

*75th
Annual Report
2014-2015*



The Ramaraju Surgical Cotton Mills Limited
Rajapalaiyam



SHRI P.A.C. RAMASAMY RAJA



Founder
Shri N.K. RAMARAJU

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

Board of Directors

Shri P.R. RAMASUBRAHMANEYA RAJHA, B.Sc.,
Chairman

Smt. R. NALINA RAMALAKSHMI, B.Sc., M.S.C.S.,
Managing Director

Shri M. SRIDHARAN
(Nominee of Govt. of Tamilnadu)

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A.,

Shri N.K. SHRIKANTAN RAJA, B.Com.,

Shri P.J. ALAGA RAJA, B.A.B.L.,

Shri S. KANTHIMATHINATHAN, M.Sc., (Tex.), M.B.A.,

Shri S.N. RAMA RAJU, B.Text.,

Justice Shri P.P.S. JANARDHANA RAJA, B.L.,

Shri V. SANTHANA RAMAN, B.Com., C.A.I.I.B.,

Shri P.J. RAMKUMAR RAJHA, B.Com.,

Bankers

Canara Bank

IDBI Bank Limited

Indian Bank

State Bank of India

Tamilnad Mercantile Bank Limited

The Karur Vysya Bank Limited

Auditors

M/s. M.S. Jagannathan & N. Krishnaswami,
Chartered Accountants,
Unit 5, Ground Floor, Abirami Apartments,
No.14, V.O.C. Road, Cantonment,
Tiruchirappalli - 620 001.

Secretarial Auditor

Shri M.R.L. Narasimha,
New No. 8 (Old No. 34-C),
Third Cross,
Ramalinga Nagar, K.K. Pudur,
Coimbatore - 641 038.

Chief Financial Officer

Shri P.R. Ramasubramanian

Secretary

Shri A. Emarajan

Registered Office

The Ramaraju Surgical Cotton Mills Premises,
Post Box No. 2, 119,
P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117. Tamilnadu.

Corporate Identification Number :

L17111TN1939PLC002302

E-mail : rscm@ramcotex.com

Phone : 04563-235904

Fax : 04563-235714

Website:

www.ramarajusurgical.com

Factories

Surgical Division

1. Rajapalaiyam
2. Perumalpatti

Spinning Division

Sudarsanam Spinning Mills

1. Rajapalaiyam
2. Silvassa
3. Subramaniapuram
4. Thirumalagiri Village, AP.

Cost Auditor

Shri M. Kannan,
IV-B Akshaya Homes,
9B-20 Tagore Nagar,
Bharathiyar 4th Street, S S Colony,
Madurai - 625 016.

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THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

NOTICE TO THE MEMBERS

Notice is hereby given that the 75th Annual General Meeting of the Company will be held at 9.30 A.M. on Wednesday, the 12th August, 2015 at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu to transact the following business.

ORDINARY BUSINESS:

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that the Directors' Report and the Company's Statement of Profit & Loss for the year ended 31st March 2015, Balance Sheet as at that date and Cash Flow Statements for the year ended on that date and the Auditors' Reports thereon be and are hereby considered and adopted."
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that a Dividend of Rs.1.20 per Share be and is hereby declared for the year ended 31st March, 2015."
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Shri P.R. Ramasubrahmaneya Rajha, who retires by rotation, be and is hereby elected as Director of the Company."
4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Shri P.R. Venketrana Raja, who retires by rotation, be and is hereby elected as Director of the Company."
5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT in terms of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants holding Firm Registration No.: 001208S as Auditors of the Company for the second consecutive year, viz. from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of their term of three consecutive years as approved at the Annual General Meeting held on 04-08-2014, be and is hereby ratified."

SPECIAL BUSINESS:

6. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.40,000/- exclusive of Service Tax and Out-of-pocket

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expenses payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2014-15 for auditing the Cost Records relating to manufacture of pharmaceutical products, be and is hereby ratified and confirmed."

7. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.1,00,000/- exclusive of Service Tax and Out-of-pocket expenses payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2015-16 for auditing the Cost Records relating to manufacture of textile and pharmaceutical products, be and is hereby ratified and confirmed."

By Order of the Board,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

NOTES:

- (i) Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
- (ii) **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
- (iii) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
- (iv) The Register of Members and the Share Transfer Books of the Company will remain closed from 07-08-2015 to 12-08-2015 (both days inclusive).
- (v) A Dividend of Rs. 1.20 per share has been recommended by the Board of Directors for the year ended 31-03-2015 and subject to the approval of the Shareholders at the ensuing Annual General Meeting, is proposed to be paid in respect of shares held in physical form

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to the shareholders whose names appear in the Register of Members as on 12-08-2015 and in respect of shares held in electronic form to the beneficial owners whose names appear in the list to be furnished by the Depositories for this purpose as on 06-08-2015. The dividend is proposed to be paid on and from the date of Annual General Meeting.

- (vi) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company is in compliance with SEBI's directive in this regard.
- (vii) Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2006-07 on due date, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.ramarajusurgical.com), as also on the website of the Ministry of Corporate Affairs. The dividend remaining unpaid for a period of over 7 years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

Financial Year Ended	Date of declaration of Dividend	Last Date for claiming unpaid Dividend	Due Date for transfer to IEP Fund
31-03-2008	06-08-2008	05-08-2015	03-09-2015
31-03-2010	04-08-2010	03-08-2017	01-09-2017
31-03-2011	20-07-2011	19-07-2018	17-08-2018
31-03-2013			
Interim Dividend	22-02-2013	21-02-2020	21-03-2020
Final Dividend	01-08-2013	31-07-2020	29-08-2020
31-03-2014	04-08-2014	03-08-2021	01-09-2021

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- (viii) Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2014-15 are being sent to all the members whose E-Mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - **www.ramarajusurgical.com** for their download.
- (ix) Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-Mail IDs recorded are requested to register their E-Mail address and changes therein with the Company in respect of physical shares and with Depository Participants in respect to dematerialised shares. Members are also requested to provide their unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company / Depository Participant(s).
- (x) Voting through electronic means:
- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members facility to exercise their right to vote at the 75th Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting, through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- B. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting.
- C. The members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-Voting are as under:

- i) To log on to the e-Voting website **www.evotingindia.com**.
- ii) To Click on "Shareholders" tab.
- iii) Now, Select the "THE RAMARAJU SURGICAL COTTON MILLS LIMITED" from the drop down menu and click on "SUBMIT"

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iv) USER ID

Now enter your User ID as given below:

- For CDSL: 16 Digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Captcha Code as displayed and Click on Login.

vi) PASSWORD

- 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.
- If you are first time user follow the steps given below:

- (a) 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 8 digits of the sequence number* in the PAN field.

* Sequence number is available in the address label pasted in the cover and / or in the e-mail sent to Members. 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. Eg. If your name is V. Ram Kumar with sequence number 1 then enter VR00000001 in the PAN field.

- (b) Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

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If both of the above details are not recorded with the depository or Company, please enter the member ID/Folio Number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' 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 for 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.
- ix) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- x) Click on the relevant EVSN for THE RAMARAJU SURGICAL COTTON MILLS LIMITED on which you choose to vote.
- xi) 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.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- xiii) 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.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you clicking on "Click here to Print" option on the Voting page. It need not be sent to the Company.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and the captcha code and click on Forgot Password & enter the details as prompted by the system.

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- xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- D. The facility for remote e-Voting shall remain open from 9.00 a.m. on Sunday, the 09th August, 2015 to 5.00 p.m. on Tuesday, the 11th August, 2015. During this period, the members of the Company, holding shares either in Physical Form or in Dematerialised Form, as on the cut-off-date, viz., Thursday, the 06th August, 2015, may opt for remote e-Voting.
- E. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- F. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 06-08-2015.
- G. Shri K. Srinivasan, Chartered Accountant (Membership No:21510), Partner, M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- H. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutiner, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-Voting facility.
- I. The Scrutinizer shall immediately after conclusion voting at the Annual General Meeting, first count the votes cast at the meeting there after unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

By Order of the Board,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.6

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company for the financial year 2014-15, relating to manufacture of Pharmaceutical Products.

On the recommendation of the Audit Committee at its meeting held on 11-02-2015, the Board had approved the appointment of Shri M. Kannan, Cost Accountant, having membership no. 9167 as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Pharmaceutical Products at a remuneration of Rs.40,000/- exclusive of Service Tax and out-of-pocket expenses.

The appointment and the remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

Item No.7

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company for the financial year 2015-16, relating to manufacture of Textile and Pharmaceutical Products.

On the recommendation of the Audit Committee at its meeting held on 21-05-2015, the Board had approved the appointment of Shri M. Kannan, Cost Accountant, having membership no. 9167 as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Textile and Pharmaceutical Products at a remuneration of Rs.1,00,000/- exclusive of Service Tax and out-of-pocket expenses.

The appointment and the remuneration of the cost auditor are required to be ratified by the members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

By Order of the Board,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

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ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

1. SHRI P.R. RAMASUBRAHMANEYA RAJHA

Shri P.R. Ramasubrahmaneya Rajha, Chairman of the Company, aged 79 years, has a Bachelor Degree in Science from University of Madras.

He has been on the Board of The Ramaraju Surgical Cotton Mills Limited since 1956.

He holds 69,740 Equity Shares in the Company.

He is the father of Smt. R. Nalina Ramalakshmi, Managing Director and Shri P.R. Venketrama Raja, Director of the Company.

He is also a Director in the following Companies:-

1. The Ramco Cements Limited (Chairman & Managing Director)
2. Ramco Industries Limited (Chairman)
3. Ramco Systems Limited (Chairman)
4. Rajapalayam Mills Limited (Chairman)
5. Sri Vishnu Shankar Mill Limited (Chairman)
6. Sandhya Spinning Mill Limited (Chairman)
7. Thanjavur Spinning Mill Limited (Chairman)
8. Rajapalayam Textile Limited (Chairman)
9. Ramco Management Private Limited (Chairman)
10. Sri Sandhya Farms (India) Private Limited
11. Sri Saradha Deepa Farms Private Limited
12. Ramamandiram Agricultural Estate Private Limited
13. Nalina Agricultural Farms Private Limited
14. Ramco Systems Corporation, USA
15. Sri Ramco Lanka (Private) Limited, Sri Lanka
16. Sri Ramco Roofings Lanka Private Limited - Sri Lanka
17. RCDC Securities and Investments Private Ltd.
18. Nirmala Shankar Farms & Estates Private Ltd.
19. Sri Nithyalakshmi Farms Private Ltd.
20. Ram Sandhya Farms Private Ltd.
21. Rajapalayam Chamber of Commerce and Industry

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He is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position Held
The Ramaraju Surgical Cotton Mills Limited	Share Transfer Committee	Chairman
The Ramaraju Surgical Cotton Mills Limited	Corporate Social Responsibility Committee	Chairman
The Ramaraju Surgical Cotton Mills Limited	Stakeholders Relationship Committee	Chairman
The Ramco Cements Limited	Project Management Committee	Chairman
The Ramco Cements Limited	Stakeholders Relationship Committee	Member
The Ramco Cements Limited	Share / Debenture Committee	Chairman
Ramco Industries Limited	Stakeholders Relationship Committee	Chairman
Ramco Industries Limited	Corporate Social Responsibility Committee	Chairman
Ramco Industries Limited	Share Transfer Committee	Chairman
Ramco Systems Limited	Stakeholders Relationship Committee	Chairman
Rajapalayam Mills Limited	Share Transfer Committee	Chairman
Rajapalayam Mills Limited	Stakeholders Relationship Committee	Chairman
Rajapalayam Mills Limited	Corporate Social Responsibility Committee	Chairman
Sandhya Spinning Mill Limited	Share Transfer Committee	Chairman
Sandhya Spinning Mill Limited	Corporate Social Responsibility Committee	Chairman
Sri Vishnu Shankar Mill Limited	Corporate Social Responsibility Committee	Chairman

2. SHRI P.R. VENKETRAMA RAJA

Shri P.R. Venketrama Raja, aged 56 years, has a Bachelor Degree in Chemical Engineering from University of Madras and Master in Business Administration from University of Michigan, USA.

