Sasirekha Vengatesh B.Com., F.C.A., DISA
Chartered Accountant

FORM NO. MGT -13
Report of Scrutiniser(s)

(Pursuant to rule 109 of the Companies Act , 2013 and rule 21 (2) of the Companies Act (Management and Administration)Rules ,2014

To
The Chairman
71st Annual General meeting of the Equity Shareholders of Sri Ramakrishna Mills(Coimbatore) Ltd
Held on 27 September 2018 at 1493,Sathyamangalam Road,Ganapathy,Coimbatore-641006

Dear sir

I, Sasirekha Vengatesh, practising Chartered Acountant M.No 200464 , appointed as the Scrutinizer for the purpose of the poll taken on the below mentioned resolutions at the 71st Annual General Meeting of the Equity Shareholders of Sri Ramakrishna Mills(Coimbatore) Ltd. held on 27th September , 2018 at 1493,Sathyamangalam Road,Ganapathy,Coimbatore-641006 Submit our report as under.

1 After the time fixed for closing of the poll by the Chairman , a ballot box kept for polling were locked in my presence.with due identification marks placed by me

2 The locked ballot box was subsequently opened in my presence and in the presence of two were witnesses,and poll papers diligently scrutinised.The poll papers were reconciled with the records manitained by the company/Register and Transfer Agents of the Company and the authorisations/ proxies lodged with the company

3 The poll papers, which were incomplete and/or which were otherwise found defective have been treated as invalid and kept seperately. The same were not considered in calculaton.

4 The result of the Poll is as under :

(a) Resolution 1 :

Item No:1 : To adoption of Financial Statements of the Company including the Report of The Board Of Directors and the Auditors.

(i) Voted in favour of the resolution

Number of members present and voting(in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
33	4531218	100.00%

(ii) Voted against the resolution:

Number of members present and voting(in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid Votes :

Number of members present and voting(in person or by proxy)Whose votes were declared Invalid	Number of votes cast by them
0	0

(b) Resolution 2:
Item No:2 To Re-appointment of Smt.L.Nagaswarna as Whole time Director and fix her Remuneration

(i) Voted in favour of the resolution

Number of members present and voting(in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
33	3593854	100.00%

(ii) Voted against the resolution:

Number of members present and voting(in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid Votes :

Number of members present and voting(in person or by proxy)Whose votes were declared Invalid	Number of votes cast by them
0	0

(c) Resolution:3
Item No:3 To Appoint Ms. C.S.K Prabhu and Co as Statutory Auditors.

(i) Voted in favour of the resolution

Number of members present and voting(in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
33	4531218	100.00%

(ii) Voted against the resolution:

Number of members present and voting(in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

(iii) Invalid Votes :

Number of members present and voting(in person or by proxy)Whose votes were declared Invalid	Number of votes cast by them
0	0

5 A compact Disc containing list of equity shareholders who voted "FOR", "AGAINST"and those votes were declared invalid for each resolution is enclosed.

6 The poll papers and al lother relevant records were sealed and handed over to the Company secretary authorized by the Board for Safekeeping.

Thanking You

Yours Faithfully

Place : Coimbatore
Date : 27 th September, 2018

SASIREKHA VENGATESH, B.Com.,FCA.,DISA.
CHARTERED ACCOUNTANT
No. 30-3, Sengupttha Street
Ramnagar
Coimbatore - 641 009
M.No. 200464

Sasirekha Vengatesh B.Com., F.C.A., DISA
Chartered Accountant

REPORT OF SCRITINIZER
(E-VOTING)
(Pursuant to Section 108 of The Companies Act, 2013 and Rule 20(3)(XI) of the Companies (Management and Administration) Rules , 2014)

To,
The Chairman,
Sri Ramakrishna Mills (Coimbatore) Ltd.
1493,Sathyamangalam Road,
Ganapathy Post,
Coimbatore-641006

Sir,

I, Sasirekha Vengatesh,B.com ,FCA, practicing Chartered Accountant, Coimbatore was appointed as Scrutinizer for the 71st Annual General Meeting of the Equity Shareholders of Sri Ramakrishna Mills Ltd, to be held on 27th September 2018, at 9.00 AM at the registered office of the company 1493,Sathyamangalam Road, Ganapathy Post, Coimbatore-641006 for the purpose of scrutinizing the E-Voting process in a fair and transparent manner and ascertaining the requisite majority on E-voting carried out as per section 108 of the Companies Act, 2013 and rule 20(3)(XI) of the companies (Management and Administration) rules , 2014 on the resolutions referred in the report.

I submit my report as under

1. The E-Voting period remained open from 9.00 AM to 5.00 PM on Wednesday 26th September 2018

2.The notice was sent to all the members , whose names appeared in the Register Of Members as on 10th August 2018 who are entitled to vote on the proposed 8 (eight) resolutions as mentioned in the notice of the 71th Annual General meeting of Sri Ramakrishna Mills Coimbatore Ltd(Item no:1 (one) to No:9 (nine) of the notice of Annual General Meeting of Sri Ramakrishna Mills Coimbatore Ltd

3.The votes casted through E-Voting were unblocked on 27th September ,2018 at 11.00 am in the presence of two witnesses, who were not the employees of the Company.

4.There after the details containing , inter, alia , list of equity shareholders, who voted "For' and " Against" were downloaded , from the E-Voting website of Central Depository Services (INDIA)Limited (CDSL)

5. I have collated the votes polled through E-Voting and the results for the same has been furnished below.

Sasirekha Vengatesh B.Com., F.C.A., DISA
Chartered Accountant

E-Voting

S.No:	Resolutions	Type of Resolutions	Total Valid Votes	Votes in Favor	Votes in against	%in favor	% in Against
1	To adopt Financial Statements of the Company including the Report of The Board Of Directors and the Auditors	Ordinary	316450	316450	0	100%	0%
2	To Re-appointment of Smt.L.Nagaswarna as Whole time Director and fix her Remuneration	Ordinary	316450	316450	0	100%	0%
3	To Appoint Appoint Ms. C.S.K Prabhu and Co as Statutory Auditors. as Statutory Auditors and Fixing their remuneration	Ordinary	316450	316450	0	100%	0%

SASIREKHA VENGATESH, FCA., Chartered Accountant M.No. 200464 Coimbatore - 9

71st
ANNUAL REPORT
2017-2018

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
COIMBATORE - 641 006

Board of Directors

Sri.D. LAKSHMINARAYANASWAMY (Managing Director)	(DIN : 00028118)
Sri. N. JOTHIKUMAR	(DIN : 00028025)
Sri. R. NARAYANAMURTHY	(DIN : 00028158)
Sri. R. RADHAKRISHNAN	(DIN : 00028190)
Smt. L. NAGASWARNA	(DIN : 00051610)

Company Secretary
Sri S.A. SUBRAMANIAN

Chief Financial Officer
Sri G. KRISHNAKUMAR

Internal Auditor
Smt. SASIREKHA VENGATESH
Coimbatore.

Secretarial Auditor
Smt. C. JAYANTHI
Coimbatore

Auditors
M/s.CSK PRABHU & Co
Coimbatore

Bankers
THE SOUTH INDIAN BANK LTD

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

Mill
NAGARI (A.P)

CONTENTS

NOTICE OF THE 71st ANNUAL GENERAL MEETING

NOTICE is hereby given that the 71st ANNUAL GENERAL MEETING of the members of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED will be held on Thursday, the 27th day of September 2018 at 9.00 a.m. at the Registered Office of the Company at No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore-641006 to transact the following business:

A G E N D A

ORDINARY BUSINESS

ITEM NO.1

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

ITEM NO.2

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

ITEM NO.3

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

RESOLUTION

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

Place : Coimbatore
Date : 10.08.2018

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

NOTES:

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

   (ii) A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2018 to 27.09.2018 (both days inclusive).

3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report for the meeting.

4. The Shareholders are requested to intimate, if shares are held in the same name or in the same order and names, but in more than one folio to enable the Company to consolidate the said folios into one folio

5. Members desirous of making nomination in respect of their shareholding in the company as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form 2B for this purpose to the Company

6. Members are requested to communicate their change of address, if any, quoting their folio numbers to the Registrars and Share Transfer Agents, M/s.SKDC Consultants Limited, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006. Similarly members holding shares in Demat form, shall intimate the change of address, if any, to their respective Depository Participants.

7. Electronic copy of the Notice of the 71st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 71st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip and Proxy Form is being sent in the permitted mode.

8. Members who have still not registered their e-mail ID are required to register their e-mail addresses, in respect of shares held in electronic mode, with their Depository Participant and in respect of the shares held in physical mode, with the Company / Registrar and Share Transfer Agent of the Company.

9. Members may also note that the Notice of the 71st Annual General Meeting and the Annual Report for the year 2017-18 will also be available on the Company's website www.ramakrishnamills.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email ID : srmc@vsnl.com

VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 71st Annual general Meeting scheduled to be held on Thursday, the 27th September 2018 at 9.00 a.m by electronic means and the business may be transacted through e-voting. The company has engaged the services of CDSL as the authorized Agency to provide the e-voting facilities as per instructions below:-

The instructions for shareholders voting electronically are as under :

i) The voting period begins on 24.09.2018 at 9.00 a.m. IST and ends on 26.09.2018 at 5.00 p.m. IST. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20.09.2018 cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

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

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

iv) Click on "Shareholders" tab

v) Now Enter your User ID

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.

The documents referred to in the accompanying NOTICE will be available for inspection at the Registered Office of the Company during business hours on all working days upto the date of declaration of the results of the 71st Annual General Meeting of the Company.

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

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

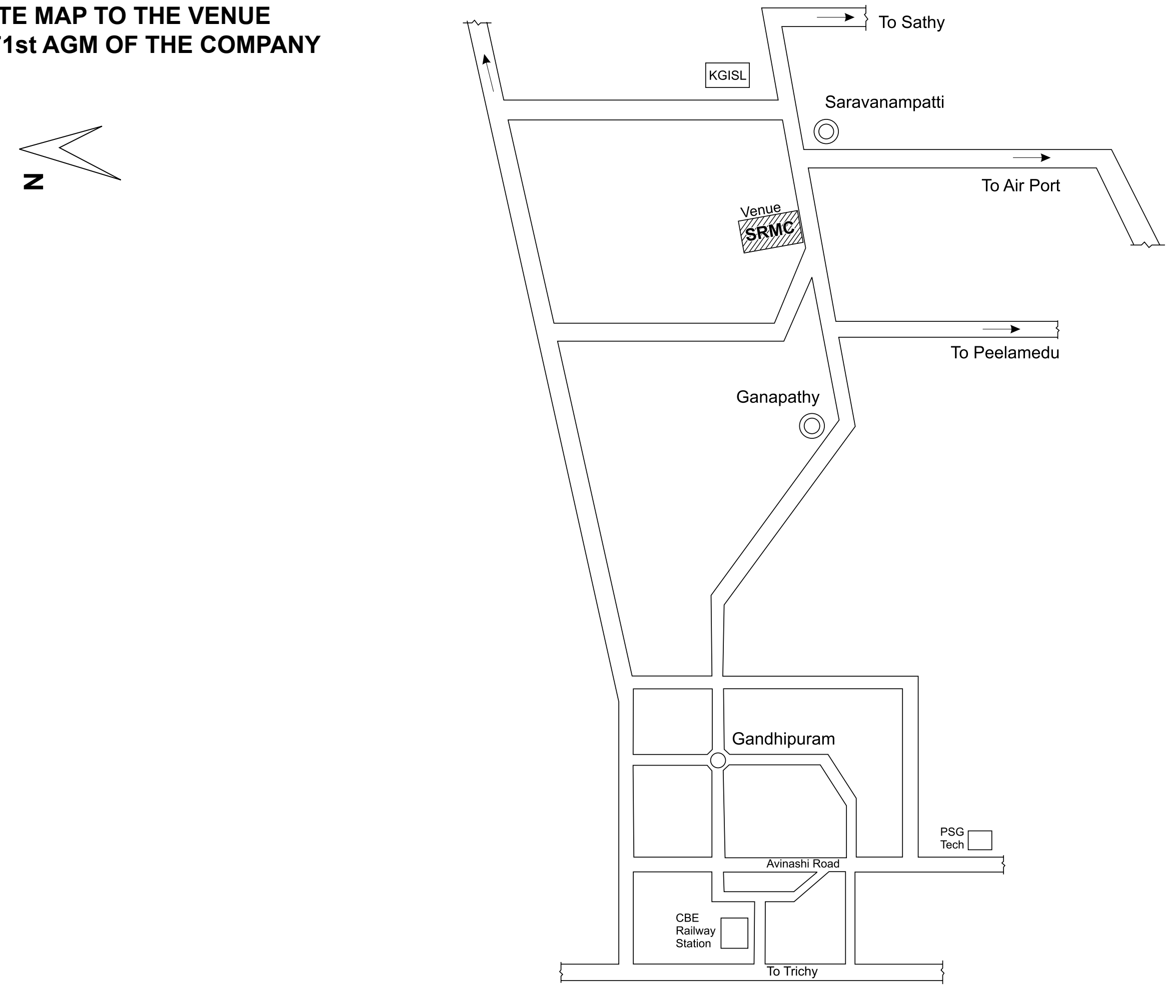
The result shall be declared after the AGM of the Company and after submission of the report by the scrutinizer. The results declared along with the scrutinizers report shall be available for inspection and also placed on the website of the Company after the conclusion of the AGM of the Company and communicated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

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

Place: Coimbatore
Date : 10.08.2018

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

ROUTE MAP TO THE VENUE OF THE 71st 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 31.03.2018

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

Financial results:

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

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

Performance:

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

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

Future:

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

Real Estate Development

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

Management Discussion and Analysis

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

Board of Directors:

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report. The Company has issued letters of appointment to all the independent directors and the terms and conditions of their appointment have been disclosed on the website of the company. In terms of Section 149 of the Companies Act, 2013 (Act), Sri.N.Jothikumar (DIN:00028025) Sri.R.Narayanamurthy (DIN:00028158) and Sri.R.Radhakrishnan (DIN:00028190), Independent Directors were appointed by the Shareholders at the 67th Annual General Meeting (AGM) held on September 29, 2014 for a period of five years to hold Office upto September 28, 2019. All the independent directors have affirmed that they satisfy the criteria laid down under Sec.149(6) of the Act and Regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Further, the Company's Code of Conduct suitably incorporates the duties of independent directors as laid down in the Act.

Retirement by rotation:

Smt.L.Nagaswarna (DIN: 00051610), who has been appointed as a Whole time Director, retires by rotation at the ensuing Annual General Meeting of the Company, as per the terms of her appointment. The place so vacated by her has to be filled up at the same meeting. The retiring Director is eligible for re-appointment at the ensuing Annual General Meeting. Accordingly, a resolution to this effect is included in the Agenda for consideration of members at the ensuing Annual General Meeting of the Company

Board Meetings:

During the year Six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between two consecutive meetings was within the period prescribed under the Act.

Meeting of Independent Directors:

During the year, one separate meeting of independent directors was held. All the independent directors were present at this meeting. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board and expressed that the current flow of information and contents were adequate for the Board to effectively perform its duties.

Board Evaluation

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

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

Familiarisation Programme for Independent Directors :

The Company has put in place required programme for independent directors to get familiarized with the Organisation and also about their duties and responsibilities

Key Managerial Personnel:

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

Remuneration Policy:

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

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

Audit Committee:

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

Statutory Auditors:

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

Cost Audit:

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

Secretarial Audit:

Smt.C.Jayanthi, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the Financial year 2017-18 as required under Sec.204 of the Act, and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2017-18 forms part of the Annual Report as annexure to the Board's Report.

The Board has appointed Smt.C.Jayanthi, Practising Company Secretary as Secretarial Auditor of the Company for the Financial Year 2018-19.

Internal Auditor :

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

Directors' Responsibility Statement:

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

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 2018 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.

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

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

Corporate Social Responsibility :

Pursuant to Sec.135 of the Act, the Company does not satisfy the eligibility criteria with regard to networth, turnover and net profit and hence the company is not required to comply with the provisions relating to CSR.

Subsidiary and Associate Companies:

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

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

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

Amount due from the Subsidiary Company :

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

The company does not have any Associate Company.

Fixed Deposits:

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

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

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

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

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

Particulars of Directors, Key Management Personnel and Employees:

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

Corporate Governance

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

Other Disclosures:

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 30.05.2018.

