(iii)	Profit/(Loss) after Tax	543.03	364.16
(iv)	Paid up Equity Capital	711.83	711.83
(v)	Reserves and Surplus	176.59	(372.14)
(vi)	Basic Earnings per share	Rs. 7.63	5.12
5.	Foreign investments and collaborators, if any	Nil	

II. Information about the Appointee:

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

III. Other Information

1. Reasons of loss or inadequate profits :
   a) Continued recession in the global economy resulting in sluggish market conditions.
   b) Exports of textile falls appreciably resulting in over supply in the domestic market.
   c) Highly fluctuating cotton price with depressed yarn prices,
   d) Increased labour cost due to increments and increase in Dearness Allowance.
   e) Increase in interest costs

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

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

IV. Disclosures:

1. The shareholders of the company shall be informed of the remuneration package of the managerial person: Disclosed
2. The following disclosures shall be mentioned in the Board of Directors' report under the heading " Corporate Governance", if any, attached to the annual report:

a.	All elements of remuneration package such as salary, benefits, bonuses, stock options, pernsion etc., all the directors	:	Disclosed
b.	Details of fixed component and performance linked incentives along with the performance criteria	:	Disclosed
c.	Service contracts, notice period, severance Fees	:	Disclosed
d.	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	:	Company has not issued any stock option

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

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

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

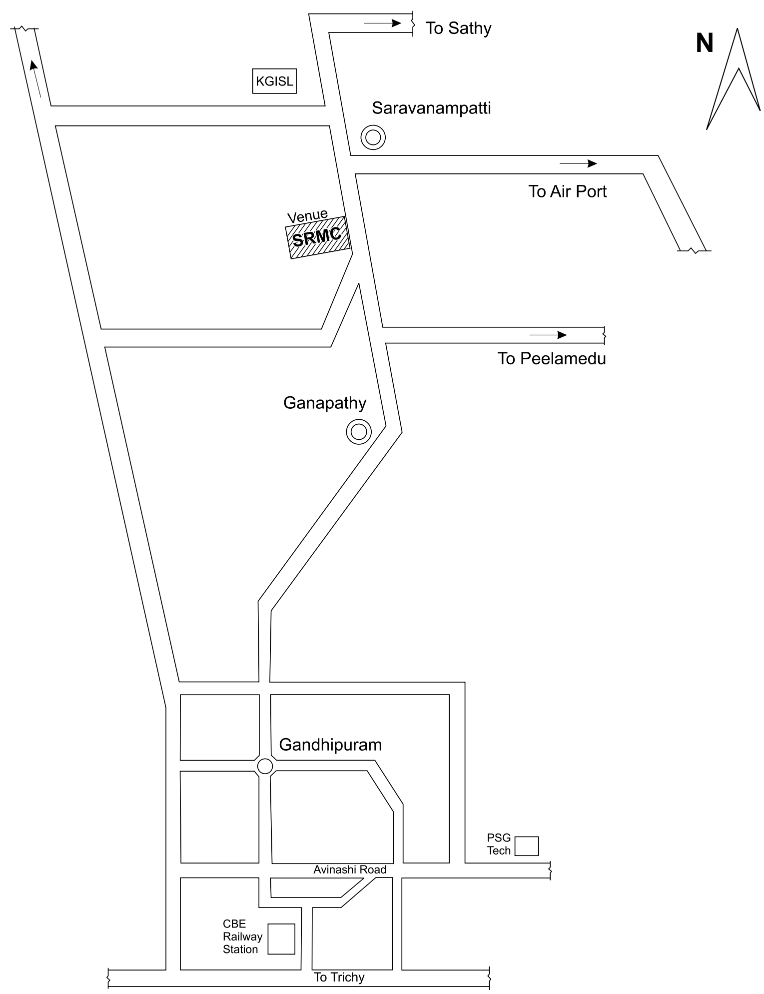
The resolutions are accordingly recommended for members' approval.

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

Place: Coimbatore
Date : 30.06.2020

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

**ROUTE MAP TO THE VENUE
OF THE 73rd AGM OF THE COMPANY**



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors submit the following Report on the working of the Company for the year ended 31.03.2020.

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

Financial results:

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

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

Performance:

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

Future

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

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

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

Real Estate Development

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

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

Management Discussion and Analysis

In terms of the provisions of Regulation 34(3) and Schedule-V of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Management Discussion and Analysis is set out in this report. It contains an analysis on the performance of the industry, the Company, Internal Control System and Risk management policy.

Board of Directors:

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this Report.

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

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

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

Reappointment :

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

Retirement by rotation:

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

Board Meetings:

During the year Five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between two consecutive meetings was within the period prescribed under the Act.

Meeting of Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 (Para-VII(1) of Schedule-IV, one separate meeting of independent directors without the attendance of Non-Independent Directors and Members of Management was held during the year and all the independent directors were present at this meeting. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board and expressed that the current flow of information and contents were adequate for the Board to effectively perform its duties.

Board Evaluation

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

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

Familiarisation Programme for Independent Directors :

In compliance with the requirements of Regulation 25(7) of the SEBI (LO & DR) Regulations 2015, the company has put in place a Familiarization Programme for the Independent Directors to familiarize them with the company their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business models, Regulatory matters, etc.

Key Managerial Personnel:

Sri.D.Lakshminarayanaswamy (DIN:00028118), Managing Director, Smt.L.Nagaswarna, Wholetime Director (DIN:00051610), Sri.P. Muthuswamy, Director-Operations (DIN : 02651331), Sri.S.A.Subramanian and Sri.G.Krishnakumar as Company Secretary and Chief Financial Officer respectively constitute Key Managerial Personnel of the Company.

Remuneration Policy:

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

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

Audit Committee:

In terms of the provisions of Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Audit Committee of the Board was constituted to act in accordance with the terms of reference prescribed therein. Detailed disclosure on composition, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

Statutory Auditors:

M/s.C.S.K.Prabhu & Co, Chartered Accountants, Coimbatore were appointed as Statutory Auditors at the 70th Annual General Meeting held on 28.09.2017 to hold such Office for a term of five consecutive financial years from the conclusion of 70th Annual General Meeting to the conclusion of the 75th Annual General Meeting to be held in the year 2022, pursuant to the provisions of Section 139, 141 and 142 of the Act, read with companies (Audit & Auditors) Rules 2014. Under the Companies (Amendment) Act 2017 the Clause relating to ratification of auditors' appointment by members has been deleted.

Cost Audit:

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

Secretarial Audit:

Smt.C.Jayanthi, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the Financial year 2019-20 as required under Sec.204 of the Act, and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2019-20 forms part of the Annual Report as annexure to the Board's Report.

The Board has appointed Smt.C.Jayanthi, Practising Company Secretary as Secretarial Auditor of the Company for the Financial Year 2020-21.

Internal Auditor :

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

Directors' Responsibility Statement:

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

a. that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.

b. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year (i.e)31st March 2020 and of the profit of the company for that period.

c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. that the directors had prepared the annual accounts on a "going concern" basis.

e. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions:

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

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

Corporate Social Responsibility :

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 comprising of three Directors including an Independent Director.

During the current Financial Year 2019-20 as the average net profit of the three immediately preceding financial years is negative, the company is not required to spend any amount on Corporate Social Responsibility. As and when the average Net Profit of three immediately preceding Financial Years in future records positive, necessary investment in CSR activities will be made as required by law.

Subsidiary and Associate Companies :

Doral Real Estates Private Ltd is a subsidiary of the company since 02.06.2017. Pursuant to the provisions of Sec.129 of the Act, the consolidated financial statements of the company and the subsidiary had been prepared in the Annual Report for laying before the ensuing Annual General Meeting.

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

Pursuant to Regulation 24(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Sri.R.Guru Chandrasekar (DIN : 0008421861) an Independent Director of the company has been appointed as Director in the subsidiary company during the year.

The company does not have any Associate Company.

Fixed Deposits:

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

Effect of Covid-19 Pandemic :

The effect of Covid-19 pandemic on the company is detailed in the Annexure to "Management Discussion & Analysis Report. A copy of the same was filed with BSE and also hosted in the company's website.

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

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

Particulars of Directors, Key Management Personnel and Employees:

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

Corporate Governance

A separate Report on Corporate Governance is attached to this report. A certificate from the Practising Company Secretary of the company confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 27 and Part-E of Schedule-II of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, is attached to this report.

Other Disclosures:

a. Details of loans, guarantees and investments under the provisions of Sec.186 of the Act are given as Annexure.
b. The internal control systems and its adequacy are discussed in the Management Discussion and Analysis annexed to the Directors Report.
c. There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.
d. The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to the Directors' Report.
e. The Company has adopted the Whistle Blower Policy for Directors and Employees of the Company to report concerns about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and ethics. The policy is provided pursuant to Reg. 22 and Reg.46(2)e of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. It also provides for adequate safeguard against victimization of Directors / Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The policy is also disclosed in the Company's Website.
f. The Company has adopted a code of conduct for the Board of Directors and Senior Management of the company and all of them have affirmed compliance of the same.
g. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Necessary mechanism has been put across the company in this regard to cover all the women employees in the company.
h. As contemplated under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, certificate from MD/CEO Sri.D.Lakshminarayanaswamy & CFO Sri.G.Krishnakumar was placed before the Board of Directors at the meeting held on 30.06.2020.
i. Pursuant to Sec.134(3)(l) of the Act, there was no significant material changes and commitments affecting the financial position of the Company has taken place between the end of the financial year of the company and the date of Directors' Report, excepting the effect of Covid-19 pandemic.

General:

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

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

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

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

Place : Coimbatore
Date : 30.06.2020

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

ANNEXURE-I TO DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company has already constituted a Corporate Social Responsibility ("CSR") Committee, and has aligned its CSR Policy in accordance with the Companies Act, 2013 ("the Act) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to make it compliant with the provisions of the Act and the Rules and to undertake the admissible CSR activities modified by the Ministry of Corporate Affairs in Schedule-VII to the Act.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes :

   The Company has adopted a CSR Policy within the broad scope laid down in Schedule-VII of the Act as Projects / Programmes / activities, excluding activities in its normal course of business. The CSR policy of the company is available on the website of the company.

2. The Composition of the CSR Committee :

   Sri. D. Lakshminarayanaswamy

   Smt. L. Nagaswarna

   Sri. Ravichandran Dhamodaran

3. Average Net Profit of the Company for the last three Financial Years (2016-17, 2017-18 & 2018-19:

   The average net profit of the company for the three immediately preceding financial years was negative.

4. Prescribed CSR expenditure (two percent of the Amount as in Item 3 above) to be spent in 2019-20 : NIL
5. Details of CSR spent during the Financial Year 2019-20 :
   a) Total amount spent during the Financial Year 2019-20 : NIL
   b) Amount unspent, if any : NIL
   c) Manner in which the amount spent during the Financial Year is detailed below :

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes 1) Local area or other 2) Specify the State and District where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount Spent on the projects or programmes		Cumulative expenditure upto the reporting period (Rs.)	Amount spent directly or through implementing agency (Rs.)
					Direct Expenditure on programme or projects (Rs.)	Overheads (Rs.)		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
NIL								

6. In case the company has failed to spend two per cent of the average net profit of the three immediately preceding financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report :

   Not applicable
7. The CSR Committee of the company hereby confirms that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and policy of the company.

For and on behalf of the
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF
SRI RAMAKRISHNA MILLS (COIMBATORE) LTD,

Place: Coimbatore
Date : 30.06.2020

CHAIRMAN
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

ANNEXURE-II TO DIRECTORS' REPORT

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

A. Conservation of Energy:

a) Energy Conservation measures taken : None

b) Additional investments and proposals being implemented for reduction of consumption and consequent impact on cost of production:
Proposed to replace the existing motors with energy efficient motors attached to various machinery.

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.

d) Total energy consumption and energy consumption per unit of production as prescribed in Form-A.

	Year Ended	
	31.03.2020	31.03.2019
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	**43.01**	26.04
Total amount (Rs.in lakhs)	**303.04**	203.68
Rate per Unit (Rs.)	**7.05**	7.82
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	**--**	--
Units per litre of Diesel Oil	**--**	--
Cost/Unit (Rs.)	**--**	--
ii) Through Steam turbine/Generator	**NIL**	NIL
2. Coal	**Not used**	Not used
3. Furnace Oil	**Not used**	Not used
4. Other/internal generation	**NIL**	NIL
(B) Consumption per unit of production: Electricity – Units per kg. of yarn	**6.80**	5.89

B. Technology Absorption:

Efforts made in Technology absorption as per Form B:

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

C. Foreign Exchange earnings and Outgo:

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

i. Total foreign exchange earned and used:

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

Used : Expenditure in Foreign Currency on account of travelling : Rs. . 1.46 lakhs

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

Place: Coimbatore
Date : 30.06.2020

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

ANNEXURE - III

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

S.No.	Name / Designation	Remuneration for the year ended		% increase	Ratio of remuneration to Median remuneration
		31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs		
1.	D.Lakshminarayanaswamy, Managing Director	42.00	42.05	---	31.10
2.	L. Nagaswarna, Whole Time Director	25.41	25.30	---	18.80
3.	P. Muthuswamy, Director-Operations	4.89	3.77	29.70	3.60
4.	Median Remuneration	1.35	1.01	33.70	---
5.	Total number of permanent Employees – Nos.	129	131	–	–
6.	Average increase in remuneration is about 11.0%				

COMPARISON OF REMUNERATION OF KEY MANAGEMENT PERSONNEL

S.No.	Name / Designation	Remuneration for the year ended		Increase or Decrease %
		31.03.2020 Rs.	31.03.2019 Rs.	
7.	S.A. Subramanian - Company Secretary	4.78 L	5.59 L	(15.00)
	G. Krishnakumar - CFO	4.53 L	4.27 L	6.10
8.	Performance of the Company :			
i)	Revenue (in M)	321.09	274.45	17.00
ii)	Profit / (Loss) (in M)	112.64	74.46	51.30
iii)	Market Capitalisation (in M)	67.20	103.22	(35.0)
iv)	P/E ratio	1.232	1.386	(12.0)
v)	Market quotation per share (Closing)	9.44	14.50	(35.0)

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

ANNEXURE – III - DIRECTORS REPORT

Form No. MGT-9

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March 2020

I. REGISTRATION AND OTHER DETAILS

i. CIN : L17111TZ1946PLC000175

ii. Registration Date : 06.09.1946

iii. Name of the Company : Sri Ramakrishna Mills (Coimbatore) Ltd

iv. Category / Sub-Category Of the Company : Textiles and Real Estate Development

v. Address of the Regd.Office and Contact details : 1493, Sathyamangalam Road
Ganapathy Post
Coimbatore – 641 006
Phone : 0422-2531022/2531122
e-mail : mail@ramakrishnamills.com
Website : www.ramakrishnamills.com

vi. Whether listed company : Yes

vii. Name, Address and contact Details of Registrar and Transfer Agent, if any : M/s. SKDC Consultants Ltd
Kanapathy Towers, 3rd Floor
139/A-1, Sathy Road, Ganapathy Post
Coimbatore – 641 006
Phone : 0422-4958995, 2539835-836
Fax : 91-422-2539837
e-mail : info@skdcconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

S.No.	Name & Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1.	Textile Spinning	1311	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Holding Company	NIL			
2.	Subsidiary Company – Doral Real Estates Private Ltd	CIN: 70103TZ2017PTC029016	Subsidiary	98%	2(87)(ii)
3.	Associate Companies	NIL			

IV. Categorywise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	3597788	704	3598492	50.552	3611192	–	3611192	50.731	0.179
b) Central Government/ State Government(s)	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	722655	–	722655	10.152	709955	–	709955	9.974	-0.178
d) Financial Institutions/ Banks	–	–	–	–	–	–	–	–	–
e) Any Others(Specify)	–	–	–	–	–	–	–	–	–
TRUSTS	–	–	–	–	–	–	–	–	–
Sub Total(A)(1)	4320443	704	4321147	60.704	4321147	–	4321147	60.705	0.001
(2) Foreign									
"a) Individuals (Non-Residents Individuals/ Foreign Individuals)"	–	–	–	–	–	–	–	–	–
b) Bodies Corporate	–	–	–	–	–	–	–	–	–
c) Institutions	–	–	–	–	–	–	–	–	–
d) Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
e) Any Others(Specify)	–	–	–	–	–	–	–	–	–
Sub Total(A)(2)	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**4320443**	704	**4321147**	**60.704**	**4321147**	–	**4321147**	**60.705**	**0.001**
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	–	–	–	–	–	–	–	–	–
b) Venture Capital Funds	–	–	–	–	–	–	–	–	–
c) Alternate Investment Funds	–	–	–	–	–	–	–	–	–
d) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
e) Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
f) Financial Institutions / Banks	100	–	100	0.001	100	–	100	0.001	0.000
g) Insurance Companies	–	–	–	–	–	–	–	–	–
h) Providend Funds / Pension funds	–	–	–	–	–	–	–	–	–
i) Any Other (specify)	–	–	–	–	–	–	–	–	–
STRESSED ASSETS STABILISATION FUND	715640	–	715640	10.053	710640	–	710640	9.983	-0.070
Sub-Total (B)(1)	**715740**	–	**715740**	**10.054**	**710740**	–	**710740**	**9.984**	-0.070
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	58469	15823	74292	1.044	52910	15823	68733	0.966	-0.078
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	514359	339590	853949	11.997	534332	330692	865024	12.152	0.155
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	986505	31791	1018296	14.305	956005	31791	987796	13.876	-0.429
c) Others (specify)									
DIRECTORS & THEIR RELATIVES	58232	5450	63682	0.895	92532	–	92532	1.300	0.405
NON RESIDENT INDIANS	46616	–	46616	0.655	46666	–	46666	0.656	0.001

CLEARING MEMBERS	545	0	545	0.008	649	0	649	0.009	0.001
HINDU UNDIVIDED FAMILIES	24063	0	24063	0.338	25043	0	25043	0.352	0.014
Sub-Total (B)(2)	**1688789**	**392654**	**2081443**	**29.242**	**1708137**	**378306**	**2086443**	**29.311**	**0.069**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**2404529**	**392654**	**2797183**	**39.296**	**2418877**	**378306**	**2797183**	**39.295**	**-0.001**
C.Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	**6724972**	**393358**	**7118330**	**100.000**	**6740024**	**378306**	**7118330**	**100.000**	0.000

ii) Shareholding of Promoters

Shareholders' Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change during the year
	No.of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No.of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
LAKSHMINARAYANASWAMY.D.	1475026	20.722	–	1475026	20.722	–	–
NAGASWARNA. L	938784	13.188	–	951484	13.367	–	0.179
SUHASINI.L.	621276	8.728	–	621276	8.728	–	–
SWATHY. L	563406	7.915	–	563406	7.915	–	–
SWATHY PROCESSORS LIMITED	326942	4.593	–	326942	4.593	–	–
SUHASINI SPINNERS LIMITED	258563	3.632	–	258563	3.632	–	–
SRI RAMAKRISHNA YARN CARRIERS LIMITED	124450	1.748	–	124450	1.748	–	–
SRI JAGANATHA TEXTILES LIMITED	12700	0.178	–	–	0.178	–	-0.178
TOTAL	4321147	60.704	–	4321147	60.705	–	0.001

iii) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No.of shares	%	No.of shares	%
1	STRESSED ASSETS STABILIZATION FUND	715640	10.053	710640	9.983
2	SRIKANTH. C.	316450	4.446	316450	4.446
3	GOPISETTY RAVI CHANDRA	187025	2.627	187025	2.627
4	GOVINDARAJAN	105000	1.475	105000	1.475
5	E RANI	79000	1.110	79000	1.110
6	KANTILAL G VORA	31098	0.437	–	–
7	KANTILAL GANGJI VORA	–	–	29034	0.408
8	KANTILAL GANGJI VORA	–	–	31098	0.437
9	P. THIPPANNA CHOWDARY	45500	0.639	45500	0.639
10	GHANSHYAM KALWANI	39478	0.555	39478	0.555
11	VIMALA. M .	32500	0.457	32500	0.457
12	SUDHARSHINI VARADARAJ	29872	0.420	29872	0.420

iv) Shareholding of Directors and KMP

S.No.	NAME	Shareholding at the beginning of the year		Shareholding at the end of the year		% of change during the year
		No. of shares	%	No.of shares	%	
1	D. LAKSHMINARAYANASWAMY	1475026	20.722	1475026	20.722	0.000
2	NAGASWARNA. L .	938784	13.188	951484	13.367	0.179
3	GURUCHANDRA SEKAR R		0.000	1800	0.025	0.025

v) Transactions of Promoters of The Company from 01.04.2019 to 31.03.2020

Benpos Date	Folio/Demat ID	Name	PAN	Opening balance	Bought	Sold	Closing balance	% of total shares of the company
01/04/2019	IN30017510001355	LAKSHMINARAYANASWAMY. D	AARPL8438J	1451026			1451026	20.384
31/03/2020	IN30017510001355	LAKSHMINARAYANASWAMY. D	AARPL8438J	1451026	–	–	1451026	20.384
01/04/2019	1204500000022616	LAKSHMI NARAYANASWAMY .D	AARPL8438J	24000			24000	0.337
20/09/2019	1204500000022616	LAKSHMI NARAYANASWAMY .D	AARPL8438J	24000		–	24000	0.337
31/03/2020	1204500000022616	LAKSHMI NARAYANASWAMY .D	AARPL8438J	24000	–	–	24000	0.337
01/04/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897080			897080	12.602
12/04/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897080	204		897284	12.605
22/11/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897284	500		897784	12.612
27/12/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897784	12700		910484	12.791
31/03/2020	IN30017510201305	NAGASWARNA. L	AADPL4837D	910484	–	–	910484	12.791
01/04/2019	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000			41000	0.576
20/09/2019	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000		–	41000	0.576
31/03/2020	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000	–	–	41000	0.576
01/04/2019	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA	AADPL4837D	704			704	0.010
08/04/2019	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA	AADPL4837D	704	–	204	500	0.007
16/11/2019	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA	AADPL4837D	500		500	–	
31/03/2020	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA		–			–	
01/04/2019	IN30017510001347	SUHASINI.L.	ABPPS1124D	456026			456026	6.406
31/03/2020	IN30017510001347	SUHASINI.L.	ABPPS1124D	456026	–	–	456026	6.406
01/04/2019	1204500000026891	SUHASINI. L .	ABPPS1124D	165250			165250	2.321
20/09/2019	1204500000026891	SUHASINI. L .	ABPPS1124D	165250		–	165250	2.321
31/03/2020	1204500000026891	SUHASINI. L .	ABPPS1124D	165250	–	–	165250	2.321
01/04/2019	IN30017510359994	SWATHY. L	ACAPS0385G	449656			449656	6.317
31/03/2020	IN30017510359994	SWATHY. L	ACAPS0385G	449656	–	–	449656	6.317
01/04/2019	1204500000026908	SWATHY. L .	ACAPS0385G	113750			113750	1.598
20/09/2019	1204500000026908	SWATHY. L .	ACAPS0385G	113750		–	113750	1.598
31/03/2020	1204500000026908	SWATHY. L .	ACAPS0385G	113750	–	–	113750	1.598
01/04/2019	IN30017510498556	SWATHY PROCESSORS LIMITED	AACCS4776Q	326942			326942	4.593
31/03/2020	IN30017510498556	SWATHY PROCESSORS LIMITED	AACCS4776Q	326942	–	–	326942	4.593
01/04/2019	IN30017510502508	SUHASINI SPINNERS LIMITED	AAECS2055E	258563			258563	3.632
31/03/2020	IN30017510502508	SUHASINI SPINNERS LIMITED	AAECS2055E	258563	–	–	258563	3.632
01/04/2019	IN30017510498846	SRI RAMAKRISHNA YARN CARRIERS LTD	AADCS0627D	124450			124450	1.748
31/03/2020	IN30017510498846	SRI RAMAKRISHNA YARN CARRIERS LTD	AADCS0627D	124450	–	–	124450	1.748
01/04/2019	IN30017510496066	SRI JAGANATHA TEXTILES LIMITED	AACCS7192L	12700			12700	0.178
27/12/2019	IN30017510496066	SRI JAGANATHA TEXTILES LIMITED	AACCS7192L	12700		12700	–	

vi) Transactions of Top 10 Shareholders of the Company from 01.04.2019 to 31.03.2020