He has been on the Board of The Ramaraju Surgical Cotton Mills Limited since 1992.

He holds 2,700 Equity Shares of the Company.

He is the son of Shri P.R. Ramasubrahmaneya Rajha, Chairman and Brother of Smt. R. Nalina Ramalakshmi, Managing Director of the Company.

He is also a Director in the following Companies:-

1. The Ramco Cements Limited
2. Ramco Systems Limited (Vice Chairman & Managing Director)
3. Ramco Industries Limited (Vice Chairman & Managing Director)
4. Rajapalayam Mills Limited
5. Sri Vishnu Shankar Mill Limited

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6. Sandhya Spinning Mill Limited
7. Sri Sandhya Farms (India) Private Limited
8. Sri Saradha Deepa Farms Private Limited
9. Nalina Agricultural Farms Private Limited
10. Ramco Systems Corporation, USA
11. Ramco Systems Limited, Switzerland
12. Ramco Systems Sdn Bhd., Malaysia
13. Ramco Systems Pte. Ltd., Singapore
14. Sri Ramco Lanka (Private) Limited, Sri Lanka
15. Sri Ramco Roofings Lanka Private Limited, Sri Lanka
16. RCDC Securities and Investments Private Limited
17. Nirmala Shankar Farms & Estates Private Limited
18. Sri Nithyalakshmi Farms Private Limited
19. Ram Sandhya Farms Private Limited
20. RSL Enterprises Solutions (Pty) Limited, South Africa
21. Ramco Systems Canada Inc., Canada
22. Rajapalayam Textiles Limited
23. Ramco Systems FZ-LLC
24. Ramco Systems Australia Pty Limited, Australia
25. Ramamandiram Agricultural Estate Private Limited

He is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position Held
The Ramco Cements Limited	Audit Committee	Member
The Ramco Cements Limited	Project Management Committee	Member
The Ramco Cements Limited	Stakeholders Relationship Committee	Chairman
The Ramco Cements Limited	Share/Debenture Committee	Member
Ramco Industries Limited	Stakeholders Relationship Committee	Member
Ramco Industries Limited	Share Transfer Committee	Member
Ramco Systems Limited	Stakeholders Relationship Committee	Member
Ramco Systems Limited	Allotment Committee	Member
Ramco Systems Limited	Fund Raising Committee	Member
Ramco Systems Limited	Rights Issue 2013 Committee	Member
Rajapalayam Mills Limited	Stakeholders Relationship Committee	Member

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 75th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2015.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2015 after charging all expenses and contribution to Ramaraju Memorial Fund of Rs.15.00 Lakhs (which is within the limits laid in the Articles of Association) but before deducting finance cost and depreciation have resulted in operating profit of Rs. 3,735.86 Lakhs against Rs.6,718.17 Lakhs for the previous financial year 2013-14.

After deducting Rs.1,905.34 Lakhs towards finance cost and providing Rs.1,215.62 Lakhs towards Depreciation, the Net Profit for the year is Rs.614.90 Lakhs, against Rs.2,657.55 Lakhs for the previous financial year 2013-14. Adding the surplus of Rs.182.37 Lakhs brought forward from the previous year, your Directors propose to appropriate the total sum of Rs.797.27 Lakhs as detailed below:

		Rs. in Lakhs
Provision for Taxation	Current Tax - MAT	119.58
	MAT credit for the current year	(119.58)
	MAT credit related to earlier years withdrawn	44.33
	Deferred Tax	169.56
Dividend	Rs.1.20 per share (PY: Rs.3.00 per share)	23.68
Tax on Dividend	@20.358%	4.82
Transfer to General Reserve		400.00
Balance carried over to Balance sheet		154.88
	Total	<u>797.27</u>

SHARE CAPITAL

The Paid-up Capital of the Company is Rs.197.33 Lakhs (Previous Year: Rs.197.33 Lakhs) consisting of 19,73,280 Shares of Rs.10/- each.

DIVIDEND

Your Directors have pleasure in recommending a Dividend of Rs. 1.20 per share (Previous Year: Rs.3.00 per share). The dividend will be tax free income in the hands of Shareholders as the Company will pay Dividend Distribution Tax under Income Tax Act, 1961. The total amount of Dividend outgo for the year will be Rs.23.68 Lakhs. The amount of tax on dividends would be Rs.4.82 Lakhs.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

TAXATION

The Company is not liable to pay income tax under regular Income-Tax provisions. An amount of Rs.119.58 Lakhs towards current tax (MAT) and Rs.169.56 Lakhs towards Deferred Tax has been provided for the year. The tax paid under MAT will be available for set off in the year of regular income tax liability.

SPINNING DIVISION

TRADE CONDITIONS

During the year under review, the performance of the Company was severely affected due to the following reasons:

The cotton prices have prevailed at higher level during the first half of year under review and started declining from October 2014 onwards due to record cotton crop estimated at 400 Lakhs Bales for the cotton season 2014-15. The reduced demand of Cotton from China, have negatively impacted on the cotton prices. Because of this, cotton prices have fallen below the Minimum Support Prices and Government of India has started procuring cotton at minimum support price through Cotton Corporation of India (CCI). CCI has purchased majority of the cotton produced in Andhra Pradesh / Telangana Region during current cotton season 2014-15, which has resulted in non-availability of cotton to the Spinning Mills at reasonable price.

The fall in prices of yarn in export market due to sluggish demand for yarn in the China, Europe, Japan and other major yarn importing Countries from India has negatively impacted on the profitability of the Company. Yarn export to China, which is one of the largest Importer of Cotton Yarn from India has declined by 20% due to change in Chinese Government policy to liquidate their cotton inventory.

Because of the slowdown in export market, there has been an excess supply of cotton yarn in domestic market. This has resulted in mismatch between supply and demand for yarn in India. The increased supply of cotton yarn in domestic market has brought down the selling prices of yarn in India. Steep fall in cotton prices have also put pressure on selling prices of yarn in domestic and export markets.

The power cut in Tamil Nadu / Andhra Pradesh is still continuing. Timely decision taken by your Directors to install Windmills in previous years has helped the Company to mitigate the power short fall during peak wind season. The restrictions imposed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) in evacuation of power generated by wind mills has continued this year also, which has resulted in loss in generation of power from wind mills to the extent of approximately 9.12 Lakhs units, which translated into Rs. 60.78 Lakhs in monetary terms.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

Due to shut-down of wind mills by TANGEDCO, the Company was forced to purchase the power from power generating companies / run the DG & HFO sets, which are costly compared to wind mills. Due to this, the power cost during the year has gone up substantially.

The reduction in yarn selling price and the increase in costs have contributed to reduction in profits for the year 2014-15, compared to the previous year.

EXPORTS

On the export front during the year, we have made export of Cotton Yarn / Fabrics and Surgical Dressings (including merchant exports) for a value of Rs.110.20 Crores as against Rs.57.35 Crores of the previous year.

Your Directors are thankful to M/s. Mitsubishi Corporation, M/s. Cottonificio Albini SPA and M/s. Tessitura Monti SPA, Italy for their continued support and efforts for promotion of exports to Japan and other countries.

MODERNISATION

As a part of continuous thrust on modernization and diversification programme, the Company has invested about Rs.7.10 Crores in Weaving division, state-of-the-art textile machinery and equipments like Uster Quantum III, Boiler, Air Compressor, Yarn Feeler etc.

WIND MILL

The Company has wind mills with installed capacity of 8.30 MW for its captive power consumption. These wind mills are connected to the grids maintained by Tamil Nadu Generation and Distribution Corporation (TANGEDCO). The generation from wind farms has been adversely affected due to evacuation constraints imposed by TANGEDCO. Because of this, even though our wind farm areas had witnessed good wind season, the windmills were not able to generate power to its full potential. The backing down of the wind electric generators imposed by TANGEDCO during the last year has continued this year also and caused generation loss of upto 27% during peak wind season.

The wind farm has generated 123 Lakhs Kwh as compared to 132 Lakhs Kwh of the previous year. The income during the year from the Wind Mill Division was Rs.7.29 Crores as against Rs.7.63 Crores of previous year.

PROSPECTS FOR THE CURRENT YEAR

The cotton prices are prevailing at moderate level. There is a sign of revival of demand for yarn in domestic as well as international yarn markets and the prices of yarn have started improving

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

slowly. With the moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving satisfactory results in the financial year 2015-16.

The Company is maintaining high standards of yarn quality, cost effective production and stringent waste control measures and focusing on more automation with a view to utilize the skilled manpower more efficiently. The Company is making all efforts to cope up with the current challenges through continuous cost reduction, imparting training to the employees at all levels, re-engineering of process and improved customer service to protect & improve the profit margins.

SURGICAL DIVISION

The operation of the division has been satisfactory with good contribution to the profit of the Company due to effective utilisation of machineries. Even though Raw Material cost and other input cost had gone up, the Company had effectively managed the situation by increasing the productivity and other cost reduction measures. The Company is in the process of introducing a new product to increase the profitability. The Company expects to perform better in the current year by increasing the capacity utilisation. Also, the Company will have the benefit of increased production from its new products, which will enable the Company to meet the increased market demand for surgical products. The Company continues its endeavour for the sale of Absorbent Cotton Wool. By concentrating on operational efficiencies and cost reduction measures in all areas of production and distribution, the Company will strive to protect and improve its profitability.

During the year under review, the Company has expanded the Weaving unit capacity from 7 Nos. to 15 Nos. imported Airjet Looms at Perumalpatti at a cost of Rs. 2.55 Crores for manufacturing of Grey Cloth which is the Raw Material for manufacturing the Surgical Gauze and Bandages. This has helped the Company to enhance the quality and reduction in the grey cloth cost by effective utilisation of machineries.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure-1.

INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 1524 Employees as on 31.03.2015. Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment. The scarcity of skilled labour coupled with

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

high labour cost is a matter of concern for textile mills. We are striving our best to retain them by implementing various attractive incentive schemes.

INTERNAL FINANCIAL CONTROL

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Control Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. ERP System developed by M/s. Ramco Systems Limited, has been installed for online monitoring of all functions and management information reports are being used to have better control and to take decisions in time.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website.

DIRECTORS

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, the following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Shri P.R. Ramasubrahmaneya Rajha (DIN: 00331357)
2. Shri P.R. Venketrama Raja (DIN: 00331406)

The Members of the Company at the last Annual General Meeting held on 4th August, 2014 have approved the appointment of following Directors as Independent Directors for a period of five years with effect from 01-04-2014:

1. Shri P.J. Alaga Raja
2. Shri S.N. Rama Raju
3. Justice Shri P.P.S. Janardhana Raja
4. Shri V. Santhana Raman
5. Dr. K.T. Krishnan*
6. Shri P.J. Ramkumar Rajha

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

*We regret to report the sad demise of Dr. K.T. Krishnan (DIN: 00707574) on 30-04-2015. The Directors place on record Dr. K.T. Krishnan's valuable and constructive contribution in the Board Meetings during his association with the Company.

The Members of the Company had at the aforesaid Annual General Meeting also approved the appointment of Smt. R. Nalina Ramalakshmi as Managing Director for a period of 3 years with effect from 01-04-2014.

The Director of Handlooms and Textiles has withdrawn the nomination of Smt. C. Padmavathy and nominated Shri A. Pandi as nominee of Government of Tamilnadu with effect from 03-08-2014. Subsequently, The Director of Handlooms and Textiles has also withdrawn the nomination of Shri A. Pandi and nominated Shri M. Sridharan as nominee director with effect from 12-05-2015.

Shri A. Emarajan has been appointed as Secretary with effect from 15-10-2014.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. The Nomination Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

MEETINGS OF THE BOARD

During the year, Four Board Meetings were held the details are given below.

No. of Meetings held during the year : 4

Date of the Meetings : 25-05-2014, 03-08-2014, 10-11-2014 and 11-02-2015

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee consists of Shri S.N. Rama Raju, Shri P.J. Alaga Raja and Shri N.K. Shrikantan Raja as Members.

