THE RAMARAJU SURGICAL COTTON MILLS LIMITED

Our Co mpany was incorporated as '*The Surgical Cotton Mills Limited*' as a public limited company under the India Companies Act, 1913 at Madras pursuant to certificate of incorporation dated February 20, 1939 issued by the Registrar of Joint Stock Companies, Madras. Thereafter, our Company was granted the certificate of commencement of business dated February 7, 1940. The name of our Company was changed to "*The Ramaraju Surgical Cotton Mills Limited*" pursuant to a resolution passed by the shareholders of our Company at the 3rd AGM held on December 30,1942 and a fresh certificate of incorporation dated June 22,1943 was issued by the Registrar of Companies, Madura. For details of change in name and registered office of our Company, see "*General Information*" on page 36.

Registered Office: Post Box No. 2, 119/120, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626117 Tamil Nadu, India.
Telephone: +91-4563-235904; **Email**: rscm@ramcotex.com; **Website:** www.ramarajusurgical.com
Contact Person: P Muthukumar, Company Secretary and Compliance Officer; **Email:** muthukumar_p@ramcotex.com
Corporate Identification Number: L17111TN1939PLC002302

PROMOTER OF OUR COMPANY – P R VENKETRAMA RAJA.

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE RAMARAJU SURGICAL COTTON MILLS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 18,17,227 FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹204 EACH INCLUDING A SHARE PREMIUM OF ₹194 PER RIGHTS EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO AN AMOUNT UP TO ₹3,707.14 LAKHS* ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5(FIVE) RIGHTS EQUITY SHARE FOR EVERY 11(ELEVEN) FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, MARCH 5, 2024 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 20.4 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE THE CHAPTER TITLED *"TERMS OF THE ISSUE"* BEGINNING ON PAGE 208.
Assuming full subscription.

WILFUL DEFAULTER OR FRAUDULENT BORROWER

NEITHER OUR COMPANY NOR ANY OF OUR PROMOTER OR ANY OF OUR DIRECTORS HAVE BEEN OR ARE IDENTIFIED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. **Specific attention of the Investors is invited to the statement of *"Risk Factors"*** beginning on page **17.**

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regards to the Company and the Issue, which is material in the context of this Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on Metropolitan Stock Exchange of India Limited ("**MSEI**"/"**Stock Exchange**"). Our Company has received an "in-principle" approval from MSEI for listing of the Rights Equity Shares to be allotted in this Issue pursuant to letter dated February 20, 2024. Our Company will also make an application to the Stock Exchange to obtain the trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circular. MSEI shall be the Designated Stock Exchange for the purpose of this Issue.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
VIVRO	CAMEO
Vivro Financial Services Private Limited Vivro House, 11, Shashi Colony, Opposite Suvidha Shopping Center, Paldi, Ahmedabad – 380 007, Gujarat, India. **Telephone:** +91-79-4040 4242; **Email**: investors@vivro.net **Website:** www.vivro.net **Investor Grievance Email:** investors@vivro.net **Contact Person:** Kruti Saraiya/Jay Dodiya **SEBI Registration Number:** INM000010122 **CIN:** U67120GJ1996PTC029182	**Cameo Corporate Services Limited** Subramanian Building, No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India **Telephone:** + 91-44-4002 0700/ 28460390; **Email:** rights@cameoindia.com **Website:** www.cameoindia.com **Investor Grievance Email:** investor@cameoindia.com **Contact Person:** K Sreepriya **SEBI Registration Number:** INR000003753 **CIN:** U67120TN1998PLC041613

ISSUE PROGRAMME*

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
FRIDAY, MARCH 15, 2024	**MONDAY, MARCH 18, 2024**	**FRIDAY, MARCH 22, 2024**

[*] Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

[#] Our Board or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

This Letter of Offer uses the certain definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/ chapters titled "Industry Overview", "Statement of Special Tax Benefits", "Financial Information", "Outstanding Litigations and Defaults" and "Terms of Issue" on pages 55, 49, 82, 196 and 208, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
"The Ramaraju Surgical Cotton Mills Limited" or "RSCML" or "Our Company" or "the Company" or "the Issuer"	The Ramaraju Surgical Cotton Mills Limited, a public limited company incorporated under the Companies Act, 1913 and having its registered office at Post Box No. 2, 119/120, PAC Ramaswamy Road, Rajapalayam – 626 117, Tamil Nadu, India.
"We", "Our" "Us", or "our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company and our Subsidiaries on a consolidated basis.