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.

j. i) Default in the payment to the lenders :

Owing to the tight liquidity position, the company approached its Bank to permit overdrawal of its limit to the extent of Rs.174.20 lakhs and the same has been acceded to by the Bank. However, this has been since regularized.

ii) Default in remittance of TDS :

The Company could not remit the TDS amount by Rs.12.73 lakhs owing to the stringent liquidity position. Rs.4.50 lakhs has since been paid. Efforts will be taken to remit the balance soon.

iii) Regarding re-appointment of Smt.L. Nagaswarna :

Pursuant to Regulation 36(3) of the SEBI (LO & DR) Regulations 2015 and the Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information furnished in respect of Smt.L.Nagaswarna proposed to be reappointed :-

1) Name : Smt.L. Nagaswarna
2) Age : 28.12.1952
3) Qualification : Commerce Graduate with MBA
4) Brief Resume including Experience : wide experience in the field of Administration, Management and Finance
5) Other Directorships in Listed Entities : NIL
6) Except being a relative of Managing Director, She is not related to any other Directors and Key Management Personnel of the Company / their relatives.
7) She is Whole time Director of the Company liable to retire by rotation

General:

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

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

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

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

Place : Coimbatore
Date : 10.08.2018

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

ANNEXURE-I TO DIRECTORS' REPORT

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

A. Conservation of Energy:

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	
	31.03.2018	31.03.2017
(A) Power and Fuel Consumption:		
1. Electricity:		
a) Purchased:		
Units (in lakhs)	**33.18**	29.47
Total amount (Rs.in lakhs)	**226.85**	222.41
Rate per Unit (Rs.)	**6.83**	7.54
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	**--**	--
Units per litre of Diesel Oil	**--**	--
Cost/Unit (Rs.)	**--**	--
ii) Through Steam turbine/Generator	**Nil**	Nil
2. Coal	**Not used**	Not used
3. Furnace Oil	**Not used**	Not used
4. Other/internal generation	**Nil**	Nil
(B) Consumption per unit of production: Electricity – Units per kg. of yarn	**5.53**	5.51

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. . 5,92,278/-

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

Place: Coimbatore
Date : 10.08.2018

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

ANNEXURE - II

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

S.No.	Name / Designation	Remuneration for the year ended		% increase	Ratio of remuneration to Median remuneration
		31.03.2018 Rs.	31.03.2017 Rs.		
1.	D.Lakshminarayanaswamy, Managing Director	42.22 L	30.22 L	39.70	44.4
2.	L. Nagaswarna, Whole Time Director	24.80 L	18.47 L	34.30	26.1
3.	Median Remuneration	0.95 L	1.07 L	(11.2)	---
4.	Total number of permanent Employees – Nos.	124	148		
5.	Average increase in remuneration is about 13.8%				

COMPARISON OF REMUNERATION OF KEY MANAGEMENT PERSONNEL

S.No.	Name / Designation	Remuneration for the year ended		Increase or Decrease %
		31.03.2018 Rs.	31.03.2017 Rs.	
6.	S.A. Subramanian - Company Secretary	5.63 L	5.67 L	(0.7)
	G. Krishnakumar - CFO	4.33 L	4.31 L	0.5
7.	Performance of the Company :			
i)	Revenue (in M)	148.15	135.66	9.2
ii)	Profit / (Loss) (in M)	(60.45)	2.62	-
iii)	Market Capitalisation (in M)	86.27	138.81	(62.2)
iv)	P/E ratio	-Ve	47.6	
v)	Market quotation per share (Closing)	12.12	19.50	(62.2)

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

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 2018

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

v. Address of the Regd.Office and Contact details : 1493, Sathyamangalam Road
Ganapathy Post
Coimbatore – 641 006
Phone : 0422-2531022/2531122
e-mail : srmc@vsnl.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	3562372	–	3562372	50.045	3562872	–	3562872	50.052	+0.007
b) Central Government/ State Government(s)	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	722655	–	722655	10.152	722655	–	722655	10.152	–
d) Financial Institutions/ Banks	–	–	–	–	–	–	–	–	–
e) Any Others(Specify)	–	–	–	–	–	–	–	–	–
TRUSTS	–	–	–	–	–	–	–	–	–
Sub Total(A)(1)	4285027	–	4285027	60.197	4285527	–	4285527	60.204	+0.007
(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)	**4285027**	–	**4285027**	**60.197**	**4285527**	–	**4285527**	**60.204**	**+0.007**
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	–	–	–	–	–	–	–	–	–
b) Financial Institutions / Banks	100	–	100	0.001	100	–	100	0.001	–
c) Central Government/State Government(s)	–	–	–	–	–	–	–	–	–
d) Venture Capital Funds	–	–	–	–	–	–	–	–	–
e) Insurance Companies	–	–	–	–	–	–	–	–	–
f) Foreign Institutional Investors	–	–	–	–	–	–	–	–	–
g) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
h) Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
i) Any Other (specify)	–	–	–	–	–	–	–	–	–
STRESSED ASSETS STABILISATION FUND	741098	–	741098	10.411	715640	–	715640	10.053	-0.358
Sub-Total (B)(1)	**741198**	–	**741198**	**10.412**	**715740**	–	**715740**	**10.054**	**-0.358**
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	67444	15823	83267	1.170	58420	15823	74243	1.043	-0.127
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	480141	362365	842506	11.836	494805	365483	860288	12.087	0.251
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	962945	31791	994736	13.974	986005	31791	1017796	14.298	0.324
c) Others (specify)									
DIRECTORS & THEIR RELATIVES	58232	40150	98382	1.382	58232	35150	93382	1.312	-0.070
NON RESIDENT INDIANS	46616	0	46616	0.655	46616	0	46616	0.655	0.000

CLEARING MEMBERS	546	–	546	0.008	675	–	675	0.009	0.001
HINDU UNDIVIDED FAMILIES	26052	–	26052	0.366	24063	–	24063	0.338	-0.028
Sub-Total (B)(2)	**1641976**	**450129**	**2092105**	**29.391**	**1668816**	**448247**	**2117063**	**29.742**	**0.351**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**2383174**	**450129**	**2833303**	**39.803**	**2384556**	**448247**	**2832803**	**39.796**	**-0.007**
C.Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	**6668201**	**450129**	**7118330**	**100.000**	**6670083**	**448247**	**7118330**	**100.000**	**–**

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.	1440826	20.241	–	1440826	20.241	–	–
NAGASWARNA. L	937364	13.168	–	937364	13.168	–	–
SUHASINI.L.	620776	8.721	–	621276	8.728	–	0.007
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	–	12700	0.178	–	–
TOTAL	4285027	60.196	–	4285527	60.203	–	0.007

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	741098	10.411	715640	10.053
2	SRIKANTH. C .	316450	4.446	316450	4.446
3	GOPISETTY RAVICHANDRA	185865	2.611	187025	2.627
4	GOVINDARAJAN .	105000	1.475	105000	1.475
5	E RANI	79000	1.110	79000	1.110
6	P THIPPANNA CHOWDARY .	40500	0.569	45500	0.639
7	GHANSHYAM KALWANI	39478	0.555	39478	0.555
8	VIMALA. M .	32500	0.457	32500	0.457
9	KANTILAL G VORA	31098	0.437	31098	0.437
10	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.LAKSHMI NARAYANASWAMY .	1440826	20.241	1440826	20.241	–
2	NAGASWARNA. L .	937364	13.168	937364	13.168	–
3	JOTHIKUMAR,N.	12600	0.177	17600	0.247	0.070
4	R. RADHAKRISHNAN	500	0.007	500	0.007	–
5	NARAYANAMOORTHY,R	500	0.007	500	0.007	–

v) Transactions of Promoters of The Company from 01.04.2017 to 31.03.2018

Benpos Date	Folio/Demat ID	Name	PAN	Opening balance	Bought	Sold	Closing balance	% of total shares of the company
01/04/2017	IN30017510001355	LAKSHMINARAYANASWAMY.D.	AARPL8438J	1416826			1416826	19.904
31/03/2018	IN30017510001355	LAKSHMINARAYANASWAMY.D.	AARPL8438J	1416826	–	–	1416826	19.904
01/04/2017	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000			24000	0.337
31/03/2018	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000	–	–	24000	0.337
01/04/2017	IN30017510201305	NAGASWARNA. L	AADPL4837D	896364			896364	12.592
31/03/2018	IN30017510201305	NAGASWARNA. L	AADPL4837D	896364	–	–	896364	12.592
01/04/2017	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000			41000	0.576
31/03/2018	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000	–	–	41000	0.576
01/04/2017	IN30017510001347	SUHASINI.L.	ABPPS1124D	455526			455526	6.399
22/12/2017	IN30017510001347	SUHASINI.L.	ABPPS1124D	455526	500		456026	6.406
31/03/2018	IN30017510001347	SUHASINI.L.	ABPPS1124D	456026	–	–	456026	6.406
01/04/2017	1204500000026891	SUHASINI. L .	ABPPS1124D	165250			165250	2.321
31/03/2018	1204500000026891	SUHASINI. L .	ABPPS1124D	165250	–	–	165250	2.321
01/04/2017	IN30017510359994	SWATHY. L	ACAPS0385G	449656			449656	6.317
31/03/2018	IN30017510359994	SWATHY. L	ACAPS0385G	449656	–	–	449656	6.317
01/04/2017	1204500000026908	SWATHY. L .	ACAPS0385G	113750			113750	1.598
31/03/2018	1204500000026908	SWATHY. L .	ACAPS0385G	113750	–	–	113750	1.598
01/04/2017	IN30017510498556	SWATHY PROCESSORS LIMITED	AACCS4776Q	326942			326942	4.593
31/03/2018	IN30017510498556	SWATHY PROCESSORS LIMITED	AACCS4776Q	326942	–	–	326942	4.593
01/04/2017	IN30017510502508	SUHASINI SPINNERS LIMITED	AAECS2055E	258563			258563	3.632
31/03/2018	IN30017510502508	SUHASINI SPINNERS LIMITED	AAECS2055E	258563	–	–	258563	3.632
01/04/2017	IN30017510498846	SRI RAMAKRISHNA YARN CARRIERS LIMITED	AADCS0627D	124450			124450	1.748
31/03/2018	IN30017510498846	SRI RAMAKRISHNA YARN CARRIERS LIMITED	AADCS0627D	124450	–	–	124450	1.748
01/04/2017	IN30017510496066	SRI JAGANATHA TEXTILES LIMITED	AACCS7192L	12700			12700	0.178
31/03/2018	IN30017510496066	SRI JAGANATHA TEXTILES LIMITED	AACCS7192L	12700	–	–	12700	0.178

vi) Transactions of Top 10 Shareholders of the Company from 01.04.2017 to 31.03.2018

Benpos Date	Folio/Demat ID	Name	PAN	Opening balance	Bought	Sold	Closing balance	% of total shares of the company
01/04/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	741098			741098	10.411
21/04/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	741098		3500	737598	10.362
28/04/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	737598		591	737007	10.354
19/05/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	737007		3550	733457	10.304
26/05/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	733457		1	733456	10.304
02/06/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	733456		1500	731956	10.283
16/06/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	731956		1	731955	10.283
23/06/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	731955		50	731905	10.282
14/07/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	731905		260	731645	10.278
21/07/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	731645		275	731370	10.274
28/07/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	731370		300	731070	10.270
04/08/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	731070		300	730770	10.266
11/08/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	730770		75	730695	10.265
08/09/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	730695		63	730632	10.264
30/09/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	730632		3519	727113	10.215
06/10/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	727113		1657	725456	10.191
20/10/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	725456		5200	720256	10.118
08/12/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	720256		406	719850	10.113
29/12/2017	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	719850		4210	715640	10.053
31/03/2018	IN30045012719558	STRESSED ASSETS STABILIZATION FUND	AAETS8709G	715640	–	–	715640	10.053
01/04/2017	1204500000000691	SRIKANTH. C .	ABHPS5947E	316450			316450	4.446
31/03/2018	1204500000000691	SRIKANTH. C .	ABHPS5947E	316450	–	–	316450	4.446
01/04/2017	IN30039418453107	GOPISETTY RAVICHANDRA	AKKPR2617L	185865			185865	2.611
23/03/2018	IN30039418453107	GOPISETTY RAVICHANDRA	AKKPR2617L	185865	1160		187025	2.627
31/03/2018	IN30039418453107	GOPISETTY RAVICHANDRA	AKKPR2617L	187025	–	–	187025	2.627
01/04/2017	1204920000141062	GOVINDARAJAN .	AIXPG4838R	105000			105000	1.475
31/03/2018	1204920000141062	GOVINDARAJAN .	AIXPG4838R	105000	–	–	105000	1.475
01/04/2017	IN30021412774107	E RANI	AJYPR2963E	79000			79000	1.110
31/03/2018	IN30021412774107	E RANI	AJYPR2963E	79000	–	–	79000	1.110
01/04/2017	1205450000175064	P THIPPANNA CHOWDARY .	AQZPP4036C	40500			40500	0.569
27/10/2017	1205450000175064	P THIPPANNA CHOWDARY .	AQZPP4036C	40500	5000		45500	0.639
31/03/2018	1205450000175064	P THIPPANNA CHOWDARY .	AQZPP4036C	45500	–	–	45500	0.639
01/04/2017	IN30047640432775	GHANSHYAM KALWANI	AJHPK3622Q	39478			39478	0.555
31/03/2018	IN30047640432775	GHANSHYAM KALWANI	AJHPK3622Q	39478	–	–	39478	0.555
01/04/2017	1204500000027707	VIMALA. M .	AJMPV6029P	32500			32500	0.457
31/03/2018	1204500000027707	VIMALA. M .	AJMPV6029P	32500	–	–	32500	0.457
01/04/2017	IN30045010213608	KANTILAL G VORA	ABAPV2328K	31098			31098	0.437
31/03/2018	IN30045010213608	KANTILAL G VORA	ABAPV2328K	31098	–	–	31098	0.437
01/04/2017	1205860000056590	SUDHARSHINI VARADARAJ	ADDPV1738J	29872			29872	0.420
31/03/2018	1205860000056590	SUDHARSHINI VARADARAJ	ADDPV1738J	29872	–	–	29872	0.420

vii) Transactions of Directors and KMP of The Company from 01.04.2017 to 31.03.2018

Benpos Date	Folio/Demat ID	Name	PAN	Opening balance	Bought	Sold	Closing balance	% of total shares of the company
01/04/2017	IN30017510001355	LAKSHMINARAYANASWAMY.D.	AARPL8438J	1416826			1416826	19.904
31/03/2018	IN30017510001355	LAKSHMINARAYANASWAMY.D.	AARPL8438J	1416826	–	–	1416826	19.904
01/04/2017	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000			24000	0.337
31/03/2018	1204500000022616	D.LAKSHMI NARAYANASWAMY .	AARPL8438J	24000	–	–	24000	0.337
01/04/2017	IN30017510201305	NAGASWARNA. L	AADPL4837D	896364			896364	12.592
31/03/2018	IN30017510201305	NAGASWARNA. L	AADPL4837D	896364	–	–	896364	12.592
01/04/2017	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000			41000	0.576
31/03/2018	1204500000026887	NAGASWARNA. L .	AADPL4837D	41000	–	–	41000	0.576
01/04/2017	B0154	JOTHIKUMAR,N.	ACFPJ3479D	12600			12600	0.177
24/02/2018	B0154	JOTHIKUMAR,N.	ACFPJ3479D	12600	5000	–	17600	0.247
17/03/2018	B0154	JOTHIKUMAR,N.	ACFPJ3479D	17600	17600	–	35200	0.494
17/03/2018	B0154	JOTHIKUMAR,N.	ACFPJ3479D	35200	–	17600	17600	0.247
31/03/2018	B0154	JOTHIKUMAR,N.		17600			17600	0.247
01/04/2017	E3101	R. RADHAKRISHNAN		500			500	0.007
31/03/2018	E3101	R. RADHAKRISHNAN		500			500	0.007
01/04/2017	E0992	NARAYANAMOORTHY,R		500			500	0.007
31/03/2018	E0992	NARAYANAMOORTHY,R		500			500	0.007

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) From Banks - Term Loans	397.01	–	397.01
From Banks - Long Term			
ii) From Directors		1326.85	1326.85
iii) Inter corporate Loan		197.56	197.56
iv) Interest due but not paid	3.35	–	3.35
v) Interest accrued but not due	5.50	–	5.50
Current Liabilities-Financial Liabilities: Borrowings			
From Banks			
Cash credit facility	72.78		72.78
Letter of credit	615.93		615.93
Others			
From Directors		506.48	506.48
	1094.57	2030.89	3125.46
Change in indebetedness during the financial year			
Addition	–	336.91	336.91
Reduction	179.40	189.01	368.41
Net change Indebtedness At the end of the financial year			
Long Term Borrowings			
i) From Banks - Term Loans	217.61		217.61
ii) From Directors		1228.02	1228.02
iii) Inter corporate Loan		255.38	255.38
iv) Interest accrued but not due	4.98	–	4.98
Current Liabilities-Financial Liabilities: Borrowings			
From Banks			
Cash credit facility	60.34		60.34
Letter of credit	600.00		600.00
Others	20.00		
From Directors		695.39	695.39
	902.93	**2178.79**	3061.72

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 –	22.78 –
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961 : Bonus PF	– 0.22	– 0.22
c)	Profits in lieu of salary under sec.17(3) of Income Tax Act, 1961 : Medical	–	1.80
2.	Stock option	–	–
3.	Sweat Equity	–	–
4.	Commission – As % of profit – Others - specify	–	–
5.	Others	–	–
	Total (A)	**42.22**	**24.80**

B. REMUNERATION TO OTHER DIRECTORS:

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		N. Jothikumar	R. Narayanamurthy	R.Radhakrishnan	
3. a)	Independent Directors Fee for attending Board/Committee Meetings	Rs 34,000	Rs 26,000	Rs 14,000	Rs 74,000
b)	Commission	–	–	–	–
c)	Others, please specify	–	–	–	–
	Total (i)	**34,000**	**26,000**	**14,000**	**74,000**
4. i)	Other Non-Executive Directors Fee for attending Board/Committee Meetings	–	–	–	–
b)	Commission	–	–	–	–
c)	Others	–	–	–	–
	Total (ii)	–	–	–	–
	Total (B) = (i+II)	**34,000**	**26,000**	**14,000**	**74,000**
	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)	3.00	2.82
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961 : HRA	1.33	0.56
	TA	0.78	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	0.27	0.25
2.	Stock option	–	–
3.	Sweat Equity	–	–
4.	Commission - As % of profit - Others - specify	–	–
5.	Others	–	–
	Total	**5.63**	**4.33**

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			NIL		
Punishment					
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

Investment made to Dove Real Estates (Firm) : Rs. 0.83 lakhs

(Subsequently, became a Subsidiary of the Company w.e.f. 02.06.2017)

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 02.06.2017 to 31.03.2018
4.	Reporting Currency	INR
5.	Share Capital	Rs.1,00,000/-
6.	Reserves & Surplus	Rs. (11,685)
7.	Total Assets	Rs.10,002,185/-
8.	Total Liabilities	Rs.9,913,871/-
9.	Investments	--
10.	Turnover	Rs.1000
11.	Profit before taxation	Rs.(11,685)
12.	Provision for taxation	Nil
13.	Profit after taxation	Rs.(11,685)
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	Dove Real Estates	Doral Real Estates Private Ltd
1.	Latest Audited Balance Sheet Date	From 01.04.2017 To 01.06.2017	From 02.06.2017 To 31.03.2018
2.	Share of Associate / Joint Venture held by the Company on the year end	98%	98%
3.	Amount of investment in Associates / Joint Venture	Rs.98,000/-	Rs.98,000/-
4.	Description of how there is significant influence	Note-2	Subsidiary of the company
5	Reason why the Associate / Joint Venture is not consolidated	Since it is a Firm	Not applicable
6	Networth attributable to shareholding as per latest audited Balance Sheet	Not applicable	86549
7.	Profit/(Loss) for the year	(0.10)*	(0.12) *

Note : 1. Dove Real Estates, a Partnership Firm converted into a Private Ltd company.
2. The company and Managing Director are Partners in the Firm
3. * Considered in the Companys' Statement of Profit and Loss.