Benpos Date	Folio/Demat ID	Name	PAN	Opening balance	Bought	Sold	Closing balance	% of total shares of the company
01/04/2019	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	715640			715640	10.053
07/06/2019	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	715640		5000	710640	9.983
31/03/2020	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	710640	–	–	710640	9.983
01/04/2019	1204500000000691	SRIKANTH. C .	ABHPS5947E	316450			316450	4.446
20/09/2019	1204500000000691	SRIKANTH. C .	ABHPS5947E	316450	–	–	316450	4.446
31/03/2020	1204500000000691	SRIKANTH. C .	ABHPS5947E	316450	–	–	316450	4.446
01/04/2019	IN30039418453107	GOPISETTY RAVICHANDRA	AKKPR2617L	187025			187025	2.627
31/03/2020	IN30039418453107	GOPISETTY RAVICHANDRA	AKKPR2617L	187025	–	–	187025	2.627
01/04/2019	1204920000141062	GOVINDARAJAN .	AIXPG4838R	105000			105000	1.475
20/09/2019	1204920000141062	GOVINDARAJAN .	AIXPG4838R	105000	–	–	105000	1.475
31/03/2020	1204920000141062	GOVINDARAJAN .	AIXPG4838R	105000	–	–	105000	1.475
01/04/2019	IN30021412774107	E RANI	AJYPR2963E	79000			79000	1.110
31/03/2020	IN30021412774107	E RANI	AJYPR2963E	79000	–	–	79000	1.110
01/04/2019	IN30045010213608	KANTILAL G VORA	ABAPV2328K	31098			31098	0.437
06/03/2020	IN30045010213608	KANTILAL G VORA	ABAPV2328K	31098		31098	–	
31/01/2020	IN30045015015561	KANTILAL GANGJI VORA	ABAPV2328K	–	29034		29034	0.408
31/03/2020	IN30045015015561	KANTILAL GANGJI VORA	ABAPV2328K	29034	–	–	29034	0.408
27/12/2019	IN30045015002507	KANTILAL GANGJI VORA	ABAPV2328K	–	29034		29034	0.408
31/01/2020	IN30045015002507	KANTILAL GANGJI VORA	ABAPV2328K	29034		29034	–	
06/03/2020	IN30045015002507	KANTILAL GANGJI VORA	ABAPV2328K	–	31098		31098	0.437
31/03/2020	IN30045015002507	KANTILAL GANGJI VORA	ABAPV2328K	31098	–	–	31098	0.437
01/04/2019	1205450000175064	P THIPPANNA CHOWDARY .	AQZPP4036C	45500			45500	0.639
20/09/2019	1205450000175064	P THIPPANNA CHOWDARY .	AQZPP4036C	45500		–	45500	0.639
31/03/2020	1205450000175064	P THIPPANNA CHOWDARY .	AQZPP4036C	45500	–	–	45500	0.639
01/04/2019	IN30047640432775	GHANSHYAM KALWANI	AJHPK3622Q	39478			39478	0.555
31/03/2020	IN30047640432775	GHANSHYAM KALWANI	AJHPK3622Q	39478	–	–	39478	0.555
01/04/2019	1204500000027707	VIMALA. M .	AJMPV6029P	32500			32500	0.457
20/09/2019	1204500000027707	VIMALA. M .	AJMPV6029P	32500		–	32500	0.457
31/03/2020	1204500000027707	VIMALA. M .	AJMPV6029P	32500	–	–	32500	0.457
01/04/2019	1205860000056590	SUDHARSHINI VARADARAJ	ADDPV1738J	29872			29872	0.420
20/09/2019	1205860000056590	SUDHARSHINI VARADARAJ	ADDPV1738J	29872		–	29872	0.420
31/03/2020	1205860000056590	SUDHARSHINI VARADARAJ	ADDPV1738J	29872	–	–	29872	0.420

vii) **Transactions of Directors and KMP of The Company from 01.04.2019 to 31.03.2020**

Benpos Date	Folio/Demat ID	Name	PAN	Opening balance	Bought	Sold	Closing balance	% of total shares of the company
01/04/2019	IN30017510001355	LAKSHMINARAYANASWAMY.D.	AARPL8438J	1451026			1451026	20.384
31/03/2020	IN30017510001355	LAKSHMINARAYANASWAMY.D.	AARPL8438J	1451026	0	0	1451026	20.384
01/04/2019	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000			24000	0.337
20/09/2019	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000		0	24000	0.337
31/03/2020	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000	0	0	24000	0.337
01/04/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897080			897080	12.602
12/04/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897080	204		897284	12.605
22/11/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897284	500		897784	12.612
27/12/2019	IN30017510201305	NAGASWARNA. L	AADPL4837D	897784	12700		910484	12.791
31/03/2020	IN30017510201305	NAGASWARNA. L	AADPL4837D	910484	0	0	910484	12.791
01/04/2019	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000			41000	0.576
20/09/2019	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000		0	41000	0.576
31/03/2020	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000	0	0	41000	0.576
01/04/2019	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA	AADPL4837D	704			704	0.010
08/04/2019	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA	AADPL4837D	704	0	204	500	0.007
16/11/2019	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA	AADPL4837D	500		500	0	
31/03/2020	E3339	LAKSHMI NARAYANASWAMY NAGASWARNA		0			0	
31/05/2019	IN30017510747512	GURUCHANDRA SEKAR R	ADZPG0470E	0	1800		1800	0.025
31/03/2020	IN30017510747512	GURUCHANDRA SEKAR R	ADZPG0470E	1800	0	0	1800	0.025

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

(Rs.in Lakhs)

	Secured loans	Unsecured Loans	Total
Indebtedness at the beginning of the financial year			
i) Principal Amount	2294.34	1024.35	3318.69
ii) Interest due but not paid	3.62	0.00	3.62
iii) Interest accrued but not due	0.00	0.00	0.00
Total (i+ii+iii)	2297.96	1024.35	3322.31
Change in indebetedness during the financial year			
Addition	1248.00	0.00	1248.00
Reduction	774.52	233.87	1008.39
Net change			
i) Principal Amount	2771.44	790.48	3561.92
ii) Interest due but not paid	**5.65**	**0.00**	**5.65**
iii) Interest accrued but not due	**0.00**	**0.00**	**0.00**
Total (i+ii+iii)	**2777.09**	**790.48**	**3567.57**

VI. A. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL **(Rs.in Lakhs)**

S. No.	Particulars of Remuneration	D. Lakshminarayanaswamy	L. Nagaswarna
1.	**GROSS SALARY:**		
a)	Salary as per provisions contained in Sec.17(1) of the Income Tax Act, 1961 VDA	42.00 –	23.44 –
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961 : Bonus PF	– 0.05	– 0.05
c)	Profits in lieu of salary under sec.17(3) of Income Tax Act, 1961 : Medical	–	1.81
2.	Stock option	–	–
3.	Sweat Equity	–	–
4.	Commission – As % of profit – Others - specify	–	–
5.	Others	–	–
	Total (A)	**42.05**	**25.30**

B. REMUNERATION TO OTHER DIRECTORS:

S. No.	Particulars of Remuneration	Ravichandran Dhamodaran	R.Guru Chandrasekar	A. Surendran	Total Amount
3. a)	Independent Directors Fee for attending Board/Committee Meetings	Rs 24,000	Rs 30,000	Rs 18,000	Rs 72,000
b)	Commission	–			–
c)	Others, please specify	–			–
	Total (i)	**24,000**	**30,000**	**18,000**	**72,000**
4. i)	Other Non-Executive Directors Fee for attending Board/Committee Meetings	–			–
b)	Commission	–			–
c)	Others	–			–
	Total (ii)	–			–
	Total (B) = (i+II)	**24,000**	**30,000**	**18,000**	**72,000**
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall ceiling as per the Act	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER / WTD **(Rs.in Lakhs)**

S. No.	Particulars of Remuneration	Company Secretary	CFO
1.	GROSS SALARY:		
a)	Salary as per provisions contained in Sec.17(1) of the Income Tax Act, 1961 (Basic + VDA)	2.99	2.76
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961 : HRA	1.33	0.57
	TA	0.77	0.25
	Bonus	0.25	0.23
	PF	--	0.22
c)	Profits in lieu of salary under sec.17(3) of Income Tax Act, 1961 : Medical	0.25	0.24
2.	Stock option	–	–
3.	Sweat Equity	–	–
4.	Commission - As % of profit - Others - specify	–	–
5.	Others	–	–
	Total	**5.59**	**4.27**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE – VIII

Details of Loans, Guarantees and Investments under the provisions of Sec.186 of the Act

LOANS	:	Nil
GUARANTEES	:	Nil
INVESTMENTS	:	Nil

FORM NO.AOC1

(Pursuant to Clause (h) of Sub-Section(3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules 2014)

Statement containing Salient Features of the Financial Statement of subsidiary company

PART-A : SUBSIDIARIES

Information in respect of a subsidiary

1.	Serial No.	1
2.	Name of the Subsidiary	Doral Real Estates Private Ltd
3.	Reporting period for the Subsidiary	From 01.04.2019 to 31.03.2020
4.	Reporting Currency	INR
5.	Share Capital	Rs.1,00,000/-
6.	Reserves & Surplus	Rs. (400948.91)
7.	Total Assets	Rs. 37017.15
8.	Total Liabilities	Rs. 337966.06
9.	Investments	--
10.	Turnover	--
11.	Profit before taxation	Rs. (344613.16)
12.	Provision for taxation	Nil
13.	Profit after taxation	Rs. (344613.16)
14.	Proposed Dividend	Nil
15.	% Shareholding	98%

1. There is no subsidiary which is yet to commence operations, nor one which has been liquidated or sold during the year.

PART - B : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No.	Name of Associates / Joint Venture	
1.	Latest Audited Balance Sheet Date	NIL
2.	Share of Associate / Joint Venture held by the Company on the year end	
3.	Amount of investment in Associates / Joint Venture	
4.	Description of how there is significant influence	
5	Reason why the Associate / Joint Venture is not consolidated	
6	Networth attributable to shareholding as per latest audited Balance Sheet	
7.	Profit/(Loss) for the year	

FORM NO.AOC2
(Pursuant to Clause (h) of Sub-Section(3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules 2014

Form for disclosure of particulars of Contracts / arrangements entered into by the company with related parties referred to in Sub-Section(1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARMS LENGTH BASIS :

S.No.	Particulars	
a)	Name(s) of the related party and nature of relationship	No contract or arrangement or transaction entered into by the company with related parties.
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value if any	
e)	Justification for entering into such contracts or arrangements / or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advance if any	
h)	Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 189.	

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS' LENGTH BASIS

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contract or arrangement or transactions including the value if any	Date of approval by the Board if any	Amount paid as advance if any
1)	Sri Ramakrishna Yarn Carriers Ltd	Leasing of property Purchase of materials	01.04.2019 to 31.03.2020 ,,	Rs.2.16 lakhs Rs.4.78 lakhs	Prior approval of the Audit Committee obtained and then reviewed periodically at the quarterly meetings	---
2)	Swathy Processors Ld	Purchase of materials Availing of Services	,,	Rs.66.70 lakhs Rs.51.13 lakhs		---
3)	Sri Jaganatha Ginning & Oil Mills	Leasing of property	,,	Rs.20.81 lakhs		----
4)	Sri Jaganatha Agencies	Leasing of property	,,	Rs.0.05 lakhs		

Note : The above mentioned contracts / arrangements / transactions are in the ordinary course of business and are not material transactions as per the criteria of materiality laid down in Regulation 2(1)(zc) & 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 as well as the Company's Policy on Materiality of Related Party Transactions.

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

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

Plate : Coimbatore
Date : 30.06.2020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

If there is one sector in the country that is self-reliant end-to-end, it is textiles. Unlike the Countries which are dominating the global textile market, India has abundant supply of raw material. It is the largest producer of cotton, accounting for 25 percent of the global output. Over the years a large spinning, weaving and apparel making capacity has been established to convert the raw material into end-products. Labour availability is plenty and, most importantly, a strong domestic market exists.

The Textile being the major employment provider in the manufacturing sector, it roughly employs about 10 crore people directly and indirectly. It has a crucial role and responsibility in the industrial development of the country. This potential compliments India's significant demographic advantage of a young population for whom gainful employment is a key priority. Further, it also plays a significant role contributing substantially to industrial production and also in the total exports.

Opportunities and Threats

The Country's domestic market offers sufficient potential for growth and demand for textile products is expected to grow on account of better purchasing capacity. Cotton prices which has been highly volatile, seems to be a major concern for the textile industry. The ongoing trade war between USA and China who have substantial presence in world trade will impact the sector till the issues are resolved.

Outlook

The Textile Industry has been facing severe challenges in the aftermath of demonetization, GST implementation, economic slow down across the globe, US-China Trade War and more recently the corona virus out break. The COVID-19 pandemic has delivered both supply and demand shock to economic activity which is likely to witness a significant downturn in this financial year.

In the circumstances, the rising Government focus and favourable policies and stimulus packages of the Government have been the key ingredient to the growth of Textile Industry in India. "Make in India campaign is attracting manufacturers and FDI in the textile sector. The new National Textile Policy with a major focus to attract manufacturers and initiate technological upgradation and setting up of integrated textile parks, etc., would give necessary fillip for the growth and development of the Industry.

Risk & Concerns

Textile Industry is well known for facing crisis in a cyclical way. There is need to insulate against such adverse conditions and grab the favourable opportunities in the economy such as demographic dividend, good monsoon and the overall optimism. A detailed review of business risks and company's plans to mitigate them is considered by the Audit Committee and the Board. The Company has been taking steps to mitigate foreseeable business risks. Risk evaluation and its management is an ongoing and continuous process within the company and periodically updated to the Audit Committee and Board.

Internal Controls

The Company has adequate internal control system to monitor internal business process, financial reporting and compliance with applicable laws. The adequacy and effectiveness of the control system are being reviewed periodically to see that it conforms to the policies and procedures adopted by the company so as to meet the statutory requirements. The Audit Committee at its meetings regularly reviewed the significant observations of the compliance and other reports.

Human Resources Management

Necessary initiatives have been taken for improving the skills of the employees by providing outside training and deputing them to attend various programmes so as to enable them to update their knowledge. Being a Member of The Southern India Mills' Association, the Company avails the services of the Association with regard to development of its human resources.

Promotions are effected after carrying out evaluation of performance of the employees.

Review by Audit Committee

The Management Discussion and Analysis was placed before the Audit Committee and duly reviewed by the Committee.

Financial Ratios

SEBI has mandated under SEBI (LO & DR) Regulations 2015 amendment that the Annual Report for the year ended 31.03.2020 should contain the following ratio for the year and also for the previous year with explanation where the variation is more than 25%

	Details		2019-20	2018-19
1.	Debtors Turnover	times	-	1.85
2.	Inventory Turnover	times	1.19	1.03
3.	Interest coverage	times	5.43	3.51
4.	Current ratio	times	1.49	1.13
5.	Debt Equity Ratio	times	1.95	6.10
6.	Operating Margin	%	43.90	37.80
7.	Net Profit	%	17.00	13.20
8.	Return on Net worth	%	67.20	107.00

During the year 2018-19, the company had entered into Real Estate Development of the property owned by it and this helped it to perform better.

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

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

Place : Coimbatore
Date : 30.06.2020

ANNEXURE TO MANAGEMENT DISCUSSION & ANALYSIS REPORT
EFFECT OF COVID-19

INTRODUCTION

With its present investment and turnover, SRMC falls under the category of "Medium' scale industry as per Central Government's new Policy.

The Company is engaged in Textile Spinning and Real Estate development.

ECONOMY

The Indian economy was slowing down even before the pandemic struck the world and the situation has now been amplified manifold because of the lock down announced by the Central Government in March 2020.

Experts predict that the GDP forecasts for the Country now range from 1.9 percent to (-) 0.5 percent . This is clearly a crisis situation and getting out of this will depend a great deal on the shape of economic recovery mechanism that will be introduced.

The shape of economic recovery is determined by both speed and direction of GDP points. This depends on multiple factors including fiscal and monetary measures, consumer incomes and sentiment. The Central Government has announced certain stimulus package that addresses demand and supply issues to hasten the economic recovery. The effect of this vis-à-vis the impact of pandemic is given below :

1. PERIOD OF LOCK DOWN AND PLAN TO RESTART OPERATIONS :

From March 25, 2020 till May 31, 2020, the business activity of the company was completely shut down. Even though there is slight relaxation in the restrictions related to lock down from June 1, 2020, it would take at least three to four months to commence full-fledged operation owing to issues of liquidity, supply chain, demand revival and labour.

1.A Construction activity came to a complete halt during the lock down. From May 2020 onwards, work has started and we are looking at project completion in 2021.

2. LIQUIDITY POSITION :

i) The Government has announced the "Guaranteed Emergency Credit Line" to the medium scale industry to be availed from the bank. It is by way of Working Capital term loan upto a maximum of 20% of outstanding as on 29.02.2020 with a moratorium of 12 months and repayable in 36 equal monthly installments with a concessional rate of interest. The bank has operationalized the Credit Scheme after getting the necessary guidelines from the Ministry of Finance. With the need to meet the commitments towards fixed costs amidst revenue in the contraction mode, there will be certain amount of strain on the liquidity position, which will be eased thereby.

ii) The liquidity easing measures initiated by RBI will begin percolating through the economy gradually. Further, the RBI has taken the steps for lowering both the repo and reverse repo rates to bring these down to the lowest levels in recent times. But the transmission of rate cut by the bank to the company is lukewarm.

iii) On account of total lock-down, the costs of various inputs have gone up, and it may be difficult to pass on the escalation to the consumers.

3. MORATORIUM FACILITY AVAILED

A moratorium was announced for all businesses for their debt servicing obligation to the bank initially for 90 days which has now been extended to 180 days. Availing of this facility would entail additional interest burden which will cause some strain on the liquidity position.

4. DISRUPTED SUPPLY CHAIN

There is a big constraint for material transport both inter and intra state owing to restrictions imposed by the Central / State Governments. Consequently, there is an increase in the cost of inputs with the disrupted supply chain.

5. DEMAND REVIVAL

It is widely recognized that the present crisis has seriously impacted both the supply and demand side of the economy, The stimulus package announced by the Centre addresses these issues and the effectiveness of this is still to be seen.

6 CONCLUSION

The Spinning Industry which has already faced multiple challenges in the aftermath of demonetization, GST implementation, economic slow down across the globe, US-China trade war and others such as low demand, unfavourable duty structures and volatile cotton prices – is confronting another trouble in the form of COVID-19 pandemic. Of course, Govt. has announced certain stimulus packages to help the industry to come out of this dark period.

In the case of an unprecedented crisis like the Covid-19 pandemic both fiscal and monetary policies should be accommodative and they need to be implemented through careful coordination.

7. STIMULUS PACKAGE AVAILED BY THE COMPANY

Under the Guaranteed Emergency Credit Line announced by the Central Government, the Company had received from The South Indian Bank Ltd, Coimbatore, Rs.1,71,00,000/- at a concessional rate of interest with a moratorium of one year and repayable in 36 monthly instalments. Necessary documents have been duly executed by the Company in this regard.

CEO / CFO CERTIFICATION
(Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015

A. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2020 and that to the best of our 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 our 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting 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 we 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 over financial reporting.

Place: Coimbatore
Date : 30.06.2020

D. LAKSHMINARAYANASWAMY
Managing Director / CEO
(DIN : 00028118)

G. KRISHNAKUMAR
CFO

CORPORATE GOVERNANCE

1) Company's Philosophy and Code of Governance

Sri Ramakrishna Mills (Coimbatore) Ltd believes that good corporate governance is essential to achieve long term corporate goals and enhance stakeholder value on a sound basis.

2) Board of Directors

The present strength of the Board of Directors of the Company is six – comprising of Sri.D.Lakshminarayanaswamy as the Managing Director, Sri.RavichandranDhamodaran, Sri.R.GuruChandrasekar, Sri.A. Surendran as the Independent Directors, Smt.L.Nagaswarna as Whole time Director and Sri.P. Muthuswamy as Director-Operations.