No. of Meetings held during the year : 4

Date of the Meeting : 24-05-2014, 03-08-2014, 10-11-2014 & 11-02-2015

Out of the three Members, two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

PUBLIC DEPOSITS

The Company had fixed deposits amounting to Rs.383.64 Lakhs at the beginning of the year. The Company has decided not to accept fresh deposits from 01-04-2014. It has availed the option provided under Section 74 of the Companies Act, 2013 to repay all the existing deposits by complying with the formalities required in this regard. Accordingly, during the year, the Company has repaid all the deposits and there was no deposits unclaimed / unpaid as on 31-03-2015. There has been no default in the repayment of deposits / payment of interest thereon during the year. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans and Guarantees during the year 2014-15 under Section 186 of the Companies Act, 2013.

The particulars of the investments are disclosed under Note No.10 of Notes to financial statements.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organisation grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of education, health, rural development, water and sanitation, promotion and development of traditional arts, protection of national heritage, livelihood enhancement projects, etc. largely in accordance with Schedule VII of the Companies Act, 2013.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

Your Directors are pleased to inform that the amount required to be spent on CSR for the year 2014-15 is Rs.17.60 Lakhs. Out of this requirement, the Company has incurred expenditure of Rs.10.62 Lakhs for CSR activities. The Company proposes to identify suitable project in the coming year and meet its requirement as mandated in the Companies Act, 2013. The Company also has a practice of setting aside upto 3% of the Net Profit towards the Ramaraju Memorial Fund, which fund is only intended for charitable purposes including the objects specified in the Companies Act, 2013. Accordingly, the Company has a phased plan for meeting the CSR objective as required by the Companies Act, 2013.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure-II.

SHARES

The Company was exclusively listed Company in Madras Stock Exchange Limited (MSE). Consequent to Voluntary de-recognition as stock exchange by MSE, the Company ceased to be a listed Company with MSE and has been placed on the Dissemination Board of National Stock Exchange of India Limited (NSE). NSE has allowed buying and selling of shares of the Company on the Dissemination Board with effect from 09-01-2015.

STATUTORY AUDIT

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants are the Auditors of the Company.

In the last Annual General Meeting, the above Auditors have been appointed as a Statutory Auditor for a period of 3 consecutive years being their remaining eligible period in terms of Rule 6 of Companies (Audit and Auditors) Rules, 2014. The matter relating to their appointment is being placed before the Members for ratification at the ensuing Annual General Meeting, in accordance with the requirements of Section 139(1) of the Companies Act, 2013.

The Auditors have confirmed their eligibility to the effect that their re-appointment if made would be within the prescribed limit under the Companies Act, 2013 and they are not disqualified for re-appointment.

The report of the Statutory Auditors for the year ended 31st March, 2015 do not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Pursuant to the section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri M.R.L. Narasimha, a Practicing Company Secretary to undertake the Secretarial Audit of the Company. The secretarial audit report submitted by the Secretarial Auditor for the year ended 31st March, 2015 is attached in Annexure-III.

The report does not contain any qualification, reservation or adverse remark.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

COST AUDIT

The Cost Audit Report for the financial year 2013-14 due to be filed with Ministry of Corporate Affairs by 27-09-2014, had been filed on 27-09-2014.

The Company has appointed Shri M. Kannan, Cost Accountant as Cost Auditor for auditing the cost records of the Company relating to manufacture of Pharmaceutical product for the financial year 2014-15. The Cost Audit Report for the financial year 2014-15 is due to be filed within 180 days from the closure of financial year and will be filed within the stipulated period.

Cost Audit is not applicable to the Company for the financial year 2014-15 related to manufacture of Textile products. However, the Ministry of Corporate Affairs (MCA) has amended the Companies (Cost Records and Audit) Rules, 2014 vide its notification dated 31-12-2014 and Textile Mills are required to file cost audit report with effect from the next financial year 2015-16.

The Company has appointed Shri M. Kannan, Cost Accountant as Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of textile and pharmaceutical products for the year 2015-16.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure-IV.

EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the annual return in form MGT-9 is attached herewith as Annexure-V.

RELATED PARTY TRANSACTION

The transaction with related party entered into by the Company are periodically placed before the Audit Committee for its approval. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy". In accordance with Accounting Standard-18 (Related Party Disclosure), the details of transaction with related parties are set out in Note No. 26(15) of disclosures forming part of Financial Statements.

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- i) in the preparation of Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) they had selected such accounting policies and applied them consistently and made judgments 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 and of the profit and loss of the Company for that period;
- iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they had prepared the annual accounts on a going concern basis;
- v) they had laid down Internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE I TO DIRECTORS' REPORT

DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employed throughout the financial year 2014-15 and was in receipt of remuneration in the aggregate of not less than Rs.60 Lakhs.

Sl. No.	Name of Employee	Age (Years)	Designation	Remuneration Paid / Payable Rs.	Qualification and Experience (Years)	Date of Commencement of Employment	Last Employment
1	Smt. R. Nalina Ramalakshmi	52	Managing Director	1,35,40,000	B.Sc., M.S.C.S., and 12 years	July 2, 2003	-

NOTE:

1. The Managing Director's employment is contractual.
2. Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund, but does not include Provision for Gratuity and Leave Encashment.
3. The Managing Director is related to Shri P.R. Ramasubrahmaneya Rajha, Chairman and Shri P.R. Venketrama Raja, Director.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE II TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy:

The objective of the CSR Policy is to;

- a. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- b. To directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well being of the local populace.
- c. To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

Weblink to the CSR Policy: <http://www.ramarajusurgical.com/corporate-social-responsibility-policy.pdf>

2. Composition of the CSR Committee:

- a. Shri P.R. Ramasubrahmaneya Rajha, Chairman
- b. Smt. R. Nalina Ramalakshmi, Member
- c. Shri N.K. Shrikantan Raja, Member
- d. Shri S.N. Rama Raju, Member

3. Average Net Profit of the Company for last three financial years:

Average Net Profit: Rs.879.93 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend Rs.17.60 Lakhs towards CSR.

5. Details of CSR spent during the financial year:

- a. Total amount spent during the financial year: Rs.10.62 Lakhs
- b. Amount unspent, if any: Rs.6.98 Lakhs

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE II TO DIRECTORS' REPORT

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or Activity identified & Sector in which the project is covered	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
			Actuals (Rs. in Lakhs)	Direct Expenditure		Spent Directly (Rs. in lakhs)
1	Promotion of Healthcare including Preventive Healthcare	Rajapalaiyam (Tamil Nadu)	0.48	0.48	0.48	0.48
2.	Promotion and Development of Traditional Arts	Rajapalaiyam (Tamil Nadu)	1.00	1.00	1.00	1.00
3.	Eradication of Hunger	Rajapalaiyam (Tamil Nadu) & Silvassa (Gujarat)	2.42	2.42	2.42	2.42
4.	Promotion of Education	Rajapalaiyam, Subramaniapuram (Tamil Nadu) & Jaggayyapet (Andhra Pradesh)	5.75	5.75	5.75	5.75
5.	Restoration of Building and Sites of Historical Importance and Works of Art	Rajapalaiyam, (Tamil Nadu)	0.32	0.32	0.32	0.32
6.	Making Available Safe Drinking Water	Jaggayyapet (Andhra Pradesh)	0.65	0.65	0.65	0.65
Total			10.62	10.62	10.62	10.62

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

SMT. R. NALINA RAMALAKSHMI
MANAGING DIRECTOR

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

The Ramaraju Surgical Cotton Mills Limited,

CIN: L17111TN1939PLC002302

P.A.C. Ramasamy Raja Salai,

Rajapalaiyam - 626 117.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. The Ramaraju Surgical Cotton Mills Limited** (hereinafter called "the Company"). I have conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the financial year ended 31st March, 2015 and also after 31st March, 2015 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

I hereby report that, in my opinion, during the audit period covering the **financial year ended on 31st March, 2015** (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with my letter of even date annexed to this report as Annexure-A.

1. I have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Companies Act, 1956.
 - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
 - (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

- (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
 - (vi) The Listing Agreements entered into by the Company with:
Madras Stock Exchange Limited (which has ceased to be a recognized stock exchange effective 14th May, 2015).
 - (vii) Essential Commodities Act, 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003) is specifically applicable to the Company.
2. I am informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:
- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (ii) The following Regulations and Guidelines prescribed under the SEBI Act:
 - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
3. I am also informed that for the year, there were no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
4. I have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July, 2015.
5. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2015 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

paragraph 1 above, to the extent applicable. However, as against the amount Rs.17.50 Lakhs required to be spent on CSR activities for the year 2014-15, the Company has incurred an expenditure of Rs.10.62 Lakhs for CSR activities.

6. I further report that:

- (i) 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.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board Meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent less than seven days before the meeting, since there was no statutory requirement during the year to send them seven days in advance of the meeting.
- (iii) A system exists for directors to seek and obtaining further information and clarifications on the agenda items before the meeting and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) During the audit period, the members have passed a special resolutions under Section 180(1)(a) to create charge to secure the Borrowings of the Company and under Section 180(1)(c) of the Act empowering the Board of Directors to borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.300 crores, apart from temporary loans from company's bankers in the ordinary course of business.
- (vi) The Company is exclusively listed Company in Madras Stock Exchange Limited (MSE). Consequent to Voluntary de-recognition as stock exchange by MSE, the Company ceased to be a listed Company with MSE and has been placed on the Dissemination Board of National Stock Exchange of India Limited (NSE). NSE has allowed buying and selling of shares of the Company on the Dissemination Board with effect from 09-01-2015.

M.R.L. Narasimha
Practising Company Secretary
Membership No: 2851

Certificate of Practice: 799
34-C, 3rd Cross, R.L. Nagar

K.K. Pudur, Coimbatore - 641 038

Rajapalaiyam
21st May, 2015

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

Annexure - A to Secretarial Audit Report of even date

To,

The Members,

The Ramaraju Surgical Cotton Mills Limited,

CIN: L17111TN1939PLC002302

P.A.C. Ramasamy Raja Salai,

Rajapalaiyam - 626 117.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2015 is to be read along with this letter.

1. Maintenance of Secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after 31st March, 2015 but before the issue of this report.
4. I have verified the records on a test basis to see whether the correct facts are reflected in the Secretarial records. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices we followed provide a reasonable basis for my opinion. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. My 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.

Rajapalaiyam
21st May, 2015

M.R.L. Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
34-C, 3rd Cross, R.L. Nagar
K.K. Pudur, Coimbatore - 641 038

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

- (i) the steps taken on conservation of energy; : Optimisation of plant humidification plants and waste collection systems.
- Installation of energy efficient Boiler.
- Reduction of motor rating wherever lesser loads were available.
- Energy audit and energy conservation measures are being adopted periodically.
- Efficient operation of compressors.
- Impact on conservation of energy : Optimisation of humidification plant had resulted in savings of 87,000 units per annum approx.
- Optimisation of waste collection systems had resulted in savings of 50,000 units p.a. approx.
- Installation of Boiler had resulted in energy savings of 600 tons of firewood per annum approx.
- (ii) the steps taken by the Company for utilising : Already the Company had invested on Windmills to alternate sources of energy; generate green energy for their captive consumption.
- (iii) the capital investment on energy conservation: NIL equipments;

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS' REPORT

B) TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption : The Company installed new modernized contamination and the benefits derived like product detector machines at various stages of production, improvement, cost reduction, product which effectively eliminate contamination in cotton and development or import substitution; yarn.
- (ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
- (a) the details of technology imported; : NIL
- (b) the year of import; : NIL
- (c) whether the technology been fully : Not Applicable absorbed;
- (d) if not fully absorbed, areas where : Not Applicable absorption has not taken place and the reasons thereof; and
- (iii) the expenditure incurred on Research and : Not Applicable Development

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- The Foreign Exchange earned in terms of actual : Rs. 9,084.84 Lakhs inflows during the year and
- the Foreign Exchange outgo during the year in : Rs. 1,638.20 Lakhs terms of actual outflows.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L17111TN1939PLC002302
Registration Date	28-02-1939
Name of the Company	THE RAMARAJU SURGICAL COTTON MILLS LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and Contact details	RSCM Premises, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117. Tamilnadu.
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Share Transfer is being carried out in-house

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company.

Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the Company
Yarn	13111	84.56%
Absorbent Cotton Wool	21006	8.16%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
Sri Harini Textiles Limited, "Sri Bhavanam", 102, P.S.K. Nagar, Rajapalaiyam - 626 108.	U17111TN2005PLC057807	Associate	49.67	2(6)

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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	8,28,690	-	8,28,690	42.00	8,29,690	-	8,29,690	42.05	0.05
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3,100	-	3,100	0.15	3,100	-	3,100	0.15	-
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Any Others...	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	8,31,790	-	8,31,790	42.15	8,32,790	-	8,32,790	42.20	0.05
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	8,31,790	-	8,31,790	42.15	8,32,790	-	8,32,790	42.20	0.05

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	100	-	100	0.01	100	-	100	0.01	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	43,280	43,280	2.19	-	43,280	43,280	2.19	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	100	43,280	43,380	2.20	100	43,280	43,380	2.20	-
B (2) Non-Institutions									
a) Bodies Corporate									
i) Indian	9,400	1,000	10,400	0.53	9,650	1,000	10,650	0.54	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	5,19,662	2,50,908	7,70,570	39.05	5,28,812	2,08,008	7,36,820	37.34	(1.71)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1,93,260	1,22,680	3,15,940	16.01	2,88,080	60,360	3,48,440	17.66	1.65
c) Others (specify)/NRI	1,000	200	1,200	0.06	1,000	200	1,200	0.06	-
Sub-Total (B)(2)	7,23,322	3,74,788	10,98,110	55.65	8,27,542	2,69,568	10,97,110	55.60	(0.05)
C Total Public Shareholding (B) = (B)(1) + (B)(2)	7,23,422	4,18,068	11,41,490	57.85	8,27,642	3,12,848	11,40,490	57.80	(0.05)
Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	15,55,212	4,18,068	19,73,280	100.00	16,60,432	3,12,848	19,73,280	100.00	-

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

(ii) Shareholding of Promoters

Sl. No.	Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding 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	
1.	Smt. R. Nalina Ramalakshmi	6,74,490	34.18	-	6,75,490	34.23	-	0.05
2.	Shri N.R.K. Ramkumar Raja	70,480	3.57	-	70,480	3.57	-	-
3.	Shri P.R. Ramasubrahmaneya Rajha	69,740	3.53	-	69,740	3.53	-	-
4.	Smt. Sharada Deepa	4,700	0.24	-	4,700	0.24	-	-
5.	Smt. R. Sudarsanam	4,680	0.24	-	4,680	0.24	-	-
6.	Shri P.R. Venketrama Raja	2,700	0.14	-	2,700	0.14	-	-
7.	M/s. Rajapalayam Mills Limited	2,000	0.10	-	2,000	0.10	-	-
8.	Smt. P.V. Srisandhya	1,700	0.09	-	1,700	0.09	-	-
9.	M/s. Sri Vishnu Shankar Mill Limited	1,100	0.06	-	1,100	0.06	-	-
10.	Smt. P.V. Nirmala	200	0.01	-	200	0.01	-	-
	TOTAL	8,31,790	42.15	-	8,32,790	42.20	-	0.05

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	8,31,790	42.15	01-04-2014	-	-	-	-
	8,32,790	42.20	25-04-2014	1,000	Purchase	8,32,790	42.20

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri Govindlal M Parikh	58,240	2.95	18-06-2014	7,200	Transposition	65,440	3.32
		66,040	3.35	27-06-2014	600	Purchase	66,040	3.35
2.	Smt. Ramachandra Raja Chittammal	40,300	2.04	-	-	-	40,300	2.04
3.	Shri Krishnamurthy V	32,800	1.66	-	-	-	32,800	1.66
4.	Smt. Chinmay G Parikh	31,800	1.61	-	-	-	31,800	1.61
5.	Director of Handloom & Textiles	26,400	1.34	-	-	-	26,400	1.34
6.	Smt. Sitalakshmi	21,240	1.08	-	-	-	21,240	1.08
7.	Shri M.A.A. Annamalai	20,160	1.02	-	-	-	20,160	1.02
8.	Smt. Sandhya G Parikh	17,600	0.89	-	-	-	17,600	0.89
9.	Director of Industries & Commerce	16,880	0.86	-	-	-	16,880	0.86
10.	Smt. Sethulakshmi Jayaraman	15,720	0.80	-	-	-	15,720	0.80

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri P.R. Ramasubrahmaneya Rajha	69,740	3.53	N.A.	N.A.	N.A.	69,740	3.53
2.	Smt. R. Sudarsanam *	4,680	0.24	N.A.	N.A.	N.A.	4,680	0.24
3.	Shri P.R. Venketrama Raja	2,700	0.14	N.A.	N.A.	N.A.	2,700	0.14
4.	Smt. R. Nalina Ramalakshmi	6,74,490	34.18	25-04-2014	1000	Purchase	6,75,490	34.23
		6,75,490	34.23	31-03-2015	N.A.	N.A.	6,75,490	34.23
5.	Shri N.R.K. Ramkumar Raja *	70,480	3.57	N.A.	N.A.	N.A.	70,480	3.57
6.	Shri N.K. Shrikantan Raja	5,960	0.30	N.A.	N.A.	N.A.	5,960	0.30
7.	Shri P.J. Alaga Raja	5,880	0.30	N.A.	N.A.	N.A.	5,880	0.30
8.	Shri S.N. Rama Raju	4,640	0.24	N.A.	N.A.	N.A.	4,640	0.24
9.	Shri P.J. Ramkumar Rajha	4,020	0.20	N.A.	N.A.	N.A.	4,020	0.20

* Ceased from 25-05-2014

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
i) Principal Amount	20,023.25	1,702.10	383.64	22,108.99
ii) Interest due but not paid	65.86	-	-	65.86
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	20,089.11	1,702.10	383.64	22,174.85
Change in Indebtedness during the financial year				
Addition	1,877.81	1,686.31	-	3,564.12
Reduction	6,077.44	-	383.64	6,461.08
Net Change	(4,199.63)	1,686.31	(383.64)	(2,896.96)
Indebtedness at the end of the financial year				
i) Principal Amount	15,889.48	3,388.41	-	19,277.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	15,889.48	3,388.41	-	19,277.89

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Smt. R. Nalina Ramalakshmi Managing Director	Total Amount
1	Gross salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	120.00	120.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	as % of profit	-	-
	Others, (Sitting Fees)	-	-
5	Others, please specify	-	-
	Total (A)	120.00	120.00
	Ceiling as per Act	Managing Director remuneration is fixed at 5% of net profits of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid the maximum remuneration as per Section II, Part II of Schedule V of the Companies Act, 2013 which works out to Rs.120 Lakhs.	

B. REMUNERATION TO OTHER DIRECTORS:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri S.N. Rama Raju	Shri P.J. Alaga Raja	Shri P.J. Ramkumar Rajha	Dr. K.T. Krishnan	Justice Shri P.P.S. Janardhana Raja	Shri V. Santhana Raman	
1.	Fee for attending board committee meetings	0.95	1.36	0.60	0.60	0.60	0.60	4.71
2.	Commission	-	-	-	-	-	-	-
3.	Others	-	-	-	-	-	-	-
	Total B (1)	0.95	1.36	0.60	0.60	0.60	0.60	4.71

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

2. Other Non-Executive Directors

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri P.R. Ramasubrahmaneya Rajha	Smt. R. Sudarsanam	Shri P.R. Venketrama Raja	Shri N.K. Shrikantan Raja	Smt. C. Padmavathy	Shri A. Pandi	Shri S. Kanthimathinathan	
1.	Fee for attending board committee meetings	1.06	.01	0.15	1.66	0.15	0.45	0.45	3.93
2.	Commission	-	-	-	-	-	-	-	-
3.	Others	-	-	-	-	-	-	-	-
	Total B (2)	1.06	0.01	0.15	1.66	0.15	0.45	0.45	3.93
	Total B (1) + (2)								8.64
	Overall Ceiling as per the Act	Rs.7,58,711 being 1% of the Net Profits of the Company, calculated as per Section 198 of the Companies Act, 2013							
	Total Managerial Remuneration (A + B)								128.64

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri P.R. Ramasubramanian Chief Financial Officer	Shri A. Emarajan Secretary	
1	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11.82	1.98	13.80
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.22	-	0.22
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	12.04	1.98	14.02

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS' REPORT

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			None		
B. DIRECTORS Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			None		

On behalf of the Board of Directors,
For THE RAMARAJU SURGICAL COTTON MILLS LIMITED,

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

INDEPENDENT AUDITORS' REPORT

To the Members of M/s. The Ramaraju Surgical Cotton Mills Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of M/s. The Ramaraju Surgical Cotton Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 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 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 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 thereunder.

We conducted our audit 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 procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement 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 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 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 financial statements.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2015, taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of the Section 164(2) of the Act.
 - f. 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 details of the pending litigation and its impact on the financial statements have been disclosed in Note No.26 (4) and 26 (5) of Notes forming part of financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner
Membership No. 21510

Rajapalaiyam
21st May, 2015

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE TO THE AUDITORS' REPORT

Annexure Referred to in our Report of even date

On the basis of examination of books and records of the Company, information and explanations given to us and to the best of our knowledge and belief, we state that

1. Fixed Assets
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The Company has a programme for regular verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. Inventories
 - a. Company has conducted physical verification of inventory at reasonable intervals.
 - b. The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. Loans granted
 - a. The Company has granted loan of Rs.10 Lakhs (PY: Rs.10 Lakhs); (maximum balance outstanding during the year is Rs.10 Lakhs (PY: Rs.10 Lakhs)) to one associate company covered in the register maintained under Section 189 the companies act.
 - b. In the case of loans granted to the parties listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii) (a) of the Order is not applicable to the company in respect of repayment of the principal amount.
 - c. There are no overdue amounts in respect of the loans granted to the parties listed in the register maintained under Section 189 of the Act.
4. There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Company has not accepted any deposits within the meaning of Companies (Acceptance of Deposits) Rules 2014, from the public during the year. The Deposits accepted by the Company before the Commencement of the Companies Act, 2013 have been repaid as per the provisions of Section 74 of the Act. No order has been passed by the Company Law Board or the National Company Law Tribunal or by any court or by any other Tribunal against the Company.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

ANNEXURE TO THE AUDITORS' REPORT

6. The Company is maintaining the accounts and records which have been specified by the Central Government under Section 148(1) of the Companies Ac, 2013.

7. Undisputed and disputed taxes and duties

a. the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they become payable.

b. The Company does not have any tax that has not been deposited on account of dispute along with amount and the forum where the dispute is pending is as below:

Subject	Forum	Amount (Rs. in Lakhs)
Electricity matters	Tamilnadu Electricity Regulatory Commission / Appellate Tribunal for Electricity	92.50

c. the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceeding financial year.