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	01.04.2017 to 31.03.2018	Rs.1.83 lakhs	Prior approval of the Audit Committee obtained and then reviewed periodically at the quarterly meetings	---
		Purchase of materials	01.04.2016 to 31.03.2017	Rs.3.33 lakhs		
2)	Swathy Processors Ld	Rendering of Services	01.04.2017 to 31.03.2018	Rs.29.56 lakhs		---
		Availing of Services	01.04.2017 to 31.03.2018	Rs.2.48 lakhs		
3)	Sri Jaganatha Ginning & Oil Mills	Leasing of property	01.04.2017 to 31.03.2018	Rs. 2.40 lakhs		----
		Purchase of Materials	01.04.2017 to 31.03.2018	Rs.94.28 lakhs		
4)	Sri Jaganatha Agencies	Purchase of Materials	01.04.2017 to 31.03.2018	Rs.76.36 lakhs		
5)	Dove Real Estates	Share of Loss	01.04.2017 to 01.06.2017	Rs.0.09 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 : 10.08.2018

N. JOTHIKUMAR
Director
(DIN : 00028025)

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

Textile Sector, the second largest manufacturing industry, is the top foreign exchange earner for the Country providing employment to over 105 million people attracting both domestic and overseas investments on a regular basis.

Textile being a basic need, its demand driven growth is certain globally. The cyclical phenomena of ups and downs in the industry is common which the industry has witnessed in the past and has overcome the challenges with more energy, innovation and strength.

Opportunities and Threats

It is expected that India is to emerge as a leading manufacturer of stretch and functional clothing for export as well as for domestic consumption with its young population focusing more on fashion and comfort.

The government continues offering incentives after having launched special schemes like global branding of Indian Textile Products. All the segments of the industry will get benefited a lot and make big strides. Thus India continues to be a front runner in the global textile trade.

The domestic textile industry is currently passing through a difficult phase. Amidst Prime Minister's "Make in India" initiative, the manufacturing sector has recorded sharp decline in growth. It is also opined that the factors affected the growth include implementation of GST (led to destocking) and demonetization (affecting consumer demand and SME segment).

Outlook

Supported by the good monsoon India is set to witness a robust cotton output which is likely to be 10-12% higher as compared to the previous year. Consequently, this will put pressure on the cotton price. But an increase in Minimum Support Price for cotton could make prices bullish. With Dollar hovering around Rs.70, garment exports could pick up which will help the industry.

The government initiatives for modernization and development of weaving, processing and garmenting will bring in value addition in the textile sector which in turn will also aid growth of the spinning segment. Also, the initiatives like establishment of integrated textile clusters / parks will boost growth of textile sector during the current and future years.

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.

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

Plate : Coimbatore
Date : 10.08.2018

D. LAKSHMINARAYANASWAMY
Managing Director
(DIN : 00028118)

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 31.03.2018 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 : 30.05.2018

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 shareholder value on a sound basis.

2) Board of Directors

As on 31.03.2018, the Board comprised of Sri.D.Lakshminarayanaswamy as the Managing Director and Sri.N Jothikumar, Sri.R.Narayanamurthy and Sri.R.Radhakrishnan as the Independent Directors and Smt.L.Nagaswarna as Wholetime Director.

The table below gives the particulars of attendance of each director at the Board Meetings held during the year ended 31.03.2018 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 Directorships in other public limited companies (5)	No. of Membership in Board Committee of other companies (6)	No. of shares held (7)
Sri D Lakshminarayanaswamy	00028118	Managing Director	6	Present	5	Nil	1440826
Sri N Jothikumar	00028025	Independent	6	"	Nil	Nil	17600
Sri. R.Narayanamurthy	00028158	Independent	6	"	1	Nil	500
Sri R Radhakrishnan	00028190	Independent	4	"	Nil	Nil	500
Smt L Nagaswarna	00051610	Wholetime Director	6	"	3	Nil	937364

Board Meetings

From 01.04.2017 to 31.03.2018, Six (6) Board meetings were held on the following dates:

05.05.2017, 30.05.2017, 27.07.2017, 05.09.2017, 12.12.2017 & 14.02.2018

3) Committees of the Board

a) Nomination and Remuneration Committee

Nomination and Remuneration Committee constituted according to the provisions of the Companies Act, 2013, consists of the following members :-

1. Sri.N. Jothikumar : Chairperson
2. Sri.R. Narayanamurthy : Member
3. Sri.R. Radhakrishnan : Member

The Committee has been formed to recommend the appointment / re-appointment of the Executive and Non-Executive Directors, induction of the Board Members into various Committees. The Committee shall formulate the criteria for determining qualification, positive attributes and independence of directors and recommend to the Board, policy relating to the membership for the Directors, Key Management Personnel and other employees. They would also carry out evaluation of every director's performance.

This committee comprises entirely of independent directors and met as and when required.

Remuneration paid to Non-Executive Directors for the year ended 31.03.2018.

Sl. No.	Director	Sitting Fees (Rs.)
1	Sri N Jothikumar	34000
2	Sri R Narayanamurthy	26000
3	Sri R Radhakrishnan	14000

b) Audit Committee

Audit Committee consists of the following Directors :

1. Sri N Jothikumar - Chairperson
2. Sri R Narayanamurthy - Member
3. Sri D Lakshminarayanaswamy - Member

The Company Secretary is the convenor.

The Audit Committee shall act in accordance with the terms of reference specified by the Board which inter alia includes.

i) Recommendation for appointment , remuneration and terms of appointment of auditors of the Company.

ii) Review and monitor the Auditors' independence and performance and effectiveness of audit process.

iii) Examination of the Financial Statement and the Auditor's Report thereon.

iv) Approval or any subsequent modification of transactions of the Company with related parties.

v) Scrutiny of inter corporate loans and investments.

vi) Valuation of undertakings or assets of the company wherever it is necessary.

vii) Evaluation of internal financial controls and risk management systems.

viii) Monitoring the end use of fund raised through public offers and related matters.

ix) Review of Management Discussion and Analysis of financial condition and results.

Further, the Audit Committee may call for comments of the Auditors about internal control systems the scope of audit including the observations of the auditors and review of financial statements before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the company.

The Audit Committee is also empowered to investigate into any matter in relation to the items mentioned above or reported to by the Board and for this purpose it can obtain professional advice from external sources and have full access to information contained in the records of the Company

The Company has established a vigil mechanism for Directors and Employees to report genuine concerns or grievances. It provides adequate safeguards against victimization of persons who use the vigil mechanism and also direct access to the chairperson of the Audit Committee, wherever necessary.

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

The Audit Committee met five times on 26.05.2017, 26.07.2017, 02.08.2017, 11.12.2017 & 12.02.2018

The attendance during the year is as under:-

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

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. N. Jothikumar - Chairperson

ii. Sri. R. Radhakrishnan - 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 five meetings of this Committee during the Financial Year ended 31.03.2018 – viz. on 26.05.2017, 26.07.2017, 02.09.2017, 11.12.2017 & 12.02.2018. All the above members attended the above 5 meetings.

As on 31.03.2018, 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	Thursday	28.09.2017	11.00 a.m.
2.	No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006	Monday	12.09.2016	09.00 a.m.
3.	No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006	Wednesday	16.09.2015	09.00 a.m.

During 2017-18, 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 AGM and had engaged Central Depository Services (India) Ltd, Mumbai in this regard. The company had appointed Smt.Sasirekha Vengatesh (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 AGM were communicated to BSE and also hosted in the Company's website and also published in the newspapers.

5. General Shareholder Information:

1	71st AGM to be held on : Day Date Time Venue	 Thursday 27.09.2018 9.00 a.m. Regd.Office:No.1493, Sathyamangalam Road, Ganapathy Post, Coimbatore-641006
2	Date of Book Closure	From 21.09.2018 to 27.09.2018
3	Financial Calendar: Results announced Posting of Annual Reports Last date of Receipt of Proxy Forms Announcement of Quarterly Results	 30.05.2018 First week of September 2018 25.09.2018 August 2018 / November 2018 / February 2019 / May 2019
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 : srmc@vsnl.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:

66,68,201 shares representing 93.70% 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.

Securities & Exchange Board of India (SEBI) has issued a Circular to all Listed Companies on July 5, 2018 stating that the transfer of securities would be carried out only in dematerialized form after December 5, 2018.

In view of the recent circular from SEBI, it is necessary for members holding shares in physical form to convert their holdings into dematerialized form on or before 05.12.2018.

In case the shares in physical form are not converted into dematerialized form after 05.12.2018, no transfer / transmission of shares may be carried out according to SEBI's amendment to Regulation 40 of SEBI (LO & DR) Regulations 2015, dt.05.07.2018.

In the dematerialized form, the membership and transfer of Securities takes place by means of electronic book entries. This provides numerous benefits. Dealing in physical securities is open to risks like theft of shares, mutilation of Certificates, loss of Certificates during movements to and from the Registrar and Share Transfer Agents. This problem does not arise in the dematerialized form. There is no stamp duty for transfer of shares in electronic form unlike the physical form of securities. In the dematerialized form once the securities are credited to the members' account, they become the legal owner of the securities. There is no further need to send the securities to the company's Registrar and Share Transfer Agents. Thus, it provides, lower risk, easy holding and reduced costs.

This would also facilitate the company and members to support the green initiative measures launched by the Ministry of Corporate Affairs, Government of India.

This information is displayed on the website of the company.

7) Market Price Data

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

Month	B S E	
	High (Rs)	Low (Rs.)
April 2017	19.00	18.00
May "	17.10	14.70
June "	15.75	15.00
July "	16.50	15.25
August "	16.00	15.20
September "	16.65	15.00
October "	15.95	14.50
November "	14.50	14.50
December "	15.20	13.73
January 2018	14.50	13.25
February "	14.00	13.50
March "	13.50	12.12

8) Distribution of Shareholding as on 31ST March 2018

Range (No.of shares)	No.of Shareholders	No.of shares	% to total shares
Upto 5000	2000	802388	11.27
5001 – 10000	21	141631	1.99
10001 – 20000	18	237635	3.34
20001 – 30000	4	112158	1.58
30001 – 40000	3	103076	1.45
40001 – 50000	1	45500	0.64
50001 – 100000	1	79000	1.11
100001 and above	11	5596942	78.62
Total	2059	7118330	100.00

9) Categories of Shareholding as on 31st March 2018

Category	No.of shareholders	No.of shares	% to total shares
Promoters' Holding	8	4285527	60.20
Directors & Relatives	8	93382	1.32
Corporate Bodies	41	74918	1.05
Banks	1	100	0.00
Financial Institutions	1	715640	10.06
N R I	6	46616	0.65
Other Public	1994	1902147	26.72
Total	2059	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 : srmc@vsnl.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 2018 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, 2018 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 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 : 10.08.2018

Auditors' Certificate on Compliance of Conditions of Corporate Governance as per as per Clause 49 of the Listing Agreement with the Stock Exchange.

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, 2018.

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.

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

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.05.2018

FORM NO. MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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,2018 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, 2018 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.

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 time to time.

b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with the client.

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

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

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

h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998

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 during the audit period, M/s DORAL REAL ESTATES PRIVATE LIMITED (Erstwhile a partnership firm under the name DOVE REAL ESTATES in which Company was a Partner) has become subsidiary of the Company (Sri Ramakrishna mills(Coimbatore) Limited.

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

Place : Coimbatore
Date : 10.8.2018

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 secretarial records. 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 and books 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

Place : Coimbatore
Date : 10.8.2018

Independent Auditor's Report

To the Members of Sri Ramakrishna Mills (Coimbatore) Limited

Report on the Ind-AS Standalone Financial Statements

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 2018, the statement of Profit and Loss including other comprehensive income, the Cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statement.

Opinion

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,

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.
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 the Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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"; and
   (g) 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 - 41 to the standalone financial statements
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, wherever applicable.
      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 and
      iv. The disclosures in the standalone Ind-AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

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

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.05.2018

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 2018, 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 fixed assets are verified in a phased manner designed to cover all the items over a period of three years. In accordance with this programme, certain 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 2018, a total net amount of Rs.216.27 Lakhs remained as Advances from two parties (Previous Year Rs.576.37 Lakhs from three parties)

b The management has represented that out of the above, an amount of Rs.97.45 Lakhs (Previous Year Rs.97.55 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.

c The management has represented that the remaining net balance amount of Rs.118.81 Lakhs (Previous Year Rs.250.79 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.

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 to Two Parties for a total net amount of Rs.216.27 Lakhs (Previous Year Rs.576.37 Lakhs from three parties) as on March 31, 2018, we have taken into account the representations made by the management and based on our examination, in our opinion they donot partake the character of Loans covered under Sec.185 and 186. Further we report that the Company has not made/given any other Loans, Investments, Guarantees and security falling within the purview of Section.185 and Sec.186 of the Companies Act,2013 and therefore the question of reporting compliance there under does not arise.

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 and other 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, 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 on the basis of 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 been generally regularly deposited during the year by the Company with the appropriate authorities though the delays in deposit have not been serious.

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 2018 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.12.73 Lakhs. The management explained that such arrear Tax deducted at source has not 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	Addl. Sales tax	7.43	A.Y.2004-05 to A.Y.2006-07	Hon'ble Madras High Court
TNGST	Sales tax	54.59	A.Y.1995-96	Hon'ble Madras High Court
TNGST	Sales tax	89.37	A.Y.1999-00	Hon'ble Madras High Court
TNGST	Sales Tax	61.66*	A.Y.1998-99	Hon'ble Madras High Court
TNGST	Sales Tax,AST	121.97	A.Y.2000-01	Hon'ble Madras High Court
Customs	Customs duty on Cotton	8.26	A.Y.2003-04	Hon'ble Madras High Court
APEB	Fuel Surcharge adjustment	3.20	July 2012 and November 2012	Hon'ble AP High Court
* [Rs.31 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, excepting permitted overdrawing by South Indian Bank (Lender) as at March 31, 2018 aggregating to Rs.174.20 Lakhs (Period of such Permitted Overdrawing is 1 month for Letter of Credit and 2 months for Term Loans)

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 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, 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 : 30.05.2018

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 2018 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 2018, 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 : 30-05-2018

BALANCE SHEET AS AT 31st MARCH 2018

(₹ in Lakhs)

PARTICULARS		Note No	As at 31.03.2018	As at 31.03.2017	As at April 1,2016
ASSETS					
Non-Current Assets					
Property, plant and equipment		4	**821.48**	884.40	972.95
Financial Assets					
Investments		5	**0.98**	2.83	1.99
Loans		6	**-**	-	-
Other Financial Asset		7	**215.78**	215.75	219.13
Deferred tax asset		8	**1,398.24**	1,176.87	1,176.87
Other non-current assets		9	**309.81**	637.67	848.83
Total non-current assets			**2,746.30**	2,917.52	3,219.77
Current assets					
Inventories		10	**2,340.86**	2,343.44	1,899.64
Financial Assets					
Trade receivables		11	**134.19**	181.80	147.68
Cash and cash equivalents		12	**5.56**	2.10	4.26
Bank balances other than above		13	**70.25**	65.69	60.39
Other current assets		14	**75.94**	149.18	214.01
Total current assets			**2,626.79**	2,742.21	2,325.98
	TOTAL ASSETS		**5,373.09**	5,659.73	5,545.75
EQUITY AND LIABILITIES					
Equity					
Equity share capital		15	**711.83**	711.83	711.83
Other equity		16	**(598.11)**	(211.88)	(220.39)
Total equity			**113.72**	499.95	491.44
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings		17	**1,555.68**	1,820.23	1,502.93
Other		18	**450.00**	450.00	542.00
Provisions		19	**123.59**	130.14	125.10
	TOTAL NON-CURRENT LIABILITIES		**2,129.27**	2,400.37	2,170.03
Current liabilities					
Financial liabilities					
Borrowings		20	**1,375.73**	1,195.19	990.09
Trade payables		21	**544.53**	440.88	677.64
Other current liabilities		22	**1,100.43**	1,053.07	1,145.11
Short Term Provisions		23	**109.40**	70.27	71.44
Total current liabilities			**3,130.10**	2,759.41	2,884.28
	TOTAL LIABILITIES		**5,259.36**	5,159.78	5,054.31
	TOTAL EQUITY AND LIABILITIES		**5,373.09**	5,659.73	5,545.75

The accompanying notes form an integral part of the financial statements
For and on behalf of the Board of Directors

As per our report of even date attached

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

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

N. Jothikumar
Director
(DIN : 00028025)

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

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Sasirekha Vengatesh
Chartered Accountant
Internal Auditor
M.No. 200464

Place : Coimbatore
Date : 30.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Lakhs)

	PARTICULARS	Note No	Year ended 31.03.2018	Year ended 31.03.2017
	CONTINUING OPERATIONS			
A	**Income**			
	Revenue from operations	24	**1,332.99**	1,088.35
	Other income	25	**148.50**	269.31
	Total income		**1,481.49**	1,357.66
B	**Expenses**			
	Cost of materials consumed	26	**932.95**	683.96
	Changes in inventories of finished goods	27	**2.90**	67.98
	Power and Fuel Expenses		**267.46**	230.30
	Employee Benefits Expense	28	**424.83**	371.21
	Depreciation and amortisation expense	29	**39.38**	64.32
	Other Expenses	30	**179.60**	174.86
	Finance costs	31	**238.82**	260.09
	Total expenses		**2,085.94**	1,852.72
C	**Profit before exceptional items and tax**		**(604.45)**	(495.06)
	Exceptional items	32	**-**	497.68
D	**Profit before tax from continuing operations**		**(604.45)**	2.62
	Income tax expense			
	Current tax	33	**-**	-
	Deferred tax charge/ (credit)		**(220.40)**	(1.82)
	Profit for the year		**(384.05)**	4.44
E	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**(3.15)**	5.89
	Loss on Fair Value of Investments		–	–
	Income tax relating to these items		**0.97**	(1.82)
	Other comprehensive income for the year, net of tax		**(2.18)**	4.07
	Total comprehensive income for the year		**(386.23)**	8.51
	Earnings per share			
	Basic earnings per share	34	**(5.40)**	0.06
	Diluted earnings per share		**(5.40)**	0.06