The table below gives the particulars of attendance of each director at the Board Meetings held during the year ended 31.03.2020 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)	DIN	Position (2)	No. of Board Meetings attended (3)	Attendance at last AGM (4)	No. of Director-ships in public limited companies including the company (5)	No. of Membership in Board Committee of other companies (6)	No. of shares held (7)
Sri D Lakshminarayanaswamy	00028118	Managing Director	5	Present	3	Nil	1475026
Smt L Nagaswarna	00051610	Wholetime Director	5	Present	3	Nil	951484
Sri.Ravichandran Dhamodaran	00054538	Independent	5	-	1	Nil	-
Sri. R. Guru Chandrasekar	0008421861	Independent	5	Present	1	Nil	1800
Sri. A. Surendran *	00765292	Independent	3	-	1	Nil	-
Sri. P. Muthuswamy *	02651331	Director	3	Present	3	Nil	-

* Inducted in the Board only on 13.08.2019

(ii) In terms of requirement of SEBI (LO & DR) Regulations 2015, the Board identified the core knowledge / skills / expertise / competencies of the Directors, required in the context of the business for it to function effectively as given below:

Knowledge	Skills	Other traits
Specialization and Expertise in textile	Strategic thinking / planning skills	Integrity
Finance & Accounts / Information Technology / Legal	Analytical skill / Decision making skills	Interpersonal skills, Communication, Public Relations
Corporate Governance	Leadership skills	Balanced view of Business issues
General Management	Business acumen / Marketing	

The Directors of the company possess the above mentioned knowledge / skills / expertise / competence in good measure and provide necessary guidance / advice to the Board

Board Meetings

From 01.04.2019 to 31.03.2020, Five (5) Board meetings were held on the following dates : 13.05.2019, 30.05.2019, 13.08.2019, 13.11.2019, 13.02.2020)

Committees of the Board

a) Nomination and Remuneration Committee

The present Nomination and Remuneration Committee subsequent to the resignation of earlier Independent Directors constituted according to the provisions of the Companies Act, 2013, consists of the following members :-

1. Sri.RavichandranDhamodaran : Chair person
2. Sri.R. Guru Chandrasekar : Member
3. Sri.A. Surendran : Member

The terms of reference.

To formulate and review the criteria that must be followed for determining qualifications, positive attributes and independence of a director.

To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and to ensure compliance with the remuneration policy set forth by the company.

To propose to the Board, the members that must form part of the Committee.

To report on the systems and on the amount of the annual remuneration of directors and senior management.

The Chairman of the Committee shall attend the Annual General Meeting of the Company to provide any clarification on matters relating to remuneration payable to the directors of the company.

This committee comprises entirely of independent directors and met once during the year 2019-20 and all the members attended.

Remunerationpaid to Non-Executive Directors for the year ended 31.03.2020.

Sl. No.	Director	Sitting Fees (Rs.)
1	Sri. Ravichandran Dhamodaran	24,000
2	Sri. R. Guru Chandrasekar	30,000
3	Sri. A. Surendran	18,000

b) Audit Committee

Audit Committee consists of the following Directors:

1. Sri.RavichandranDhamodaran : Chair person
2. Sri.R. Guru Chandrasekar : Member
3. Sri.D. Lakshminarayanaswamy : Member

The Company Secretary is the convenor

- Chairman of the Committee :

  Members of the Committee shall elect a Chairman from amongst themselves.

- Decision & voting powers :

  All the decision of the committee shall be taken by vote of majority. Members of the committee shall be entitled to vote. In case of equality the Chairman shall have one casting vote .

  The Secretary, Internal Auditor and Finance Director of the company shall attend and participate but shall not have the right to vote
- Tenure of the Committee :

  The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board.
- Meetings :

  The Committee shall meet at least four times in a year for reviewing the quarterly financial results.
- Functions & Power of the Committee :

  The Committee shall have discussion with the auditors periodically about internal control system, the audit including the observations of the auditors and review of financial statement before their submission to and discuss any related issues with the internal and statutory auditors and the management of the company.
- Responsibility of the Committee :

  The Board may assign any matter of important nature relating to the accounts, finance, taxation, investigation from time to time and may require to submit a report to the Board on such matters from time to time.

  The Committee on any matter relating to financial management including audit report shall be submitted to the Board from time to time.

  The Chairman of the audit committee shall attend the annual general meeting of the company to clarify matters relating to audit.

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

The Audit Committee met four times on 30.05.2019, 13.08.2019, 12.11.2019, 12.02.2020 during the year 2019-20.

The attendance during the year is as under:-

Sl. No.	Members	Meetings attended
1	Sri. Ravichandran Dhamodaran	4
2	Sri. GuruChandrasekar	4
3	Sri. D. Lakshminarayanaswamy	4

c) Stakeholders' Relationship Committee

Pursuant to the provisions of 178(5) of the Companies Act, 2013, the Company has constituted the above committee which consists of the following :

i. Sri.R. Guru Chandrasekar - Chairperson
ii. Sri. A. Surendran - Member
iii. Sri. D. Lakshminarayanaswamy - Member

The above Committee shall consider and resolve the grievances of shareholders and other stakeholders.

In addition, it is empowered to deal with all the matters connected with transfer of securities of the company, issue of duplicate / new Certificates and other matters related to Shareholders / Security holders.

M/s.SKDC Consultants Ltd, Coimbatore continue to act as Registrars & Transfer Agents providing Investors' servicing such as Share Registration and other related services under the supervision of this Committee.

The committee also monitors and reviews the performance and service standards of the Registrar and Share Transfer Agents of the company and provides continuous guidance to improve the service levels for investors.

There were four meetings of this Committee during the Financial Year ended 31.03.2020 – viz. on30.05.2019, 13.08.2019, 12.11.2019 & 12.02.2020 and all the members of the Committee attended the four meetings.

As on 31.03.2020, no complaint from shareholder / investor is pending.

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.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006	Friday	27.09.2019	9.00 a.m.
2.	No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006	Thursday	27.09.2018	9.00 a.m.
3.	No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006	Thursday	27.09.2017	11.00 a.m.

During 2019-20, the Company had not conducted any Postal Ballot to seek the approval of Members for any business.

In compliance with the Sec 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company provided remote e-voting facility to members to cast their votes for the resolutions as mentioned in the respective Notice of 72nd AGM held on 27.09.2019 and had engaged Central Depository Services (India) Ltd, Mumbai in this regard. The company had appointed Smt.SasirekhaVengatesh (Practising Chartered Accountant) as the Scrutinizer to scrutinize the remote e-voting and the poll process through ballot papers at the AGM venue in fair and transparent manner. The results for the 72nd AGM were communicated to BSE and also hosted in the Company's website and also published in the newspapers.

5. General Shareholder Information:

1	73rd AGM to be held on : Day Date Time Venue	 Monday 28.09.2020 9.00 a.m. Regd.Office:No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore-641006
2	Date of Book Closure	From 22.09.2020 to 28.09.2020
3	Financial Calendar: Results announced Posting of Annual Reports Last date of Receipt of Proxy Forms Announcement of Quarterly Results	 30.06.2020 First week of September 2020 26th September 2020 September 2020 / November 2020 / February 2021 / May 2021
4	Listing on Stock Exchanges	Bombay Stock Exchange – Scrip Code No.521178 – ISIN No.INE306D01017

5	Registered Office & Administrative Office	1493, Sathyamangalam Road, Ganapathy Post, Coimbatore 641 006 Phone : 0422-2531022/1122, E-mail : mail@ramakrishnamills.com CIN : L17111TZ1946PLC000175 The Company's Website www.ramakrishnamills.com containing financial information, share holding pattern and compliance with Corporate Governance, etc has been activated. The contents are periodically updated. The Company has created an ID as required by SEBI under its SCORES - the web based complaint redressal system – "secretary@ ramakrishnamills.com
6	Plant Location	Nagari (Andhra Pradesh)
7	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 within a period of 15 days from the date of receipt after the shares are transferred and registered, if the documents being valid and complete in all respects. In order to expedite the process of share transfers, the Board has delegated the power of share transfer to the Registrar & Share Transfer Agents.
8	Share Transfer Agents' Address	M/s.S.K.D.C. Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy Post, Coimbatore 641 006. Phone : 0422-4958995, 2539835-836 Fax : +91 422-2539837 Email : info@skdc-consultants.com

6) Dematerialisation of Shares:

As on 31.03.2020, 6740024 shares representing 94.69% of total equity capital is held in dematerialised form with NSDL and CDSL whereby the shares are available for trading in the dematerialized form under both the Depositories. Company has taken action to inform members holding shares in physical to convert their holdings into dematerialized form as per the Circular dated 05.07.2018 issued by SEBI.

7) Market Price Data

The High & Low prices during each month in the last financial year in BSE Ltd, Mumbai, are given below during 2019-20:

Month	B S E	
	High (Rs)	Low (Rs.)
April 2019	14.50	13.78
May "	14.70	14.00
June "	15.78	12.35
July "	13.60	12.35
August "	13.02	11.40
September "	13.14	10.93
October "	12.06	9.79
November "	12.34	10.64
December "	10.63	8.68
January 2020	8.70	8.27
February "	10.03	8.25
March "	11.00	9.44

8) Distribution of Shareholding as on 31ST March 2020

Range (No.of shares)	No.of Shareholders	No.of shares	% to total shares
Upto 5000	2008	796567	11.19
5001 – 10000	22	144637	2.03
10001 – 20000	13	173895	2.44
20001 – 30000	4	106359	1.49
30001 – 40000	2	71978	1.01
40001 – 50000	1	45500	0.64
50001 – 100000	2	139132	1.96
100001 and above	11	5640262	79.24
Total	2063	7118330	100.00

9) Categories of Shareholding as on 31st March 2020

Category	No.of shareholders	No.of shares	% to total shares
Promoters' Holding	7	4321147	60.70
Directors & Relatives	4	92532	1.30
Corporate Bodies	37	69382	0.98
Banks	1	100	0.00
Financial Institutions	1	710640	9.98
N R I	7	46666	0.66
Other Public	2006	1877863	26.38
Total	2063	7118330	100.00

Shares under Lock in : NIL.

Legal proceedings / 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
E-mail : mail@ramakrishnamills.com

The Company currently does not have any Stock Option Scheme.

10) Information Pursuant to Schedule-VI of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015:

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, pursuant to the Regulation 39(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 does not arise.

11) Nomination facility:

As provided in the Companies Act, 2013, 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:

a. Disclosure of material transaction

During the financial year ended 31st March 2020 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.

b. Related party transactions

During the financial year ended 31st March, 2020 there were no transactions of material nature, between 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.

c. Information supplied to the Board

All information, as required under Regulation 17(7) and Part-A of Schedule-II of 5 (Listing Obligations & Disclosure Requirements) Regulation 2015, is made available to the Board. The Board is also regularly updated on statutory compliances, as are applicable to the Company.

d. 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 2015 and its amendments and disclosed in the Company's website. The Directors and Senior Management Personnel of the Company have affirmed their adherence to the Code.

e. Whistle Blower Policy

The company has adopted a Whistle Blower Policy enabling any employee, if he/she so desires to have free access to meet Senior Level Management and report any matter of concern.

f. Compliance by the Company

During the last three years, there were no penalties imposed by either SEBI or Stock Exchanges 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 as prescribed by Stock Exchange.

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

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

Place: Coimbatore
Date : 30.06.2020

Practicing Company Secretary's Certificate on Compliance of Conditions of Corporate Governance as per SEBI (LODR) Regulations 2015.

To the Members of
SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE

We have examined the compliance of conditions of Corporate Governance by SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements, 2015 as referred to in Regulation 15 of these Listing Regulations for the year ended 31st March, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

On the basis of representation received from the Registrar and Share Transfer agents of the company and on the basis of the records maintained by the Stakeholders Relationship Committee of the company, we state that no investor grievance is pending for a period exceeding one month.

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.

C. JAYANTHI
Company Secretary In Practice
FCS No: 4487
CP No: 8720
UDIN F004487B000497254

Place : Coimbatore
Date : 30.06.2020

FORM NO. MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

The Members

Sri Ramakrishna Mills (Coimbatore) Limited
CIN Number L17111TZ1946PLC000175

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sri Ramakrishna Mills (Coimbatore) Limited** (herein after called "the company") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s Sri Ramakrishna Mills (Coimbatore) Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended **31st March,2020** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on **31st March, 2020** according to the applicable provisions of

i. The Companies Act, 2013(the Act) and the rules made there under;

ii. The Securities Contract (Regulation) Act,1956('SCRA') and the rules made there under;

iii. The Depositories Act,1996 and the Regulations and bye laws framed there under;

iv. Foreign Exchange Management Act 1999 and rules and regulations made there under to the extent of Foreign Direct Investment, Oversees Direct Investment and External Commercial borrowings;

v. The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT)

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015.

   c. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

   d. The Securities Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations regarding the Companies Act and dealing with the client.

During the period under Review the Company has complied with the provisions of the Act, Rules, Regulations etc mentioned above.

I further report that during the period under Audit there were no actions/events in pursuance of the following Rules, Regulations requiring compliance thereof by the Company:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from timeto time.

b. The Securities and Exchange Board of India (Employees Stock Option and Employee stock Purchase Scheme) Guidelines 1999 and The Securities Exchange Board of India Share Based Employee Benefits Regulations 2014;

c. The Securities and Exchange Board of India (Issue and Listing of Debts Securities Regulations) 2008

d. The Securities Exchange Board of India (Delisting of Equity Shares) Regulations 2009.

e. The Securities and Exchange Board of India (Buy Back of Securities) Regulations 2018.

I further report that based on the representations given by the Company, its officers there are no laws specifically applicable to the Company.

I further report that Based on the information provided and the representation made by the Company and also on the review of the Compliance report by Vice President – Operations taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.

I further report that the compliance by the Company of applicable financial laws like Direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I have also examined compliance with the applicable of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries Of India, with respect to conduct of Board and General Meetings and made applicable with effect from 1st July 2015, the Company has generally complied with the same.

ii. The Listing agreements entered into by the Company with Bombay Stock Exchange read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non executive Directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As Per the Minutes of the Board and Committee Meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I Further report that, M/s DORAL REAL ESTATES PRIVATE LIMITED (Erstwhile a partnership firm under the name DOVE REAL ESTATES in which Company was a Partner) is a Subsidiary of the Company (Sri Ramakrishna mills(Coimbatore) Limited, and it is not a material subsidiary.

I further report that during the audit period there were no instances of

- Public /Rights/Preferential Issue of Shares /Debentures/Sweat Equity
- Redemption / buy-back of securities
- Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- Merger / amalgamation / reconstruction, etc.
- Foreign technical collaborations.

C. JAYANTHI
Company Secretary in Practice
FCS No. : 4487
CP No. : 8720
UDIN F004487B000497201

Place : Coimbatore
Date : 30.06.2020

This Report is to be read with my letter of even date which is annexed as an Annexure and forms an integral part of this report.

'Annexure '

The Members

Sri Ramakrishna Mills (Coimbatore) Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain Reasonable assurance about the correctness of the contents of the secretarialrecords. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and Practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records andbooks of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and occurrence of events.
5. The Compliance of provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. My examination was limited to the verification of procedures on a random test basis.
6. This Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

C. JAYANTHI
Company Secretary In Practice
FCS No: 4487
CP No: 8720
UDIN F004487B000497201

Place : Coimbatore
Date : 30.06.2020

CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para c Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of
Sri Ramakrishna Mills (Coimbatore) Limited
CIN L17111TZ1946PLC000175
No 1493, Sathyamangalam Road
Ganapathy Post, Coimbatore – 641006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sri Ramakrishna Mills (Coimbatore) Limited having CIN L17111TZ1946PLC000175 and having registered office at 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore – 641006(hereinafter referred to as 'the company'), produced before me by the company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the company and its officers, I hereby certify that none of the directors on the Board of the company as stated below for the financial year ending on 31.03.2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Sl No	Name of Director	DIN	Date of Appointment in Company
1	Mr. D Lakshminarayanaswamy (Managing Director)	00028118	22/01/1981
2	Mrs. L Nagaswarna (Whole time Director)	00051610	14/08/2014
3	Mr. Ravichandran Damodharan	00054538	27/03/2019
4	Mr. Rajan Guru Chandrasekar	08421861	13/05/2019
5	Mr. Alagapparaja Surendran	00765292	13/08/2019
6	Mr. Palaniswamy Naidu Muthusamy	02651331	13/08/2019

Ensuring the eligibility for the appointment /continuity on the board is the responsibility of the management of the company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which management has conducted the affairs of the company.

C. JAYANTHI
Company Secretary In Practice
FCS No: 4487
CP No: 8720
UDIN F004487B000497254

Place : Coimbatore
Date : 30.06.2020

Independent Auditor's Report

To the Members of Sri Ramakrishna Mills (Coimbatore) Limited

Report on the Ind-AS Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind-AS financial statements of Sri Ramakrishna Mills (Coimbatore) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the statement of Profit and Loss including other comprehensive income, the Cash flow statement , the statement of changes in equity and notes to the financial statements for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2020, and profit, changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We invite attention to Note No:44C to the Financial Statements regarding the impact of COVID19 on the Company's business operations and carrying values of assets and liabilities as on balance sheet date and up to the date of adoption of this financial statement. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. The impact, therefore, in future periods may be different from the estimates made as on the approval of this financial statement. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- **TEXTILE SEGMENT**

  The Textile segment has been incurring losses for the last several years and appear to be functioning below rated capacities with varying revenue year to year. A material uncertainty exists related to the conditions which cast significant doubt on the segment to continue as a segment to contribute to the profits of the company. Our Judgement of Continuance of Textile segment is based on audit evidence and explanations and management's revival plan, and due to the availability of resources from other segments for modernisation and consequent profitability. Our opinion is not modified in respect of this matter.

- **DISPUTED TAX & OTHER LIABILITIES**

  Evaluation of tax and Regulatory dues under Dispute involves significant judgement to determine the possible outcome. In our audit the disputes and demands were obtained from the management as at 31.03.2020. The grounds of dispute taken by Management were considered along with Legal and Factual matters to enable us to take a judgement. These matters continue to remain in the same status as in the previous year.

- The Borrowings and receipts of funds to fund the textile segment also has a significant impact on the assets and Liabilities. Our judgement was based on the Audit evidence with explanations therein.

- Revenue from Real Estate Development is recognised during the year on the basis of Technical Estimates as to percentage of completion furnished and accepted without modification on the basis of our judgement and on the basis of transfer of control over assets judged to the extent of performance obligation executed under the Joint Development Contract and acceptable in our judgement.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information (included in the Management Discussion and Analysis) in the Board's Report including Annexures to Board's Report (Business Responsibility Report, Corporate Governance) and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind-AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent possible.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and 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 it appears from our examination of those books;
   (c) The Standalone balance sheet, the Standalone statement of profit and loss including other comprehensive income, the Standalone cash flow statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our Opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the act; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, wherever applicable – Refer Note No:41 to the Financial Statement.
      ii. The company did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii. On the basis of the declarations made to us by the management, which is relied upon by us, we report that there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For CSK PRABHU & CO
Chartered Accountants
Firm Regd No: 002485 S

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30-06-2020

Annexure - A to the Auditors' Report

With reference to the Annexure - A referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

1 a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

b) According to information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which they are verified annually. In accordance with this programme, all the fixed assets were verified during the year and we are informed that no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2 According to information and explanations given to us by the management, physical verification of Inventory has been conducted at reasonable intervals by the management during the Year. We are informed that no material discrepancies were noticed on such physical verification.

3 a) In respect of Parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), as at March 31 2020, a total net amount of Rs.Nil remained as Advances from two parties (Previous Year Rs.216.28 Lakhs from two parties)

b) The management has represented that out of the opening balance at the beginning of the year amounting to Rs.216.28 Lakhs, an amount of Rs.97.47 Lakhs (Previous Year Rs.97.47 Lakhs) was due from subsidiary company (erstwhile a Partnership Firm in which the Company was a Partner and which was converted as a Private Limited Company during the financial year 2017-18) and that the above Advance arose on account of revaluation of land in the books of Partnership Firm prior to the commencement of the Companies Act, 2013 and represents the Company's share of surplus on account of such revaluation and credited to the Partner's Current Account by the Partnership Firm and does not partake the character of Loan. Further the said subsidiary during the year has realized its asset and settled a sum of Rs.53.66 Lakhs and the balance of Rs.43.81 Lakhs has been written off as impairment loss during the year.

c) The management has represented that the remaining net opening balance amount of Rs.118.81 Lakhs (Previous Year Rs. 118.81 Lakhs) represents Trade Advances paid to a Company in which directors are interested before the commencement of the Companies Act, 2013 in the normal course of business on account of operative transactions and not in the nature of Loan. During the year, the said amount is received and as at March 31, 2020, there were no dues from such Related Party Company.

d) We have taken into account the representations made by the management as stated vide para (b) and (c) above, and based on our examination we report that, in our opinion, the Company has not granted loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or Other parties, covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and therefore further reporting under sub-clause a), b) and c) of clause (iii) of para 3 of the order does not arise.

4 In respect of matters stated in sub-para (a),(b), and (c) of para (iii) of this report regarding Advances which has been realized/adjusted during the year and with balance as at March, 31, 2020 amounting to Rs.Nil (Previous Year Rs. 216.28 Lakhs receivable from two parties), we have taken into account the representations made by the management and based on our examination, in our opinion such opening balance donot partake the character of Loans covered under Sec.185 and 186. Further such Opening Balances have been realized/adjusted during the course of the year. Further we report that the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, wherever applicable.

5 According to information and explanations given and representations made to us, the Company has received Unsecured Loans/Advances from Directors for the purpose of the business of the company and has further complied with the requirement of obtaining a written declaration made to the Company by such Director/s at the time of giving the money, to the effect that the amount is not being given to the Company out of funds acquired by such Director/s by borrowing or accepting loans or deposits from others. Therefore, such Unsecured Loans received from Directors fall out of the purview of the Definition of "Deposit" under the Companies (Acceptance of Deposits) Rules, 2014, as amended. Further according to information and explanations given to us, the Company has also received inter corporate loans, secured loans from director & bank and other unsecured Advances, which are explained to fall out of the purview of the Definition of "Deposit" under the Companies (Acceptance of Deposits) Rules, 2014, as amended. On such basis and judgment, we report that the Company has not accepted any deposits from the public and therefore further reporting under sub-clause (v) of para 3 of the order does not arise.

6 According to information and explanations given to us and based on the declarations made to us, we report that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.