9. The Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debenture during the year.

10. The Company has not given any guarantee for loans taken by others

11. The term loans by the Company were applied for the purpose for which the loans were obtained.

12. No material fraud on or by the Company has been noticed or reported during the year.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner

Rajapalaiyam
21st May, 2015

Membership No. 21510

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

BALANCE SHEET AS AT 31ST MARCH 2015

		(Rs. in Lakhs)	
	Note No.	As at 31-03-2015	As at 31-03-2014
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	1	197.33	197.33
Reserves and Surplus	2	5,790.99	5,472.73
		5,988.32	5,670.06
(2) Non Current Liabilities			
Long Term Borrowings	3	7,285.84	8,136.77
Deferred Tax Liabilities (Net)	4	2,854.24	2,712.61
Long Term Provisions	5	393.03	327.96
		10,533.11	11,177.34
(3) Current Liabilities			
Short Term Borrowings	6	9,291.63	10,683.22
Trade Payables		544.29	840.12
Other Current Liabilities	7	3,318.68	3,840.68
Short Term Provisions	8	499.88	906.66
		13,654.48	16,270.68
TOTAL		30,175.91	33,118.08
ASSETS			
(1) Non Current Assets			
Fixed Assets			
Tangible Assets	9	17,748.64	18,352.83
Intangible Assets	9	9.97	20.82
Capital Work-in-Progress		6.88	6.88
		17,765.49	18,380.53
Non Current Investments	10	1,128.58	1,129.18
Long Term Loans and Advances	11	182.38	136.58
Other Non Current Assets	12	1,634.05	1,558.80
(2) Current Assets			
Inventories	13	5,099.03	6,825.11
Trade Receivables	14	3,012.51	3,067.21
Cash and Bank Balances	15	160.34	97.24
Short Term Loans and Advances	16	306.99	1,220.17
Other Current Assets	17	886.54	703.26
		9,465.41	11,912.99
TOTAL		30,175.91	33,118.08
Significant Accounting Policies	25		
Notes on Financial Statements	26		

The notes form an integral part of these financial statements.

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner
Membership No. 21510

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

SMT. R. NALINA RAMALAKSHMI
MANAGING DIRECTOR

A. EMARAJAN
SECRETARY

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

P.R. VENKETRAMA RAJA
N.K. SHRIKANTAN RAJA
S.N. RAMA RAJU
Justice P.P.S. JANARDHANA RAJA
V. SANTHANA RAMAN
P.J. ALAGA RAJA
S. KANTHIMATHINATHAN
P.J. RAMKUMAR RAJHA
DIRECTORS

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

		(Rs. in Lakhs)	
	Note No.	For the year ended 31-03-2015	For the year ended 31-03-2014
I	REVENUE		
	Revenue from Operations	18	32,931.33
	Less: Excise Duty		26,900.96
			<u>207.92</u>
			26,673.65
		32,723.41	
II	Other Income	19	175.56
			1,116.44
III	Total Revenue (I+II)		32,898.97
			<u>27,790.09</u>
IV	EXPENSES		
	Cost of Materials Consumed	20	12,816.29
	Trade Purchase		12,918.51
			7,519.60
	Changes in Inventories of Finished Goods and Work-in-Progress	21	437.02
	Employee Benefit Expenses	22	2,447.46
	Finance Costs	23	1,905.34
	Depreciation	9	1,215.62
	Other Expenses	24	5,942.74
	Total Expenses		32,284.07
			<u>25,132.54</u>
V	Profit Before Tax (III-IV)		614.90
			2,657.55
VI	Tax Expenses		
	Current Tax - MAT	119.58	545.61
	MAT Credit for the current year	(119.58)	(545.61)
	MAT Credit related to earlier years withdrawn	44.33	-
	Deferred Tax	169.56	991.71
		<u>213.89</u>	<u>991.71</u>
VII	Profit After Tax (V-VI)		401.01
			<u>1,665.84</u>
VIII	Earnings per Equity Share of Rs. 10/- each Basic & Diluted (In Rupees) (Refer to Item No. 13 of Note No. 26)		20.32
			84.42
	Significant Accounting Policies	25	
	Notes on Financial Statements	26	
The notes form an integral part of these financial statements			

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner
Membership No. 21510

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
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DIRECTORS

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lakhs)

	2014-15	2013-14
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	614.90	2,657.55
Adjustments for :		
Depreciation	1,215.62	2,162.54
Interest Paid	1,905.34	1,898.08
Interest Received	(26.02)	(19.30)
Dividend Received	(44.42)	(54.52)
(Profit) / Loss on Sale of Assets	18.00	(912.10)
Operating Profit before Working Capital Changes	3,683.42	5,732.25
Adjustments for :		
Trade Receivables	54.70	(1,147.67)
Loans and Advances	659.19	(666.85)
Inventories	1,726.08	(3,165.51)
Trade Payables & Current Liabilities	(1,118.79)	399.50
Cash generated from Operations	5,004.60	1,151.72
Income Tax Paid	(94.67)	(549.00)
Net Cash from Operating Activities	A 4,909.93	602.72
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(709.96)	(1,273.45)
Purchase of Investments	(1.63)	(909.05)
Sale of Investments	2.04	-
Sale of Assets	9.40	977.32
Interest Received	26.02	19.30
Dividend Received	44.42	54.52
Net Cash from / (used) in Investing Activities	B (629.71)	(1,131.36)

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lakhs)

		2014-15	2013-14
C. Cash Flow from Financing Activities			
Repayment of Long Term Borrowings		(3,317.32)	(3,185.86)
Proceeds from Long Term Borrowings		1,877.81	887.12
Increase / (Decrease) in Working Capital Borrowings		(803.01)	4,694.12
Payment of Dividend and Tax thereon		(69.26)	(11.55)
Interest Paid		(1,905.34)	(1,898.08)
Net cash used in Financing Activities	C	(4,217.12)	485.75
Net Increase / (Decrease) in Cash and Cash Equivalent	(A+B+C)	63.10	(42.89)
Opening balance of Cash and Cash Equivalents <i>(Refer to Note No. 15)</i>	D	97.24	140.13
Closing balance of Cash and Cash Equivalents <i>(Refer to Note No. 15)</i>	E	160.34	97.24
Net Increase / (Decrease) in Cash and Cash Equivalent	(E-D)	63.10	(42.89)

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner
Membership No. 21510

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

SMT. R. NALINA RAMALAKSHMI
MANAGING DIRECTOR

A. EMARAJAN
SECRETARY

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

P.R. VENKETRAMA RAJA
N.K. SHRIKANTAN RAJA
S.N. RAMA RAJU
Justice P.P.S. JANARDHANA RAJA
V. SANTHANA RAMAN
P.J. ALAGA RAJA
S. KANTHIMATHINATHAN
P.J. RAMKUMAR RAJHA
DIRECTORS

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	As at 31-03-2015	As at 31-03-2014
NOTE NO. 1		
SHARE CAPITAL		
Authorised		
30,00,000 Equity Shares of Rs.10/- each	300.00	300.00
Issued, Subscribed and Fully Paid-up		
19,73,280 Equity Shares of Rs.10/- each	197.33	197.33
	197.33	197.33

a. Issued, Subscribed and fully paid-up Shares includes 9,86,640 Shares of Rs. 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

b. Reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	1,973,280	197.33	1,973,280	197.33
Number of Shares at the end	1,973,280	197.33	1,973,280	197.33

c. List of Shareholders holding more than 5 percent in the Company:

Particulars	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Smt. R. Nalina Ramalakshmi	6,75,490	34.23	6,74,490	34.18

d. Aggregate number of Equity Shares allotted as fully paid up by way of bonus shares during the last 5 years : 9,86,640.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31-03-2015	(Rs. in Lakhs) As at 31-03-2014
NOTE NO. 2		
RESERVES AND SURPLUS		
Capital Reserve	17.63	17.63
General Reserve		
Balance as per last Financial Statement	5,272.73	3,672.73
Add : Balance through from Surplus balance in the Statement of Profit and Loss	400.00	1,600.00
Less : Residual Value of Assets whose remaining useful life is nil, net of Deferred Tax <i>[Refer to Note No. 26(11)]</i>	<u>(54.25)</u>	—
	5,618.48	5,272.73
Surplus in Statement of Profit and Loss		
Balance as per last Financial Statement	182.37	185.79
Add : Profit for the year	401.01	1,665.84
Balance available for appropriations	583.38	1,851.63
Less : Appropriations:		
Proposed Dividend	23.68	59.20
Tax on proposed Dividend	4.82	10.06
Transfer to General Reserve	400.00	1,600.00
Net Surplus in the Statement of Profit and Loss	154.88	182.37
	<u>5,790.99</u>	<u>5,472.73</u>

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at	(Rs. in Lakhs)
	31-03-2015	As at 31-03-2014

NOTE NO. 3

LONG TERM BORROWINGS

Secured

Term Loan from Banks	7,285.84	8,136.77
	<u>7,285.84</u>	<u>8,136.77</u>

- a) Term Loan from Banks are secured by pari-passu charge on the fixed assets of the Company and a second charge on the current assets of the Company.
- b) Out of above, Term Loan from Indian Bank amounting to **Rs.823.44 Lakhs** (PY: Rs.1287.44 Lakhs) are secured by pledge of 36.24 Lakhs Equity share held in The Ramco Cements Ltd., Further, Term Loan from Indian Bank amounting to **Rs.737.44 Lakhs** (PY: Rs.1061.44 Lakhs) and Term Loan from Canara Bank **Rs.4,137.35 Lakhs** (PY: Rs.5,187.34 Lakhs) are backed by Corporate Guarantee of M/s Rajapalayam Mills Ltd.,
- c) The Term Loans from Banks are repayable in quarterly installments. The year wise repayment of Term Loans are as follows:

Year	Amount	Amount
2015-16	–	2,699.00
2016-17	2,995.00	2,579.03
2017-18	1,932.00	1,524.10
2018-19	1,500.44	1,026.61
2019-20	708.54	189.93
2020-21	149.86	118.10
	<u>7,285.84</u>	<u>8,136.77</u>

NOTE NO. 4

DEFERRED TAX LIABILITY

Deferred Tax Liability

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	3,387.84	3,354.70
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Deferred Tax Asset

Tax effect on unabsorbed depreciation under Income Tax Act, 1961	(434.95)	(559.45)
Tax effect on Provision for Bonus and Leave Encashment	(98.65)	(82.64)
Net Deferred Tax Liability	<u>2,854.24</u>	<u>2,712.61</u>

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	As at	As at
	31-03-2015	31-03-2014
NOTE NO. 5		
LONG TERM PROVISIONS		
Provision for Employee Benefits	94.57	43.50
Ramaraju Memorial Fund	298.46	284.46
	393.03	327.96
NOTE NO. 6		
SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand from Banks *	5,903.22	8,597.48
Unsecured		
Loan Repayable on Demand from Banks	3,206.49	1,555.55
Deposits [Refer to Note No. 26(6)]	–	383.64
Loan from Other Parties	0.36	0.38
Loan from Related Parties [Refer to Note No. 26(7)]	181.56	146.17
	9,291.63	10,683.22
* Loan Repayable on Demand from Banks are secured by <i>pari-passu</i> first charge on the current assets of the Company and <i>pari-passu</i> second charge on the fixed assets of the Company.		
NOTE NO. 7		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	2,700.43	3,289.00
Interest Accrued but not due on Borrowings	–	65.86
Unclaimed Dividends	10.29	8.24
Liabilities for Other Finance	607.96	477.58
	3,318.68	3,840.68
NOTE NO. 8		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	351.80	291.79
Provision for Taxation	119.58	545.61
Proposed Dividend	23.68	59.20
Provision for Tax on Proposed Dividend	4.82	10.06
	499.88	906.66

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAYAM.
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO. 9
FIXED ASSETS

Particulars	Gross Block						Depreciation				Net Block			
	Cost as at 01-04-2014	Additions during the year	Additions L.Y. 2013-14	Sold / withdrawn during the year	Sold / Withdrawn L.Y. 2013-14	Cost as at 31-03-2015	Upto 31-Mar-2014	Adjustment made during the year # 2014-15 *	For the year 2013-14	For L.Y. 2013-14	Withdrawn 2013-14	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Tangible Assets														
Land	548.45	-	9.88	-	21.77	548.45	-	-	-	-	-	-	548.45	548.45
Buildings	4,233.61	45.81	199.59	-	-	4,279.42	1,055.50	27.02	173.76	133.74	-	1,256.28	3,023.14	3178.11
Plant and machinery	23,059.42	568.47	974.73	82.12	165.79	23,545.77	9,877.51	7.91	745.48	1,884.05	55.07	10,575.83	12,969.94	13181.91
Electrical machinery	2,045.07	73.73	119.75	2.17	27.29	2,116.63	709.68	34.97	265.95	87.02	2.05	1,008.55	1,108.08	1335.38
Furniture & Office Equipments	226.43	7.88	11.09	-	-	234.31	176.88	12.25	8.68	24.40	-	197.81	36.50	49.55
Vehicles	141.35	14.07	20.73	2.21	-	153.21	81.97	-	10.71	16.59	1.98	90.70	62.51	59.38
Loose Tools	0.09	-	-	-	-	0.09	0.04	0.03	-	-	-	0.07	0.02	0.05
Total - Tangible Assets	30,254.42	709.96	1,335.77	86.50	214.85	30,877.88	11,901.58	82.18	1,204.58	2,145.80	59.10	13,129.24	17,748.64	18,352.83
Intangible Assets														
Computer software	198.01	-	0.82	-	-	198.01	177.19	-	10.85	16.45	-	188.04	9.97	20.82