The accompanying notes from an integral part of the financial statements
For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

In terms of our Report of even date
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 : 30.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Lakhs)

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A)	**Cash Flow from Operating Activities:**		
	Profit before income tax	**(604.45)**	2.62
	Adjustments for		
	Surplus on conversion of Land into Stock in Trade etc	**-**	(497.68)
	Depreciation and amortisation expense	**39.38**	64.32
	(Profit)/ Loss on sale of fixed asset	**(102.16)**	(17.78)
	Fair value changes of investments considered to profit and loss	**-**	-
	Interest received	**(9.10)**	(11.72)
	Lease Rent	**(4.23)**	(4.23)
	Finance costs	**238.82**	260.09
		(441.75)	(204.38)
	Change in operating assets and liabilities		
	(Increase)/ decrease in loans	**-**	-
	(Increase)/ decrease in Other financial assets	**(0.03)**	3.38
	(Increase)/ decrease in inventories	**2.58**	75.07
	(Increase)/ decrease in trade receivables	**47.61**	(34.12)
	(Increase)/ decrease in Other assets	**399.00**	271.93
	Increase/ (decrease) in provisions and other liabilities	**80.66**	(168.02)
	Increase/ (decrease) in trade payables	**103.65**	(236.76)
	Cash generated from operations	**191.73**	(292.90)
	Less : Income taxes paid (net of refunds)	**(1.14)**	2.42
	Net cash from operating activities (A)	**190.59**	(290.48)
B)	**Cash Flows From Investing Activities**		
	Purchase of PPE (including changes in CWIP)	**-**	-
	Sale proceeds of PPE (including changes in CWIP)	**125.70**	20.82
	(Purchase)/ disposal proceeds of Investments	**1.85**	(0.83)
	(Investments in)/ Maturity of fixed deposits with banks	**(4.56)**	(5.30)
	Lease Rent	**4.23**	4.23
	Interest income	**12.34**	13.36
	Net cash used in investing activities (B)	**139.57**	32.28
C)	**Cash Flows From Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	**(264.55)**	317.30
	Proceeds from/ (repayment of) short term borrowings	**180.54**	205.10
	Finance costs	**(242.69)**	(266.36)
	Net cash from/ (used in) financing activities (C)	**(326.70)**	256.04
	Net decrease in cash and cash equivalents (A+B+C)	**3.46**	(2.16)
	Cash and cash equivalents at the beginning of the financial year	**2.10**	4.26
	Cash and cash equivalents at end of the year	**5.56**	2.10

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	**5.03**	1.61
- in Margin money deposit account	**-**	-
Cash on hand	**0.53**	0.49
	5.56	2.10

The accompanying notes from an integral part of the financial statements

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2018

In terms of our Report of even date
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 CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity Share Capital

Balance at the beginning of April 1, 2016	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2017	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	711.83

(B) Other Equity

Particulars	General Reserve	Capital Reserve-Land	Securities Premium	Revaluation Reserve - Land	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2016	-	1,791.81	1,081.07	-	-	(3,093.27)	(220.39)
Additions/ (deductions) during the year	-	-	-	-	-	4.44	4.44
Total Comprehensive Income for the year	-	-	-	-	4.07	-	4.07
Ind AS adjustments	-	514.73			-	(514.73)	(0.00)
Balance as at March 31, 2017	-	2,306.54	1,081.07	-	4.07	(3,603.56)	(211.88)
Additions/ (deductions) during the year	-	-	-	-	-	(384.05)	(384.05)
Total Comprehensive Income for the year	-	-	-	-	(2.18)	-	(2.18)
Balance as at March 31, 2018	-	2,306.54	1,081.07	-	1.89	(3,987.61)	(598.11)

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)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2018

In terms of our Report of even date

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 Companies (Indian Accounting Standards) Amendment Rules, 2016.

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, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 53 for information on how the Company adopted Ind AS.

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 May 30, 2018.

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:

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 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 recoverable amount of such assets. The assumptions used in computing the 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.

NOTES TO FINANCIAL STATEMENTS (Contd...)

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

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)

b. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated."

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.

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.

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

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Revenue from Real Estate

Revenue from real estate activity is recognized to the extent that it is probable that the economic benefits will flow to the Company, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

During the Year under Report no substantial real estate development and transfer of significant risks and rewards of ownership took place, and therefore no Income is recognized from the activity, which is yet to be pursued.

Commission Income

Commission Income is recognised when the services are rendered as per the terms of the agreement 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 significant risk and rewards. It comprises of invoice value of goods including excise duty excluding applicable taxes on sale.

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, if the escalation is not a compensation for increase in cost inflation index.

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.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. 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, over the useful lives specified in Schedule II to the Companies Act, 2013.

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: 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. Excise Duty is exempted on finished grey goods.

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.

NOTES TO FINANCIAL STATEMENTS (Contd...)

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.

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:

NOTES TO FINANCIAL STATEMENTS (Contd…)

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 18.

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 17

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:

Name of the financial asset	Impairment Testing Methodology
Trade 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, financial guarantee contracts and derivative financial instruments.

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 asset
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.

NOTES TO FINANCIAL STATEMENTS (Contd...)

Financial guarantee contracts

"A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.""Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.""

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.

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 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.

NOTES TO FINANCIAL STATEMENTS (Contd...)

k) 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.

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 the tax returns 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.

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 created, 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.

l) 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.

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.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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.

m) 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.

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

NOTES TO FINANCIAL STATEMENTS (Contd...)

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

n) 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.

o) 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.

p) 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.

q) 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.

r) 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)	Buildings (cost)	Plant and Machinery	Furniture and Fittings	Computer	Vehicles	Office Equipment	Library	Total	Intangible Assets - Software
Deemed Cost as at April 1, 2016	281.05	162.30	500.96	0.20	1.11	26.84	0.49	-	972.95	-
Additions									-	-
Disposals	(21.19)		(59.81)	-	-		-	-	(81.00)	-
Cost as at March 31, 2017	259.86	162.30	441.15	0.20	1.11	26.84	0.49	-	891.95	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(296.02)	-	-	-	-	-	(296.02)	-
Cost as at March 31, 2018	259.86	162.30	145.13	0.20	1.11	26.84	0.49	-	595.93	-
Depreciation/Amortisation										
Charge for the year	-	12.26	41.55	-	0.26	10.25			64.32	-
Disposals	-		(56.77)						(56.77)	-
As at March 31, 2017	-	12.26	(15.22)	-	0.26	10.25	-	-	7.55	-
Charge for the year	**-**	**9.46**	**24.27**	**-**	**0.07**	**5.58**	**-**	**-**	**39.38**	**-**
Ind AS Adjustments	-	-	-	-	-	-	-	-	-	
Disposals	-	-	(272.48)	-	-	-	-	-	(272.48)	-
As at March 31, 2018	**-**	**21.72**	**(263.43)**	**-**	**0.33**	**15.83**	**-**	**-**	**(225.55)**	**-**
Net Block										
As at April 1, 2016	281.05	162.30	500.96	0.20	1.11	26.84	0.49	-	972.95	-
As at March 31, 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	-

PARTICULARS	**As at 31.03.2018**	**As at 31.03.2017**	As at April 1, 2016
5 NON-CURRENT INVESTMENTS			
Investment in Subsidiaries (Unquoted)			
9800 Equity shares (Prev year Nil)of Rs.10 each fully paid in	**0.98**	-	-
Doral Real Estates Private Limited	**-**	-	-
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	0.20
10000 Equity shares (Prev year 10000)of Rs.10 each fully paid in Cosco Ltd	**1.00**	1.00	1.00
Investment in mutual fund (Unquoted)	**-**	**-**	**-**
Investment in Government Securities - FVOCI			
7 years National Savings Certificate	**0.01**	0.01	0.01
6 years National Savings Certificate	**0.63**	0.63	0.62
Indra Vikas Patra	**0.01**	0.01	0.01
Investment in the Capital of Partnership Firm - (Having Control)	-	0.98	0.15
Less: Impairment in value of investments in Equity Shares & Govt Secs	**(1.85)**	**-**	**-**
Total	**0.98**	2.83	1.99
Total non-current investments			
Aggregate amount of quoted investments	**-**	-	-
Aggregate market value of quoted investments	**-**	**-**	**-**
Aggregate cost of unquoted investments	**2.83**	2.83	1.99
Aggregate amount of impairment in value of investments	**1.85**	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS (₹ in Lakhs)

Details regarding Investment in the Capital of Partnership Firm (Dove Real Estate)	Percentage March 31, 2018	Percentage March 31, 2017	Percentage April 1, 2016
Name of the partner	#		
Sri Ramakrishna Mills (CBE) Limited	NA	98.00	98.00
Sri. D. Lakshminarayanaswamy	NA	0.50	2.00
Smt.L.Nagaswarna	NA	0.30	-
Smt.R.Suhasini	NA	0.30	-
Smt.L.Swathy	NA	0.30	-
Sri.P.muthusamy	NA	0.30	-
Sri.N.M.Ethirajan	NA	0.30	-

- Percentage not applicable for March 31, 2018 since the Partnership was converted as a Private Limited Company under the Companies Act, 2013.

	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1, 2016
6	**OTHER NON- CURRENT FINANCIAL ASSETS**			
	(Unsecured considered good)	**–**	–	–
	Total	**–**	–	–
7	**OTHER NON-CURRENT FINANCIAL ASSETS** (Unsecured considered good)			
	Security Deposits	**215.78**	215.75	219.13
	Total	**215.78**	215.75	219.13
8	**DEFERRED TAX ASSET (Net)**			
	Deferred tax Asset (net)	**1,327.67**	1,011.56	1,011.56
	MAT Credit Entitlement	**70.57**	165.31	165.31
	Total	**1,398.24**	1,176.87	1,176.87
9	**OTHER NON-CURRENT ASSETS** (Unsecured, considered good)			
	Advance recoverable in cash or in kind , or for value to be received	**47.12**	16.02	20.18
	Advance income-tax	**46.42**	45.28	47.70
	Due from companies in which Directors are interested	**118.81**	250.79	278.11
	Due from Subsidiary Company/Firm is which Company is a Partner	**97.45**	97.55	97.63
	Due from Partnership Firm in which Director is a Partner	-	228.03	405.21
	Total	**309.81**	637.67	848.83
10	**INVENTORIES**			
	Raw Materials	**1.21**	1.21	0.71
	Work-in-progress	**30.13**	11.88	59.90
	Finished products	**57.02**	79.44	107.03
	Stock-in-trade- land	**2,219.25**	2,219.25	1,700.38
	Stores and spares	**21.41**	21.08	28.67
	Waste	**11.84**	10.58	2.95
	Total	**2,340.86**	2,343.44	1,899.64

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

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1, 2016
11	**TRADE RECEIVABLES**			
	Outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	**-**	44.85	19.62
	Unsecured, considered doubtful	**16.82**	3.64	-
	Other debts - unsecured , considered good	**134.19**	136.95	128.06
		151.02	185.44	147.68
	Less : provision for doubtful debts	**(16.83)**	(3.64)	-
	Total	**134.19**	181.80	147.68
12	**CASH AND CASH EQUIVALENTS**			
	Cash- on- Hand	**0.52**	0.49	2.51
	Balances with Banks			
	(i) In Current Account	**5.03**	1.61	1.74
	(iii) In Margin Money Deposit Account	**-**	-	-
	Stamp on hand	**-**	-	0.01
	Total	**5.56**	2.10	4.26
13	**OTHER BANK BALANCES**			
	In Fixed Deposits(Security Deposits)	**-**	-	-
	In Margin money with Banks	**70.25**	65.69	60.39
	In Earmarked Accounts	**-**	-	-
	(i) Unpaid Dividend Account	**-**	-	-
	(ii) Unpaid Interest Account	**-**	-	-
	Total	**70.25**	65.69	60.39
	* lien marked against outstanding letters of credit			
14	**OTHER CURRENT ASSETS**			
	Income and claims receivable	**-**	3.25	-
	Interest accrued on Deposits	**1.80**	5.04	6.68
	Advance recoverable in cash or in kind or for value to be received	**30.90**	92.48	152.50
	Prepaid expenses	**16.20**	20.42	14.69
	Balance with government authorities	**27.03**	27.99	40.14
	Total	**75.94**	149.18	214.01
15	**CAPITAL**			
	Authorised Share Capital			
	i) 1,00,00,000 Equity shares of Rs. 10 each	**1,000.00**	1,000.00	1,000.00
	ii) Redeemable Preference Shares of Rs.100/- each *	**500.00**	500.00	500.00
		1,500.00	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	711.94	711.94
	Subscribed and fully paid up share capital			
	71,18,330 Equity shares of Rs. 10 each	**711.83**	711.83	711.83
	Total	**711.83**	711.83	711.83
	* The issued and subscribed capital has been classified as financial liability as per Ind AS 109			
Notes:				
(a)	**Reconciliation of number of equity shares subscribed**			
	Balance as at the beginning of the year	**7,118,330**	7,118,330	7,118,330
	Add: Issued during the year	**–**	–	
	Balance at the end of the year	**7,118,330**	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.			

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

(₹ in Lakhs)

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

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Sri. D. Lakshminarayanaswamy	1440826	20.24%	1440826	20.24%	1440826	20.24%
Smt. L. Nagaswarna	937364	13.17%	937364	13.17%	937364	13.17%
Smt. L. Suhasini	621276	8.73%	620776	8.72%	618725	8.69%
Smt. L. Swathy	563406	7.91%	563406	7.91%	563406	7.91%
Stressed Assets Stabilisation Fund	715,640	10.05%	741,098	10.41%	745500	10.47%

(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.

PARTICULARS	**As at 31.03.2018**	As at 31.03.2017	As at April 1, 2016
16 OTHER EQUITY			
Capital Reserve	**2,306.54**	2,306.54	1,791.81
Securities Premium Account	**1,081.07**	1,081.07	1,081.07
Other comprehensive income	**1.89**	4.07	-
Retained earnings	**(3,987.61)**	(3,603.56)	(3,093.27)
Total	**(598.11)**	(211.88)	(220.39)
a) Capital Reserve			
Balance at the beginning of the year	**2,306.54**	1,791.81	96.45
Ind AS Adjustments	-	514.73	1,695.36
Balance at the beginning and end of the year	**2,306.54**	2,306.54	1,791.81
b) Securities Premium Account			
Balance at the beginning and end of the year	**1,081.07**	1,081.07	1,081.07
c) Revaluation Reserve - Land			
Balance at the beginning of the year	-	-	-
Additions during the year			
Less :Adjustment on assets converted into stock in trade	-	(17.05)	-
Ind AS Adjustments	-	17.05	-
Balance at the end of the year	-	-	-
d) Other comprehensive income			
Balance at the beginning of the year	**4.07**	-	-
Additions during the year	**(2.18)**	4.07	
Balance at the end of the year	**1.89**	4.07	-
e) Retained earnings			
Balance at the beginning of the year	**(3,603.56)**	(3,093.27)	(1,397.91)
Net profit for the period	**(384.05)**	4.44	-
Ind AS adjustments	-	(514.73)	(1,695.36)
Balance at the end of the year	**(3,987.61)**	(3,603.56)	(3,093.27)
17 LONG TERM BORROWINGS			
(a) Secured			
From Banks-Term Loans	**72.28**	295.82	406.97
(b) Unsecured			
From Directors	**1,228.02**	1,326.85	1,035.34
Inter corporate Loan	**255.38**	197.56	50.53
(c) From others	-	-	-
Hire Purchase/Other Loans	-	-	10.09
Total	**1,555.68**	1,820.23	1,502.93

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

(₹ in Lakhs)

PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1, 2016
Terms of loan and security details			
i) Secured by equitable mortgage of 4.135 acres of vacant land situated at Coimbatore with all its present and future superstructure			
ii) Hire Purchase/Other Loans are secured by hypothecation of respective assets			
iii) Personal guarantee of the managing director			
18 OTHER NON CURRENT LIABILITIES			
Advance Towards Land	**450.00**	450.00	542.00
Total	**450.00**	450.00	542.00
19 PROVISIONS (NON -CURRENT)			
Provision for gratuity	-	-	-
Managerial personnel	-	-	-
Others	**123.59**	130.14	125.10
Total	**123.59**	130.14	125.10
20 CURRENT LIABILITIES - FINANCIAL LIABILITIES: BORROWINGS			
a) Secured	-	-	-
From banks	-	-	-
Cash credit facility	**60.34**	72.78	71.91
Letter of credit	**600.00**	615.93	651.92
Others	**20.00**	-	-
b) Unsecured	-	-	-
Loans from directors	**695.39**	506.48	266.26
Total	**1,375.73**	1,195.19	990.09

Loans from banks are secured by first charge on hypothecation of inventories and book debts and second charge of the movable and immovable properties of the company. The loans are also guaranteed by the managing director

PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1, 2016
21 TRADE PAYABLES			
Due to Micro, Small & Medium Enterprises**	-	34.28	35.96
Others	**544.53**	406.60	641.68
Total	**544.53**	440.88	677.64

** 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 31.03.2018	As at 31.03.2017	As at April 1, 2016
22 OTHER CURRENT LIABILITIES			
Current maturities of term loans - Secured	**145.33**	101.20	121.80
Interest accrued but not due on borrowings	-	3.35	9.67
Interest accrued and due on borrowings	**4.98**	5.50	5.45
Advance towards Land	**676.37**	540.87	526.60
Current maturities of Hire Purchase/Other Loan	-	8.62	20.69
Current maturities of Intercorporate Loan	**19.37**	18.95	16.69
Advance against Sales	**203.07**	293.46	361.79
Others	**51.32**	81.12	82.42
Total	**1,100.43**	1,053.07	1,145.11
23 PROVISIONS (CURRENT)			
Provision for Leave Encashment	-	-	1.67
Provision for Gratuity - Managerial Personnel	**74.71**	51.93	54.59
Provision for Gratuity - Others	**34.69**	18.34	15.18
Total	**109.40**	70.27	71.44