7 a) According to the information and explanations given to us and based on our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee State Insurance, income-tax, sales tax, value added tax, duty of customs, excise, service tax, goods and service tax, cess and other material statutory dues have not generally been regularly deposited with the appropriate authorities during the year in time and there have been serious delays in a large number of cases.

According to the information and explanations given to us, no undisputed material amounts payable in respect of provident fund, esi, income tax, sales tax, value added tax, duty of customs, excise service tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable excepting for Tax deducted at source under the Income Tax Act, 1961 for an amount of Rs.17.40 Lakhs relating to financial year 2019-20. The due date of such TDS remittance is 7th of the succeeding month. The management explained that such arrear Tax deducted at source has been remitted upto the date of this report.

b) According to the information and explanations given to us, there are no material dues of income tax/sales tax/service tax/GST/duty of customs/duty of excise/value added tax/cess and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax, GST and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues (along with Interest etc., where applicable)	Amount [Rs.] (in lakhs)	Period to which the amount relates	Forum where dispute is pending
TNGST	Sales Tax	54.59	A.Y.1995-96	Hon'ble High Court of Judicature Chennai
TNGST	Sales Tax	89.37	A.Y.1999-00	Representation Pending before Assessing authority on the direction by the High court of Judicature at Chennai
TNGST	Sales Tax	61.66*	A.Y.1998-99	Representation Pending before Assessing authority on the direction by the High court of Judicature at Chennai
TNGST	Sales Tax, AST	121.97	A.Y.2000-01	Representation Pending before Assessing authority on the direction by the High court of Judicature at Chennai
* [Rs.30.83 lakhs, since paid]				

8 According to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.

9 The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to information and explanations given to us, Term loans wherever raised during the year were applied for the purposes for which those are raised.

10 According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported.

11 On the basis of information and explanations given to us by the management, Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

12 (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year.

15 According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16 In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CSK PRABHU & CO
Chartered Accountants
Firm Regd No: 002485 S

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.06.2020

Annexure – B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sri Ramakrishna Mills (Coimbatore) Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CSK PRABHU & CO
Chartered Accountants
Firm Regd No: 002485 S

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.06.2020

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

BALANCE SHEET AS AT 31st MARCH 2020

(₹ in Lakhs)

PARTICULARS	Note No	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	**503.10**	540.14
Financial Assets			
Investments	5	**–**	0.98
Loans	6	**–**	–
Other Financial Asset	7	**76.29**	94.33
Deferred tax asset	8	**460.15**	1,018.55
Other non-current assets	9	**9.13**	277.15
Total non-current assets		**1,048.68**	1,931.15
Current assets			
Inventories	10	**2,697.57**	2,688.53
Contract Assets	10A	**2,008.20**	1,237.18
Financial Assets			
Trade receivables	11	**7.17**	–
Cash and cash equivalents	12	**21.98**	2.95
Bank balances other than above	13	–	63.07
Other current assets	14	**74.00**	122.04
Total current assets		**4,808.91**	4,113.77
TOTAL ASSETS		**5,857.59**	6,044.92
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**711.83**	711.83
Other equity	16	**179.60**	(371.57)
Total equity		**891.43**	340.26
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	**996.87**	1,260.69
Other Financial Non Current Liabilities	17A	**600.00**	–
Other Non-Current Liabilities	18	**–**	700.60
Provisions	19	**136.83**	135.09
Deferred Tax Liabilities (net)	20	**–**	–
TOTAL NON-CURRENT LIABILITIES		**1,733.70**	2,096.38
Current liabilities			
Financial liabilities			
Borrowings	21	**2,482.28**	1,985.84
Trade payables	22	**211.59**	332.60
Other financial liabilities	23	**82.71**	72.15
Other current liabilities	23A	**336.78**	1,100.44
Short Term Provisions	24	**119.11**	117.26
Total current liabilities		**3,232.46**	3,608.29
TOTAL LIABILITIES		**4,966.16**	5,704.66
TOTAL EQUITY AND LIABILITIES		**5,857.59**	6,044.92

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.06.2020

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

	PARTICULARS	Note No	Year ended 31.03.2020	Year ended 31.03.2019
	CONTINUING OPERATIONS			
A	**Income**			
	Revenue from operations	25	**3,139.67**	2,707.31
	Other income	26	**71.27**	37.23
	Total income		**3,210.93**	2,744.54
B	**Expenses**			
	Cost of materials consumed	27	**-**	580.91
	Cost of Purchase of Stock in Trade		**776.50**	638.59
	Changes in inventories of finished goods	28	**(6.81)**	(349.56)
	Power and Fuel Expenses		**304.92**	204.42
	Employee Benefits Expense	29	**487.20**	408.43
	Depreciation and amortisation expense	30	**27.93**	34.79
	Other Expenses	31	**212.05**	199.87
	Finance costs	32	**259.53**	296.77
	Total expenses		**2,061.31**	2,014.22
			1,149.62	730.32
C	**Profit before exceptional items and tax**			
	Exceptional items - Loss/(Profit) on Sale of Assets	33	**23.20**	(14.24)
			1,126.42	744.56
D	**Profit before tax from continuing operations**			
	Income tax expense	34	**–**	–
	Current tax		**24.48**	–
	Deferred tax charge/ (credit)		**556.48**	379.96
	Profit for the year		**545.47**	364.60
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**7.63**	(0.92)
	Loss on Fair Value of Investments		**–**	–
	Income tax relating to these items		**(1.92)**	0.27
	Other comprehensive income for the year, net of tax		**5.71**	(0.65)
	Total comprehensive income for the year		**551.17**	363.95
	Earnings per share	35		
	Basic earnings per share		**7.66**	5.12
	Diluted earnings per share		**7.66**	5.12

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.06.2020

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

	Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
A.	**Cash Flow From Operating Activities**		
	Profit before income tax	**1,126.42**	744.56
	Adjustments for		
	Depreciation and amortisation expense	**27.93**	34.79
	(Profit)/ Loss on sale of fixed asset	**23.20**	(14.24)
	Interest received	**(4.89)**	(20.37)
	Lease Rent	**(25.15)**	(14.82)
	Finance costs	**259.53**	296.77
		1,407.04	1,026.68
	Change in operating assets and liabilities		
	(Increase)/ decrease in loans	-	-
	(Increase)/ decrease in Other financial assets	**18.04**	(15.96)
	(Increase)/ decrease in inventories	**(9.03)**	(91.04)
	(Increase)/ decrease in Contract Assets	**(771.01)**	(1,237.18)
	(Increase)/ decrease in trade receivables	**(7.17)**	134.19
	(Increase)/ decrease in Other assets	**304.89**	(6.34)
	Increase/ (decrease) in provisions and other liabilities	**(844.48)**	342.54
	Increase/ (decrease) in trade payables	**(121.01)**	(211.93)
	Cash generated from operations	**(22.74)**	(59.04)
	Less : Income taxes paid (net of refunds)	**(13.31)**	0.64
	Net cash from operating activities (A)	**(36.05)**	(58.40)
B.	**Cash Flows From Investing Activities**		
	Purchase of PPE (including changes in CWIP)	**(67.39)**	(12.78)
	Sale proceeds of PPE (including changes in CWIP)	**53.29**	16.95
	(Purchase)/ disposal proceeds of Investments	**0.98**	-
	(Investments in)/ Maturity of fixed deposits with banks	**63.07**	7.18
	Lease Rent	**25.15**	14.82
	Interest income	**4.89**	12.63
	Net cash used in investing activities (B)	**79.99**	38.80
C.	**Cash Flows From Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	**(263.82)**	(294.99)
	Proceeds from/ (repayment of) short term borrowings	**496.44**	610.11
	Finance costs	**(257.53)**	(298.14)
	Net cash from/ (used in) financing activities (C)	**(24.91)**	16.98
	Net decrease in cash and cash equivalents (A+B+C)	**19.04**	(2.62)
	Cash and cash equivalents at the beginning of the financial year	**2.95**	5.56
	Cash and cash equivalents at end of the year	**21.98**	2.94

Notes:
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 “Cash Flow Statements”.
2. Components of cash and cash equivalents

	31.03.2020	31.03.2019
Balances with banks		
- in current accounts	**20.15**	2.66
- in Margin money deposit account	**-**	-
Cash on hand	**1.84**	0.28
	21.98	2.94

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
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S.A. Subramanian
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G. Krishnakumar
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As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

Place : Coimbatore
Date : 30.06.2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(A) Equity Share Capital

	(Rs. in Lakhs)
Balance at the beginning of April 1, 2017	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2020	711.83

(B) Other Equity (Rs. in Lakhs)

Particulars	Capital Reserve Land	Securities Premium	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2017	2,306.54	1,081.07	4.07	(3,740.97)	(349.29)
Additions/ (deductions) during the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(2.18)	(384.05)	(386.23)
Balance as at March 31, 2018	2,306.54	1,081.07	1.89	(4,125.02)	(735.52)
Additions/ (deductions) during the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(0.65)	364.60	363.95
Balance as at March 31, 2019	**2,306.54**	**1,081.07**	**1.24**	**(3,760.42)**	**(371.57)**
Additions/ (deductions) during the year	(378.22)	-	-	378.22	-
Total Comprehensive Income for the year	-	-	5.71	545.47	551.17
Balance as at March 31, 2020	**1,928.32**	**1,081.07**	**6.95**	**(2,836.73)**	**179.60**

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.06.2020

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

NOTES TO FINANCIAL STATEMENTS

1 Corporate Information

Sri Ramakrishna Mills (Coimbatore) Limited CIN:L17111TZ1946PLC000175 is a Public Limited Company under the Indian Companies Act of 2013 having Registered office at 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641006. The Companies Equity shares are listed in Bombay Stock Exchange.

2 Basis of preparation of financial statements

Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendment thereto.

Previous Year figures are regrouped and reclassified wherever considered necessary to confirm to current year classification.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2020 are the third financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 30, 2020.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Revenue Recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract/s and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.Judgement is also required to determine the transaction price for each of the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Revenue for Real Estate contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate amounts of the future cost-to-completion of the contracts on the basis of estimates furnished/agreed, which is used to determine the degree of the completion of the performance obligation.

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPE is assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to continue to measure the property, plant and equipment at their previous GAAP values. Hence, no fair valuation or retrospective application of Ind AS 16 is required.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement and decision, by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment assessment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of value of recoverable amount of such assets. The assumptions used in computing the value of recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Lease

Ind-AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind-AS 116, this assessment should be carried out at the inception of the contract or arrangement. The determination of whether an agreement is, or contains, a "Right of use" is based on the substance of the agreement at the date of inception. Accounting of Right of Use is based on Ind-AS 116.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle excepting for Real Estate Contracts, wherein the operating cycle is the time agreed in the respective contracts.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;""

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and""

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

NOTES TO FINANCIAL STATEMENTS (Contd...)

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Revenue from Sale of goods

Effective from 01-04-2018, Revenue is recognized as per Ind-AS 115, using the Five Step model that is applied to recognize revenue and which focusses on transfer of control of goods and services by an entity to its customers to recognize revenue. The Five Step model requires the following a) identify the contract with the customers b) identify the performance obligation in the contract c) Determine the transaction Price d) Allocate the Transaction price to the Performance Obligations e) Recognize Revenue when (or) as the entity satisfies its performance obligations.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from Real Estate

Revenue from real estate development include land taken up under development by extending contract of licence to a developer by sharing the developed real estate with him. Performance obligation in respect of such real estate assets is to deliver land to developer/villas and apartments to customers.The customer simultaneously receives the benefits of such contract and further the company has no alternate use over such asset and has an enforceable right of payment over such asset. The Company has made careful judgement and satisifed that the Performance obligations in the Contract/s are satisfied over time. Therefore the revenue from the above is recognised over time to the extent the satisfaction of Performance obligation and its progress and consequent obtention of economic benefits and potential cash flows to the company. The revenue from that part of the Land licenced towards Developer's Share is contracted to be discharged by Developer by construction of superstructure in respect of land owner's share agreed. Therefore the total revenue for the transfer of land towards Developers share is the originally agreed cost of construction of the super structure belonging to the company as per customary business practice. The revenue from transfer of control during an year is recognised to the extent of land in respect of which substantial progress made in the performance obligation by the Developer eventhough the legal title may remain with the company. The contractual obligation of the Company and Developer are transacted at consideration originally agreed and discharged as above. Revenue in respect of the Villas belonging to the Company and contracted for sale is recognised on the basis of percentage of completion of performance obligation with the Customer. The Company recognizes the completed performance obligations and recognizes revenue taking into account the transaction price and therefore the remaining transaction price will represent the remaining performance obligation. The Company while recognizing income evaluates completion of the contract performance obligation and its timing on technical judgement.

Revenue from Sale of other Real Estate Assets are recognized on completion of bundled legal obligation attached therewith.

Commission Income

Commission Income is recognised when the services are rendered as per performance obligation under the terms of the agreement if any and when no significant uncertainty as to its determination or realisation exists.

Sale of scrap

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of control.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease.

Contract Asset/Liability

If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (ie a receivable), before the company transfers a good or service to the customer, the company presents the contract as a contract liability (Customer Advances/Advance against Sales) when the payment is made or the payment is due (whichever is earlier). A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. An entity shall assess a contract asset for impairment in accordance with Ind -AS 109.

d) Property, plant and equipment

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to continue to measure the property, plant and equipment at their previous GAAP values.

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

NOTES TO FINANCIAL STATEMENTS (Contd...)

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. Depreciation is provided on straight line method (for Plant & Machinery and Electrical Machinery) and on written down value method (for all other Assets), over the useful lives as is specified in Schedule II to the Companies Act, 2013.

Asset Class	Estimated Useful Life based on Specified Useful Life in Schedule II (No of Years)
Building	60
Factory Building	30
Investment Property	60
Roads/Fences-Wells-Tube Wells	5
Plant & Machinery	15
Electrical installations and Equipments	15
Air Conditioner	10
Furniture & Office Equipments	10
Computer Hardware	1-3
Servers	6
Vehicles	8

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average/FIFO method as follows:

(i) Raw materials, stores, spares and consumables, Waste: At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition on Weighted Average Method. Spares are considered to have useful life of less than 12 months and hence classified under inventories.Stock of Stores and Packing materials, Spares (with less than 12 months useful lives) is valued on Weighted Average method.

(ii) Work-in-process: At material cost, conversion costs and appropriate share of production overheads

(iii) Finished goods: Under FIFO Method At material cost, conversion costs and an appropriate share of production overheads.

(iv) Real Estate Inventories: Real Estate inventories consisting of Land are carried at Cost/Deemed Cost. In respect of Construction of Super Structures, the WIP is valued at Cost at agreed Cost of Construction.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments (other than equity instruments) at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Instruments (other than equity instruments) at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

NOTES TO FINANCIAL STATEMENTS (Contd...)

The financial instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments (other than equity instruments) at FVTPL

The Company classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
b) Financial assets that are debt instruments and are measured at FVTOCI
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial assets measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

NOTES TO FINANCIAL STATEMENTS (Contd...)

Name of the financial asset	Impairment Testing Methodology
Trade / Other Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets..
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO FINANCIAL STATEMENTS (Contd...)

h) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract wherever necessary to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. The Company during the year 2019-20 has adopted the provisions of Sec.115BAA of the Income tax Act. Accordingly no Minimum Alternate Tax (MAT) is applicable from FY:2019-20 onwards. Further no Current tax on the profits for FY:2019-20 is applicable considering the unabsorbed losses available to the company and income declared.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in respect of tax matters with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the “MAT Credit Entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period or when it can no longer carry forward the MAT Credit entitlement by provisions of law.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax credits, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” in respect of lease contracts outstanding on April 1,2019 using modified retrospective method. The Company has made a detailed evaluation of all the Leases where it is a lessee, on an individual basis. Based on such evaluation, the Company has concluded that all the Lease Agreements entered into by the Company and where it is a lessee, are in the nature of short-term leases and hence in accordance with para 5 & 6 of Ind-AS 116, the Company has exercised the Right of use Asset recognition exemption option available in respect of short term leases and recognized the lease payments associated with those leases as an expense in the statement of profit and loss, on either a straight-line basis over the lease term or another systematic basis (if that basis is more representative of the pattern of the lessee’s benefit). The Company recognizes a lease as a short term lease in accordance with Ind-AS 116, only if the Lease Arrangement (including any addendum thereto) has all of the following characteristics: a) It is for a period of 12 months or less b) it does not grant a renewal or extension option to the lessee c) It does not grant a purchase option to the lessee. A lease with the above characteristics is considered as a short-term lease even if there is a past practice of the lease being renewed upon expiry of the lease term for a further period of one year (with the mutual consent of both the lessor and the lessee). Consequently all the disclosure requirements in Ind-AS 116 in respect of such Leases, where the Company is a lessee, is not applicable.

Company as a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature and materiality.

m) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

n) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

o) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

p) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity’s cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

q) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

NOTES TO FINANCIAL STATEMENTS (Contd...)

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	TANGIBLE ASSETS									
	Land (Cost)	Build-ings (cost)	Plant and Machin-ery	Furniture and Fittings	Computer	Vehicles	Office Equipment	Library	Total	Intangible Assets - Software
Cost as at March 31, 2017	**259.86**	**162.30**	**497.87**	**0.20**	**1.11**	**26.84**	**0.49**	**-**	**948.67**	**-**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(30.57)	-	-	-	-	-	(30.57)	-
Cost as at March 31, 2018	**259.86**	**162.30**	**467.30**	**0.20**	**1.11**	**26.84**	**0.49**	**-**	**918.10**	**-**
Additions	-	-	12.78	-	-	-	-	-	12.78	-
Disposals	(256.63)	-	-	-	-	(6.74)	-	-	(263.37)	-
Cost as at March 31, 2019	**3.23**	**162.30**	**480.08**	**0.20**	**1.11**	**20.10**	**0.49**	**-**	**667.51**	**-**
Additions	-	-	67.39	-	-	-	-	-	67.39	
Disposals	-	(98.21)	0.01	-	-	-	-	-	(98.20)	
Cost as at March 31, 2020	**3.23**	**64.09**	**547.48**	**0.20**	**1.11**	**20.10**	**0.49**	**-**	**636.70**	**-**
Depreciation/Amortisation										
As at March 31, 2018	**-**	**21.72**	**58.74**	**-**	**0.33**	**15.83**	**-**	**-**	**96.62**	-
Charge for the year	-	7.97	24.42	-	-	2.40	-	-	34.79	-
Disposals	-	-	-	-	-	(4.03)	-	-	(4.03)	-
As at March 31, 2019	**-**	**29.69**	**83.16**	**-**	**0.33**	**14.20**	**-**	**-**	**127.37**	-
Charge for the year	-	2.08	24.36	-	-	1.49	-		27.93	-
Disposals	-	(21.71)	-	-	-	-	-		(21.71)	-
As at March 31, 2020	**-**	**10.05**	**107.52**	**-**	**0.33**	**15.68**	**0.00**	**-**	**133.59**	**-**
Net Block										
As at April 1, 2017	259.86	150.04	456.37	0.20	0.85	16.59	0.49	-	884.40	-
As at March 31, 2018	259.86	140.58	408.56	0.20	0.78	11.01	0.49	-	821.48	-
As at March 31, 2019	3.23	132.61	396.92	0.20	0.78	5.90	0.49	-	540.13	-
As at March 31, 2020	3.23	54.04	439.96	0.20	0.78	4.42	0.49	-	503.10	-

PARTICULARS	**As at 31.03.2020**	As at 31.03.2019
5 NON-CURRENT INVESTMENTS		
Investment in Subsidiaries (Unquoted)		
9800 Equity shares of Rs.10 each fully paid in Doral Real Estates Private Limited	**0.98**	0.98
Investment in equity shares (Unquoted) - FVOCI		
2000 Equity shares (Prev year 2000)of Rs.10 each fully paid in Sentra Yarns ltd	**0.20**	0.20
10000 Equity shares (Prev year 10000)of Rs.10 each fully paid in Cosco Ltd	**1.00**	1.00
Investment in Government Securities - FVOCI		
7 years National Savings Certificate	**0.01**	0.01
6 years National Savings Certificate	**0.63**	0.63
Indra Vikas Patra	**0.01**	0.01
Less: Impairment in value of investments in Equity Shares & Govt Secs	**(2.83)**	(1.85)
Total	**-**	0.98
Aggregate amount of quoted investments	**–**	–
Aggregate market value of quoted investments	–	–
Aggregate cost of unquoted investments	**2.83**	2.83
Aggregate amount of impairment in value of investments	**2.83**	1.85

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...) (₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
6	**OTHER NON CURRENT FINANCIAL ASSETS - LOANS**		
	(Unsecured considered good)	**–**	–
	Total	**–**	–
7	**OTHER NON-CURRENT FINANCIAL ASSETS** (Unsecured considered good)		
	Security Deposits	**76.29**	94.33
	Total	**76.29**	94.33
8	**DEFERRED TAX ASSET (Net)**		
	Deferred tax Asset (net)	**460.15**	948.11
	MAT Credit Entitlement	**–**	70.44
	Total	**460.15**	1,018.55
9	**OTHER NON-CURRENT ASSETS** (Unsecured, considered good)		
	Advance recoverable in cash or in kind , or for value to be received	**7.25**	15.09
	Prepaid Expenses	**1.88**	-
	Advance income-tax	**-**	45.78
	Due from companies in which Directors are interested	**-**	118.81
	Due from Subsidiary Company	**43.81**	97.47
	Less: Impairment Loss on Due from Subsidiary Company	**(43.81)**	-
	Total	**9.13**	277.15
10	**INVENTORIES**		
	Raw Materials	**1.21**	1.21
	Work-in-progress	**-**	-
	Finished products	**8.26**	29.36
	Stock-in-trade- Land	**1,834.29**	2,219.25
	Stores and spares	**21.74**	19.52
	Waste	**3.28**	9.81
	Stock-in Trade - Land under Development	**104.74**	119.07
	Stock-in Trade - Developer's Share where Control not transferred	**-**	61.22
	Stock-in-Trade- Building under Development	**724.02**	229.10
	Total	**2,697.57**	2,688.53
10A	**Contract Assets**		
	Other debts - unsecured , considered good		
	-Real Estate Activity - Contract Asset - Land foregone under Joint Venture	**2,574.47**	1,359.14
	-Real Estate Activity - Contract Liability - Building under Construction	**(1,103.61)**	(346.93)
	-Real Estate Activity- Contract Asset - Villas Sold	**537.34**	224.97
	Total	**2,008.20**	1,237.18
11	**TRADE RECEIVABLES**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	**–**	–
	Unsecured, considered doubtful	**28.20**	41.19
	Other debts - unsecured , considered good		
	-Others	**7.17**	–
		35.37	41.19
	Less : Expected Credit Loss	**(28.20)**	(41.19)
	Total	**7.17**	–
12	**CASH AND CASH EQUIVALENTS**		
	Cash- on- Hand	**1.84**	0.28
	Balances with Banks		
	(i) In Current Accounts	**20.15**	2.66
	Stamp on hand	**0.00**	0.00
	Total	**21.98**	2.95

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
13	**OTHER BANK BALANCES**		
	In Fixed Deposits(Security Deposits)	–	–
	In Margin money with Banks	–	63.07
	In Earmarked Accounts	–	–
	(i) Unpaid Dividend Account	–	–
	(ii) Unpaid Interest Account	–	–
	Total	–	63.07
14	**OTHER CURRENT ASSETS**		
	Interest accrued on Deposits	–	9.54
	Advance recoverable in cash or in kind or for value to be received	**2.72**	81.00
	Prepaid expenses	**5.84**	5.23
	Balance with government authorities	**30.83**	26.27
	TDS Refund Receivable	**34.61**	–
	Total	**74.00**	122.04
15	**CAPITAL**		
	Authorised Share Capital		
	(i) 1,00,00,000 Equity shares of Rs. 10 each	**1,000.00**	1,000.00
	(ii) Redeemable Preference Shares of Rs.100/- each	**500.00**	500.00
		1,500.00	1,500.00
	Issued Share Capital		
	71,19,421 Equity shares of Rs. 10 each	**711.94**	711.94
		711.94	711.94
	Subscribed and fully paid up share capital		
	71,18,330 Equity shares of Rs. 10 each	**711.83**	711.83
	Total	**711.83**	711.83

Notes:

(a) Reconciliation of number of equity shares subscribed

Balance as at the beginning of the year	**7,118,330**	7,118,330
Add: Issued during the year	–	–
Balance at the end of the year	**7,118,330**	7,118,330

(b) Shares issued for consideration other than cash

There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back.