Adjustment made during the year in Depreciation represents residual value of assets, whose remaining useful life is nil [Refer to Note No.26 (11)]

* Depreciation charged in the statement of Profit and Loss of Rs. 1,215.62 Lakhs for the year 2014-15 is the aggregation of depreciation of Rs. 1,204.58 Lakhs related to Tangible Assets, Rs.10.85 Lakhs related to Intangible Assets and Rs. 0.19 Lakhs related to Investment Property disclosed in Note No.10.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

		(Rs. in Lakhs)			
		As at	As at		
		31-03-2015	31-03-2014		
NOTE NO. 10					
NON-CURRENT INVESTMENTS					
A. Investment Property					
Building		8.72	8.72		
Less: Accumulated depreciation as at the beginning of the year		(1.62)	(1.33)		
Depreciation for the year		(0.19)	(0.29)		
Total Investment property	(A)	6.91	7.10		
B. Investment in Equity Instruments, Non-Trade					
	Name of the Company	No. of Shares	Total face Value Rs.	Cost	Cost
1) Quoted					
	M/s. The Ramco Cements Limited	36,24,000	36.24	19.86	19.86
	M/s. Ramco Industries Limited	1,35,880	1.36	0.53	0.53
	M/s. Rajapalayam Mills Limited	300,200	30.02	28.81	28.81
	M/s. Ramco Systems Limited	12,739	1.27	12.15	12.15
	Sub-Total			<u>61.35</u>	<u>61.35</u>
2) Unquoted					
	Associate Company				
	M/s. Sri Harini Textiles Limited	14,90,000	149.00	149.00	149.00
	Other Companies				
	M/s. Sri Vishnu Shankar Mill Limited	11,200	1.12	1.68	1.68
	M/s. Ontime Industrial Services Limited	26,300	2.63	2.63	1.00
	M/s. Ramco Windfarms Limited	7,00,000	70.00	7.00	7.00
	M/s. Shri Harini Media Limited	60,00,500	60.01	60.01	60.01
	M/s. Suryadev Power Distribution Limited	1,500	0.15	-	2.04
	Sub-Total			<u>220.32</u>	<u>220.73</u>
Total Quoted & Unquoted investments		(B)	281.67	282.08	
C. Investment in Preference Shares, Non-Trade					
	M/s. Shri Harini Media Ltd - 9% Non Convertible Redeemable Preference Share	84,00,000	(C) 840	840.00	840.00
Aggregate Value of Total Investment		(A+B+C)		<u>1,128.58</u>	<u>1,129.18</u>
Aggregate Value of:					
Quoted Investments - Cost				61.35	61.35
				12,122.80	8,551.88
Unquoted Investments - Cost				1,067.23	1,067.83

Refer to Item No. 5 of Note No. 25

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	As at 31-03-2015	As at 31-03-2014
NOTE NO. 11		
LONG TERM LOANS AND ADVANCES		
Unsecured and Considered good		
Loans and Advances to Related Parties <i>[Refer to Note No. 26(15)]</i>	10.00	10.00
Security Deposits	172.38	126.58
	182.38	136.58
NOTE NO. 12		
OTHER NON CURRENT ASSETS		
MAT Credit Entitlement	1,634.05	1,558.80
	1,634.05	1,558.80
NOTE NO. 13		
INVENTORIES		
Finished Goods	1,460.54	1,818.77
Rawmaterials - Cotton & Cotton Waste	3,068.62	4,343.52
Stores, Spares, Fuel and Packing Materials	185.81	199.97
Work-in-Progress	384.06	462.85
	5,099.03	6,825.11
Details of Work-in-Progress		
Yarn	295.97	397.96
Surgical Dressings	88.09	64.89
	384.06	462.85
<i>Method of valuation of inventories are disclosed in Significant Accounting Policies in Note No. 25(7).</i>		
NOTE NO. 14		
TRADE RECEIVABLES		
Unsecured and Considered good		
Trade Receivables less than Six Months	3,012.51	3,067.21
	3,012.51	3,067.21
NOTE NO. 15		
CASH AND BANK BALANCES		
Cash on Hand	4.39	2.90
Balance with Bank		
In Current Account	106.18	19.25
In Deposit Account for margin money	39.48	66.85
In Unclaimed Dividend warrant account	10.29	8.24
	160.34	97.24

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	As at 31-03-2015	As at 31-03-2014
NOTE NO. 16		
SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered good		
Advance to Suppliers / Others	173.17	585.59
Advance Income Tax, TDS and Refund Receivables	133.82	634.58
	306.99	1,220.17
NOTE NO. 17		
OTHER CURRENT ASSETS		
Accrued Income	438.34	275.29
Prepaid Expenses	108.08	122.24
Other Current Assets	340.12	305.73
	886.54	703.26
NOTE NO. 18		
REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	27,436.85	21,200.74
Surgical Dressings	3,791.59	3,742.17
Fabrics	921.72	1,190.15
Waste Cotton	503.43	675.05
	32,653.59	26,808.11
Other Operating Revenues		
Export Incentive	239.55	89.58
Job Work Charges Received	38.19	3.27
	32,931.33	26,900.96
NOTE NO. 19		
OTHER INCOME		
Interest Income	26.02	19.30
Rent Receipts	1.93	3.31
Dividend Income	44.42	54.52
Carbon Credit Sale	-	2.56
Industrial Promotion Assistance	16.48	6.60
Miscellaneous Income	14.01	3.04
Profit on Sale of assets	-	912.10
Exchange Gain on Foreign Currency Transactions	72.70	115.01
	175.56	1,116.44

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	For the year ended 31-03-2015	For the year ended 31-03-2014
NOTE NO. 20		
COST OF MATERIALS CONSUMED		
Yarn		
Cotton & Cotton Waste	12,423.13	12,804.49
Fabrics		
Yarn Consumed	393.16	114.02
	12,816.29	12,918.51
NOTE NO. 21		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening stock		
Finished Goods	1,818.77	1,063.08
Work-in-Progress	462.85	325.70
	2,281.62	1,388.78
Less:		
Closing Stock		
Finished Goods	1,460.54	1,818.77
Work-in-Progress	384.06	462.85
	1,844.60	2,281.62
	437.02	(892.84)
NOTE NO. 22		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	2,049.55	1,845.45
Contribution to Provident and Other Funds	282.07	176.88
Staff and Labour Welfare Expenses	115.84	133.23
	2,447.46	2,155.56
NOTE NO. 23		
FINANCE COSTS		
Interest Expenses	1,753.74	1,726.96
Other Borrowing Costs	52.02	69.52
Exchange Fluctuation (Net) applicable to Finance Costs	99.58	101.60
	1,905.34	1,898.08

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	For the year ended 31-03-2015	For the year ended 31-03-2014
NOTE NO. 24		
OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power and Fuel	2,714.35	2,504.01
Packing Materials Consumption	613.45	540.77
Job work Charges Paid	66.53	128.38
Repairs to Buildings	120.59	149.20
Repairs to Plant and Machinery	535.06	515.42
Repairs - General	426.01	508.84
	4,475.99	4,346.62
ESTABLISHMENT EXPENSES		
Managing Director Remuneration	135.40	91.95
Rates and Taxes	51.99	55.88
Postage and Telephone	16.40	14.14
Printing and Stationery	9.57	8.56
Travelling Expenses	30.07	27.78
Vehicle Maintenance	60.11	65.63
Insurance	48.91	46.36
Directors Sitting Fees	8.89	1.59
Rent	14.02	2.82
Audit and Legal	12.80	12.85
Miscellaneous Expenses	98.13	161.92
Loss on Sale of Assets	18.00	-
Corporate Social Responsibility Expenses	15.70	89.16
	519.99	578.64
SELLING AND DISTRIBUTION EXPENSES		
Sales Commission	572.65	512.12
Export Expenses	113.85	29.60
Other Selling Expenses	260.26	185.96
	946.76	727.68
	5,942.74	5,652.94

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO. 25

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation and presentation of financial statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 1956 and Companies Act 2013, as applicable.
- (ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous years except for change in the accounting policy for depreciation, as adopted consistently by the Company.
- (iii) Pursuant to the notification of Schedule II to the Companies Act, 2013 for computation of Depreciation with effect from 01-04-2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. The carrying amount of the asset whose useful life as on 01-04-2014 is NIL, after retaining the residual value, is adjusted in the General Reserve.
- (iv) Assets individually costing Rs. 5,000/- or less that were fully depreciated earlier in the year of purchase, are now depreciated based on the useful life considered by the Company for the respective category of assets.
- (v) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- (vi) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- (vii) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- (viii) The previous year figures are regrouped / restated wherever necessary.

2. Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

3. Tangible Fixed Assets

- (i) Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT wherever applicable) less accumulated depreciation/amortization and impairment losses if any, except freehold land which is carried at cost less impairment losses if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- (ii) Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (iii) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.
- (iv) Projects / tangible fixed assets which are not yet ready for their intended use are carried at cost, including related expenses and attributable interest are recognised as Capital Work-in-Progress.

4. Intangible Assets

The costs of computer software that are installed are accounted at cost of acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

5. Investments

- (i) All investments being non-current and non-trade are valued at cost. Costs of investments include acquisition charges such as brokerage, fees and duties.
- (ii) The carrying amount of long term investments is determined on an individual investment basis.
- (iii) As at the balance sheet date, provision for diminution, if any, is made to recognise the decline other than temporary, in the value of investments. The reduction in carrying amount is charged to statement of profit and loss. This reduction amount is reversed when there is a rise in the value of investment other than temporary.

6. Investment Property

- (i) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the Company, is classified as investment property. Investment

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

properties are stated at cost, net of accumulated depreciation and accumulated impairment loss if any.

- (ii) Depreciation on building component of investment property, which are held for rental to others, is calculated on straight-line basis using the rate prescribed under Schedule II to the Companies Act, 2013.
- (iii) Gains or losses arising from disposal of investment properties are measured as the difference between the net disposal proceeds and the carrying amount of such investment properties are recognised in the statement of profit and loss.

7. Inventories

- (i) Raw materials, stores, spares, packing materials etc., are valued at cost including the cost incurred in bringing the inventories to their present location and condition.
- (ii) Work-in-progress is valued at cost including the cost of conversion. The cost of conversion includes direct costs.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

8. Revenue recognition

- (i) Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes Excise duty, Education Cess, Secondary and Higher education cess, trade discounts, VAT /CST and returns.
- (iii) Industrial promotion assistance (IPA) is recognised when the Company's right to receive the same is established with reasonable certainty.
- (iv) Power generated from Wind Mills:
The monetary value of the power generated at wind farms that are consumed at Mills under wheeling and banking arrangement with TANGEDCO are not treated as revenue but have been set off against the cost of Power & Fuel. The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate/ Tariff rate are recognised and shown as Income from Wind Mills.
- (v) Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.
- (vi) Interest income and Rental income are recognised on time proportion basis.
- (vii) Scrap Sales does not include Excise duty, Education Cess, Secondary and Higher education cess, VAT / CST.
- (viii) Exports incentives are recognised on accrual basis against goods exported.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

9. Employee Benefits

- (i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.
- (ii) Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the statement of profit and loss for the year in which the employees have rendered services.
- (iii) The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's eligible salary.
- (iv) The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs. 1 Lakh per employee to "The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund" administered by trustees and managed by LIC of India.

There are no other obligations other than the above defined contribution plans.