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
24 REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	**1,088.09**	1,042.76
Cotton	**151.70**	-
Waste	**66.56**	34.10
	1,306.36	1,076.86
Other Operating Revenue		
Conversion Receipts	**26.63**	11.49
Total	**1,332.99**	1,088.35
25 OTHER INCOME		
Interest receipts	**9.10**	11.72
Miscellaneous income	**33.10**	6.14
Sundry Credits Forfeited	-	229.53
Profit on sale of Assets (Net)	**102.16**	17.78
Lease Rent	**4.23**	4.23
Excess Provision reversed	-	-
Share of profit/(Loss) from Partnership Firm	**(0.09)**	(0.09)
Total	**148.50**	269.31
26 COST OF MATERIALS CONSUMED		
Opening inventory of raw materials	**0.71**	0.71
Add : Purchases	**932.95**	684.46
Less : Closing inventory of raw materials	**0.71**	1.21
Total	**932.95**	683.96
27 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS		
Opening Balance		
Finished goods -Yarn	**79.44**	107.03
Work-in-progress	**11.88**	59.90
Waste	**10.58**	2.95
	101.89	169.88
Closing Balance		
Finished goods - Yarn	**57.02**	79.44
Work-in-progress	**30.13**	11.88
Waste	**11.84**	10.58
	98.99	101.90
Total changes in inventories	**(2.90)**	(67.98)
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**281.93**	280.42
Contribution to provident and other funds	**54.80**	25.42
Staff welfare expenses	**21.09**	16.68
Managerial Remuneration (including benefits)	**67.02**	48.69
Total	**424.83**	371.21
29 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	**39.38**	64.32
Amortization of Intangible assets	-	-
Total	**39.38**	64.32

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

(₹ in Lakhs)

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
30	**OTHER EXPENSES**		
	Consumption of stores and spare parts	**8.00**	10.65
	Consumption of packing materials	**13.53**	12.55
	Processing Charges	**2.50**	10.34
	Bank charges	**22.75**	39.75
	Repairs and maintenance of		
	Buildings	**9.31**	4.94
	Machinery	**12.94**	10.74
	Other Assets	**8.33**	8.60
	Printing and Stationery	**1.25**	2.24
	Postage, Telegram and Telephones	**3.72**	4.69
	Travelling and maintenance of vehicles	**38.10**	27.44
	Insurance	**1.94**	2.20
	Advertisement, Subscription and Periodicals	**5.93**	6.51
	Advances/Investments written Off	**1.85**	10.43
	Rates and taxes, excluding, taxes on income	**9.95**	9.91
	Brokerage on yarn sales	-	1.00
	Filing Fees	**0.63**	0.47
	Directors' sitting Fees	**0.74**	0.70
	Auditors' Remuneration (refer note below)	**2.00**	1.96
	Yarn Sales Expenses other than brokerage	**4.43**	0.96
	Legal and Professional charges	**1.48**	1.79
	Donations	**0.41**	-
	Expected Credit Loss	**13.19**	3.64
	Miscellaneous expenses	**16.62**	3.35
	Total	**179.60**	174.86
	Auditors' Remuneration		
	For Statutory audit	**1.50**	0.75
	For Taxation Matters	**0.25**	0.44
	For Other Matters	**0.25**	0.77
		2.00	1.96
31	**FINANCE COST**		
	Interest Expenses		
	On Loans from banks	**235.95**	117.60
	On others	**2.87**	142.49
	Total	**238.82**	260.09
32	**EXCEPTIONAL ITEMS**		
	Surplus on Conversion of Land into Stock in Trade etc	-	497.68
	Total	-	497.68
33	**INCOME TAX EXPENSE**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	-	-
	Total current tax expense	-	-
	Deferred tax		
	Deferred tax adjustments	**(220.40)**	(1.82)
	Total deferred tax expense/(benefit)	**(220.40)**	(1.82)
	Income tax expense	**(220.40)**	(1.82)
	b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax from continuing operations	**(604.45)**	2.62
	Effect of expenses that are not deductible in determining taxable profit	**(220.40)**	(1.82)
	Income tax expense **Total**	**(220.40)**	(1.82)
	c) Income tax recognised in other comprehensive income		
	Deferred tax		
	Remeasurement of defined benefit obligation	**0.97**	(1.82)
	Total income tax recognised in other comprehensive income	**0.97**	(1.82)

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017

d) Movement of deferred tax expense during the year ended March 31, 2018

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	(192.03)	29.39	-	(162.64)
Expenses allowable on payment basis	63.05	9.70	0.97	73.72
Other temporary differences	1,140.53	276.07	-	1,416.60
	1,011.56	315.15	0.97	1,327.67
MAT Credit entitlement	165.31	(94.74)	-	70.57
Total	1,176.87	220.41	0.97	1,398.25

e) Movement of deferred tax expense during the year ended March 31, 2017

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	(192.03)	-	-	(192.03)
Expenses allowable on payment basis	63.05	1.82	(1.82)	63.05
Other temporary differences	1,140.53	-	-	1,140.53
	1,011.56	1.82	1.82)	1,011.56
MAT Credit entitlement	165.31	-	-	165.31
Total	1,176.87	1.82	(1.82)	1,176.87

34 EARNINGS PER SHARE

Profit/ (Loss) for the year attributable to owners of the Company	**(384.05)**	4.44
Weighted average number of ordinary shares outstanding	**7,118,330**	7,118,330
Basic earnings per share (Rs)	**(5.40)**	0.06
Diluted earnings per share (Rs)	**(5.40)**	0.06

35 EARNINGS IN FOREIGN CURRENCY

FOB value of exports	–	–
	–	–

36 EXPENDITURE IN FOREIGN CURRENCY

Travelling	**5.92**	2.83
Others	-	-
	5.92	2.83

37 VALUE OF IMPORTS (ON C.I.F BASIS)

Consumables and Stores	-	-
Capital goods and Spares	-	-
	-	-

38 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, 2018		For the year ended Ma rch 31, 2017	
	Value	Percentage (%)	Value	Percentage (%)
Raw materials				
Imported	-	-	-	-
Indigenous	932.95	100.00	683.96	100.00
	932.95	100.00	683.96	100.00
Stores, Spares & Components:				
Imported	-	-	-	-
Indigenous	21.53	100.00	23.20	100.00
	21.53	100.00	23.20	100.00

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
39. 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		34.28
(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.

40 Commitments and contingent liability

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 stayed:-

Asst. Year	Nature of Dispute	Disputed Demand	
		March 31, 2018	March 31, 2017
1995-96	TNGST Demand	54.59	54.59
1998-99	TNGST Demand	61.66	61.66
	"(Rs.31.00 lacs since paid as per Madras High Court Interim Order)"		
1999-00	TNGST Pre-assessment Demand	89.37	89.37
2000-01	Total (TNGST+ Additional Sales Tax)	121.97	121.97
01.04.2004 to 31.12.2006	Additional Sales Tax under TNGST	7.43	7.43

(b) Customs department filed an appeal before Hon'ble Madras High Court against the orders of Settlement Commission under Advance License Scheme in respect of reduction of Interest of Rs.8.26 lakhs allowed to us pending final orders no provision is made in the accounts.

(c) There is a demand of Rs.3,19,712/- raised by Andhra Pradesh Electricity Department in respect of Fuel Surcharge adjustment (FSA). The same is disputed by the Company before Hon'ble Andhra Pradesh High Court and pending final orders no provision is made in the accounts.

(d) Income Tax assessments from Assessment year 2017-18 and onwards are pending.

(e) Sales Tax Assessments pending :

a) Under TNGST	1999-2000 to 2000-2001 & 2004-2005 to 31.12.2006
b) Under TNVAT	01.01.2007 to 31.03.2016
c) Under CST (TN)	1999-2000 to 2011-2015
d) Under KGST	2005-2006
e) Under CST (Kerala	2005-2006
f) Under APVAT	2014-2016
g) Under CST (AP)	2014-2016

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

41 **Operating Segments**

The Company's main business is "Textile" while the other segment does not meet the reportable segment thresholds given in Ind-AS 108 "Operating Segments" and hence included under "Others".

(₹ in Lakhs)

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Segment Revenue		
a) Textile	**1,332.99**	1,088.35
b) Others	**-**	-
Revenue from Operations (net)	**1,332.99**	1,088.35
Segment Results		
Profit/(Loss) before tax and Finance Cost		
a) Textile	**(846.42)**	(749.26)
b) Others	**-**	-
Total	**(846.42)**	(749.26)
Less: Finance Cost	**238.82**	260.09
Profit from Continuing Operations	**(607.60)**	(489.17)
Profit from DisContinuing Operations	**-**	-
Profit before Tax	**(607.60)**	(489.17)
Segment Assets		
a) Textile	**5,373.08**	5,659.72
b) Others	**0.01**	0.01
c) Other unallocable Corporate Assets	**-**	-
Total Assets	**5,373.09**	5,659.73
Segment Liabilities		
a) Textile	**4,133.00**	4,168.91
b) Others	**1,126.37**	990.87
c) Other unallocable Corporate Liabilities	**-**	-
Total Liabilities	**5,259.36**	5,159.78
Capital employed (Segment Assets-Segment Liabilities)		
a) Textile	**1,240.08**	1,490.81
b) Others	**(1,126.36)**	(990.86)
Total Capital employed in Segments	**113.72**	499.95
Unallocated Corporate Assets less: Corporate Liabilities	**-**	-
Total Capital Employed	**113.72**	499.95

Information relating to geographical areas

(a) Information from external customers

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
India	**1,332.99**	1,088.35
Other Countries	**-**	-
Total	**1,332.99**	1,088.35

(b) Non current assets

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

(c) Revenue from external customers

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	**2**	-
Total revenue from the above customers	**430.29**	-

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

42 Lease

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

(₹ in Lakhs)

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Not later than 1 year	**4.23**	4.23
Later than 1 year but not more than 5 years	**-**	-
More than 5 years	**-**	-
	4.23	4.23

43. Government Grants

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Subsidies (freight subsidy issued by MPEDA)	-	-
Duty Drawback on exports	-	-
Interest subvention on export finance	-	-
Duty rebate under EPCG scheme	-	-
DEPB and Import license entitlements	-	-
Total	-	-

There are no unfulfilled conditions and other contingencies attached to government assistance that has been recognised in the financial statements, except in respect of duty saved under EPCG scheme where the Company is required to fulfil certain export obligations. Since majority of the revenue is from export, those obligations are regularly fulfilled by the Company

43A Demonetisation Disclosure

Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

Particulars	SBN's	Other Notes	Total
Closing Cash in hand as on 08-11-2016	0.83	3.52	4.35
Add: Permitted Receipts	0	4.08	4.08
Less: Permitted Payments	0	4.02	4.02
Less: Amounts deposited in Banks	0.83	0	0.83
Closing Cash in Hand as on 30-12-2016	0	3.58	3.58

43B 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, 2018	Year ended March 31, 2017
NIL	NIL	NIL

43C The Balances of Receivables and Payables are adopted as appearing in the Books of Account and are subject to confirmation.

44 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, 2018	March 31, 2017	April 1, 2016
Debt	**1,555.68**	1,820.23	1,502.93
Less: Cash and bank balances	**139.74**	183.90	151.94
Net debt	**1,415.94**	1,636.33	1,350.99
Total equity	**113.72**	499.95	491.44

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

(₹ in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Net debt to equity ratio (%)	**1245.14%**	**327.30%**	**274.90%**
Categories of Financial Instruments	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets			
a Measured at amortised cost			
Loans Given	-	-	-
Other non-current financial assets	215.78	215.75	219.13
Trade receivables	134.19	181.80	147.68
Cash and cash equivalents	5.56	2.10	4.26
Bank balances other than above	70.25	65.69	60.39
Other financial assets	-	-	-
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Investments	0.98	2.83	1.99
Financial liabilities			
a. Measured at amortised cost			
Borrowings (long term)	1,555.68	1,820.23	1,502.93
Borrowings (short term)	1,375.73	1,195.19	990.09
Trade payables	544.53	440.88	677.64
Other financial liabilities	450.00	450.00	542.00
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.

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, 2018

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	Nil	Nil	Nil	Nil	Nil	Nil
EUR	Nil	Nil	Nil	Nil	Nil	Nil	Nil
in INR	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As on March 31, 2017

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	Nil	Nil	Nil	Nil	Nil	Nil
EUR	Nil	Nil	Nil	Nil	Nil	Nil	Nil
in INR	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As on April 1, 2016

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	Nil	Nil	Nil	Nil	Nil	Nil
EUR	Nil	Nil	Nil	Nil	Nil	Nil	Nil
in INR	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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 5.60 Lakhs for the year (Previous INR 6.20 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 and from its financing/ investing activities, including deposits with banks, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

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 receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade 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, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	544.53	-	-	544.53
Borrowings (including interest accrued thereon upto the reporting date)	1,545.42	1,555.68	-	3,101.10
	2,089.94	1,555.68	-	3,645.63

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	440.88	-	-	440.88
Borrowings (including interest accrued thereon upto the reporting date)	1,332.81	1,820.23	-	3,153.04
	1,773.69	1,820.23	-	3,593.92

April 1, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	677.64	-	-	677.64
Borrowings (including interest accrued thereon upto the reporting date)	1,164.39	1,502.93	-	2,667.32
	1,842.03	1,502.93	-	3,344.96

	March 31, 2018	March 31, 2017	April 1, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil

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

45 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	Doral Real Estates (upto 01-06-2017)	
	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 Subramaniam	Company Secretary
	Sri.G Krishnakumar	Chief Financial Officer
Other Directors	Sri.N.Jothikumar	Director
	Sri.R.Narayanamurthy	Director
	Sri.Radhakrishnan	Director

b) Transactions during the year

(₹ in Lakhs)

S.No.	Nature of transactions	Amount	
		2017-18	2016-17
1	Managerial Remuneration		
	D. Lakshminarayanaswamy	**42.22**	30.22
	Smt. L. Nagaswarna	**24.80**	18.47
2	Remuneration		
	Sri.S A Subramaniam	**5.63**	5.67
	Sri.G Krishnakumar	**4.12**	4.31
3	Lease Rent Received:		
	SRYC	**1.83**	1.83
	JGOM	**2.40**	2.40
4	Yarn Conversion Charges Received		
	SPL	**29.56**	11.49
5	Yarn Conversion Charges Paid		
	SPL	**2.48**	10.34
6	Purchases		
	SRYC	**3.33**	10.70
	SJA	**76.36**	-
7	Share of Profit/(Loss) From Firm:		
	Dove Real Estates (upto 01-06-2017)	**(0.09)**	(0.09)
8	Raw Material / Waste Purchases:		
	JGOM	**94.28**	128.12
9	Loan Received :		
	D. Lakshminarayanaswamy	**805.24**	651.64
	L. Nagaswarna	**333.08**	197.01
10	Loan repaid :		
	D. Lakshminarayanaswamy	**942.98**	301.40
	L. Nagaswarna	**151.80**	18.35
11	Interest on Loan		
	D. Lakshminarayanaswamy	**122.55**	127.38
	L. Nagaswarna	**33.08**	32.05
	N.Jothikumar	**0.23**	0.23
	SRYC	**5.51**	3.66
	JGOM	**28.30**	6.17
12	Sitting Fees		
	N.Jothikumar	**0.39**	0.30
	R.Narayanamurthy	**0.31**	0.22
	R.Radhakrishnan	**0.20**	0.18
13	Rent paid		
	SJA	**0.20**	-

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

b) Outstanding Balances as at the end of the year

(₹ in Lakhs)

S.No.	Nature of transactions	Amount	
		2017-18	2016-17
1	Outstanding Balance Payable		
	SJTL	**-**	-
	SRYC	**262.02**	177.91
	JGOM	**251.85**	-
	D. Lakshminarayanaswamy	**1,418.46**	1,556.20
	L. Nagaswarna	**506.52**	321.68
	N.Jothikumar	**2.00**	2.00
	S A Subramaniam	**0.52**	0.97
	G Krishnakumar	**0.49**	0.81
2	Outstanding Balance Receivable		
	SRYC	**-**	-
	SJTL	**118.81**	250.79
	SPL	**32.44**	8.35
	JGOM	**-**	228.02
	Dove Real Estates	**-**	97.55
	Doral Real Estates Private Limited	**97.45**	-

46 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. 17.41 Lakhs (for the year ended March 31, 2017: Rs. 14.75 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, 2018**	March 31, 2017
Discount Rate	**7.75% p.a.**	6.90% 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%**	100%

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, 2018	March 31, 2017
Current service cost	**8.28**	7.81
Past Service Cost	**9.35**	-
Net interest expense	**13.82**	11.69
Return on plan assets (excluding amounts included in net interest expense)	**-**	-
Components of defined benefit costs recognised in profit or loss	**31.45**	19.50
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	**3.15**	(5.89)
Components of defined benefit costs recognised in other comprehensive income	**3.15**	(5.89)
Total	34.60	13.61

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

Ianthe 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:

Present value of defined benefit obligation	**232.99**	200.41
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	**232.99**	200.41
Funded	-	-
Unfunded	**232.99**	200.41
	232.99	200.41

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:

Opening defined benefit obligation	**200.41**	194.87
Past Service Cost	**9.35**	-
Current service cost	**8.28**	7.81
Interest cost	**13.83**	11.69
Actuarial (gains)/losses	**3.15**	-5.89
Benefits paid	**(2.03)**	(8.07)
Closing defined benefit obligation	**232.99**	200.41

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

Opening fair value of plan assets	-	-
Return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

47 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP). "

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE and Intangibles

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to continue the property, plant and equipment and intangibles at their previous GAAP values.

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

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

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. ""Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:"

B. Notes to first-time adoption

B.1 Trade receivables

As per Ind AS 109, The company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Company has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.2 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.""As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements."

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications.