(c) Shareholders holding more than 5% of the total share capital

Name of the share holder	**March 31, 2020**		March 31, 2019	
	No of shares	**% of holding**	No of shares	% of holding
Sri. D. Lakshminarayanaswamy	**14,75,026**	**20.72%**	14,75,026	20.72%
Smt. L. Nagaswarna	**9,51,484**	**13.37%**	9,38,784	13.19%
Smt. L. Suhasini	**6,21,276**	**8.73%**	6,21,276	8.73%
Smt. L. Swathy	**5,63,406**	**7.91%**	5,63,406	7.91%
Stressed Assets Stabilisation Fund	**7,10,640**	**9.98%**	7,15,640	10.05%

(d) Rights, preferences and restrictions in respect of equity shares issued by the Company

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Share holder is eligible for one vote per share. In the event of liquidation the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
16	**OTHER EQUITY**		
	General reserve	**–**	–
	Capital Reserve	**1,928.32**	2,306.54
	Securities Premium Account	**1,081.07**	1,081.07
	Other comprehensive income	**6.95**	1.24
	Retained earnings	**(2,836.73)**	(3,760.42)
	Total	**179.60**	(371.57)
	a) General reserve		
	Balance at the beginning of the year	**–**	–
	Additions during the year	**–**	–
	Deductions/Adjustments during the year	**–**	–
	Balance at the end of the year	**–**	–
	b) Capital Reserve		
	Balance at the beginning of the year	**2,306.54**	2,306.54
	Trnasfer to Retained Earnings	**(378.22)**	-
	Balance at the beginning and end of the year	**1,928.32**	2,306.54
	c) Securities Premium Account		
	Balance at the beginning and end of the year	**1,081.07**	1,081.07
	d) Other comprehensive income		
	Balance at the beginning of the year	**1.24**	1.89
	Additions during the year	**5.71**	(0.65)
	Balance at the end of the year	**6.95**	1.24
	e) Retained earnings		
	Balance at the beginning of the year	**(3,760.42)**	(3,987.61)
	Net profit for the period	**545.47**	364.60
	Transfers from Capital Reserve	**378.22**	–
	Prior Year adjustments	**–**	(137.41)
	Balance at the end of the year	**(2,836.73)**	(3,760.42)
17	**LONG TERM BORROWINGS**		
	(a) Secured		
	From Banks-Term Loans	**160.94**	-
	From Director	**835.92**	855.30
	(b) Unsecured		
	From Directors	**–**	**152.77**
	Inter corporate Loan	**–**	**252.62**
	Total	**996.87**	**1,260.69**

Terms of loan and security details

i) The Term Loan from Bank and from Director are commonly secured by equitable mortgage of 4.135 acres of vacant land with Building situated at Ganapathy, Coimbatore with the Bank being the First Charge Holder and the Director (Managing Director) being the Second Charge Holder.

ii) Loan from Director as on Balance Sheet date is additionally secured by charge on 4 villas along with the lands allotted thereof being developed by the Company.

iii) Loan from Bank is secured by Personal guarantee of the Managing Director and Whole-Time Director and their relative

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
17A	**OTHER FINANCIAL NON CURRENT LIABILITIES**		
	Refundable Performance Guarantee Deposit	600.00	–
		600.00	–
18	**OTHER NON CURRENT LIABILITIES**		
	Advance Towards Land	–	700.60
	Total	–	700.60
19	**PROVISIONS (NON -CURRENT)**		
	Provision for gratuity		
	Managerial personnel	–	–
	Others	**136.83**	**135.09**
	Total	**136.83**	**135.09**

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
20	**DEFERRED TAX LIABILITY/ (ASSET) - NET**	–	–
	Total	–	–
21	**CURRENT LIABILITIES - FINANCIAL LIABILITIES: BORROWINGS**		
	a) Secured		
	From Banks		
	Cash credit facility	–	221.87
	Overdraft facility	**609.47**	–
	Letter of credit	–	383.00
	Loans from directors and their Relatives	**1,110.58**	750.16
	Others	**1.81**	11.86
	b) Unsecured		
	Loans from directors	**174.57**	183.88
	Inter Corporate Loans	**585.86**	435.08
	Total	**2,482.28**	1,985.84

Terms of loan and security details

i) Loan from Bank is secured by available current assets of the Company and equitable mortgage of 4.135 acres of vacant land with Building situated at Ganapathy, Coimbatore with the Bank being the First Charge Holder.The Managing Director and Whole-Time Director along with relative are guarantors in respect of the Bank Loan

ii) Loan from Director as on Balance Sheet date is additionally secured by charge on 4 villas along with the lands allotted thereof being developed by the Company. Other Loans are secured by the property against which they are funded..

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
22	**TRADE PAYABLES**		
	Due to Micro, Small & Medium Enterprises**	-	-
	Others	**211.59**	332.60
	Total	**211.59**	332.60

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 40.

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
23	**OTHER CURRENT FINANCIAL LIABILITIES**		
	Current maturities of term loans - Secured	**77.15**	72.15
	Rental Security Deposit	**5.56**	-
	Total	**82.71**	72.15
23A	**OTHER CURRENT LIABILITIES**		
	Interest accrued and due on borrowings	**5.62**	3.62
	Advance towards Real Estate Land & other Assets	**26.20**	832.52
	Advance against Sales	**1.77**	41.50
	Others	**303.19**	222.81
	Total	**336.78**	1,100.44
24	**PROVISIONS (CURRENT)**		
	Provision for Gratuity - Managerial Personnel	**73.98**	76.73
	Provision for Gratuity - Others	**45.13**	40.53
	Total	**119.11**	117.26

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
25	**REVENUE FROM OPERATIONS**		
	Sale of Products		
	Yarn	**42.13**	799.03
	Cotton	**1.70**	25.84
	Waste	**6.69**	17.34
		50.52	842.21
	Other Operating Revenue		
	Conversion Receipts	**481.19**	31.79
	Real Estate Income - Sale of Land (Developer Portion Control Lost)	**1,215.33**	1,359.14
	Real Estate Income - Sale of Villas	**888.85**	474.17
	Real Estate Income - Sale of Land	**503.78**	-
	Total	**3,139.67**	2,707.31
26	**OTHER INCOME**		
	Interest receipts	**4.89**	20.37
	Miscellaneous income	**3.85**	2.04
	Sundry Credits Forfeited (Non-Related Parties)	**37.38**	–
	Lease Rent	**25.15**	14.82
	Total	**71.27**	37.23
27	**COST OF MATERIALS CONSUMED**		
	Opening inventory of raw materials	**0.71**	0.71
	Add : Purchases	**–**	580.91
	Less : Closing inventory of raw materials	**0.71**	0.71
	Total	–	580.91
28	**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS**		
	Opening Balance		
	Finished goods -Yarn	**29.36**	57.02
	Work-in-progress	**–**	30.13
	Waste	**9.81**	11.84
	stock-in Trade - Land	**2,219.25**	2,219.25
	Stock-in Trade - Land under Development	**119.07**	–
	Stock-in Trade - Developer's Share where Control not transferred	**61.22**	–
	Stock-in-trade- Building under Development	**229.10**	–
		2,667.80	2,318.23
	Closing Balance		
	Finished goods - Yarn	**8.26**	29.36
	Work-in-progress	**–**	–
	Waste	**3.28**	9.81
	Stock-in Trade - Land	**1,834.29**	2,219.25
	Stock-in Trade - Land under Development	**104.74**	119.07
	Stock-in Trade - Developer's Share where Control not transferred	**–**	61.22
	Stock-in-trade- Building under Development	**724.02**	229.10
		2,674.61	2,667.80
	Total changes in inventories	**(6.81)**	(349.56)
29	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	**326.49**	265.07
	Contribution to provident and other funds	**61.19**	51.78
	Staff welfare expenses	**28.84**	24.22
	Managerial Remuneration (including benefits)	**70.68**	67.36
	Total	**487.20**	408.43

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
30	**DEPRECIATION AND AMORTISATION EXPENSE**		
	Depreciation of property, plant and equipment	**27.93**	34.79
	Amortization of Intangible assets	**-**	-
	Total	**27.93**	34.79
31	**OTHER EXPENSES**		
	Consumption of stores and spare parts	**22.03**	7.32
	Consumption of packing materials	**-**	7.89
	Processing Charges	**51.13**	40.08
	Bank charges	**10.10**	18.54
	Repairs and maintenance of		
	Buildings	**2.87**	2.65
	Machinery	**5.88**	3.18
	Other Assets	**6.42**	7.90
	Lease Rent	**5.25**	4.80
	Printing and Stationery	**1.92**	1.76
	Postage, Telegram and Telephones	**2.68**	2.95
	Travelling and maintenance of vehicles	**28.03**	25.00
	Insurance	**3.53**	1.89
	Advertisement, Subscription and Periodicals	**5.74**	7.66
	Rates and taxes, excluding, taxes on income	**5.91**	9.69
	Filing Fees	**0.66**	1.25
	Directors' sitting Fees	**0.63**	0.72
	Auditors' Remuneration (refer note below)	**3.50**	3.50
	Yarn Sales Expenses other than brokerage	**1.63**	2.06
	Legal and Professional charges	**5.10**	5.74
	Donations	-	0.05
	Expected Credit Loss	**(12.99)**	24.36
	Bad Debts	**2.59**	9.49
	Impairment Loss on Investments and Advances	**44.79**	-
	Miscellaneous expenses	**14.64**	11.40
	Corporate Social Responsibility	**–**	–
		212.05	199.87
	Auditors' Remuneration		
	For Statutory audit	**2.90**	2.90
	For Taxation Matters	**0.60**	0.60
	For Other Matters	–	–
	Total	**3.50**	3.50
32	**FINANCE COST**		
	Interest Expenses		
	On Loans from banks & others	**259.53**	296.77
	Total	**259.53**	296.77
33	**EXCEPTIONAL ITEMS**		
	Loss/(Profit) on Sale of Assets	**23.20**	(14.24)
	Total	**23.20**	(14.24)

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
34 INCOME TAX EXPENSE		
(a) Income tax expense	–	–
Current tax		
Current tax on profits for the year/Others	**24.48**	–
Total current tax expense	**24.48**	–
Deferred tax		
Deferred tax adjustments	**556.48**	379.96
Total deferred tax expense/(benefit)	**556.48**	379.96
Income tax expense	**580.96**	379.96
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**1,126.42**	744.56
Income tax expense calculated at 25.168% (2018-19: 29.12%)	**283.50**	216.82
Tax effect of profits during the year not chargeable to tax	**(259.02)**	(216.82)
Deferred tax Adjustments	**546.66**	379.96
Income tax expense	**580.96**	379.96
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	**1.92**	(0.27)
Total income tax recognised in other comprehensive income	**1.92**	0.27

d) Movement of deferred tax expense during the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment	(156.48)	46.38	–	(110.11)
Expenses allowable on payment basis	85.48	(13.96)	(1.92)	69.59
Other temporary differences	1,019.11	(518.45)	–	500.66
	948.11	(486.04)	(1.92)	460.15
MAT Credit entitlement	70.44	(70.44)	–	–
Total	**1,018.55**	**(556.48)**	**(1.92)**	**460.15**

e) Movement of deferred tax expense during the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment	(162.64)	6.16	–	(156.48)
Expenses allowable on payment basis	73.72	11.49	0.27	85.48
Other temporary differences	1,416.60	(397.49)	-	1,019.11
	1,327.67	(379.84)	0.27	948.11
MAT Credit entitlement	70.57	(0.13)	–	70.44
Total	**1,398.24**	**(379.97)**	**0.27**	**1,018.55**

35 EARNINGS PER SHARE		
Profit/ (Loss) for the year attributable to owners of the Company	**545.47**	**364.60**
Weighted average number of ordinary shares outstanding	**7,118,330**	7,118,330
Basic earnings per share (Rs)	**7.66**	**5.12**
Diluted earnings per share (Rs)	**7.66**	**5.12**
36 EARNINGS IN FOREIGN CURRENCY		
FOB value of exports	**–**	–
	–	–
37 EXPENDITURE IN FOREIGN CURRENCY		
Travelling	**1.46**	5.92
Others	**–**	–
	1.46	5.92

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
38 VALUE OF IMPORTS (ON C.I.F BASIS)		
Consumables and Stores	–	–
Capital goods and Spares	–	–
	–	–

39 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Value	**Percentage (%)**	Value	Percentage (%)
Raw materials				
Imported	-	-	-	-
Indigenous	-	-	580.91	100.00
	-	-	580.91	100.00
Stores, Spares & Components:				
Imported	-	-	-	-
Indigenous	**22.03**	**100.00**	15.22	100.00
	22.03	**100.00**	15.22	100.00

40. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

(a) The principal amount remaining unpaid at the end of the year	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

41. Commitments and contingent liability (to the extend not provided for)

Contingent Liability

(a) The following Sales Tax demands are being contested before Hon'ble Madras High Court and no provision is made in the accounts as these are disputed:-

Asst. Year	Nature of Dispute	Disputed Demand	
		March 31, 2020	March 31, 2019
1995-96	TNGST Demand - Departmental appeal	**54.59**	54.59
1998-99	TNGST Demand - Pre-assessment Notice	**61.66**	61.66
	(Rs.30.83 lacs since paid as per Madras High Court Interim Order)		
1999-00	TNGST Pre-assessment Notice	**89.37**	89.37
2000-01	TNGST Pre-assessment Notice	**121.97**	121.97

(b) Claims against the Company, not acknowledged as Debts

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Disputed Third party Claims relating to Interest Liability & others	**30.17**	–

(c) Commitments and others

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Estimated amount of unexecuted capital contracts	–	–

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

42 Operating Segments

The Company's main business is "Textile" and "Real Estate" as per reportable segment thresholds given in Ind-AS 108 "Operating Segments".

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Segment Revenue		
a) Textile	**531.71**	874.00
b) Real Estate Income	**2,607.96**	1,833.31
Revenue from Operations (net)	**3,139.67**	2,707.31
Segment Results		
Profit/(Loss) before tax and Finance Cost		
a) Textile	**(472.32)**	(563.68)
b) Real Estate	**1,865.90**	1,604.10
Total	**1,393.57**	1,040.41
Less: Finance Cost	**(259.53)**	(296.77)
Profit from Continuing Operations	**1,134.04**	743.64
Profit from DisContinuing Operations	**-**	-
Profit before Tax	**1,134.04**	743.64
Segment Assets		
a) Textile	**704.19**	2,179.11
b) Real Estate	**5,153.40**	4,115.02
c) Other unallocable Corporate Assets	**-**	-
Total Assets	**5,857.59**	6,294.13
Segment Liabilities		
a) Textile	**4,339.96**	4,171.55
b) Real Estate	**626.19**	1,782.32
c) Other unallocable Corporate Liabilities	**-**	-
Total Liabilities	**4,966.15**	5,953.87
Capital employed (Segment Assets-Segment Liabilities)		
a) Textile	**(3,635.77)**	(1,992.43)
b) Real Estate	**4,527.21**	2,332.70
Total Capital employed in Segments	**891.43**	340.26
Unallocated Corporate Assets less: Corporate Liabilities	**-**	-
Total Capital Employed	**891.43**	340.26

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	**3,139.67**	2,707.31
Other Countries	**-**	-
Total	**3,139.67**	2,707.31

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of external customers each contributing more than 10% of total revenue	**2**	2
Total revenue from the above customers	**1,719.11**	1,867.05
Total	**1,719.11**	1,867.05

d) Information about major customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Contract Assets	**1,584.11**	-
Additions	**1,527.70**	1,584.11
Closing Contract Assets	**3,111.81**	1,584.11
Opening Contract Liabilities	**(346.93)**	-
Additions	**(756.69)**	(346.93)
Closing Contract Liabilities	**(1,103.61)**	(346.93)
Net Contract Asset/Liabilities	**2,008.20**	1,237.18

NOTES TO THE FINANCIAL STATEMENTS (Contd….)

(e) Commitments and others

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Price variations recorded in the year as revenue, income / (expense)	**–**	–
Total	**–**	–

43 Lease

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" in respect of lease contracts outstanding on April 01,2019 using modified retrospective method and has opted to measure Right-of-use asset wherever applicable at an amount equal to present value of lease liability outstanding on the date of initial application adjusted for any outstanding lease payment related to that lease recognised before that date. Accordingly, Company has not restated comparative information wherever applicable.

Company as a lessee

a. Operating leases

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months and leases for which the underlying asset is of low value or short term in nature, on a lease-by-lease basis.

b. Finance Lease

Before introduction of Ind AS 116, leases under which company assumed substantially all the risks and rewards of ownership are classified as finance leases. Such assets are classfied at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower. After introduction of Ind AS 116, there is no change in the accounting treatment of such leases previously considered as Finance leases. The Company didnot have any such Financial Leases to report.

Operating Lease Expenses

Rental expense recorded for short-term leases was Rs.5.25 Lakhs for the year ended March 31, 2020.

The Company did not have any other operating Lease Expenditure other than Rental Expense recorded as short-term leases. Therefore disclosures relating to the Right of use Asset, Amount of Amortization of such Right of use Asset, Discount Rate used for calculation of Present value of Minimum Lease Payment, Classification of current and non-current financial liability on such Operating Leases where the Company is a lessee is not applicable.

Future Minimum lease rent to be paid:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Not later than 1 year	**0.88**	5.25
Later than 1 year but not more than 5 years	**-**	**-**
More than 5 years	**-**	-
Total	**0.88**	5.25

The following is the aggregate breakup of Right of Use Assets recognized during the year ended March,31,2020:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Right of Use Asset		
Opening Balance	**-**	-
Additions during the year	**-**	-
Accumulated Depreciation/Amortization	**-**	-
Balance as at Year End	-	-

The following is the aggregate movement in lease liabilities during the year ended March 31, 2020:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Lease Liabilities		
Opening Balance	**-**	-
Additions during the year	**-**	-
Finance cost accrued during the period	**-**	-
Payment of lease liabilities	-	-
Balance as at Year End	-	-

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

Operating Lease Income

The Lease Agreement provides for an option to the company to renew the lease period for a further period as agreed

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

Future Minimum lease rent to be received:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Not later than 1 year	**6.78**	25.15
Later than 1 year but not more than 5 years	**-**	-
More than 5 years	**-**	-
Total	**6.78**	25.15

44. Government Grants

The details of Government Grants received by the Company are as follows :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Subsidies	NIL	
Duty Drawback on exports		
Interest subvention on export finance		
Duty rebate under EPCG scheme		
DEPB and Import license entitlements		
Total		

44A List of Trade Payable Parties - who have been identified by the Management to cover under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
NIL	NIL	NIL

44B The Balances of Receivables and Payables are adopted as appearing in the Books of Account and are subject to confirmation.

44C The Company has made assessment of the impact of COVID 19 on its business operations and carrying values of assets and liabilities as on the Balance Sheet date and upto the date of adoption of this financial statement and concluded that there could be no significant impact specific to the company's business operations other than the general impact faced by the business at large and the general ecomomic slowdown.

45 FINANCIAL INSTRUMENTS

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	**March 31, 2020**	March 31, 2019
Debt	**996.87**	1,260.69
Less: Cash and bank balances	**21.98**	66.02
Net debt	**974.88**	1,194.67
Total equity	**891.43**	340.26
Net debt to equity ratio (%)	**109.36%**	351.11%

Categories of Financial Instruments

Financial assets	**March 31, 2020**	March 31, 2019
a Measured at amortised cost		
Loans Given	**-**	-
Other non-current financial assets	**76.29**	94.33
Trade receivables	**7.17**	-
Cash and cash equivalents	**21.98**	2.95
Bank balances other than above	**-**	63.07
Other financial assets	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

	March 31, 2020	March 31, 2019
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Investments	-	0.98
Financial liabilities		
a. Measured at amortised cost		
Borrowings (long term)	**996.87**	1,260.69
Borrowings (short term)	**2,482.28**	1,985.84
Trade payables	**211.59**	332.60
Other Financial non Current liabilities	**600.00**	-
Other financial liabilities	**82.71**	72.15
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Derivative instruments		

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company actively manages its interest rate exposures through its finance division, wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Company's Transactions are exposed to negligible Foreign Currency Risk, which is effectively managed by its Finance Division in an optimum manner..