(v) **Defined Benefit Plan**

Gratuity:

The Company has its own approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 Day's basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "The Ramaraju Surgical Cotton Mills Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the actuarial valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

Leave Encashment:

The Company has a policy of allowing encashment of unavailed leave for its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using projected unit credit method.

10. Provision, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value except relating to retirement benefits. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

- (ii) Un-provided contingent liabilities are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (iii) Insurance claims are accounted for on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

11. Borrowing costs

- (i) Borrowing cost include interest, 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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
- (ii) Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of those assets upto the date of capitalization of such asset.

12. Government Subsidy / Grant

- (i) Revenue related grants are recognised on accrual basis wherever there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- (ii) Interest subsidy under Technology Up-gradation Fund Scheme (TUFS) is recognised on accrual basis and credited to the Finance Cost.
- (iii) Power Subsidy under Industrial Investment Promotion Policy of Andhra Pradesh is credited to the Power & Fuel cost.
- (iv) Other subsidies under Industrial Investment Promotion Policy of Andhra Pradesh are credited to Industrial Promotion Assistance under Note No. 19 "Other Income".

13. Foreign Currency Transactions

- (i) Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction. The difference in exchange rates arising on the settlement of monetary items are recognized as income or expenses in the Statement of Profit and Loss.
- (ii) Monetary Assets and Liabilities in foreign currencies that are covered under a forward contract are accounted at the rate at which they have been covered. Uncovered Monetary Assets and liabilities in foreign currencies are accounted at the rates as on the Balance Sheet date. The exchange difference on account of this is recognized in the Statement of Profit and Loss.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

- (iii) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognized as income or expense over the life of contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense in the period in which such cancellation or renewal is made.

14. Earnings Per Share

Basic earnings per share is computed by dividing net profit after tax by weighted average number of equity shares outstanding during the year as stipulated in Accounting Standard - 20 (Earnings per share).

15. Income Tax

- (i) The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income) and includes current and deferred tax liability.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws.
- (iii) The Company considered credit entitlement of Minimum Alternate Tax (MAT) where it is reasonably certain that this will be available for setoff in accordance with the provisions of the Income Tax Act, 1961.
- (iv) Deferred tax is recognized on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.
- (v) Current and deferred tax relating to items directly recognized in reserves is recognized in reserves and not in the Statement of Profit and Loss.

16. Segment Reporting

- (i) The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (ii) The Company identifies business segment as the primary segment. Under the primary segment, there are two reportable segments viz., Textiles and Power generation from Windmills.
- (iii) Segments were identified considering the nature of the products, the differing risks and returns as per Accounting Standard -17 (Segment Reporting). The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

- (iv) Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

17. Cash flow statement

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and 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. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

18. Depreciation

- (i) Depreciation has been provided for Tangible assets on straight-line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013. Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rate specified under Schedule XIV of the Companies Act, 1956. Hence there is a change in method of charging depreciation. The impact of the change has been disclosed in Note No. 26(10).
- (ii) Intangible assets are amortized over their estimated useful life on straight line method. This is included under "Depreciation".
- (iii) The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year to reflect the changed pattern, if any.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	As at 31-03-2015	As at 31-03-2014

NOTE NO. 26

OTHER DISCLOSURES

1. Contingent Liabilities

i. Liability on letter of credit opened

Capital Goods	–	–
Others	–	–

ii. Estimate amount of contract remaining

to be executed on Capital account not provided	–	–
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iii. Liability on guarantees given by the bankers 157.50 132.07

2. Sales Tax Assessment upto year ended 31st March, 2014 has been completed.

3. Income Tax Assessment completed upto the Assessment year 2012-2013.

4. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL/ High Court for various matters for which no provision has been made in the books of accounts to the extent of Rs. 92.50 Lakhs (P.Y: Rs.41.04 Lakhs).

5. Income Tax department has filed an appeal before the Hon'ble Supreme Court / High Court against the order of the High Court / ITAT in the matter of Replacement Expenditure allowed in favour of the Company in previous years. The Hon'ble Supreme Court / High Court had setaside the matter to the Commissioner of Income Tax / Assessing Authorities to be considered a fresh. On these issues there are no pending demand from the department. The Tax amount involved in these litigations is Rs. 89.55 Lakhs.

In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on the above matters mentioned in point no. 4 to 5 above.

6. An amount of Rs. 383.64 Lakhs was outstanding at the beginning of the year towards Deposits accepted from public under the erstwhile Companies Act,1956. The Company has availed the option provided under Section 74 of the Companies Act, 2013 to repay all the above deposits by complying with the formalities required in this regard. Accordingly, during the year 2014-15, the Company has repaid all the deposits.

7. Details of loans from Director under “Loan from Related Parties” are: (Rs. in Lakhs)

Name	Closing Balance as on		Interest Paid	
	31-03-2015	31-03-2014	2014-15	2013-14
Smt. R. Nalina Ramalakshmi	181.56	146.17	10.98	19.13

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

8. Auditors' remuneration (excluding Service Tax) and expenses:	(Rs. in Lakhs)	
	2014-15	2013-14
A. Statutory Auditors		
a. As Auditors - Fees	1.20	0.90
b. In other Capacities - Tax Audit Fees	0.30	0.30
c. Certification Work - Fees	0.45	0.10
	1.95	1.30
B. Cost Auditor:		
As Auditors - Fees	0.40	1.20
	2.35	2.50

9. There are no dues to micro and small enterprises as at 31-03-2015 (PY: Rs. Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. The unadjusted units generated from the Windmills as on 31-03-2015 are 2.41 Lakhs KWH (PY 4.55 Lakhs KWH) and its monetary value of Rs. 16.04 Lakhs (PY: Rs. 26.25 Lakhs) has been included in Other Current Assets, which will be adjusted in the forthcoming months.

11. Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rate specified under Schedule XIV of the Companies Act, 1956. Pursuant to implementation of Schedule II of the Companies Act, 2013 with effect from 01-04-2014, the Company has calculated the depreciation on all the assets under Straight Line Method. Accordingly:-

(a) The value of assets whose useful life is exhausted as on 01-04-2014, as per the new Act, amounting to Rs. 82.18 Lakhs had been adjusted in the opening balance of General Reserve. The Deferred Tax Liability of Rs. 27.93 Lakhs made on the above depreciation adjustment has also adjusted in Opening Balance of General Reserve. Hence net amount adjusted in General Reserve in this regards is Rs. 54.25 Lakhs.

(b) The depreciation provided for the year ended 31-03-2015 is lower by Rs. 273.85 Lakhs when compared to the calculation of depreciation under the Companies Act, 1956.

12. As per Accounting Standard 15 (Employee Benefits) the disclosures of employee benefits as defined in the Accounting Standard are given below:

	(Rs. in Lakhs)	
	2014-15	2013-14
Defined Contribution Plan:		
Employer's Contribution to Provident Fund	55.82	45.58
Employer's Contribution to Superannuation Fund	6.51	6.53

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in Lakhs)
2014-15 **2013-14**

Details of the Post Retirement Gratuity Plan (Funded) are as follows:

Reconciliation of Opening and Closing Balances of Defined Benefit

Plan:

Defined Benefit Obligation as on 01-04-2014	324.36	321.66
Current Service Cost	27.63	22.53
Interest Cost	28.15	27.50
Actuarial (Gain) / Loss	76.55	(-) 22.07
Past Service Cost-(vested benefits)	NIL	NIL
Benefits Paid	(-) 16.14	(-) 25.26
Defined Benefit Obligation as 31-03-2015	(-) 440.55	324.36

Reconciliation of Opening and Closing Balances of Fair Value of

Plan Assets:

Fair Value of Plan Assets as on 01-04-2014	333.08	297.38
Expected Return on Plan Assets	30.04	25.98
Actuarial Gain / (Loss)	1.01	10.70
Employer Contribution	36.77	24.28
Benefits Paid	(-)16.14	(-) 25.26
Fair Value of Plan Assets as on 31-03-2015	384.76	333.08

Actual Return of Plan Assets:

Expected Return of Plan Assets	30.04	25.98
Actuarial (Gain) / Loss on Plan Assets	1.01	10.70
Actual Return on Plan Assets	31.05	36.68

Reconciliation of Fair Value of Assets and Obligations:

Fair Value of Plan Assets	440.55	324.36
Present Value of the Obligation	384.76	333.08
Difference	55.79	(-) 8.72
Unrecognised Transitional Liability	NIL	NIL
Unrecognised Past Service Cost-Non-Vested Benefits	NIL	NIL
Amount Recognised in the Balance Sheet	55.79	(-) 8.72

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	2014-15	2013-14
Expense recognized during the year:		
Current Service Cost	27.63	22.53
Interest Cost	28.15	27.50
Expected Return on Plan Assets	(-) 30.04	(-) 25.98
Actuarial Gain / (Loss)	75.53	(-) 32.77
Transitional Liability recognised in the year	NIL	NIL
Past Service Cost-Non-Vested Benefits	NIL	NIL
Past Service Cost-Vested Benefits	NIL	NIL
Net Cost	101.27	(-) 8.72
Investment Details		
GOI Securities	0.23%	0.44%
State Government Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Funds with LIC	99.39%	98.93%
Bank Balance	0.38%	0.63%
Others	NIL	NIL
Total	100.00%	100.00%
Actuarial Assumptions:		
Indian Assured Lives (2006-08) Ultimate Table Applied for Service Mortality Rate	Yes	Yes
Discount Rate p.a.	7.80%	8.90%
Expected Rate of Return on Plan Assets p.a.	9.00%	8.75%
Rate of Escalation in Salary p.a.	5.00%	5.00%
Attrition Rate	15.00%	15.00%
Details of Leave Encashment Plan (Unfunded) are as follows:		
Reconciliation of Opening and Closing Balances of Obligation:		
Defined Benefit Obligation as on 01-04-2014	55.73	71.42
Current Service Cost	12.65	12.17
Interest Cost	4.73	5.28
Actuarial (Gain) / Loss	51.08	(-) 23.96
Benefits Paid	(-) 5.24	(-) 9.18
Defined Benefit Obligation as on 31-03-2015	118.95	55.73

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	2014-15	2013-14
Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:		
Fair Value of Plan Assets as on 01-04-2014	NIL	NIL
Expected Return on Plan Assets	NIL	NIL
Actuarial Gain / (Loss)	NIL	NIL
Employer Contribution	5.24	9.18
Benefits Paid	(-) 5.24	(-) 9.18
Fair Value of Plan Assets as on 31-03-2015	NIL	NIL
Actual Return of Plan Assets:		
Expected Return of Plan Assets	NIL	NIL
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Actual Return on Plan Assets	NIL	NIL
Reconciliation of Fair Value of Assets and Obligations:		
Fair Value of Plan Assets	NIL	NIL
Present Value of Obligation	118.95	55.74
Difference	118.95	55.74
Unrecognised Transitional Liability	NIL	NIL
Unrecognised Past Service Cost-Non-Vested Benefits	NIL	NIL
Amount recognised in Balance Sheet	118.95	55.74
Expense recognized during the year:		
Current Service Cost	12.65	12.17
Interest Cost	4.73	5.28
Expected Return on Plan Assets	NIL	NIL
Actuarial Gain / (Loss)	51.08	(-) 23.96
Transitional Liability recognised in the year	NIL	NIL
Past Service Cost-Non-Vested Benefits	NIL	NIL
Past Service Cost-Vested Benefits	NIL	NIL
Net Cost	68.46	(-) 6.51
Investment Details:		
GOI Securities	NIL	NIL
State Government Securities	NIL	NIL
High Quality Corporate Bonds	NIL	NIL
Funds with LIC	NIL	NIL
Bank Balance	NIL	NIL
Others	NIL	NIL

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(Rs. in Lakhs)	
	2014-15	2013-14
Actuarial Assumptions:		
Indian Assured Lives (2006-08) Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount Rate p.a.	7.80%	8.90%
Expected Rate of Return on Plan Assets p.a.	NIL	NIL
Rate of Escalation in Salary p.a.	5.00%	5.00%
Attrition Rate	15.00%	15.00%