B.4 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.5 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

48 Key reconciliation required as per Ind AS 101 on transition to Ind AS

(₹ in Lakhs)

(a) Reconciliation of equity

	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds as per Indian GAAP	679.85	667.89
Ind AS Adjustments		
Remeasurement of turnover	–	(0.19)
Remeasurement of employee benefits	–	–
Impact of expected credit loss	(1.10)	2.54
Remeasurement of deferred taxes as per Ind AS 22	(178.80)	(178.80)
Total equity/ shareholders' funds as per Ind AS	499.95	491.44

(b) Reconciliation of Profits

	For the year ended March 31, 2017
Total comprehensive income as per Indian GAAP	29.01
Ind AS Adjustments	
Remeasurement of turnover	0.19
Impact of expected credit loss	(3.64)
Impact of adjustment of revaluation reserve	(17.05)
Total comprehensive income as per Ind AS	8.51

(c) Reconciliation of Cash Flows

	For the year ended March 31,2017		
	As per iGAAP	Effect of Transition	As per Ind-AS
Net Cash Flow from Operating Activities	(290.43)	0.05	(290.48)
Net Cash Flow from Investing Activities	38.36	6.08	32.28
Net Cash Flow from Financing Activities	255.21	(0.83)	256.04
Net Cash Flow	3.14	5.30	(2.16)
Opening Cash and Cash Equivalents	64.65	60.39	4.26
Closing Cash and Cash Equivalents	67.79	65.69	2.10

For and on behalf of the Board of Directors

In terms of our Report of even date

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

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 : 30.05.2018

Independent Auditor's Report

To the Members of Sri Ramakrishna Mills (Coimbatore) Limited

Report on the Ind-AS Consolidated Financial Statements

We have audited the accompanying Consolidated Ind-AS financial statements of Sri Ramakrishna Mills (Coimbatore) Limited ('the Company'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated statement of Profit and Loss including other comprehensive income, the Consolidated Cash flow statement and the Consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated 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 and presentation of these Consolidated 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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,

a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2018.

b. In the case of the Statement of Profit and Loss, of its Loss including other comprehensive income for the year ended on that date; and

c. In the case of the Cash Flow Statement, the cash flows for the year ended on that date.

d. In the case of the Statement of changes in Equity, the changes in equity for the year ended on that date.

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.

   (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 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;

   (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 and taken on record by the Board of Direc tors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31 March 2018 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 Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

   (g) 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 opin ion 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 its financial position, wherever applicable - Refer Note - 41 to the Consoli dated financial statements.

      ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, wherever applicable.

      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 Group and

      iv. the disclosures in the Consolidated Ind-AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as ap pearing in the audited Consolidated financial statements for the year ended 31 March 2017 have been disclosed, wherever applicable.

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

CSK PRABHU
Partner
M. No. 019811

Place: Coimbatore
Date : 30.05.2018

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 2018 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 2018, 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 : 30.05.2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(₹ in Lakhs)

PARTICULARS	Note No	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
Non-Current Assets				
Property, plant and equipment	4	**921.48**	984.40	1,072.95
Financial Assets				
Investments	5	**-**	1.85	1.84
Loans	6	**-**	-	-
Other Financial Asset	7	**215.78**	215.75	219.13
Deferred tax asset	8	**1,398.24**	1,176.87	1,176.87
Other non-current assets	9	**212.35**	540.12	751.20
Total non-current assets		**2,747.86**	2,918.99	3,221.99
Current assets				
Inventories	10	**2,340.86**	2,343.44	1,899.64
Financial Assets				
Trade receivables	11	**134.19**	181.80	147.68
Cash and cash equivalents	12	**5.57**	2.23	4.38
Bank balances other than above	13	**70.25**	65.69	60.39
Other current assets	14	**75.94**	149.18	214.01
Total current assets		**2,626.80**	2,742.34	2,326.10
Total Assets		**5,374.66**	5,661.33	5,548.08
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	**711.83**	711.83	711.83
Other equity	16	**(598.23)**	(211.88)	(220.39)
Non-Controlling Interests	16A	**0.02**	0.02	0.10
Total equity		**113.62**	499.97	491.54
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	**1,555.68**	1,820.23	1,502.93
Other	18	**450.00**	450.00	542.00
Provisions	19	**123.59**	130.14	125.10
Total non-current liabilities		**2,129.27**	2,400.37	2,170.03
Current liabilities				
Financial liabilities				
Borrowings	20	**1,377.27**	1,196.70	992.25
Trade payables	21	**544.65**	440.94	677.70
Other current liabilities	22	**1,100.45**	1,053.08	1,145.12
Short Term Provisions	23	**109.40**	70.27	71.44
Total current liabilities		**3,131.77**	2,760.99	2,886.51
Total liabilities		**5,261.04**	5,161.36	5,056.54
Total Equity and Liabilities		**5,374.66**	5,661.33	5,548.08

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)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2018

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 OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018 (₹ in Lakhs)

	PARTICULARS	Note No	Year ended 31.03.2018	Year ended 31.03.2017
	CONTINUING OPERATIONS			
	Continuing Operations			
A	**Income**			
	Revenue from operations	24	**1,332.99**	1,088.35
	Other income	25	**148.61**	269.40
	Total income		**1,481.60**	1,357.75
B	**Expenses**			
	Cost of materials consumed	26	**932.95**	683.96
	Changes in inventories of finished goods	27	**2.90**	67.98
	Power and Fuel Expenses		**267.46**	230.30
	Employee Benefits Expense	28	**424.83**	371.21
	Depreciation and amortisation expense	29	**39.38**	64.32
	Other Expenses	30	**179.82**	174.95
	Finance costs	31	**238.82**	260.09
	Total expenses		**2,086.17**	1,852.81
C	**Profit before exceptional items and tax**		**(604.57)**	(495.06)
	Exceptional items	32	-	497.68
D	**Profit before tax from continuing operations**		**(604.57)**	2.62
	Income tax expense			
	Current tax	33	-	-
	Deferred tax charge/ (credit)		**(220.40)**	(1.82)
	Profit for the year		**(384.17)**	4.44
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		**(3.15)**	5.89
	Income tax relating to these items		**0.97**	(1.82)
	Other comprehensive income for the year, net of tax		**(2.18)**	4.07
	Total comprehensive income for the year		**(386.35)**	8.51
	Profit/(Loss) attributable to			
	Owners of Sri Ramakrishna Mills (Coimbatore) limited		**(384.17)**	4.44
	Non-Controlling Interests		**-**	-
			(384.17)	4.44
	Other comprehensive income attributable to			
	Owners of Sri Ramakrishna Mills (Coimbatore) limited		**(2.18)**	4.07
	Non-Controlling Interests		-	-
			(2.18)	4.07
	Total comprehensive income attributable to			
	Owners of Sri Ramakrishna Mills (Coimbatore) limited		**(386.35)**	8.51
	Non-Controlling Interests		-	-
			(386.35)	8.51
	Basic earnings per share	34	**(5.40)**	0.06
	Diluted earnings per share		**(5.40)**	0.06

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)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

In terms of our Report of even date
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 : 30.05.2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Lakhs)

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A)	**Cash Flow from Operating Activities:**		
	Profit before income tax	**(604.57)**	2.62
	Adjustments for		
	Surplus on conversion of Land into Stock in Trade etc	-	(497.68)
	Depreciation and amortisation expense	**39.38**	64.32
	(Profit)/ Loss on sale of fixed asset	**(102.16)**	(17.78)
	Fair value changes of investments considered to profit and loss	-	-
	Interest received	**(9.10)**	(11.72)
	Lease Rent	**(4.23)**	(4.23)
	Finance costs	**238.82**	260.09
		(441.86)	(204.38)
	Change in operating assets and liabilities		
	(Increase)/ decrease in loans	-	-
	(Increase)/ decrease in Other financial assets	**(0.03)**	3.38
	(Increase)/ decrease in inventories	**2.58**	75.07
	(Increase)/ decrease in trade receivables	**47.61**	(34.12)
	(Increase)/ decrease in Other assets	**398.99**	271.93
	Increase/ (decrease) in provisions and other liabilities	**80.80**	(168.01)
	Increase/ (decrease) in trade payables	**103.65**	(236.76)
	Cash generated from operations	**191.73**	(292.90)
	Less : Income taxes paid (net of refunds)	**(1.14)**	2.42
	Net cash from operating activities (A)	**190.60**	(290.47)
B)	**Cash Flows From Investing Activities**		
	Purchase of PPE (including changes in CWIP)	-	-
	Sale proceeds of PPE (including changes in CWIP)	**125.70**	20.82
	(Purchase)/ disposal proceeds of Investments	**1.85**	(0.83)
	(Investments in)/ Maturity of fixed deposits with banks	**(4.56)**	(5.30)
	Lease Rent	**4.23**	4.23
	Interest income	**12.34**	13.36
	Net cash used in investing activities (B)	**139.57**	32.28
C)	**Cash Flows From Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	**(264.55)**	317.30
	Proceeds from/ (repayment of) short term borrowings	**180.54**	205.10
	Finance costs	**(242.69)**	(266.36)
	Net cash from/ (used in) financing activities (C)	**(326.70)**	256.04
	Net decrease in cash and cash equivalents (A+B+C)	**3.46**	(2.15)
	Cash and cash equivalents at the beginning of the financial year	**2.10**	4.38
	Cash and cash equivalents at end of the year	**5.57**	2.23

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

	31.03.2018	31.03.2017
Balances with banks		
- in current accounts	**5.04**	1.73
- in Margin money deposit account	**-**	–
Cash on hand	**0.53**	0.49
	5.57	2.23

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)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2018

In terms of our Report of even date
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 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity Share Capital

Balance at the beginning of April 1, 2016	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2017	711.83
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	711.83

(B) Other Equity

Particulars	General Reserve	Capital Reserve-Land	Securities Premium	Revaluation Reserve - Land	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2016	-	1,791.81	1,081.07	-	-	(3,093.27)	(220.39)
Additions/ (deductions) during the year	-	-	-	-	-	4.44	4.44
Total Comprehensive Income for the year	-	-	-	-	4.07	-	4.07
Ind AS adjustments	-	514.73	-		-	(514.73)	-
Balance as at March 31, 2017	-	2,306.54	1,081.07	-	4.07	(3,603.56)	(211.88)
Additions/ (deductions) during the year	-	-	-	-	-	(384.17)	(384.17)
Total Comprehensive Income for the year	-	-	-	-	(2.18)	-	(2.18)
Balance as at March 31, 2018	-	2,306.54	1,081.07	-	1.89	(3,987.73)	(598.23)

The accompanying notes form an integral part of the financial statements

In terms of our Report of even date

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place : Coimbatore
Date : 30.05.2018

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 THE CONSOLIDATED 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 (previously a Partnership) which was converted into a private limited company w.e.f.02-06-2017.

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 Companies (Indian Accounting Standards) Amendment Rules, 2016.

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, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 53 for information on how the Company adopted Ind AS.

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 May 30, 2018.

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:

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 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 recoverable amount of such assets. The assumptions used in computing the 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont...)

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.

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

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)

b. Ind AS 116 – Leases (effective from April 1, 2019)““The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.““

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.

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.

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

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont...)

Revenue from Real Estate

Revenue from real estate activity is recognized to the extent that it is probable that the economic benefits will flow to the Company, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

During the Year under Report no substantial real estate development and transfer of significant risks and rewards of ownership took place, and therefore no Income is recognized from the activity, which is yet to be pursued.

Commission Income

Commission Income is recognised when the services are rendered as per the terms of the agreement 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 significant risk and rewards. It comprises of invoice value of goods including excise duty excluding applicable taxes on sale.

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, if the escalation is not a compensation for increase in cost inflation index.

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.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. 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, over the useful lives specified in Schedule II to the Companies Act, 2013.

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: 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. Excise Duty is exempted on finished grey goods.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont...)

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.

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont...)

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 18.

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 17

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:

Name of the financial asset	Impairment Testing Methodology
Trade 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, financial guarantee contracts and derivative financial instruments.

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 asset
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.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

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.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont...)

k) 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.

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 the tax returns 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.

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 created, 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.

l) 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.

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.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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.

m) 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont...)

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

n) 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.

o) 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.

p) 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.

q) 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.

r) 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 THE CONSOLIDATED FINANCIAL STATEMENTS

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
Deemed Cost as at April 1, 2016	381.05	162.30	500.96	0.20	1.11	26.84	0.49	-	1,072.95	-
Additions									-	-
Disposals	(21.19)		(59.81)	-	-		-	-	(81.00)	-
Cost as at March 31, 2017	**359.86**	**162.30**	**441.15**	**0.20**	**1.11**	**26.84**	**0.49**	**-**	**991.95**	**-**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(296.02)	-	-	-	-	-	(296.02)	-
Cost as at March 31, 2018	**359.86**	**162.30**	**145.13**	**0.20**	**1.11**	**26.84**	**0.49**	**-**	**695.93**	**-**
Depreciation/Amortisation										
Charge for the year	-	12.26	41.55	-	0.26	10.25			64.32	-
Disposals	**-**		**(56.77)**						**(56.77)**	**-**
As at March 31, 2017	**-**	**12.26**	**(15.22)**	**-**	**0.26**	**10.25**	**-**	**-**	**7.55**	**-**
Charge for the year	-	9.46	24.27	-	0.07	5.58	-	-	39.38	-
Ind AS Adjustments	-	-	-	-	-	-	-	-	-	
Disposals	-	-	(272.48)	-	-	-	-	-	(272.48)	-
As at March 31, 2018	-	21.72	(263.43)	-	0.33	15.83	-	-	(225.55)	-
Net Block										
As at April 1, 2016	381.05	162.30	500.96	0.20	1.11	26.84	0.49	-	1,072.95	-
As at March 31, 2017	359.86	150.04	456.37	0.20	0.85	16.59	0.49	-	984.40	-
As at March 31, 2018	359.86	140.58	408.56	0.20	0.78	11.01	0.49	-	921.48	-

PARTICULARS	**As at 31.03.2018**	As at 31.03.2017	As at April 1,2016
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	0.20
10000 Equity shares (Prev year 10000)of Rs.10 each fully paid in Cosco Ltd	**1.00**	1.00	1.00
Investment in mutual fund (Unquoted)	**-**	-	-
Investment in Government Securities - FVOCI			
7 years National Savings Certificate	**0.01**	0.01	0.01
6 years National Savings Certificate	**0.63**	0.63	0.62
Indra Vikas Patra	**0.01**	0.01	0.01
Less: Impairment in value of investments in Equity Shares & Govt Secs	**(1.85)**	-	-
	-	1.85	1.84
Total non-current investments			
Aggregate amount of quoted investments	**-**	-	-
Aggregate market value of quoted investments	**-**	-	-
Aggregate cost of unquoted investments	**-**	1.85	1.84
Aggregate amount of impairment in value of investments	**1.85**	-	-
6 OTHER NON- CURRENT FINANCIAL ASSETS			
(Unsecured considered good)	**–**	–	–
	–	–	–
7 OTHER NON-CURRENT FINANCIAL ASSETS			
(Unsecured considered good)			
Security Deposits	**215.78**	215.75	219.13
	215.78	215.75	219.13

(₹ in Lakhs)

	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
8	**DEFERRED TAX ASSET (Net)**			
	Deferred tax Asset (net)	**1,327.67**	1,011.56	1,011.56
	MAT Credit Entitlement	**70.57**	165.31	165.31
	Total	**1,398.24**	1,176.87	1,176.87
9	**OTHER NON-CURRENT ASSETS** (Unsecured, considered good)			
	Advance recoverable in cash or in kind , or for value to be received	**47.12**	16.02	20.18
	Advance income-tax	**46.42**	45.28	47.70
	Due from companies in which Directors are interested	**118.81**	250.79	278.11
	Due from Partnership Firm in which Director is a Partner	-	228.03	405.21
	Due from Subsidiary Company/Firm is which Company is a Partner	**97.45**	97.55	97.63
	Less: Inter-Group Eliminations	**(97.45)**	(97.55)	(97.63)
	Total	**212.35**	540.12	751.20
10	**INVENTORIES**			
	Raw Materials	**1.21**	1.21	0.71
	Work-in-progress	**30.13**	11.88	59.90
	Finished products	**57.02**	79.44	107.03
	Stock-in-trade- land	**2,219.25**	2,219.25	1,700.38
	Stores and spares	**21.41**	21.08	28.67
	Waste	**11.84**	10.58	2.95
	Total	**2,340.86**	2,343.44	1,899.64
	Inventory comprise of			
	Raw Materials Cotton etc	**1.21**	1.21	0.71
		1.21	1.21	0.71
	Work in progress			
	Work in progress	**30.13**	11.88	59.90
		30.13	11.88	59.90
	Finished Goods			
	Yarn etc	**57.02**	79.44	107.03
		57.02	79.44	107.03
11	**TRADE RECEIVABLES** Outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	**-**	44.85	19.62
	Unsecured, considered doubtful	**16.82**	3.64	-
	Other debts - unsecured , considered good	**134.19**	136.95	128.06
		151.02	185.44	147.68
	Less : provision for doubtful debts	**(16.83)**	(3.64)	-
	Total	**134.19**	181.80	147.68
12	**CASH AND CASH EQUIVALENTS**			
	Cash- on- Hand	**0.53**	0.49	2.51
	Balances with Banks			
	(i) In Current Account	**5.04**	1.74	1.86
	(iii) In Margin Money Deposit Account	**-**	-	-
	Stamp on hand	**-**	-	0.01
	Total	**5.57**	2.23	4.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1 2016
13	**OTHER BANK BALANCES**			
	In Fixed Deposits(Security Deposits)	**-**	-	-
	In Margin money with Banks	**70.25**	65.69	60.39
	In Earmarked Accounts	**-**	-	-
	(i) Unpaid Dividend Account	**-**	-	-
	(ii) Unpaid Interest Account	**-**	-	-
	Total	**70.25**	65.69	60.39
	* lien marked against outstanding letters of credit			
14	**OTHER CURRENT ASSETS**			
	Income and claims receivable	**-**	3.25	-
	Interest accrued on Deposits	**1.80**	5.04	6.68
	Advance recoverable in cash or in kind or for value to be received	**30.90**	92.48	152.50
	Prepaid expenses	**16.20**	20.42	14.69
	Balance with government authorities	**27.03**	27.99	40.14
	Total	**75.94**	149.18	214.01
15	**CAPITAL**			
	Authorised Share Capital			
	i) 1,00,00,000 Equity shares of Rs. 10 each	**1,000.00**	1,000.00	1,000.00
	ii) Redeemable Preference Shares of Rs.100/- each *	**500.00**	500.00	500.00
		1,500.00	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	711.94	711.94
	Subscribed and fully paid up share capital			
	71,18,330 Equity shares of Rs. 10 each	**711.83**	711.83	711.83
	Total	**711.83**	711.83	711.83
	* The issued and subscribed capital has been classified as financial liability as per Ind AS 109			
Notes:				
(a)	**Reconciliation of number of equity shares subscribed**			
	Balance as at the beginning of the year	**71,18,330**	71,18,330	71,18,330
	Add: Issued during the year	**–**	–	
	Balance at the end of the year	**71,18,330**	71,18,330	71,18,330
(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.