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2020

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	
USD							
EUR				Nil			
in INR							

As on March 31, 2019

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	
USD							
EUR				Nil			
in INR							

Foreign currency sensitivity analysis

In management's opinion, the sensitivity analysis is not applicable as the Company is not exposed to any Direct Foreign Exchange Risk and hence not reported.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 5.00 Lakhs for the year (Previous INR 5.50 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade/contract receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

In respect of Trade/Contract receivables, the Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever possible and as per customary business practice,if the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/ letter of credit or security deposits.

As per simplified approach, wherever applicable, the Company makes provision of expected credit losses on trade/contract receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay..

March 31, 2020	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	211.59	-	-	211.59
Borrowings (including interest accrued thereon upto the reporting date)	2,570.61	1,596.87	-	4,167.48
	2,782.20	1,596.87	-	4,379.07

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	332.60	-	-	332.60
Borrowings (including interest accrued thereon upto the reporting date)	2,061.60	1,260.69	-	3,322.29
	2,394.20	1,260.69	-	3,654.89

	March 31, 2020	March 31, 2019
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	**Nil**	Nil

46 RELATED PARTY DISCLOSURE

a) List of parties having significant influence		
Holding company	**The Company does not have any holding company**	
Subsidiary Companies	**Doral Real Estates Private limited (DORAL) w.e.f 02-06-2017**	
Companies in which Directors are Interested	**Sri Jaganatha Textiles Limited (SJTL)**	
	Swathy Processors Ltd (SPL)	
	Suhasini Spinners Ltd (SSL)	
	Sri Ramakrishna Yarn Carriers Ltd (SRYC)	
Partnership Firms in which Directors are Partners	**Sri Jaganatha Ginning & Oil Mills (JGOM)**	
	Sri Jaganatha Agencies (SJA)	
Key management personnel	**Sri D Lakshminarayanaswamy**	**Managing Director**
	Smt L Nagaswarna	**Wholetime Director**
	Sri. S A Subramanian	**Company Secretary**
	Sri. G Krishnakumar	**Chief Financial Officer**
Other Directors	**Sri N Jothikumar**	**Director (resigned since 18-03-2019)**
	Sri R Narayanamurthy	**Director (resigned since 18-03-2019)**
	Sri Radhakrishnan	**Director (resigned since 18-03-2019)**
	Sri Rajan Guru Chandrasekar	**Addl Director (w.e.f.13-05-2019)**
	Sri Ravichandran Dhamodaran	**Addl Director (w.e.f.27-03-2019)**
	Sri Alagappa Raja .Surendran	**Addl Director (w.e.f.13-08-2019)**
	Sri P Muthusamy	**Addl Director (w.e.f.13-08-2019)**
Relatives of Directors	**Smt L Swathy**	
	Smt L Suhasini	

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

(₹ in Lakhs)

b) Transactions during the year

S.No.	Nature of transactions	Amount	
1	Managerial Remuneration	**2019-20**	2018-19
	D. Lakshminarayanaswamy	**42.00**	42.05
	Smt. L. Nagaswarna	**25.41**	25.30
2	Remuneration		
	Sri.S A Subramaniam (Company Secretary)	**4.78**	5.59
	Sri.G Krishnakumar (CFO)	**4.53**	4.27
	Sri.P.Muthusamy (Director)	**4.89**	-
3	Lease Rent Received:		
	SRYC	**2.16**	1.90
	JGOM	**20.81**	10.30
	SJTL	**-**	4.38
	Doral Real Estates Private Limited	**0.01**	0.01
	SJA	**0.05**	0.18
4	Yarn Conversion Charges Received		
	SPL	**-**	9.86
5	Yarn Conversion Charges Paid		
	SPL	**51.13**	41.43
6	Purchases		
	SRYC	**4.78**	4.06
	SJTL	**-**	1.55
7	Machinery Purchases		
	SPL	**66.70**	-
8	Loan Received :		
	D. Lakshminarayanaswamy	**1,373.84**	863.26
	L. Nagaswarna	**2.33**	228.55
	SRYC	**35.30**	626.83
	SJTL	**341.83**	68.95
	SPL	**458.20**	184.23
9	Loan repaid :		
	D. Lakshminarayanaswamy	**1,192.40**	779.57
	L. Nagaswarna	**146.69**	427.10
	SRYC	**156.97**	393.51
	SJTL	**216.22**	65.18
	SPL	**507.22**	10.30
10	Interest on Loan		
	D. Lakshminarayanaswamy	**128.72**	104.14
	L. Nagaswarna	**15.16**	29.41
	N. Jothikumar	**0.19**	0.21
	SRYC	**63.47**	2.32
	JGOM	**-**	31.64
11	Sitting Fees (inclusive ot TA reimbursement)		
	N.Jothikumar	**-**	0.32
	R.Narayanamurthy	**-**	0.24
	R.Radhakrishnan	**-**	0.28
	Ravichandran Dhamodaran	**0.17**	0.02
	Rajan Guru Chandrasekar	**0.26**	0.02
	A.Surendran	**0.10**	-
12	Rent paid		
	L.Swathy	**5.25**	4.80
13	Rental Advance Received / (Repaid)		
	SJTL	**(15.95)**	15.95
14	Advances for Land - Received/(Repaid)		
	Krishnaveni V	**(375.00)**	375.00
	Sudarshini Varadharaj	**(13.00)**	13.00
15	Impairment Loss		
	Doral Real Estates Private Limited	**44.79**	-

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

c) Outstanding Balances as at the end of the year

S.No.	Nature of transactions	Amount	
		2019-20	2018-19
1	Outstanding Balance (Payable) / Receivable		
	SJTL	**(7.74)**	133.81
	SPL	**(124.91)**	(173.93)
	SRYC	**(466.73)**	(522.31)
	D. Lakshminarayanaswamy	**(1,916.46)**	(1,606.29)
	L. Nagaswarna	**(204.63)**	(333.82)
	N.Jothikumar	**-**	(2.00)
	S A Subramaniam	**-**	-
	G Krishnakumar	**-**	-
	V.Krishnaveni	**-**	(375.00)
	Sudharshini Varadharaj	**-**	(13.00)
	SJA	**0.23**	0.18
	L.Swathy	**(12.37)**	(4.84)
	Doral Real Estates Private Limited	**-**	97.47
	L.Suhasini	**-**	(0.05)

47 RETIREMENT BENEFIT PLANS

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund to EPF, EDLI, EPS.

The total expense recognised in profit or loss of Rs.18.61 Lakhs (for the year ended March 31, 2019: Rs.20.22 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**March 31, 2020**	March 31, 2019
Discount Rate	**6.45% p.a.**	7.45% p.a.
Rate of increase in compensation level	**2.00% p.a.**	2.00% p.a.
Rate of Return on Plan Assets	**Nil**	Nil
Attrition / Withdrawal rate	**3.00%**	3.00%
Mortality rate	**100% of IALM 2012-14**	100% of IALM 2006-08

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS (Contd....) (₹ in Lakhs)

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2020	March 31, 2019
Current service cost	**8.36**	8.04
Past Service Cost	-	-
Net interest expense	**18.84**	18.03
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	**27.20**	26.08
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	**(7.64)**	0.92
Components of defined benefit costs recognised in other comprehensive income	**(7.64)**	0.92
Total	**19.56**	26.99

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss and the remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	**255.95**	252.35
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	**255.95**	252.35
Funded	-	-
Unfunded	**255.95**	252.35
Total	**255.95**	252.35

The above provisions are reflected under 'Provision for employee benefits' [Refer note 19 & 24].

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	**252.35**	232.99
Past Service Cost	**-**	-
Current service cost	**8.36**	8.04
Interest cost	**18.84**	18.04
Actuarial (gains)/losses	**(7.64)**	0.92
Benefits paid	**(15.96)**	(7.64)
Closing defined benefit obligation	**255.95**	252.35

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	-	-
Return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

Sensitivity analysis

"Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**31.3.2020**	31.3.2019
Defined benefit obligation (Base)	**255.95**	252.35

Particulars	**31.3.2020**		31.3.2019	
	Decrease	**Increase**	Decrease	Increase
Discount rate (- / + 1%)	**265.90**	**246.82**	256.67	238.19
(% change compared to base due to sensitivity)	**3.90%**	**-3.60%**	1.70%	-5.60%
Salary Growth Rate (- / +1%)	**246.51**	**266.08**	243.08	262.31
(% change compared to base due to sensitivity)	**-3.70%**	**4.00%**	-3.70%	3.90%
Attrition Rate (- / + 50% of attrition rates)	**253.11**	**258.55**	248.61	255.74
(% change compared to base due to sensitivity)	**-1.10%**	**1.00%**	-1.50%	1.30%
Mortality Rate (- / + 10% of mortality rates)	**255.87**	**256.04**	252.23	252.46
(% change compared to base due to sensitivity)	**0.00%**	**0.00%**	0.00%	0.00%

Asset Liability matching Strategies & Funding Policy

The Gratuity scheme is managed on unfunded basis

The Company's best estimate of contribution during the Year is Nil (Prev year Nil) since the Gratuity Liability is managed on unfunded basis.

NOTES TO THE FINANCIAL STATEMENTS (Contd....)

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	3 Years	3 Years
Expected cash flows over next (valued on undiscounted basis)	INR	INR
1 year	119.12	117.26
2 to 5 years	84.92	87.26
6 to 10 years	74.04	75.12
more than 10 years	54.38	65.88

For and on behalf of the Board of Directors

As per our report of even date attached

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2020

For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S
(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

Independent Auditor's Report

To the Members of Sri Ramakrishna Mills (Coimbatore) Limited

Report on the Ind-AS Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind-AS financial statements of Sri Ramakrishna Mills (Coimbatore) Limited (hereinafter referred to as the 'Holding Company") and its subsidiary – Doral Real Estates Private Limited, (Holding Company and its subsidiary together referred to as "the Group"), , which comprise the consolidated Balance Sheet as at March 31, 2020,and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Emphasis of Matter

We invite attention to Note No:44C to the Consolidated Financial Statements regarding the impact of COVID19 on the Group's business operations and carrying values of assets and liabilities as on balance sheet date and up to the date of adoption of this financial statement. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. The impact, therefore, in future periods may be different from the estimates made as on the approval of this financial statement. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

- **TEXTILE SEGMENT**

  The Textile segment has been incurring losses for the last several years and appear to be functioning below rated capacities with varying revenue year to year. A material uncertainty exists related to the conditions which cast significant doubt on the segment to continue as a segment to contribute to the profits of the company. Our Judgement of Continuance of Textile segment is based on audit evidence and explanations and management's revival plan, and due to the availability of resources from other segments for modernisation and consequent profitability. Our opinion is not modified in respect of this matter.

- **DISPUTED TAX & OTHER LIABILITIES**

  Evaluation of tax and Regulatory dues under Dispute involves significant judgement to determine the possible outcome. In our audit the disputes and demands were obtained from the management as at 31.03.2020. The grounds of dispute taken by Management were considered along with Legal and Factual matters to enable us to take a judgement. These matters continue to remain in the same status as in the previous year.

- The Borrowings and receipts of funds to fund the textile segment also has a significant impact on the assets and Liabilities. Our judgement was based on the Audit evidence with explanations therein.
- Revenue from Real Estate Development is recognised during the year on the basis of Technical Estimates as to percentage of completion furnished and accepted without modification on the basis of our judgement and on the basis of transfer of control over assets judged to the extent of performance obligation executed under the Joint Development Contract and acceptable in our judgement.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b. In our opinion proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statement have been kept by the Company so far as it appears from our examination of those books;

   c. The Consolidated balance sheet, the Consolidated statement of profit and loss including other comprehensive income, the Consolidated cash flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the preparation of the Consolidated Financial Statement;

   d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act .

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our Opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of Section 197 of the act; and

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the company, wherever applicable - Refer Note - 41 to the Consolidated financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts

      iii. On the basis of the declarations made to us by the management, which is relied upon by us, we report that there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

For CSK PRABHU & CO
Chartered Accountants
Firm Regd No: 002485 S

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.06.2020

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sri Ramakrishna Mills (Coimbatore) Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CSK PRABHU & CO
Chartered Accountants
Firm Regd No: 002485 S

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.06.2020

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

(₹ in Lakhs)

PARTICULARS	Note No	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	**503.10**	640.14
Financial Assets			
Investments	5	–	–
Loans	6	–	–
Other Financial Asset	7	**76.29**	94.33
Deferred tax asset	8	**460.15**	1,018.55
Other non-current assets	9	**9.13**	179.68
Total non-current assets		**1,048.68**	1,932.71
Current assets			
Inventories	10	**2,697.57**	2,688.53
Contract Assets	10A	**2,008.20**	1,237.18
Financial Assets			
Trade receivables	11	**7.17**	-
Cash and cash equivalents	12	**22.35**	3.00
Bank balances other than above	13	–	63.07
Other current assets	14	**74.00**	122.04
Total current assets		**4,809.28**	4,113.82
TOTAL ASSETS		**5,857.96**	6,046.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**711.83**	711.83
Other equity	16	**176.59**	(372.14)
Non-Controlling Interests	17	–	0.02
Total equity		**888.42**	339.71
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	**999.76**	1,262.53
Other Financial Non Current Liabilities	18A	**600.00**	–
Other Non-Current Liabilities	19	–	700.60
Provisions	20	**136.83**	135.09
Deferred Tax Liabilities (net)	20A	–	
TOTAL NON-CURRENT LIABILITIES		**1,736.59**	2,098.22
Current liabilities			
Financial liabilities			
Borrowings	21	**2,482.28**	1,985.84
Trade payables	22	**211.59**	332.60
Other financial liabilities	23	**82.71**	72.15
Other current liabilities	23A	**337.26**	1,100.76
Short Term Provisions	24	**119.11**	117.26
Total current liabilities		**3,232.94**	3,608.60
TOTAL LIABILITIES		**4,969.53**	5,706.82
TOTAL EQUITY AND LIABILITIES		**5,857.96**	6,046.53

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

Place : Coimbatore
Date : 30.06.2020

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

	PARTICULARS	Note No	Year ended 31.03.2020	Year ended 31.03.2019
	CONTINUING OPERATIONS			
A	**Income**			
	Revenue from operations	25	**3,139.67**	2,707.31
	Other income	26	**71.27**	37.23
	Total income		**3,210.93**	2,744.54
B	**Expenses**			
	Cost of materials consumed	27	**-**	580.91
	Cost of Purchase of Stock in Trade		**776.50**	638.59
	Changes in inventories of finished goods	28	**(6.81)**	(349.56)
	Power and Fuel Expenses		**304.92**	204.42
	Employee Benefits Expense	29	**487.20**	408.43
	Depreciation and amortisation expense	30	**27.93**	34.79
	Other Expenses	31	**168.19**	200.33
	Finance costs	32	**259.53**	296.77
	Total expenses		**2,017.45**	2,014.68
			1,193.48	729.86
C	**Profit before exceptional items and tax**			
	Exceptional items - Loss/(Profit) on Sale of Assets	33	**69.53**	(14.24)
			1,123.95	744.10
D	**Profit before tax from continuing operations**			
	Income tax expense	34		
	Current tax		**24.48**	-
	Deferred tax charge/ (credit)		**556.48**	379.96
	Profit for the year		**542.99**	364.14
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**7.63**	(0.92)
	Loss on Fair Value of Investments		**-**	-
	Income tax relating to these items		**(1.92)**	0.27
	Other comprehensive income for the year, net of tax		**5.71**	(0.65)
	Total comprehensive income for the year		**548.70**	363.49
	Profit/(Loss) attributable to			
	Owners of Sri Ramakrishna Mills (Coimbatore) limited		**543.01**	364.16
	Non-Controlling Interests		**(0.02)**	(0.01)
			542.99	364.14
	Other comprehensive income attributable to			
	Owners of Sri Ramakrishna Mills (Coimbatore) limited		**5.71**	(0.65)
	Non-Controlling Interests		**–**	–
			5.71	(0.65)
	Total comprehensive income for the year			
	Owners of Sri Ramakrishna Mills (Coimbatore) limited		**548.72**	363.51
	Non-Controlling Interests		**(0.02)**	(0.01)
			548.70	363.50
	Earnings per share	35		
	Basic earnings per share		**7.63**	5.12
	Diluted earnings per share		**7.63**	5.12

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.06.2020

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A.	**Cash Flow From Operating Activities**		
	Profit before income tax	**1,123.95**	744.10
	Adjustments for		
	Depreciation and amortisation expense	**27.93**	34.79
	(Profit)/ Loss on sale of fixed asset	**69.53**	(14.24)
	Interest received	**(4.89)**	(20.37)
	Lease Rent	**(25.15)**	(14.82)
	Finance costs	**259.53**	296.77
		1,450.90	1,026.22
	Change in operating assets and liabilities		
	(Increase)/ decrease in loans	**–**	–
	(Increase)/ decrease in Other financial assets	**18.04**	(15.96)
	(Increase)/ decrease in inventories	**(9.03)**	(91.04)
	(Increase)/ decrease in Contract Assets	**(771.01)**	(1,237.18)
	(Increase)/ decrease in trade receivables	**(7.17)**	134.19
	(Increase)/ decrease in Other assets	**207.44**	(6.34)
	Increase/ (decrease) in provisions and other liabilities	**(844.32)**	342.55
	Increase/ (decrease) in trade payables	**(121.01)**	(211.74)
	Cash generated from operations	**(76.16)**	(59.30)
	Less : Income taxes paid (net of refunds)	**(13.31)**	0.64
	Net cash from operating activities (A)	**(89.47)**	(58.66)
B.	**Cash Flows From Investing Activities**		
	Purchase of PPE (including changes in CWIP)	**(67.39)**	(12.78)
	Sale proceeds of PPE (including changes in CWIP)	**106.96**	16.95
	(Purchase)/ disposal proceeds of Investments	**–**	–
	(Investments in)/ Maturity of fixed deposits with banks	**63.07**	7.18
	Lease Rent	**25.15**	14.82
	Interest income	**4.89**	12.63
	Net cash used in investing activities (B)	**132.68**	38.80
C.	**Cash Flows From Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	**(262.77)**	(294.68)
	Proceeds from/ (repayment of) short term borrowings	**496.44**	610.11
	Finance costs	**(257.53)**	(298.14)
	Net cash from/ (used in) financing activities (C)	**(23.86)**	17.29
	Net decrease in cash and cash equivalents (A+B+C)	**19.35**	(2.57)
	Cash and cash equivalents at the beginning of the financial year	**3.00**	5.57
	Cash and cash equivalents at end of the year	**22.35**	3.00

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 “Cash Flow Statements”.
2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	**20.15**	2.71
- in Margin money deposit account	**–**	–
Cash on hand	**1.85**	0.29
	22.35	3.00

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

Place : Coimbatore
Date : 30.06.2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(A) Equity Share Capital

	(Rs. in Lakhs)
Balance at the beginning of April 1, 2017	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2020	711.83

(B) Other Equity (Rs. in Lakhs)

Particulars	Capital ReserveLand	Securities Premium	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2017	2,306.54	1,081.07	4.07	(3,740.97)	(349.29)
Additions/ (deductions) during the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(2.18)	(384.18)	(386.36)
Balance as at March 31, 2018	2,306.54	1,081.07	1.89	(4,125.15)	(735.65)
Additions/ (deductions) during the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(0.65)	364.16	363.51
Balance as at March 31, 2019	**2,306.54**	**1,081.07**	**1.24**	**(3,760.98)**	**(372.14)**
Additions/ (deductions) during the year	(378.22)	-	-	378.22	-
Total Comprehensive Income for the year	-	-	5.71	543.02	548.73
Balance as at March 31, 2020	**1,928.32**	**1,081.07**	**6.95**	**(2,839.74)**	**176.59**

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.06.2020

As per our report of even date attached
For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

NOTES TO FINANCIAL STATEMENTS

1 Corporate Information

Sri Ramakrishna Mills (Coimbatore) Limited CIN:L17111TZ1946PLC000175 is a Public Limited Company under the Indian Companies Act of 2013 having Registered office at 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641006. The Companies Equity shares are listed in bombay Stock Exchange. The Company has one Subsidiary Company DORAL Real Estates Private Limited.

2 Basis of preparation of financial statements

Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto.

Previous Year figures are regrouped and reclassified wherever considered necessary to confirm to current year classification.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2020 are the third financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016.

Basis of Consolidation

The Consolidated Financial Statements have been prepared on the basis and under the principles set forth in Ind-AS 110.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 30, 2020.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Revenue Recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract/s and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.Judgement is also required to determine the transaction price for each of the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Revenue for Real Estate contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate amounts of the future cost-to-completion of the contracts on the basis of estimates furnished/agreed, which is used to determine the degree of the completion of the performance obligation.

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPE is assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to continue to measure the property, plant and equipment at their previous GAAP values. Hence, no fair valuation or retrospective application of Ind AS 16 is required.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement and decision, by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment assessment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of value of recoverable amount of such assets. The assumptions used in computing the value of recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Lease

Ind-AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind-AS 116, this assessment should be carried out at the inception of the contract or arrangement. The determination of whether an agreement is, or contains, a "Right of use" is based on the substance of the agreement at the date of inception. Accounting of Right of Use is based on Ind-AS 116.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle excepting for Real Estate Contracts, wherein the operating cycle is the time agreed in the respective contracts.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;""

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and""

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS (Contd...)