13. Earnings per Share

Particulars	2014-15	2013-14
Net Profit After Tax (A)	401.01	1,665.84
No. of Equity Shares (B) - In Lakhs	19.73	19.73
Basic & Diluted Earnings per Share of Rs. 10/- each (A/B) - In Rupees	20.32	84.43

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM.
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	14. Segment Information for the year ended 31 st March, 2015						(Rs. in lakhs)	
	Textiles		Surgicals		Power from Windmills		Total	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
REVENUE								
External Sales (Net)	28,604.85	23,036.71	4,326.46	3,636.94	-	-	32,931.31	26,673.65
Inter Segment Sale					728.61	763.46	728.61	763.46
Total Sales	28,604.85	23,036.71	4,326.46	3,636.94	728.61	763.46	33,659.92	27,437.11
Other Income	77.02	1,038.93	10.10	2.88	-	-	87.12	1,041.81
Total Revenue	28,681.87	24,075.64	4,336.56	3,639.82	728.61	763.46	33,747.04	28,478.92
RESULT								
Segment Result	1,432.17	3,344.73	550.40	679.52	467.22	457.56	2,449.79	4,481.81
Unallocated Income							44.42	54.52
Operating Profit							2,494.22	4,536.33
Interest Expenses							1,905.34	1,898.08
Interest Income							26.02	19.30
Provision for Taxation								
Current Tax							119.58	545.61
Deferred Tax							169.56	991.71
MAT Credit entitlement withdrawn (net)							(75.25)	(545.61)
Profit from ordinary activities							401.01	1,665.84
Exceptional Items							-	-
Net Profit							401.01	1,665.84
OTHER INFORMATION								
Segment Assets	24,556.01	27,881.24	2,120.62	1,547.21	2,370.68	2,560.45	29,047.32	31,988.90
Unallocated Assets							1,128.59	1,129.18
Total Assets	24,556.01	27,881.24	2,120.62	1,547.21	2,370.68	2,560.45	30,175.91	33,118.08
Segment Liabilities	21,008.08	24,966.62	2,310.16	1,315.02	869.33	1,166.38	24,187.59	27,448.02
Unallocated Liabilities								
Total Liabilities	21,008.08	24,966.62	2,310.16	1,315.02	869.33	1,166.38	24,187.59	27,448.02
Capital Expenditure	428.68	820.29	281.28	516.30	-	-	709.96	1,336.59
Unallocated Capital Expenditure								
Depreciation	970.55	1,902.67	99.31	62.92	145.76	196.95	1,215.62	2,162.54
Unallocated Depreciation								
Expenditure								
Non-Cash expenses other than Depreciation	-	-	-	-	-	-	-	-

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

15. Related Party Transactions

As per Accounting Standard-18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

a. Key Managerial Personnel

Shri P.R. Ramasubrahmaneya Rajha, Chairman
Smt. R. Nalina Ramalakshmi, Managing Director

b. Relatives of Key Managerial Personnel

Shri P.R. Venketrama Raja, Director, Son of Shri P.R. Ramasubrahmaneya Rajha

c. Enterprises over which the above persons exercise significant influences and with which the Company had transactions during the year:

(i) Companies:

M/s. The Ramco Cements Limited
M/s. Sri Vishnu Shankar Mill Limited
M/s. Rajapalayam Mills Limited
M/s. Thanjavur Spinning Mill Limited
M/s. Ramco Industries Limited
M/s. Ramco Systems Limited
M/s. Sandhya Spinning Mill Limited
M/s. Sri Harini Textiles Limited
M/s. Shri Harini Media Limited
M/s. Rajapalayam Textiles Limited
M/s. Ramco Windfarms Limited

(ii) Public Trusts:

Smt. Lingammal Ramaraju Shastra Prathishta Trust
P.A.C.R. Sethurammam Charity Trust

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company's transactions with the above Related Parties are summarized below:

a) Amount paid to Key Managerial Personnel:

Name of the Related Party	Amount		Nature of Payment
	2014-15	2013-14	
Shri P.R. Ramasubrahmaneya Rajha	1.06	0.22	Sitting Fees
Smt. R. Sudarsanam	–	0.22	Sitting Fees
Shri P.R. Venketrama Raja	0.15	0.10	Sitting Fees
Smt. R. Nalina Ramalakshmi	135.40	91.95	Managerial Remuneration
	0.63	0.63	Rent
	10.98	19.13	Interest Paid

(b) (i) Inter Corporate Deposits given:

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Sri Harini Textiles Limited	10.00	10.00	10.00	10.00

(ii) Interest on Inter Corporate Deposits given:

Name of the Related Party	Interest		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Sri Harini Textiles Limited	1.10	1.05	NIL	NIL

(c) Goods supplied / Service rendered:

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Ltd	114.81	66.84	NIL	Nil
M/s. Sri Vishnu Shankar Mill Ltd	50.60	46.76	NIL	Nil
M/s. Sandhya Spinning Mill Ltd	19.49	104.66	NIL	Nil
M/s. Thanjavur Spinning Mill Ltd	88.69	58.83	NIL	Nil
M/s. Ramco Industries Ltd	2.40	79.29	NIL	Nil
M/s. The Ramco Cements Ltd	0.07	–	NIL	Nil
M/s. Sri Harini Textiles Ltd	1,351.04	326.98	NIL	Nil
M/s. Rajapalayam Textiles Ltd	0.23	–	NIL	Nil

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(d) Cost of Goods & Services purchased / availed: (Rs. in Lakhs)

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. Rajapalayam Mills Ltd	6,433.50	1,006.11	NIL	Nil
M/s. Sri Vishnu Shankar Mill Ltd	722.51	120.85	NIL	Nil
M/s. Sandhya Spinning Mill Ltd	43.65	78.88	NIL	Nil
M/s. Thanjavur Spinning Mill Ltd	702.08	94.66	NIL	Nil
M/s. Ramco Industries Ltd	351.96	309.77	NIL	Nil
M/s. The Ramco Cements Ltd	122.39	121.27	NIL	Nil
M/s. Ramco Systems Ltd	10.39	7.09	NIL	Nil
M/s. Sri Harini Textiles Ltd	1.76	11.26	NIL	Nil
M/s. Rajapalayam Textiles Ltd	19.18	–	NIL	Nil
M/s. Shri Harini Media Ltd	5.40	6.50	NIL	Nil
M/s. Ramco Windfarms Ltd	270.56	–	NIL	Nil
M/s. P.A.C.R. Sethurammam Charity Trust	7.33	6.01	NIL	Nil

(e) Security Deposits given:

Name of the Related Party	Interest free		Nature of Transaction
	Security deposit	Outstanding	
	2014-15	2013-14	
M/s. The Ramco Cements Limited (TRCL)	11.50	11.50	3,08,200 Shares of Andhra Pradesh Gas Power Corporation Ltd (APGPCL) purchased by TRCL are being held jointly by the Company & TRCL. The Joint Ownership entitles the Company to purchase from APGPCL. To have the Joint Ownership of above shares, the Company has deposited this amount with TRCL.

(f) Amount paid by virtue of Joint ownership of shares of APGPCL:

Name of the Related Party	Value		Nature of Transaction
	2014-15	2013-14	
M/s. The Ramco Cements Limited (TRCL)	1.83	3.45	The Company is paying 10 paise per unit to TRCL for the power supplied by APGPCL to the Company by virtue of above Joint Ownership of the Shares.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(g) Sale of Fixed Assets:

Name of the Related Party	Value		Outstanding as on	
	2014-15	2013-14	31-03-2015	31-03-2014
M/s. The Ramco Cements Limited	–	933.88	NIL	NIL

(h) Investments made and Dividend Received:

Name of the Related Party	Dividend Received	
	2014-15	2013-14
M/s. The Ramco Cements Limited	36.24	36.24
M/s. Ramco Industries Limited	0.34	0.27
M/s. Rajapalayam Mills Limited	7.51	18.01
M/s. Sri Vishnu Shankar Mill Limited	0.34	–

(i) Dividend Paid:

(Rs. in Lakhs)

Name of the Related Party	Dividend Paid	
	2014-15	2013-14
M/s. Rajapalayam Mills Limited	0.06	0.01
M/s. Sri Vishnu Shankar Mill Limited	0.03	0.01

16. Other additional information pursuant to the Schedule III of the Companies Act, 2013.

(a) Value of Imports calculated on CIF Value

(Rs. in Lakhs)

	Value	Value
	2014-15	2013-14
Raw Materials	1,053.35	533.14
Components and Spares	33.81	76.59
Capital Goods	352.21	–

(b) Expenditure in Foreign Exchange during the year

	2014-15	2013-14
Interest	37.97	28.11
Export Sales Commission	153.63	109.19
Foreign Travel	7.23	2.81
Total	198.83	140.11

THE RAMARAJU SURGICAL COTTON MILLS LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF FINANCIAL STATEMENTS

(c) Value of Raw Materials, Stores & Spare parts consumed (Rs. in Lakhs)

	2014-15	%	2013-14	%
i) Raw Materials:				
Cotton, Cotton Waste, Yarn, Grey Pieces, Gypsum Gauze Cloth & Plaster of Paris Powder				
Imported	674.54	5	428.93	3
Indigenous	12,141.75	95	12,489.58	97
ii) Stores and Components:				
Imported	41.10	3	80.27	5
Indigenous	1,553.97	97	1,515.95	95

(d) Earnings in Foreign exchange (FOB) Value

Export of Yarn and Surgical Dressings	9,084.84	3,592.38
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As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner
Membership No. 21510

Rajapalaiyam
21st May, 2015

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

SMT. R. NALINA RAMALAKSHMI
MANAGING DIRECTOR

A. EMARAJAN
SECRETARY

P.R. RAMASUBRAMANIAN
CHIEF FINANCIAL OFFICER

P.R. VENKETRAMA RAJA
N.K. SHRIKANTAN RAJA
S.N. RAMA RAJU
Justice P.P.S. JANARDHANA RAJA
V. SANTHANA RAMAN
P.J. ALAGA RAJA
S. KANTHIMATHINATHAN
P.J. RAMKUMAR RAJHA
DIRECTORS

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

[CIN : L17111TN1939PLC002302]

Regd. Office : RSCM Premises, 119 P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117. Tamil Nadu

Name of the member(s) :

Registered address :

E-mail ID :

Folio No. / DP ID. Client ID.:

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name : Address :

E-mail ID : Signature : or failing him,

2. Name : Address :

E-mail ID : Signature : or failing him,

3. Name : Address :

E-mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company, to be held on Wednesday the 12th August 2015 at 9.30 a.m. at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	Ordinary Business
1	Adoption of Financial Statements for the year ended 31 st March 2015
2	Declaration of Dividend for the year 2014-15
3	Appointment of Shri P.R. Ramasubrahmaneya Rajha as Director, who retires by rotation
4	Appointment of Shri P.R. Venketrama Raja as Director, who retires by rotation
5	Ratification of Appointment of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants as Auditor
	Special Business
6	Ratification of fee payable to Shri M. Kannan, Cost Accountant, appointed as Cost Auditor of the Company for the financial year 2014-15
7	Ratification of fee payable to Shri M. Kannan, Cost Accountant, appointed as Cost Auditor of the Company for the financial year 2015-16

Signed this..... day of 2015

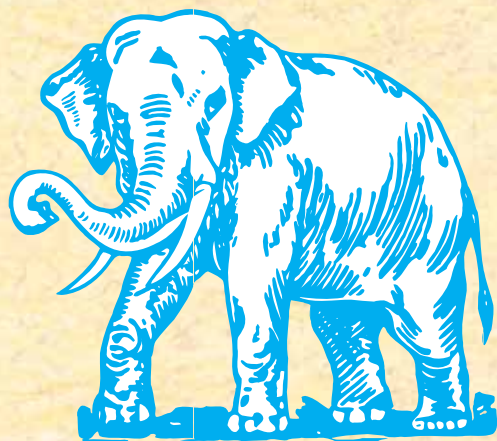
Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: 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.

SUDARSANAM SPINNING MILLS



TRADE MARK IRAVATHAM