(₹ in Lakhs)

PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1 2016

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

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Sri. D. Lakshminarayanaswamy	1440826	20.24%	1440826	20.24%	1440826	20.24%
Smt. L. Nagaswarna	937364	13.17%	937364	13.17%	937364	13.17%
Smt. L. Suhasini	621276	8.73%	620776	8.72%	618725	8.69%
Smt. L. Swathy	563406	7.91%	563406	7.91%	563406	7.91%
Stressed Assets Stabilisation Fund	715,640	10.05%	741,098	10.41%	745500	10.47%

(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.

		As at 31.03.2018	As at 31.03.2017	As at April 1 2016
16	**OTHER EQUITY**			
	Capital Reserve	**2,306.54**	2,306.54	1,791.81
	Securities Premium Account	**1,081.07**	1,081.07	1,081.07
	Other comprehensive income	**1.89**	4.07	-
	Retained earnings	**(3,987.72)**	(3,603.56)	(3,093.27)
	Total	**(598.23)**	(211.88)	(220.39)
a)	Capital Reserve			
	Balance at the beginning of the year	**2,306.54**	1,791.81	96.45
	Ind AS Adjustments	-	514.73	1,695.36
	Balance at the beginning and end of the year	**2,306.54**	2,306.54	1,791.81
b)	Securities Premium Account			
	Balance at the beginning and end of the year	**1,081.07**	1,081.07	1,081.07
c)	Revaluation Reserve - Land			
	Balance at the beginning of the year	-	-	-
	Additions during the year			
	Less :Adjustment on assets converted into stock in trade	-	(17.05)	-
	Ind AS Adjustments	-	17.05	-
	Balance at the end of the year	-	-	-
b)	Other comprehensive income			
	Balance at the beginning of the year	**4.07**	-	-
	Additions during the year	**(2.18)**	4.07	
	Balance at the end of the year	**1.89**	4.07	-
c)	Retained earnings			
	Balance at the beginning of the year	**(3,603.56)**	(3,093.27)	(1,397.91)
	Net profit for the period	**(384.17)**	4.44	-
	Ind AS adjustments	-	(514.73)	(1,695.36)
	Balance at the end of the year	**(3,987.72)**	(3,603.56)	(3,093.27)
16 A	**Non-Controlling Interest**			
a)	Doral Real Estates Private Limited			
	Interest in Equity	**0.02**	-	-
	Share of Profits/(Losses)	**(-)**	-	-
a)	Doral Real Estates (Formerly Dove Real Estates)			
	Interest in Equity	-	0.02	0.10
	Share of Profits/(Losses)	**(-)**	(-)	(-)
	Total	**0.02**	0.02	0.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at April 1 2016
17	**LONG TERM BORROWINGS**			
	(a) Secured			
	From Banks-Term Loans	**72.28**	295.82	406.97
	(b) Unsecured			
	From Directors	**1,228.02**	1,326.85	1,035.34
	Inter corporate Loan	**255.38**	197.56	50.53
	(c) From others	-	-	-
	Hire Purchase/Other Loans	-	-	10.09
	Total	**1,555.68**	1,820.23	1,502.93

Terms of loan and security details

i) Secured by equitable mortgage of 4.135 acres of vacant land situated at Coimbatore with all its present and future superstructure

ii) Hire Purchase/Other Loans are secured by hypothecation of respective assets

iii) Personal guarantee of the managing director

18	**OTHER NON CURRENT LIABILITIES**			
	Advance Towards Land	**450.00**	450.00	542.00
	Total	**450.00**	450.00	542.00
19	**PROVISIONS (NON -CURRENT)**			
	Provision for gratuity	-	-	-
	Managerial personnel	-	-	-
	Others	**123.59**	130.14	125.10
	Total	**123.59**	130.14	125.10
20	**CURRENT LIABILITIES - FINANCIAL LIABILITIES: BORROWINGS**			
	a) Secured	-	-	-
	From banks	-	-	-
	Cash credit facility	**60.34**	72.78	71.91
	Letter of credit	**600.00**	615.93	651.92
	Others	**20.00**	-	-
	b) Unsecured	-	-	-
	Loans from directors	**696.93**	507.99	268.42
	Total	**1,377.27**	1,196.70	992.25

Loans from banks are secured by first charge on hypothecation of inventories and book debts and second charge of the movable and immovable properties of the company. The loans are also guaranteed by the managing director

21	**TRADE PAYABLES**			
	Due to Micro, Small & Medium Enterprises**	-	34.28	35.96
	Others	**544.65**	406.66	641.74
	Total	**544.65**	440.94	677.70

** 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.

22	**OTHER CURRENT LIABILITIES**			
	Current maturities of term loans - Secured	**145.33**	101.20	121.80
	Interest accrued but not due on borrowings	-	3.35	9.67
	Interest accrued and due on borrowings	**4.98**	5.50	5.45
	Advance towards Land	**676.37**	540.87	526.60
	Current maturities of Hire Purchase/Other Loan	-	8.62	20.69
	Current maturities of Intercorporate Loan	**19.37**	18.95	16.69
	Advance against Sales	**203.07**	293.46	361.79
	Others	**51.33**	81.13	82.43
	Total	**1,100.45**	1,053.08	1,145.12
23	**PROVISIONS (CURRENT)**			
	Provision for Leave Encashment	-	-	1.67
	Provision for Gratuity - Managerial Personnel	**74.71**	51.93	54.59
	Provision for Gratuity - Others	**34.69**	18.34	15.18
	Total	**109.40**	70.27	71.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
24 REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	**1,088.09**	1,042.76
Cotton	**151.70**	-
Waste	**66.56**	34.10
	1,306.36	1,076.86
Other Operating Revenue		
Conversion Receipts	**26.63**	11.49
Total	**1,332.99**	1,088.35
25 OTHER INCOME		
Interest receipts	**9.10**	11.72
Miscellaneous income	**33.10**	6.14
Sundry Credits Forfeited	-	229.53
Profit on sale of Assets (Net)	**102.16**	17.78
Lease Rent	**4.23**	4.23
Share of profit/(Loss) from Partnership Firm	**(0.09)**	(0.09)
Add/Less: Inter-Group Transactions Eliminations	**0.09**	0.09
Total	**148.61**	269.40
26 COST OF MATERIALS CONSUMED		
Opening inventory of raw materials	**0.71**	0.71
Add : Purchases	**932.95**	684.46
Less : Closing inventory of raw materials	**0.71**	1.21
Total	**932.95**	683.96
27 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS		
Opening Balance		
Finished goods -Yarn	**79.44**	107.03
Work-in-progress	**11.88**	59.90
Waste	**10.58**	2.95
	101.90	169.88
Closing Balance		
Finished goods - Yarn	**57.02**	79.44
Work-in-progress	**30.13**	11.88
Waste	**11.84**	10.58
	98.99	101.90
Total changes in inventories	**(2.90)**	(67.98)
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**281.93**	280.42
Contribution to provident and other funds	**54.80**	25.42
Staff welfare expenses	**21.09**	16.68
Managerial Remuneration (including benefits)	**67.02**	48.69
Total	**424.83**	371.21
29 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	**39.38**	64.32
Amortization of Intangible assets	-	-
Total	**39.38**	64.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
30 OTHER EXPENSES		
Consumption of stores and spare parts	**8.00**	10.65
Consumption of packing materials	**13.53**	12.55
Processing Charges	**2.50**	10.34
Bank charges	**22.78**	39.78
Repairs and maintenance of		
Buildings	**9.31**	4.94
Machinery	**12.94**	10.74
Other Assets	**8.33**	8.60
Printing and Stationery	**1.25**	2.24
Postage, Telegram and Telephones	**3.72**	4.69
Travelling and maintenance of vehicles	**38.10**	27.44
Insurance	**1.94**	2.20
Advertisement, Subscription and Periodicals	**5.93**	6.51
Advances/Investments written Off	**1.85**	10.43
Rates and taxes, excluding, taxes on income	**10.04**	9.91
Brokerage on yarn sales	-	1.00
Filing Fees	**0.63**	0.47
Directors' sitting Fees	**0.74**	0.70
Auditors' Remuneration (refer note below)	**2.08**	2.02
Yarn Sales Expenses other than brokerage	**4.43**	0.96
Legal and Professional charges	**1.48**	1.79
Donations	**0.41**	-
Expected Credit Loss	**13.19**	3.64
Miscellaneous expenses	**16.65**	3.35
Inter-Group Transactions Eliminations in Other Expenses	**(0.01)**	-
Total	**179.82**	174.95
Auditors' Remuneration		
For Statutory audit	**1.58**	0.81
For Taxation Matters	**0.25**	0.44
For Other Matters	**0.25**	0.77
	2.08	2.02
31 FINANCE COST		
Interest Expenses		
On Loans from banks	**235.95**	117.60
On others	**2.87**	142.49
Total	**238.82**	260.09
32 EXCEPTIONAL ITEMS		
Surplus on Conversion of Land into Stock in Trade etc	-	497.68
Total	-	497.68
33 INCOME TAX EXPENSE		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
Deferred tax adjustments	**(220.40)**	(1.82)
Total deferred tax expense/(benefit)	**(220.40)**	(1.82)
Income tax expense	**(220.40)**	(1.82)
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**(604.45)**	2.62
Effect of expenses that are not deductible in determining taxable profit	**(220.40)**	(1.82)
Income tax expense	**(220.40)**	(1.82)
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	**0.97**	(1.82)
Total income tax recognised in other comprehensive income	**0.97**	(1.82)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	**Year ended 31.03.2018**	Year ended 31.03.2017

d) Movement of deferred tax expense during the year ended March 31, 2018

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	(192.03)	29.39	-	(162.64)
Expenses allowable on payment basis	63.05	9.70	0.97	73.72
Other temporary differences	1,140.53	276.07	-	1,416.60
	1,011.56	315.15	0.97	1,327.67
MAT Credit entitlement	165.31	(94.74)	-	70.57
Total	1,176.87	220.41	0.97	1,398.25

e) Movement of deferred tax expense during the year ended March 31, 2017

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	(192.03)	-	-	(192.03)
Expenses allowable on payment basis	63.05	1.82	(1.82)	63.05
Other temporary differences	1,140.53	-	-	1,140.53
	1,011.56	1.82	1.82)	1,011.56
MAT Credit entitlement	165.31	-	-	165.31
Total	1,176.87	1.82	(1.82)	1,176.87

34 EARNINGS PER SHARE

Profit/ (Loss) for the year attributable to owners of the Company	**(384.17)**	4.44
Weighted average number of ordinary shares outstanding	**7,118,330**	7,118,330
Basic earnings per share (Rs)	**(5.40)**	0.06
Diluted earnings per share (Rs)	**(5.40)**	0.06

35 EARNINGS IN FOREIGN CURRENCY

FOB value of exports	–	–
	–	–

36 EXPENDITURE IN FOREIGN CURRENCY

Travelling	**5.92**	2.83
Others	-	-
	5.92	2.83

37 VALUE OF IMPORTS (ON C.I.F BASIS)

Consumables and Stores	-	-
Capital goods and Spares	-	-
	-	-

38 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, 2018		For the year ended Ma rch 31, 2017	
	Value	Percentage (%)	Value	Percentage (%)
Raw materials				
Imported	-	-	-	-
Indigenous	932.95	100.00	683.96	100.00
	932.95	100.00	683.96	100.00
Stores, Spares & Components:				
Imported	-	-	-	-
Indigenous	21.53	100.00	23.20	100.00
	21.53	100.00	23.20	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	**Year ended 31.03.2018**	Year ended 31.03.2017
39. 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		34.28
(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.

40 Commitments and contingent liability

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 stayed:-

Asst. Year	Nature of Dispute	Disputed Demand	
		March 31, 2018	March 31, 2017
1995-96	TNGST Demand	54.59	54.59
1998-99	TNGST Demand	61.66	61.66
	(Rs.31.00 lacs since paid as per Madras High Court Interim Order)		
1999-00	TNGST Pre-assessment Demand	89.37	89.37
2000-01	Total (TNGST+ Additional Sales Tax)	121.97	121.97
01.04.2004 to 31.12.2006	Additional Sales Tax under TNGST	7.43	7.43

(b) Customs department filed an appeal before Hon'ble Madras High Court against the orders of Settlement Commission under Advance License Scheme in respect of reduction of Interest of Rs.8.26 lakhs allowed to us pending final orders no provision is made in the accounts.

(c) There is a demand of Rs.3,19,712/- raised by Andhra Pradesh Electricity Department in respect of Fuel Surcharge adjustment (FSA). The same is disputed by the Company before Hon'ble Andhra Pradesh High Court and pending final orders no provision is made in the accounts.

(d) Income Tax assessments from Assessment year 2017-18 and onwards are pending.

(e) Sales Tax Assessments pending :

a) Under TNGST	1999-2000 to 2000-2001 & 2004-2005 to 31.12.2006
b) Under TNVAT	01.01.2007 to 31.03.2016
c) Under CST (TN)	1999-2000 to 2011-2015
d) Under KGST	2005-2006
e) Under CST (Kerala	2005-2006
f) Under APVAT	2014-2016
g) Under CST (AP)	2014-2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

41 Operating Segments

The Company's main business is "Textile" while the other segment does not meet the reportable segment thresholds given in Ind-AS 108 "Operating Segments" and hence included under "Others".

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
a) Textile	**1,332.99**	1,088.35
b) Others	**-**	-
Revenue from Operations (net)	**1,332.99**	1,088.35
Segment Results		
Profit/(Loss) before tax and Finance Cost		
a) Textile	**(846.54)**	(251.58)
b) Others	**-**	-
Total	**(846.54)**	(251.58)
Less: Finance Cost	**238.82**	260.09
Profit from Continuing Operations	**(607.72)**	8.51
Profit from DisContinuing Operations	**-**	-
Profit before Tax	**(607.72)**	8.51
Segment Assets		
a) Textile	**5,374.65**	5,661.32
b) Others	**0.01**	0.01
c) Other unallocable Corporate Assets	**-**	-
Total Assets	**5,374.66**	5,661.33
Segment Liabilities		
a) Textile	**4,134.67**	4,170.49
b) Others	**1,126.37**	990.87
c) Other unallocable Corporate Liabilities	**-**	-
Total Liabilities	**5,261.04**	5,161.36
Capital employed (Segment Assets-Segment Liabilities)		
a) Textile	**1,239.98**	1,490.83
b) Others	**(1,126.36)**	(990.86)
Total Capital employed in Segments	**113.62**	499.97
Unallocated Corporate Assets less: Corporate Liabilities	**-**	-
Total Capital Employed	**113.62**	499.97

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	**1,332.99**	1,088.35
Other Countries	**-**	-
Total	**1,332.99**	1,088.35

(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, 2018	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	**2**	-
Total revenue from the above customers	**430.29**	-

42 Lease

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Not later than 1 year	**4.23**	4.23
Later than 1 year but not more than 5 years	**-**	-
More than 5 years	**-**	-
	4.23	4.23

43. Government Grants

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Subsidies (freight subsidy issued by MPEDA)	-	-
Duty Drawback on exports	-	-
Interest subvention on export finance	-	-
Duty rebate under EPCG scheme	-	-
DEPB and Import license entitlements	-	-
Total	-	-

There are no unfulfilled conditions and other contingencies attached to government assistance that has been recognised in the financial statements, except in respect of duty saved under EPCG scheme where the Company is required to fulfil certain export obligations. Since majority of the revenue is from export, those obligations are regularly fulfilled by the Company

43A Demonetisation Disclosure

Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

Particulars	SBN's	Other Notes	Total
Closing Cash in hand as on 08-11-2016	0.83	3.52	4.35
Add: Permitted Receipts	0	4.08	4.08
Less: Permitted Payments	0	4.02	4.02
Less: Amounts deposited in Banks	0.83	0	0.83
Closing Cash in Hand as on 30-12-2016	0	3.58	3.58

43B 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, 2018	Year ended March 31, 2017
NIL	NIL	NIL

43C The Balances of Receivables and Payables are adopted as appearing in the Books of Account and are subject to confirmation.

44 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, 2018**	March 31, 2017	April 1, 2016
Debt	**1,555.68**	1,820.23	1,502.93
Less: Cash and bank balances	**139.75**	184.03	152.06
Net debt	**1,415.93**	1,636.20	1,350.87
Total equity	**113.62**	499.97	491.54
Net debt to equity ratio (%)	**1246.21%**	327.26%	274.83%

(₹ in Lakhs)

Categories of Financial Instruments	**March 31, 2018**	March 31, 2017	April 1, 2016
Financial assets			
a Measured at amortised cost			
Loans Given	-	-	-
Other non-current financial assets	**215.78**	215.75	219.13
Trade receivables	**134.19**	181.80	147.68
Cash and cash equivalents	**5.56**	2.23	4.38
Bank balances other than above	**70.25**	65.69	60.39
Other financial assets	-	-	-
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Investments	**-**	1.85	1.84
Financial liabilities			
a. Measured at amortised cost			
Borrowings (long term)	**1,555.68**	1,820.23	1,502.93
Borrowings (short term)	**1,377.27**	1,196.70	992.25
Trade payables	**544.65**	440.94	677.70
Other financial liabilities	**450.00**	450.00	542.00
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.

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, 2018

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	Nil	Nil	Nil	Nil	Nil	Nil
EUR	Nil	Nil	Nil	Nil	Nil	Nil	Nil
in INR	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As on March 31, 2017

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	Nil	Nil	Nil	Nil	Nil	Nil
EUR	Nil	Nil	Nil	Nil	Nil	Nil	Nil
in INR	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As on April 1, 2016

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	Nil	Nil	Nil	Nil	Nil	Nil
EUR	Nil	Nil	Nil	Nil	Nil	Nil	Nil
in INR	Nil	Nil	Nil	Nil	Nil	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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 5.60 Lakhs for the year (Previous INR 6.20 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 and from its financing/ investing activities, including deposits with banks, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

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 receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade 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.