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Revenue from Sale of goods

Effective from 01-04-2018, Revenue is recognized as per Ind-AS 115, using the Five Step model that is applied to recognize revenue and which focusses on transfer of control of goods and services by an entity to its customers to recognize revenue. The Five Step model requires the following a) identify the contract with the customers b) identify the performance obligation in the contract c) Determine the transaction Price d) Allocate the Transaction price to the Performance Obligations e) Recognize Revenue when (or) as the entity satisfies its performance obligations.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from Real Estate

Revenue from real estate development include land taken up under development by extending contract of licence to a developer by sharing the developed real estate with him. Performance obligation in respect of such real estate assets is to deliver land to developer/villas and apartments to customers.The customer simultaneously receives the benefits of such contract and further the company has no alternate use over such asset and has an enforceable right of payment over such asset. The Company has made careful judgement and satisifed that the Performance obligations in the Contract/s are satisfied over time. Therefore the revenue from the above is recognised over time to the extent the satisfaction of Performance obligation and its progress and consequent obtention of economic benefits and potential cash flows to the company. The revenue from that part of the Land licenced towards Developer's Share is contracted to be discharged by Developer by construction of superstructure in respect of land owner's share agreed. Therefore the total revenue for the transfer of land towards Developers share is the originally agreed cost of construction of the super structure belonging to the company as per customary business practice. The revenue from transfer of control during an year is recognised to the extent of land in respect of which substantial progress made in the performance obligation by the Developer eventhough the legal title may remain with the company. The contractual obligation of the Company and Developer are transacted at consideration originally agreed and discharged as above. Revenue in respect of the Villas belonging to the Company and contracted for sale is recognised on the basis of percentage of completion of performance obligation with the Customer. The Company recognizes the completed performance obligations and recognizes revenue taking into account the transaction price and therefore the remaining transaction price will represent the remaining performance obligation. The Company while recognizing income evaluates completion of the contract performance obligation and its timing on technical judgement.

Revenue from Sale of other Real Estate Assets are recognized on completion of bundled legal obligation attached therewith.

Commission Income

Commission Income is recognised when the services are rendered as per performance obligation under the terms of the agreement if any and when no significant uncertainty as to its determination or realisation exists.

Sale of scrap

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of control.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease.

Contract Asset/Liability

If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (ie a receivable), before the company transfers a good or service to the customer, the company presents the contract as a contract liability (Customer Advances/Advance against Sales) when the payment is made or the payment is due (whichever is earlier). A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. An entity shall assess a contract asset for impairment in accordance with Ind -AS 109.

d) Property, plant and equipment

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to continue to measure the property, plant and equipment at their previous GAAP values.

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. Depreciation is provided on straight line method (for Plant & Machinery and Electrical Machinery) and on written down value method (for all other Assets), over the useful lives as is specified in Schedule II to the Companies Act, 2013.

Asset Class	Estimated Useful Life based on Specified Useful Life in Schedule II (No of Years)
Building	60
Factory Building	30
Investment Property	60
Roads/Fences-Wells-Tube Wells	5
Plant & Machinery	15
Electrical installations and Equipments	15
Air Conditioner	10
Furniture & Office Equipments	10
Computer Hardware	1-3
Servers	6
Vehicles	8

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average/FIFO method as follows:

(i) Raw materials, stores, spares and consumables, Waste: At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition on Weighted Average Method. Spares are considered to have useful life of less than 12 months and hence classified under inventories.Stock of Stores and Packing materials, Spares (with less than 12 months useful lives) is valued on Weighted Average method.

(ii) Work-in-process: At material cost, conversion costs and appropriate share of production overheads

(iii) Finished goods: Under FIFO Method At material cost, conversion costs and an appropriate share of production overheads.

(iv) Real Estate Inventories: Real Estate inventories consisting of Land are carried at Cost/Deemed Cost. In respect of Construction of Super Structures, the WIP is valued at Cost at agreed Cost of Construction.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments (other than equity instruments) at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Financial Instruments (other than equity instruments) at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

The financial instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments (other than equity instruments) at FVTPL

The Company classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial assets measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

NOTES TO FINANCIAL STATEMENTS (Contd...)

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade / Other Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets..
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract wherever necessary to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. The Company during the year 2019-20 has adopted the provisions of Sec.115BAA of the Income tax Act. Accordingly no Minimum Alternate Tax (MAT) is applicable from FY:2019-20 onwards. Further no Current tax on the profits for FY:2019-20 is applicable considering the unabsorbed losses available to the company and income declared.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in respect of tax matters with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period or when it can no longer carry forward the MAT Credit entitlement by provisions of law.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax credits, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” in respect of lease contracts outstanding on April 1,2019 using modified retrospective method. The Company has made a detailed evaluation of all the Leases where it is a lessee, on an individual basis. Based on such evaluation, the Company has concluded that all the Lease Agreements entered into by the Company and where it is a lessee, are in the nature of short-term leases and hence in accordance with para 5 & 6 of Ind-AS 116, the Company has exercised the Right of use Asset recognition exemption option available in respect of short term leases and recognized the lease payments associated with those leases as an expense in the statement of profit and loss, on either a straight-line basis over the lease term or another systematic basis (if that basis is more representative of the pattern of the lessee’s benefit). The Company recognizes a lease as a short term lease in accordance with Ind-AS 116, only if the Lease Arrangement (including any addendum thereto) has all of the following characteristics: a) It is for a period of 12 months or less b) it does not grant a renewal or extension option to the lessee c) It does not grant a purchase option to the lessee. A lease with the above characteristics is considered as a short-term lease even if there is a past practice of the lease being renewed upon expiry of the lease term for a further period of one year (with the mutual consent of both the lessor and the lessee). Consequently all the disclosure requirements in Ind-AS 116 in respect of such Leases, where the Company is a lessee, is not applicable.

Company as a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature and materiality.

m) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

n) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

o) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

p) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity’s cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

q) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	TANGIBLE ASSETS									
	Land (Cost)	Buildings (cost)	Plant and Machinery	Furniture and Fittings	Computer	Vehicles	Office Equipment	Library	Total	Intangible Assets - Software
Cost as at March 31, 2017	**359.87**	**162.30**	**497.87**	**0.20**	**1.11**	**26.84**	**0.49**	**-**	**1,048.68**	**-**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(30.57)	-	-	-	-	-	(30.57)	-
Cost as at March 31, 2018	**359.87**	**162.30**	**467.30**	**0.20**	**1.11**	**26.84**	**0.49**	**-**	**1,018.11**	**-**
Additions	-	-	12.78	-	-	-	-	-	12.78	-
Disposals	(256.63)	-	-	-	-	(6.74)	-	-	(263.37)	-
Cost as at March 31, 2019	**103.24**	**162.30**	**480.08**	**0.20**	**1.11**	**20.10**	**0.49**	**-**	**767.52**	**-**
Additions	-	-	67.39	-	-	-	-	-	67.39	
Disposals	(100.00)	(98.21)	0.01	-	-	-	-	-	(198.20)	
Cost as at March 31, 2020	**3.24**	**64.09**	**547.48**	**0.20**	**1.11**	**20.10**	**0.49**	**-**	**636.71**	**-**
Depreciation/Amortisation										
As at March 31, 2018	**-**	**21.72**	**58.74**	**-**	**0.33**	**15.83**	**-**	**-**	**96.62**	-
Charge for the year	-	7.97	24.42	-	-	2.40	-	-	34.79	-
Disposals	-	-	-	-	-	(4.03)	-	-	(4.03)	-
As at March 31, 2019	**-**	**29.69**	**83.16**	**-**	**0.33**	**14.20**	**-**	**-**	**127.37**	-
Charge for the year	-	2.08	24.36	-	-	1.49	0.00		27.93	-
Disposals	-	(21.71)	-	-	-	-	-		(21.71)	-
As at March 31, 2020	**-**	**10.05**	**107.52**	**-**	**0.33**	**15.68**	**0.00**	**-**	**133.59**	**-**
Net Block										
As at April 1, 2017	359.87	150.04	456.37	0.20	0.85	16.59	0.49	-	984.41	-
As at March 31, 2018	359.87	140.58	408.56	0.20	0.78	11.01	0.49	-	921.49	-
As at March 31, 2019	103.24	132.61	396.92	0.20	0.78	5.90	0.49	-	640.14	-
As at March 31, 2020	3.24	54.04	439.96	0.20	0.78	4.42	0.49	-	503.11	-

PARTICULARS	**As at 31.03.2020**	As at 31.03.2019
5 NON-CURRENT INVESTMENTS		
Investment in equity shares (Unquoted) - FVOCI		
2000 Equity shares (Prev year 2000)of Rs.10 each fully paid in Sentra Yarns ltd	**0.20**	0.20
10000 Equity shares (Prev year 10000)of Rs.10 each fully paid in Cosco Ltd	**1.00**	1.00
Investment in mutual fund (Unquoted)	**-**	-
Investment in Government Securities - FVOCI		
7 years National Savings Certificate	**0.01**	0.01
6 years National Savings Certificate	**0.63**	0.63
Indra Vikas Patra	**0.01**	0.01
Less: Impairment in value of investments in Equity Shares & Govt Secs	**(1.85)**	(1.85)
Total	**–**	–
Aggregate amount of quoted investments	**–**	–
Aggregate market value of quoted investments	**–**	–
Aggregate cost of unquoted investments	**1.85**	1.85
Aggregate amount of impairment in value of investments	**1.85**	1.85

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...) (₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
6	**OTHER NON CURRENT FINANCIAL ASSETS - LOANS**		
	(Unsecured considered good)	**–**	–
	Total	**–**	–
7	**OTHER NON-CURRENT FINANCIAL ASSETS** (Unsecured considered good)		
	Security Deposits	**76.29**	94.33
	Total	**76.29**	94.33
8	**DEFERRED TAX ASSET (Net)**		
	Deferred tax Asset (net)	**460.15**	948.11
	MAT Credit Entitlement	**–**	70.44
	Total	**460.15**	1,018.55
9	**OTHER NON-CURRENT ASSETS** (Unsecured, considered good)		
	Advance recoverable in cash or in kind , or for value to be received	**7.25**	15.09
	Prepaid Expenses	**1.88**	-
	Advance income-tax	**-**	45.78
	Due from companies in which Directors are interested	**-**	118.81
	Total	**9.13**	179.68
10	**INVENTORIES**		
	Raw Materials	**1.21**	1.21
	Work-in-progress	**-**	-
	Finished products	**8.26**	29.36
	Stock-in-trade- Land	**1,834.29**	2,219.25
	Stores and spares	**21.74**	19.52
	Waste	**3.28**	9.81
	Stock-in Trade - Land under Development	**104.74**	119.07
	Stock-in Trade - Developer's Share where Control not transferred	**-**	61.22
	Stock-in-Trade- Building under Development	**724.02**	229.10
	Total	**2,697.57**	2,688.53
10A	**Contract Assets**		
	Other debts - unsecured , considered good		
	-Real Estate Activity - Contract Asset - Land foregone under Joint Venture	**2,574.47**	1,359.14
	-Real Estate Activity - Contract Liability - Building under Construction	**(1,103.61)**	(346.93)
	-Real Estate Activity- Contract Asset - Villas Sold	**537.34**	224.97
	Total	**2,008.20**	1,237.18
11	**TRADE RECEIVABLES**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	**–**	–
	Unsecured, considered doubtful	**28.20**	41.19
	Other debts - unsecured , considered good		
	-Others	**7.17**	–
		35.37	41.19
	Less : Expected Credit Loss	**(28.20)**	(41.19)
	Total	**7.17**	–
12	**CASH AND CASH EQUIVALENTS**		
	Cash- on- Hand	**1.85**	0.29
	Balances with Banks		
	(i) In Current Accounts	**20.51**	2.70
	Stamp on hand	**0.00**	0.00
	Total	**22.35**	3.00

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
13	**OTHER BANK BALANCES**		
	In Fixed Deposits(Security Deposits)	–	–
	In Margin money with Banks	–	63.07
	In Earmarked Accounts	–	–
	(i) Unpaid Dividend Account	–	–
	(ii) Unpaid Interest Account	–	–
	Total	–	63.07
14	**OTHER CURRENT ASSETS**		
	Interest accrued on Deposits	–	9.54
	Advance recoverable in cash or in kind or for value to be received	**2.72**	81.00
	Prepaid expenses	**5.84**	5.23
	Balance with government authorities	**30.83**	26.27
	TDS Refund Receivable	**34.61**	–
	Total	**74.00**	122.04
15	**CAPITAL**		
	Authorised Share Capital		
	(i) 1,00,00,000 Equity shares of Rs. 10 each	**1,000.00**	1,000.00
	(ii) Redeemable Preference Shares of Rs.100/- each	**500.00**	500.00
		1,500.00	1,500.00
	Issued Share Capital		
	71,19,421 Equity shares of Rs. 10 each	**711.94**	711.94
		711.94	711.94
	Subscribed and fully paid up share capital		
	71,18,330 Equity shares of Rs. 10 each	**711.83**	711.83
	Total	**711.83**	711.83

Notes:

(a) Reconciliation of number of equity shares subscribed

	31.03.2020	31.03.2019
Balance as at the beginning of the year	**7,118,330**	7,118,330
Add: Issued during the year	–	–
Balance at the end of the year	**7,118,330**	7,118,330

(b) Shares issued for consideration other than cash

There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back.

(c) Shareholders holding more than 5% of the total share capital

Name of the share holder	**March 31, 2020**		March 31, 2019	
	No of shares	**% of holding**	No of shares	% of holding
Sri. D. Lakshminarayanaswamy	**14,75,026**	**20.72%**	14,75,026	20.72%
Smt. L. Nagaswarna	**9,51,484**	**13.37%**	9,38,784	13.19%
Smt. L. Suhasini	**6,21,276**	**8.73%**	6,21,276	8.73%
Smt. L. Swathy	**5,63,406**	**7.91%**	5,63,406	7.91%
Stressed Assets Stabilisation Fund	**7,10,640**	**9.98%**	7,15,640	10.05%

(d) Rights, preferences and restrictions in respect of equity shares issued by the Company

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Share holder is eligible for one vote per share. In the event of liquidation the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
16	**OTHER EQUITY**		
	General reserve	–	–
	Capital Reserve	**1,928.32**	2,306.54
	Securities Premium Account	**1,081.07**	1,081.07
	Other comprehensive income	**6.95**	1.24
	Retained earnings	**(2,839.74)**	(3,760.99)
	Total	**176.59**	(372.14)
	a) General reserve		
	Balance at the beginning of the year	–	–
	Additions during the year	–	–
	Deductions/Adjustments during the year	–	–
	Closing balance	–	–
	b) Capital Reserve		
	Balance at the beginning of the year	**2,306.54**	2,306.54
	Trf to General Reserve	**(378.22)**	-
	Balance at the beginning and end of the year	**1,928.32**	2,306.54
	c) Securities Premium Account		
	Balance at the beginning and end of the year	**1,081.07**	1,081.07
	d) Other comprehensive income		
	Balance at the beginning of the year	**1.24**	1.89
	Additions during the year	**5.71**	(0.65)
	Balance at the end of the year	**6.95**	1.24
	e) Retained earnings		
	Balance at the beginning of the year	**(3,760.99)**	(4,125.15)
	Net profit for the period	**543.02**	364.16
	Transfers from Capital Reserve	**378.22**	–
	Prior Year adjustments	–	–
	Balance at the end of the year	**(2,839.74)**	(3,760.99)
17	**NON-CONTROLLING INTEREST**		
	a) Doral Real Estates Private Limited		
	Interest in Equity	**0.02**	0.02
	Share of Profits/(Losses)	**(0.02)**	0.00
	Total	**(0.00)**	0.02
18	**LONG TERM BORROWINGS**		
	(a) Secured		
	From Banks-Term Loans	**160.94**	-
	From Director	**805.87**	856.13
	(b) Unsecured		
	From Directors	**32.94**	153.78
	Inter corporate Loan	–	252.62
	Total	**999.76**	1,262.53

Terms of loan and security details

i) The Term Loan from Bank and from Director are commonly secured by equitable mortgage of 4.135 acres of vacant land with Building situated at Ganapathy, Coimbatore with the Bank being the First Charge Holder and the Director (Managing Director) being the Second Charge Holder.

ii) Loan from Director as on Balance Sheet date is additionally secured by charge on 4 villas along with the lands allotted thereof being developed by the Company.

iii) Loan from Bank is secured by Personal guarantee of the Managing Director and Whole-Time Director and their relative

	PARTICULARS	As at 31.03.2020	As at 31.03.2019
18A	**OTHER FINANCIAL NON CURRENT LIABILITIES**		
	Refundable Performance Guarantee Deposit	**600.00**	–
	Total	**600.00**	–
19	**OTHER NON CURRENT LIABILITIES**		
	Advance Towards Land	–	700.60
	Total	–	700.60

(₹ in Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
20 PROVISIONS (NON -CURRENT)		
Provision for gratuity		
Managerial personnel	–	–
Others	**136.83**	**135.09**
Total	**136.83**	**135.09**
20A DEFERRED TAX LIABILITY/ (ASSET) - NET	**–**	–
Total	**–**	–
21 CURRENT LIABILITIES - FINANCIAL LIABILITIES: BORROWINGS		
a) Secured		
From Bank		
Cash credit facility	**–**	221.87
Overdraft facility	**609.47**	–
Letter of credit	**–**	383.00
Loans from directors and their Relatives	**1,110.58**	750.16
Others	**1.81**	11.86
b) Unsecured		
Loans from directors	**174.57**	183.88
Inter Corporate Loans	**585.86**	435.08
Total	**2,482.28**	1,985.84

Terms of loan and security details

i) Loan from Bank is secured by available current assets of the Company and equitable mortgage of 4.135 acres of vacant land with Building situated at Ganapathy, Coimbatore with the Bank being the First Charge Holder.The Managing Director and Whole-Time Director along with relative are guarantors in respect of the Bank Loan

ii) Loan from Director as on Balance Sheet date is additionally secured by charge on 4 villas along with the lands allotted thereof being developed by the Company. Other Loans are secured by the property against which they are funded..

PARTICULARS	As at 31.03.2020	As at 31.03.2019
22 TRADE PAYABLES		
Due to Micro, Small & Medium Enterprises**	-	-
Others	**211.59**	332.60
Total	**211.59**	332.60

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 40.

PARTICULARS	As at 31.03.2020	As at 31.03.2019
23 OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of term loans - Secured	**77.15**	**72.15**
Rental Security Deposit	**5.56**	**-**
Total	**82.71**	**72.15**
23A OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	**5.62**	3.62
Advance towards Real Estate Land & other Assets	**26.20**	832.52
Advance against Sales	**1.77**	41.50
Others	**303.67**	223.13
Total	**337.26**	1,100.76
24 PROVISIONS (CURRENT)		
Provision for Gratuity - Managerial Personnel	**73.98**	76.73
Provision for Gratuity - Others	**45.13**	40.53
Total	**119.11**	117.26

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
25 REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	**42.13**	799.03
Cotton	**1.70**	25.84
Waste	**6.69**	17.34
	50.52	842.21
Other Operating Revenue		
Conversion Receipts	**481.19**	31.79
Real Estate Income - Sale of Land (Developer Portion Control Lost)	**1,215.33**	1,359.14
Real Estate Income - Sale of Villas	**888.85**	474.17
Real Estate Income - Sale of Land	**503.78**	-
Total	**3,139.67**	2,707.31
26 OTHER INCOME		
Interest receipts	**4.89**	20.37
Miscellaneous income	**3.85**	2.04
Sundry Credits Forfeited (Non-Related Parties)	**37.38**	–
Lease Rent	**25.15**	14.82
Total	**71.27**	37.23
27 COST OF MATERIALS CONSUMED		
Opening inventory of raw materials	**0.71**	0.71
Add : Purchases	**–**	580.91
Less : Closing inventory of raw materials	**0.71**	0.71
Total	–	580.91
28 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS		
Opening Balance		
Finished goods -Yarn	**29.36**	57.02
Work-in-progress	**–**	30.13
Waste	**9.81**	11.84
stock-in Trade - Land	**2,219.25**	2,219.25
Stock-in Trade - Land under Development	**119.07**	–
Stock-in Trade - Developer's Share where Control not transferred	**61.22**	–
Stock-in-trade- Building under Development	**229.10**	–
	2,667.80	2,318.23
Closing Balance		
Finished goods - Yarn	**8.26**	29.36
Work-in-progress	**–**	–
Waste	**3.28**	9.81
Stock-in Trade - Land	**1,834.29**	2,219.25
Stock-in Trade - Land under Development	**104.74**	119.07
Stock-in Trade - Developer's Share where Control not transferred	**–**	61.22
Stock-in-trade- Building under Development	**724.02**	229.10
	2,674.61	2,667.80
Total changes in inventories	**(6.81)**	(349.56)
29 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**326.49**	265.07
Contribution to provident and other funds	**61.19**	51.78
Staff welfare expenses	**28.84**	24.22
Managerial Remuneration (including benefits)	**70.68**	67.36
Total	**487.20**	408.43

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
30	**DEPRECIATION AND AMORTISATION EXPENSE**		
	Depreciation of property, plant and equipment	**27.93**	34.79
	Amortization of Intangible assets	**-**	-
	Total	**27.93**	34.79
31	**OTHER EXPENSES**		
	Consumption of stores and spare parts	**22.03**	7.32
	Consumption of packing materials	**-**	7.89
	Processing Charges	**51.13**	40.08
	Bank charges	**10.11**	18.58
	Repairs and maintenance of		
	Buildings	**2.87**	2.65
	Machinery	**5.88**	3.18
	Other Assets	**6.42**	7.90
	Lease Rent	**5.26**	4.82
	Printing and Stationery	**1.92**	1.76
	Postage, Telegram and Telephones	**2.68**	2.95
	Travelling and maintenance of vehicles	**28.03**	25.00
	Insurance	**3.53**	1.89
	Advertisement, Subscription and Periodicals	**5.74**	7.66
	Advances/Investments written Off	**-**	-
	Rates and taxes, excluding, taxes on income	**5.91**	9.69
	Brokerage on yarn sales	**-**	-
	Filing Fees	**0.77**	1.32
	Directors' sitting Fees	**0.63**	0.72
	Auditors' Remuneration (refer note below)	**3.85**	3.56
	Yarn Sales Expenses other than brokerage	**1.63**	2.06
	Legal and Professional charges	**5.55**	6.01
	Donations	-	0.05
	Expected Credit Loss	**(12.99)**	24.36
	Bad Debts	**2.59**	9.49
	Miscellaneous expenses	**14.64**	11.40
		168.19	200.33
	Auditors' Remuneration		
	For Statutory audit	**3.25**	2.96
	For Taxation Matters	**0.60**	0.60
	For Other Matters	–	–
	Total	**3.85**	3.56
32	**FINANCE COST**		
	Interest Expenses		
	On Loans from banks & others	**259.53**	296.77
	On others	–	–
	Total	**259.53**	296.77
33	**EXCEPTIONAL ITEMS**		
	Loss/(Profit) on Sale of Assets	**69.53**	(14.24)
	Total	**69.53**	(14.24)