(₹ in Lakhs)

March 31, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	544.65	-	-	544.65
Borrowings (including interest accrued thereon upto the reporting date)	1,546.95	1,555.68	-	3,102.64
	2,091.61	1,555.68	-	3,647.29

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	440.94	-	-	440.94
Borrowings (including interest accrued thereon upto the reporting date)	1,334.32	1,820.23	-	3,154.55
	1,775.26	1,820.23	-	3,595.49

April 1, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	677.70	-	-	677.70
Borrowings (including interest accrued thereon upto the reporting date)	1,166.55	1,502.93	-	2,669.48
	1,844.25	1,502.93	-	3,347.18

	March 31, 2018	March 31, 2017	April 1, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 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	Doral Real Estates (upto 01-06-2017)	
	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 Subramaniam	Company Secretary
	Sri.G Krishnakumar	Chief Financial Officer
Other Directors	Sri.N.Jothikumar	Director
	Sri.R.Narayanamurthy	Director
	Sri.Radhakrishnan	Director

b) Transactions during the year

(₹ in Lakhs)

S.No.	Nature of transactions	Amount	
		2017-18	2016-17
1.	D. Lakshminarayanaswamy	**42.22**	30.22
	Smt. L. Nagaswarna	**24.80**	18.47
2	Remuneration		
	Sri.S A Subramaniam	**5.63**	5.67
	Sri.G Krishnakumar	**4.12**	4.31
3	Lease Rent Received:		
	SRYC	**1.83**	1.83
	JGOM	**2.40**	2.40
4	Yarn Conversion Charges Received		
	SPL	**29.56**	11.49
5	Yarn Conversion Charges Paid		
	SPL	**2.48**	10.34
6	Purchases		
	SRYC	**3.33**	10.70
	SJA	**76.36**	-
7	Raw Material / Waste Purchases:		
	JGOM	**94.28**	128.12
8	Loan Received :		
	D. Lakshminarayanaswamy	**805.24**	651.64
	L. Nagaswarna	**333.08**	197.01
9	Loan repaid :		
	D. Lakshminarayanaswamy	**942.98**	301.40
	L. Nagaswarna	**151.80**	18.35
10	Interest on Loan		
	D. Lakshminarayanaswamy	**122.55**	127.38
	L. Nagaswarna	**33.08**	32.05
	N.Jothikumar	**0.23**	0.23
	SRYC	**5.51**	3.66
	JGOM	**28.30**	6.17
11	Sitting Fees		
	N.Jothikumar	**0.39**	0.30
	R.Narayanamurthy	**0.31**	0.22
	R.Radhakrishnan	**0.20**	0.18
12	Rent paid		
	SJA	**0.20**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Transaction

S.No.	Nature of transactions	Amount	
		2017-18	2016-17
1	Outstanding Balance Payable		
	SJTL	**-**	-
	SRYC	**262.02**	177.91
	JGOM	**251.85**	-
	D. Lakshminarayanaswamy	**1,418.46**	1,556.20
	L. Nagaswarna	**506.52**	321.68
	N.Jothikumar	**2.00**	2.00
	S A Subramaniam	**0.52**	0.97
	G Krishnakumar	**0.49**	0.81
2	Outstanding Balance Receivable		
	SRYC	**-**	-
	SJTL	**118.81**	250.79
	SPL	**32.44**	8.35
	JGOM	**-**	228.02

46 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. 17.41 Lakhs (for the year ended March 31, 2017: Rs. 14.75 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, 2018	March 31, 2017
Discount Rate	7.75% p.a.	6.90% 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%	100%

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.

(₹ in Lakhs)

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

	March 31, 2018	March 31, 2017
Current service cost	**8.28**	7.81
Past Service Cost	**9.35**	-
Net interest expense	**13.82**	11.69
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	**31.45**	19.50
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	**3.15**	(5.89)
Components of defined benefit costs recognised in other comprehensive income	**3.15**	(5.89)
Total	**34.60**	13.61

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

Ianthe 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, 2018	March 31, 2017
Present value of defined benefit obligation	**232.99**	200.41
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	**232.99**	200.41
Funded	-	-
Unfunded	**232.99**	200.41
	232.99	200.41

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, 2018	March 31, 2017
Opening defined benefit obligation	**200.41**	194.87
Past Service Cost	**9.35**	-
Current service cost	**8.28**	7.81
Interest cost	**13.83**	11.69
Actuarial (gains)/losses	**3.15**	(5.89)
Benefits paid	**(2.03)**	(8.07)
Closing defined benefit obligation	**232.99**	200.41

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

	March 31, 2018	March 31, 2017
Opening fair value of plan assets	-	-
Return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

47 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP). "

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE and Intangibles

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to continue the property, plant and equipment and intangibles at their previous GAAP values.

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B. Notes to first-time adoption

B.1 Trade receivables

As per Ind AS 109, The company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Company has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.2 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.""As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements."

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications.

B.4 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.5 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

48 Key reconciliation required as per Ind AS 101 on transition to Ind AS

(a) Reconciliation of equity

	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds as per Indian GAAP	679.87	667.99
Ind AS Adjustments		
Remeasurement of turnover	–	(0.19)
Remeasurement of employee benefits	–	–
Impact of expected credit loss	(1.10)	2.54
Remeasurement of deferred taxes as per Ind AS 22	(178.80)	(178.80)
Total equity/ shareholders' funds as per Ind AS	499.97	491.54

(b) Reconciliation of Profits

	For the year ended March 31, 2017
Total comprehensive income as per Indian GAAP	29.01
Ind AS Adjustments	
Remeasurement of turnover	0.19
Impact of expected credit loss	(3.64)
Impact of adjustment of revaluation reserve	(17.05)
Total comprehensive income as per Ind AS	8.51

(c) Reconciliation of Cash Flows

	For the year ended March 31,2017		
	As per iGAAP	Effect of Transition	As per Ind-AS
Net Cash Flow from Operating Activities	(290.42)	0.05	(290.47)
Net Cash Flow from Investing Activities	38.36	6.08	32.28
Net Cash Flow from Financing Activities	255.21	(0.83)	256.04
Net Cash Flow	3.15	5.30	(2.15)
Opening Cash and Cash Equivalents	64.77	60.39	4.37
Closing Cash and Cash Equivalents	67.92	65.69	2.23

49 Interest in Other Entities

(a) Subsidiaries and Entities with whom the Reporting Group has controlling Interest

The group's subsidiaries and other entities with whom the group has controlling interest at 31 March 2018 are set out below. Unless otherwise stated and excepting for Partnership Entities, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name of entity	Place of business/ country of incorporation	Ownership interest held by group (in Percentage)			Ownership interest held by the non-controlling interests (in Percentage)			Principal activities
		31.3.2018	31.3.2017	1.4.2016	31.3.2018	31.3.2017	1.4.2016	
Doral Real Estate Private Limited (converted as Private Limited w.e.f: 02-06-2017)	India	98.00%	NA	NA	2.00%	NA	NA	Real Estate
Doral Real Estates (ceased as partnership and converted as Private Limited w.e.f: 02-06-2017)	India	NA	98.00%	98.00%	NA	2.00%	2.00%	Real Estate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Significant judgement: consolidation of entities with less than 50% voting interest

Particulars	Year Ended	Year Ended	Year Ended
	31.3.2018	31.3.2017	1.4.2016
Consolidation of entities with less than 50% voting interest	None To Report	None To Report	None To Report

(c) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Doral Real Estate Private Limited			Doral Real Estates (formerly known as Dove Real Estates)		
	31.3.2018	31.3.2017	1.4.2016	31.3.2018	31.3.2017	1.4.2016
Current assets	0.02	NA	NA	NA	0.13	0.12
Current liabilities	0.15	NA	NA	NA	0.07	0.93
Net current assets	-0.13	NA	NA	NA	0.06	-0.81
Non-current assets	100.00	NA	NA	NA	100.00	100.00
Non-current liabilities	99.00	NA	NA	NA	99.06	98.94
Net non-current assets	1.00	NA	NA	NA	0.94	1.06
Net assets	0.87	NA	NA	NA	1.00	0.25
Accumulated NCI	0.02	NA	NA	NA	0.02	0.10

Summarised balance sheet	Doral Real Estate Private Limited			Doral Real Estates (formerly known as Dove Real Estates)		
	31.3.2018	31.3.2017	1.4.2016	31.3.2018	31.3.2017	1.4.2016
Revenue	0.01	NA	NA	-	-	-
Less: Inter Entity Consolidation Eliminations	-	NA	NA	-	-	-
Expenses	0.13	NA	NA	0.10	0.09	0.08
Profit for the year	(0.12)	NA	NA	(0.10)	(0.09)	(0.08)
Other comprehensive income	-	NA	NA	-	-	-
Total comprehensive income	(0.12)	NA	NA	(0.10)	(0.09)	(0.08)
Profit allocated to Entity	(0.11)	NA	NA	(0.09)	(0.09)	(0.07)
Profit allocated to NCI	(0.00)	NA	NA	(0.00)	(0.00)	(0.00)
Dividends paid to NCI	Nil	NA	NA	Nil	Nil	Nil

upto the Date of Conversion of Partnership i.e 01-06-2017

Summarised balance sheet	Doral Real Estate Private Limited			Doral Real Estates (formerly known as Dove Real Estates)		
	31.3.2018	31.3.2017	1.4.2016	31.3.2018	31.3.2017	1.4.2016
Cash flows from operating activities	(0.06)	NA	NA	(0.09)	(0.09)	(0.14)
Cash flows from investing activities	-	NA	NA	-	-	-
Cash flows from financing activities	0.03	NA	NA	(0.00)	0.10	0.14
Net increase/ (decrease) in cash and cash equivalents	(0.03)	NA	NA	(0.09)	0.01	0.00
Other comprehensive income	-	NA	NA	-	-	-
Total comprehensive income	(0.12)	NA	NA	(0.10)	(0.09)	(0.08)
Profit allocated to Entity	(0.11)	NA	NA	(0.09)	(0.09)	(0.07)
Profit allocated to NCI	(0.00)	NA	NA	(0.00)	(0.00)	(0.00)
Dividends paid to NCI	Nil	NA	NA	Nil	Nil	Nil

upto the Date of Conversion of Partnership i.e 01-06-2017

For and on behalf of the Board of Directors

D. Lakshminarayanaswamy
Managing Director
(DIN : 00028118)

N. Jothikumar
Director
(DIN : 00028025)

S.A. Subramanian
Company Secretary

G. Krishnakumar
Chief Financial Officer

Place: Coimbatore
Date : 30.05.2018

In terms of our Report of even date

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

NOTE ON DEMATERIALISATION OF SHARES IN PHYSICAL FORM

Dear Shareholder,

Securities & Exchange Board of India (SEBI) has issued a Circular to all Listed Companies on July 5, 2018 stating that the transfer of securities would be carried out only in dematerialized form after December 5, 2018.

In view of the recent circular from SEBI, it is necessary for members holding shares in physical form to convert their holdings into dematerialized form on or before 05.12.2018.

In case the shares in physical form are not converted into dematerialized form after 05.12.2018, no transfer / transmission of shares may be carried out according to SEBI's amendment to Regulation 40 of SEBI (LO & DR) Regulations 2015, dt.05.07.2018.

In the dematerialized form, the membership and transfer of Securities takes place by means of electronic book entries. This provides numerous benefits. Dealing in physical securities is open to risks like theft of shares, mutilation of Certificates, loss of Certificates during movements to and from the Registrar and Share Transfer Agents. This problem does not arise in the dematerialized form. There is no stamp duty for transfer of shares in electronic form unlike the physical form of securities. In the dematerialized form once the securities are credited to the members' account, they become the legal owner of the securities. There is no further need to send it to the company's Registrar and Share Transfer Agents. Thus, it provides, lower risk, easy holding and reduced costs.

This would also facilitate the company and members to support the green initiative measures launched by the Ministry of Corporate Affairs, Government of India.

Members are also requested to return the signature cards if any, of all the physical securities to the Company's RTA M/s.SKDC Consultants Limited, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006.

For Sri Ramakrishna Mills (Coimbatore) Limited

Place : Coimbatore
Date : 10.08.2018

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

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 71st Annual General Meeting of the Company to be held on Thursday, the 27th September 2018 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.	Adopting of Financial Statements for the Financial Year ended on 31s March 2018		
2.	Re-appointment of Smt.L.Nagaswarna (DIN:00051610 who retires by rotation and being eligible offers herself for re-appointment		
3.	Appointment of Statutory Auditors		

Signed this ____ day of ___________ 2018

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 71st Annual General Meeting of the Company at Registered Office at 1493, Sathyamangalam Road, Ganapathy Post, Coimbatore - 641 006 on Thursday, the 27th September 2018 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 70th Annual General Meeting under the heading “voting through electronic means”.

REGISTERED - BOOK-POST

If undelivered please return to

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Post Box No. 2007, Ganapathy Post

Coimbatore - 641 006

Rukmani Offset Press, Cbe. ✆ 0422-2672789

Sri Ramakrishna Mills (Coimbatore) Ltd.,

SRMC

Regd. Office : 1493, Sathyamangalam Road, P.B. No. 2007, Ganapathy, Coimbatore - 641 006, India.
Phone : 0422-2531022, 2531122, E-mail : srmc@vsnl.com

September 27, 2018

M/s.BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001.

Kind Attn : Mr.Abhijit Pai
AGM (Listing)

Dear Sir,

Sub : RESULTS OF VOTING – Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements), Regulations 2015

<<<>>>

Result of the voting conducted thro' e-voting and voting through Ballot paper at the AGM held on 27.09.2018 as to the Three resolutions mentioned below as set out in the Notice dt.10.08.2018 sent to the Members, is submitted herewith.

No. of shareholders present in the meeting either in person or through Proxy:

Promoter and Promoter Group	:	8
Public	:	25

Total	:	33
		===
Total No. of shareholders as on 20.09.2018	:	2077

RESOLUTIONS:

Item No.	Description
1.	Adoption of Standalone & Consolidated Audited Financial Statements for the Financial Year ended 31st March 2018
2.	Re-appointment of Smt.L.Nagaswarna (DIN:00051610) who retires by rotation being eligible offers herself for reappointment
3.	Appointment of auditors

We are enclosing the following :

1) Scrutinizer's Report
2) Annual Report for the year 2017-18
3) Voting Results

Thanking you,

Yours faithfully,

For Sri Ramakrishna Mills (Coimbatore) Ltd.,

(S.A. SUBRAMANIAN)
Company Secretary

VOTING RESULTS:		**AGM HELD ON 27.09.2018**								
S. No.	Category of Members	No.of shares held	No.of votes polled	% of votes polled on outstanding shares	No.of votes in favour	No.of votes against	% of votes in favour on the votes polled	% of votes against on the votes polled	Invalid votes
I.	**RESOLUTION NO.1**								
a)	Promoter and Promoter Group	4319727	4319727	100.00	4319727	0	100	0	0
b)	Public Institutional Holders	715740	0	0.00	0	0	0	0	0
c)	Public - Others	2082863	527941	25.35	527941	0	100	0	0
	TOTAL	**7118330**	**4847668**	**68.10**	**4847668**	**0**	**100**	**0**	**0**
II.	**RESOLUTION NO.2**								
a)	Promoter and Promoter Group	4319727	3382363	78.30	3382363	0	100	0	0
b)	Public Institutional Holders	715740	0	0.00	0	0	0	0	0
c)	Public - Others	2082863	527941	25.35	527941	0	100	0	0
	TOTAL	**7118330**	**3910304**	**54.93**	**3910304**	**0**	**100**	**0**	**0**
III.	**RESOLUTION NO.3**								
a)	Promoter and Promoter Group	4319727	4319727	100.00	4319727	0	100	0	0
b)	Public Institutional Holders	715740	0	0.00	0	0	0	0	0
c)	Public - Others	2082863	527941	25.35	527941	0	100	0	0
	TOTAL	**7118330**	**4847668**	**68.10**	**4847668**	**0**	**100**	**0**	**0**

For Sri Ramakrishna Mills (Coimbatore) Ltd.,

(S.A. SUBRAMANIAN)
Company Secretary

Resolutions passed at the 71st Annual General Meeting of the Company held on 27th September 2018 by means of e-voting and poll conducted at the AGM

The Resolutions passed at the Annual General Meeting are as follows :

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the company for the financial year ended 31st March 2018 and the Reports of the Directors and Auditors thereon.

   Proposed by : Sri.P. Govindarajan
   Seconded by : Sri. K.G. Vora

   The following Resolution having been proposed and seconded by the aforementioned two members was put to vote as an Ordinary Resolution.

   "RESOLVED that the audited Financial Statements for the Financial Year ended 31.03.2018 together with Schedules and Notes attached thereto along with the Reports thereon of the Directors and Auditors, as circulated to the Members and laid before the Meeting, be and are hereby approved and adopted."

Result	Votes cast in favour of the resolution	4847668
	Votes cast against the resolution	0
	Invalid votes	0
	Passed as an Ordinary Resolution	

2. To consider appointment of Smt.L.Nagaswarna who retires by rotation and being eligible, offers herself for reappointment.

   Being interested in the following subjects brought before the meeting, Sri.D.Lakshmi-narayanaswamy, Chairman of the meeting requested the members to elect another person as Chairman to conduct the proceedings. Sri.N.Jothikumar, a Director of the Company was elected as Chairman and he took the Chair.

   Proposed by : Sri.K.R. Manohar
   Seconded by : Sri. T. Devaraj

   The following Resolution having been proposed and seconded by the aforementioned two members was put to vote as an Ordinary Resolution.

"RESOLVED THAT pursuant to Sec.152 of the Companies Act, 2013, Smt.L.Nagaswarna who retires by rotation and being eligible for reappointment offers herself for reappointment, be and is hereby reappointed as a Director of the Company and that her period of Office be liable to determination by retirement of Directors by rotation."

Result	Votes cast in favour of the resolution	3910304
	Votes cast against the resolution	0
	Invalid votes	0
	Passed as an Ordinary Resolution	

3. To appoint the Auditors of the Company.

Proposed by : Sri.Bharat Shah
Seconded by : Sri. R. Govindaswamy

The following Resolution having been proposed and seconded by the aforementioned two members was put to vote as an Ordinary Resolution.

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

Result	Votes cast in favour of the resolution	4847668
	Votes cast against the resolution	0
	Invalid votes	0
	Passed as an Ordinary Resolution	

CHAIRMAN

Place: Coimbatore
Date : 27.09.2018