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
34 INCOME TAX EXPENSE		
(a) Income tax expense		
Current tax		
Current tax on profits for the year/Others	**24.48**	-
Total current tax expense	**24.48**	-
Deferred tax		
Deferred tax adjustments	**556.48**	379.96
Total deferred tax expense/(benefit)	**556.48**	379.96
Income tax expense	**580.96**	379.96
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**1,123.95**	744.10
Income tax expense calculated at 25.168% (2018-19: 29.12%)	**282.88**	216.68
Tax effect of profits during the year not chargeable to tax	**(258.40)**	(216.68)
Deferred tax Adjustments	**556.48**	379.96
Income tax expense	**580.96**	379.96
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	**(1.92)**	(0.27)
Total income tax recognised in other comprehensive income	**(1.92)**	0.27

d) Movement of deferred tax expense during the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment	(156.48)	46.38	–	(110.11)
Expenses allowable on payment basis	85.48	(13.96)	(1.92)	69.59
Other temporary differences	1,019.11	(518.45)	–	500.66
	948.11	(486.04)	(1.92)	460.15
MAT Credit entitlement	70.44	(70.44)	–	–
Total	**1,018.55**	**(556.48)**	**(1.92)**	**460.15**

e) Movement of deferred tax expense during the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment	(162.64)	6.16	–	(156.48)
Expenses allowable on payment basis	73.72	11.49	0.27	85.48
Other temporary differences	1,416.60	(397.49)	-	1,019.11
	1,327.67	(379.84)	0.27	948.11
MAT Credit entitlement	70.57	(0.13)	–	70.44
Total	**1,398.24**	**(379.97)**	**0.27**	**1,018.55**

	Year ended 31.03.2020	Year ended 31.03.2019
35 EARNINGS PER SHARE		
Profit/ (Loss) for the year attributable to owners of the Company	**542.99**	364.14
Weighted average number of ordinary shares outstanding	**7,118,330**	7,118,330
Basic earnings per share (Rs)	**7.63**	5.12
Diluted earnings per share (Rs)	**7.63**	5.12
36 EARNINGS IN FOREIGN CURRENCY		
FOB value of exports	**–**	–
	–	–
37 EXPENDITURE IN FOREIGN CURRENCY		
Travelling	**1.46**	5.92
Others	**–**	–
	1.46	5.92

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
38 VALUE OF IMPORTS (ON C.I.F BASIS)		
Consumables and Stores	–	–
Capital goods and Spares	–	–
	–	–

39 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption

Particulars	**For the year ended March 31, 2020**		For the year ended March 31, 2019	
	Value	**Percentage (%)**	Value	Percentage (%)
Raw materials				
Imported	**-**	**-**	-	-
Indigenous	**-**	**-**	580.91	100.00
	-	**-**	580.91	100.00
Stores, Spares & Components:				
Imported	**-**	**-**	-	-
Indigenous	**22.03**	**100.00**	15.21	100.00
	22.03	**100.00**	15.21	100.00

40. Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

(a) The principal amount remaining unpaid at the end of the year	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

41. Commitments and contingent liability (to the extent not provided for)

Contingent Liability

(a) The following Sales Tax demands are being contested before Hon'ble Madras High Court and no provision is made in the accounts as these are disputed:-

Asst. Year	Nature of Dispute	Disputed Demand	
		March 31, 2020	March 31, 2019
1995-96	TNGST Demand - Departmental Appeal	**54.59**	54.59
1998-99	TNGST Demand - Pre-assessment Notice	**61.66**	61.66
	(Rs.30.83 lacs since paid as per Madras High Court Interim Order)		
1999-00	TNGST Pre-assessment Notice	**89.37**	89.37
2000-01	TNGST Pre-assessment Notice	**121.97**	121.97

(b) Claims against the Company, not acknowledged as Debts

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Disputed Third party Claims relating to Interest Liability & others	**30.17**	–

(c) Commitments and others

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Estimated amount of unexecuted capital contracts	–	–

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

42 **Operating Segments**

The Company's main business is "Textile" and "Real Estate" as per reportable segment thresholds given in Ind-AS 108 "Operating Segments"

(₹ in Lakhs)

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Segment Revenue		
a) Textile	**531.71**	874.00
b) Real Estate Income	**2,607.96**	1,833.31
Revenue from Operations (net)	**3,139.67**	2,707.31
Segment Results		
Profit/(Loss) before tax and Finance Cost		
a) Textile	**(472.32)**	(564.13)
b) Real Estate	**1,863.44**	1,604.10
Total	**1,391.12**	1,039.96
Less: Finance Cost	**(259.53)**	(296.77)
Profit from Continuing Operations	**1,131.59**	743.19
Profit from DisContinuing Operations	**-**	-
Profit before Tax	**1,131.59**	743.19
Segment Assets		
a) Textile	**704.19**	2,180.70
b) Real Estate	**5,153.77**	4,115.02
c) Other unallocable Corporate Assets	**-**	-
Total Assets	**5,857.96**	6,295.72
Segment Liabilities		
a) Textile	**4,339.96**	4,173.70
b) Real Estate	**629.57**	1,782.32
c) Other unallocable Corporate Liabilities	**-**	-
Total Liabilities	**4,969.53**	5,956.02
Capital employed (Segment Assets-Segment Liabilities)		
a) Textile	**(3,635.77)**	(1,992.99)
b) Real Estate	**4,524.20**	2,332.70
Total Capital employed in Segments	**888.42**	339.70
Unallocated Corporate Assets less: Corporate Liabilities	**-**	-
Total Capital Employed	**888.42**	339.70

Information relating to geographical areas

(a) Revenue from external customers

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
India	**3,139.67**	2,707.31
Other Countries	**-**	-
Total	**3,139.67**	2,707.31

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Number of external customers each contributing more than 10% of total revenue	**2**	2
Total revenue from the above customers	**1,719.11**	1,867.05
Total	**1,719.11**	1,867.05

d) Information about major customers

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Opening Contract Assets	**1,584.11**	-
Additions	**1,527.70**	1,584.11
Closing Contract Assets	**3,111.81**	1,584.11
Opening Contract Liabilities	**(346.93)**	-
Additions	**(756.69)**	(346.93)
Closing Contract Liabilities	**(1,103.61)**	(346.93)
Net Contract Asset/Liabilities	**2,008.20**	1,237.18

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(e) Commitments and others

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Price variations recorded in the year as revenue, income / (expense)	–	–
Total	**–**	–

43 Lease

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" in respect of lease contracts outstanding on April 01,2019 using modified retrospective method and has opted to measure Right-of-use asset wherever applicable at an amount equal to present value of lease liability outstanding on the date of initial application adjusted for any outstanding lease payment related to that lease recognised before that date. Accordingly, Company has not restated comparative information wherever applicable.

Company as a lessee

a. Operating leases

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months and leases for which the underlying asset is of low value or short term in nature, on a lease-by-lease basis.

b. Finance Lease

Before introduction of Ind AS 116, leases under which company assumed substantially all the risks and rewards of ownership are classified as finance leases. Such assets are classfied at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower. After introduction of Ind AS 116, there is no change in the accounting treatment of such leases previously considered as Finance leases. The Company didnot have any such Financial Leases to report.

Operating Lease Expenses

Rental expense recorded for short-term leases was Rs.5.25 Lakhs for the year ended March 31, 2020.

The Company did not have any other operating Lease Expenditure other than Rental Expense recorded as short-term leases. Therefore disclosures relating to the Right of use Asset, Amount of Amortization of such Right of use Asset, Discount Rate used for calculation of Present value of Minimum Lease Payment, Classification of current and non-current financial liability on such Operating Leases where the Company is a lessee is not applicable.

Future Minimum lease rent to be paid:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Not later than 1 year	**0.88**	5.26
Later than 1 year but not more than 5 years	**-**	
More than 5 years	**-**	-
Total	**0.88**	5.26

The following is the aggregate breakup of Right of Use Assets recognized during the year ended March,31,2020:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Right of Use Asset		
Opening Balance	**-**	-
Additions during the year	**-**	-
Accumulated Depreciation/Amortization	**-**	-
Balance as at Year End	-	-

The following is the aggregate movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Lease Liabilities		
Opening Balance	**-**	-
Additions during the year	**-**	-
Finance cost accrued during the period	**-**	-
Payment of lease liabilities	-	-
Balance as at Year End	-	-

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

Operating Lease Income

The Lease Agreement provides for an option to the company to renew the lease period for a further period as agreed

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

Future Minimum lease rent to be received:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Not later than 1 year	**6.78**	25.15
Later than 1 year but not more than 5 years	**-**	
More than 5 years	**-**	-
Total	**6.78**	25.15

44. Government Grants

The details of Government Grants received by the Company are as follows :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Subsidies	NIL	
Duty Drawback on exports		
Interest subvention on export finance		
Duty rebate under EPCG scheme		
DEPB and Import license entitlements		
Total		

44A List of Trade Payable Parties - who have been identified by the Management to cover under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
NIL	NIL	NIL

44B The Balances of Receivables and Payables are adopted as appearing in the Books of Account and are subject to confirmation.

44C The Company has made assessment of the impact of COVID 19 on its business operations and carrying values of assets and liabilities as on the Balance Sheet date and upto the date of adoption of this financial statement and concluded that there could be no significant impact specific to the company's business operations other than the general impact faced by the business at large and the general ecomomic slowdown.

45 FINANCIAL INSTRUMENTS

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	**March 31, 2020**	March 31, 2019
Debt	**999.76**	1,262.53
Less: Cash and bank balances	**22.35**	66.07
Net debt	**977.40**	1,196.46
Total equity	**888.42**	339.71
Net debt to equity ratio (%)	**110.02%**	352.20%

Categories of Financial Instruments

Financial assets	**March 31, 2020**	March 31, 2019
a Measured at amortised cost		
Loans Given	**-**	-
Other non-current financial assets	**76.29**	94.33
Trade receivables	**7.17**	-
Cash and cash equivalents	**22.35**	3.00
Bank balances other than above	**-**	63.07
Other financial assets	**-**	-

	March 31, 2020	March 31, 2019
b. Mandatorily measured at fair value through profit or loss (FVTPL)	**March 31, 2020**	March 31, 2019
Investments	**-**	0.98
Financial liabilities		
a. Measured at amortised cost		
Borrowings (long term)	**999.76**	1,262.53
Borrowings (short term)	**2,482.28**	1,985.84
Trade payables	**211.59**	332.60
Other Financial non Current liabilities	**600.00**	-
Other financial liabilities	**82.71**	72.15
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Derivative instruments		

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company actively manages its interest rate exposures through its finance division, wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Company's Transactions are exposed to negligible Foreign Currency Risk, which is effectively managed by its Finance Division in an optimum manner..

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2020

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	
USD	Nil						
EUR							
in INR							

As on March 31, 2019

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	
USD	Nil						
EUR							
in INR							

Foreign currency sensitivity analysis

In management's opinion, the sensitivity analysis is not applicable as the Company is not exposed to any Direct Foreign Exchange Risk and hence not reported.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 5.00 Lakhs for the year (Previous INR 5.50 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables.

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade/contract receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

In respect of Trade/Contract receivables, the Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever possible and as per customary business practice,if the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/ letter of credit or security deposits.

As per simplified approach, wherever applicable, the Company makes provision of expected credit losses on trade/contract receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay..

March 31, 2020	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Trade payables	211.59	-	-	211.59
Borrowings (including interest accrued thereon upto the reporting date)	2,570.61	1,599.76	-	4,170.37
	2,782.20	1,599.76	-	4,381.96

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	332.60	-	-	332.60
Borrowings (including interest accrued thereon upto the reporting date)	2,061.60	1,262.53	-	3,324.13
	2,394.20	1,262.53	-	3,656.73

	March 31, 2020	March 31, 2019
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	**Nil**	Nil

46 RELATED PARTY DISCLOSURE

a) List of parties having significant influence		
Holding company	**The Company does not have any holding company**	
Subsidiary Companies	**Doral Real Estates Private limited (DORAL) w.e.f 02-06-2017**	
Companies in which Directors are Interested	**Sri Jaganatha Textiles Limited (SJTL)**	
	Swathy Processors Ltd (SPL)	
	Suhasini Spinners Ltd (SSL)	
	Sri Ramakrishna Yarn Carriers Ltd (SRYC)	
Partnership Firms in which Directors are Partners	**Sri Jaganatha Ginning & Oil Mills (JGOM)**	
	Sri Jaganatha Agencies (SJA)	
Key management personnel	**Sri D Lakshminarayanaswamy**	**Managing Director**
	Smt L Nagaswarna	**Wholetime Director**
	Sri. S A Subramanian	**Company Secretary**
	Sri. G Krishnakumar	**Chief Financial Officer**
Other Directors	**Sri N Jothikumar**	**Director (resigned since 18-03-2019)**
	Sri R Narayanamurthy	**Director (resigned since 18-03-2019)**
	Sri Radhakrishnan	**Director (resigned since 18-03-2019)**
	Sri Rajan Guru Chandrasekar	**Addl Director (w.e.f.13-05-2019)**
	Sri Ravichandran Dhamodaran	**Addl Director (w.e.f.27-03-2019)**
	Sri Alagappa Raja .Surendran	**Addl Director (w.e.f.13-08-2019)**
	Sri P Muthusamy	**Addl Director (w.e.f.13-08-2019)**
Relatives of Directors	**Smt L Swathy**	
	Smt L Suhasini	

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

b) Transactions during the year

S.No.	Nature of transactions	Amount	
1	Managerial Remuneration	**2019-20**	2018-19
	D. Lakshminarayanaswamy	**42.00**	42.05
	Smt. L. Nagaswarna	**25.41**	25.30
2	Remuneration		
	Sri.S A Subramaniam (Company Secretary)	**4.78**	5.59
	Sri.G Krishnakumar (CFO)	**4.53**	4.27
	Sri.P.Muthusamy (Director)	**4.89**	-
3	Lease Rent Received:		
	SRYC	**2.16**	1.90
	JGOM	**20.81**	10.30
	SJTL	**-**	4.38
	SJA	**0.05**	0.18
4	Yarn Conversion Charges Received		
	SPL	**-**	9.86
5	Yarn Conversion Charges Paid		
	SPL	**51.13**	41.43
6	Purchases		
	SRYC	**4.78**	4.06
	SJTL	**-**	1.55
7	Machinery Purchases		
	SPL	**66.70**	-
8	Loan Received :		
	D. Lakshminarayanaswamy	**1,374.89**	863.26
	L. Nagaswarna	**2.33**	228.55
	SRYC	**35.30**	626.83
	SJTL	**341.83**	68.95
	SPL	**458.20**	184.23
9	Loan repaid :		
	D. Lakshminarayanaswamy	**1,192.40**	779.57
	L. Nagaswarna	**146.69**	427.10
	SRYC	**156.97**	393.51
	SJTL	**216.22**	65.18
	SPL	**507.22**	10.30
10	Interest on Loan		
	D. Lakshminarayanaswamy	**128.72**	104.14
	L. Nagaswarna	**15.16**	29.41
	N. Jothikumar	**0.19**	0.21
	SRYC	**63.47**	2.32
	JGOM	**-**	31.64
11	Sitting Fees		
	N.Jothikumar	**-**	0.32
	R.Narayanamurthy	**-**	0.24
	R.Radhakrishnan	**-**	0.28
	Ravichandran Dhamodaran	**0.17**	0.02
	Rajan Guru Chandrasekar	**0.26**	0.02
	A.Surendran	**0.10**	-
12	Rent paid		
	L.Swathy	**5.25**	4.80
13	Rental Advance Paid		
	SJTL	**(15.95)**	15.95
14	Advances for Land - Received/(Repaid)		
	Krishnaveni V	**(375.00)**	375.00
	Sudarshini Varadharaj	**(13.00)**	13.00

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

c) Outstanding Balances as at the end of the year

S.No.	Nature of transactions	Amount	
		2019-20	2018-19
1	Outstanding Balance Payable		
	SJTL	**(7.74)**	133.81
	SPL	**(124.91)**	(173.93)
	SRYC	**(466.73)**	(522.31)
	D. Lakshminarayanaswamy	**(1,918.50)**	(1,607.28)
	L. Nagaswarna	**(205.48)**	(334.67)
	N.Jothikumar	**-**	(2.00)
	S A Subramaniam	**-**	-
	G Krishnakumar	**-**	-
	V.Krishnaveni	**-**	(375.00)
	Sudharshini Varadharaj	**-**	(13.00)
	SJA	**0.23**	0.18
	L.Swathy	**(12.37)**	(4.84)
	L.Suhasini	**-**	(0.05)

47 RETIREMENT BENEFIT PLANS

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund to EPF, EDLI, EPS.

The total expense recognised in profit or loss of Rs.18.61 Lakhs (for the year ended March 31, 2019: Rs.20.22 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**March 31, 2020**	March 31, 2019
Discount Rate	**6.45% p.a.**	7.45% p.a.
Rate of increase in compensation level	**2.00% p.a.**	2.00% p.a.
Rate of Return on Plan Assets	**Nil**	Nil
Attrition / Withdrawal rate	**3.00%**	3.00%
Mortality rate	**100% of IALM 2012-14**	100% of IALM 2006-08

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...) (₹ in Lakhs)

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2020	March 31, 2019
Current service cost	**8.36**	8.04
Past Service Cost	-	-
Net interest expense	**18.84**	18.03
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	**27.20**	26.08
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period Actuarial (gains)/losses	**(7.64)**	0.92
Components of defined benefit costs recognised in other comprehensive income	**(7.64)**	0.92
Total	**19.56**	26.99

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in statement of profit and loss and the remeasurement of the net defined benefit liability (Actuarial Gains/Losses) is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	**255.95**	252.35
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	**255.95**	252.35
Funded	-	-
Unfunded	**255.95**	252.35
Total	**255.95**	252.35

The above provisions are reflected under 'Provision for employee benefits' (short-term provisions) [Refer note 24].

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	**252.35**	232.99
Past Service Cost	**-**	-
Current service cost	**8.36**	8.04
Interest cost	**18.84**	18.04
Actuarial (gains)/losses	**(7.64)**	0.92
Benefits paid	**(15.96)**	(7.64)
Closing defined benefit obligation	**255.95**	252.35

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	-	-
Return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

Sensitivity analysis

"Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**31.3.2020**	31.3.2019
Defined benefit obligation (Base)	**255.95**	252.35

Particulars	**31.3.2020**		31.3.2019	
	Decrease	**Increase**	Decrease	Increase
Discount rate (- / + 1%)	**265.90**	**246.82**	256.67	238.19
(% change compared to base due to sensitivity)	**3.90%**	**-3.60%**	1.70%	-5.60%
Salary Growth Rate (- / +1%)	**246.51**	**266.08**	243.08	262.31
(% change compared to base due to sensitivity)	**-3.70%**	**4.00%**	-3.70%	3.90%
Attrition Rate (- / + 50% of attrition rates)	**253.11**	**258.55**	248.61	255.74
(% change compared to base due to sensitivity)	**-1.10%**	**1.00%**	-1.50%	1.30%
Mortality Rate (- / + 10% of mortality rates)	**255.87**	**256.04**	252.23	252.46
(% change compared to base due to sensitivity)	**0.00%**	**0.00%**	0.00%	0.00%

Asset Liability matching Strategies & Funding Policy

The Gratuity scheme is managed on unfunded basis

The Company's best estimate of contribution during the Year is Nil (Prev year Nil) since the Gratuity Liability is managed on unfunded basis.

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	3 Years	3 Years
Expected cash flows over next (valued on undiscounted basis)	INR	INR
1 year	119.12	117.26
2 to 5 years	84.92	87.26
6 to 10 years	74.04	75.12
more than 10 years	54.38	65.88

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

R. Guru Chandrasekar
Director
(DIN : 0008421861)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2020

As per our report of even date attached

For CSK PRABHU & CO
Chartered Accountants,
Firm Regd. No. 002485S

(Sd.) **CSK Prabhu**
Partner
M.No : 019811

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD
Regd.Office : 1493, Sathyamangalam Road, Ganapathy Post,
Coimbatore-641 006
CIN : L17111TZ1946PLC000175

Name of the Member(s) :
Registered Address :
e-mail ID :
Folio No. / Client ID :
DP ID :

I/We being the Member(s) holding _______ Shares of Sri Ramakrishna Mills (Coimbatore) Ltd hereby appoint :

1) .... of .... having e-mail id .... or jointly him/her

2) .... of .... having e-mail id .... or jointly him/her

3) .... of .... having e-mail id .... or jointly him/her

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 73rd Annual General Meeting of the Company to be held on Monday, the 28th September 2020 at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:-
I wish my above proxy to vote in the matter as indicated in the box below :-

S.No.	Resolution	Optional*	
		For	Against
1.	**ORDINARY BUSINESS :** Adopting of Financial Statements for the Financial Year ended on 31s March 2020		
2.	Re-appointment of Sri.P.Muthuswamy (DIN: 02651331) who retires by rotation and being eligible offers himself for re-appointment		
3.	**SPECIAL BUSINESS :** Re-Appointment of Sri.D.Lakshminarayanaswamy (DIN:00028118) as Managing Director		
4.	Re-Appointment of Sri.L. Nagaswarna (DIN : 00051610) as Whole time Director		

Signed this ____ day of ___________ 2020

Signature of first Proxy Holder
Signature of second Proxy holder
Signature of third Proxy holder
Signature of Shareholder

Notes:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2) A proxy need not be a member of the company.
3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total Share Capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
4) Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
5) In case of joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.
6) * This is only optional. Please put a ✓ in the appropriate column against the resolutions indicated in the Box. If you leave the “For” and “Against” coloumn blank against any or all the resolutions, your proxy will be entitled to vote in the matter as he / she thinks appropriate.

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD
Regd.Office : 1493, Sathyamangalam Road, Ganapathy Post,
Coimbatore-641 006
CIN : L17111TZ1946PLC000175

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 73rd Annual General Meeting of the Company at Registered Office at 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006 on Monday, the 28th September 2020 at 09.00 a.m.

____
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.
3. Please read carefully the instructions given in the Notice of 73rd Annual General Meeting under the heading “voting through electronic means”.

REGISTERED - BOOK-PARCEL

If undelivered please return to

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Post Box No. 2007, Ganapathy Post

Coimbatore - 641 006

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