Company related terms

Term	Description
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Associate Companies	Our Associate Companies as on the date of Letter of Offer includes The Ramco Cements Limited, Ramco Industries Limited, Ramco Systems Limited, Rajapalayam Mills Limited, Sri Vishnu Shankar Mill Limited and Shri Harini Media Limited.
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s. N.A. Jayaraman & Co, Chartered Accountants.
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company for the financial year ended March 31, 2023 which comprises of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the year ended March 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details, see "*Financial Statements*" on page 82.
Board / Board of Directors	Board of Directors of our Company or any duly constituted committees thereof.
Equity Share(s)	The equity shares of our Company of a face value of ₹10 each, unless otherwise specified in the context thereof.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

Term	Description
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "*Our Management – Key Managerial Personnel*" on page 80.
Limited Review Report	The Limited Review Report dated February 12, 2024 prepared by the statutory auditors of our Company, M/s. N.A. Jayaraman & Co., Chartered Accountants on the unaudited financial results of our Company for the nine-months period ended on December 31, 2023.
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
Promoter(s)	The Promoter of our Company is P R Venketrama Raja.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at Post Box No. 2, PAC Ramaswamy Road, Rajapalayam – 626 117, Tamil Nadu, India
Registrar of Companies/ RoC	The Registrar of Companies, Tamil Nadu at Chennai.
Rights Issue Committee	The committee of our Board constituted through the resolution dated August 12, 2023.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.
Unaudited Consolidated Financial Results / Limited Review Interim Unaudited Consolidated Financial Statements	The unaudited consolidated financial results of our Company for the nine-months period ended on December 31, 2023, including the notes thereto and the report thereon. For details, see "*Financial Information*" on page 82.

Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares/ Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank/ Banker to the Issue/ Refund Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account(s) will be opened, in this case being, Axis Bank Limited
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Rights Equity Shares in terms of this Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA

Term	Description
	process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Form in terms of which an Applicant shall make an application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper applications and online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make any application authorising the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism.
ASBA Account	A bank account maintained with a SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Applicant / Investor.
ASBA Applicant / ASBA Investor	Applicants/ Investors who make Application in this Issue using the ASBA Process.
ASBA Circulars	Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011,
Banker to the Issue	Collectively, the Allotment Account Bank and the Refund Account Bank to the Issue, in this case beingAxis Bank Limited.
Banker to the Issue Agreement	Agreement dated February 5, 2024 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for transfer of funds to the Allotment Account, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "*Terms of the Issue*" on page 208.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time.
Designated Stock Exchange	Metropolitan Stock Exchange of India Limited ("MSEI")
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Eligible Equity Shareholder(s)/ Shareholder(s)	Existing Equity Shareholders of our Company as on the Record Date.
ISIN	International Securities Identification Number
Issue / Rights Issue	Issue of up to 18,17,227 Rights Equity Shares for cash at a price of ₹204 per Rights Equity Share, including a share premium of ₹194 per Rights Equity Share for an aggregate amount up to ₹3,707.14 lakhs* on a rights basis by our Company to the

Term	Description
	Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share for every 11 (Eleven) fully paid up Equity Shares held by the Eligible Equity Shareholders on the Record Date. **Assuming full subscription*
Issue Agreement	Issue agreement dated January 19, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	Friday, March 22, 2024
Issue Opening Date	Friday, March 15, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹204 per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to 18,17,227 Rights Equity Shares aggregating to an amount up to ₹3,707.14 lakhs*. **Assuming full subscription*
Lead Manager to the Issue/Lead Manager	Vivro Financial Services Private Limited.
Letter of Offer/LOF	This Letter of Offer dated March 1, 2024 filed with the Designated Stock Exchange and SEBI.
Materiality Policy	'*Policy for Determination and Disclosure of Materiality of an Event or Information*' adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality policy adopted by the Rights Issue Committee through its resolution dated January 19, 2024 for the purpose of litigation disclosures in this Letter of Offer.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see "*Objects of the Issue*" on page 43.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Stock Exchange from time to time and other applicable laws, on or beforeMonday, March 18, 2024.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being Tuesday, March 5, 2024.
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being Axis Bank Limited.
Registrar / Registrar to the Issue	Cameo Corporate Services Limited
Registrar Agreement	Agreement dated December 23, 2023, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity

Term	Description
	Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Monday, March 18, 2024, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his/her shareholding in our Company as on the Record Date, being 5 (Five) Rights Equity Share for every 11 (Eleven) fully paid up Equity Shares held by the Eligible Equity Shareholder on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Retail Individual Investor/ RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹2,00,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchange	MSEI where the Equity Shares are presently listed.
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Chennai are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Chennai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays.

Business Related Terms

Terms	Description
BP	British Pharmacopoeia Standards
CSR	Corporate Social Responsibility
EP	European Pharmacopoeia
GCC	General Certificate of Conformity
GOTS	Global Organic Textile Standard

Terms	Description
GRS	Global Recycled Standard
GVA	Gross Value Added
Ha	Hectare
HNI’s	High Networth Individuals
IHS	Inhouse Health Standards
IS	Indian Pharmacopoeia Standards
IIP	Index of Industrial Production
KG/Kg/kg	Kilogram
MRP	Minimum Retail Price
MW	Megawatts
NITI Aayog	National Institution for Transforming India, Aayog
OCS	Organic Content Standard
OEKOTEX	OEKO-TEX Standard 100 certification
RCS	Recycled Claim Standard
SCBTS	Scheme for Capacity Building in Textiles Sector
TC	Thread Count
TFO Yarn	Two for One Twisted Yarn
TNEB	Tamilnadu Electricity Board
TPM	Total Productive Maintenance
US	United States
USP	The United States Pharmacopeia
WHO	World Health Organisation

Industry related terms

Terms	Description
ASEAN	Association of Southeast Asian Nations
A-TUFS	Amended Technology Up- gradation Fund Scheme
BTRA	Bombay Textile Research Association
CSR	Corporate Social Responsibility
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CoE	Centers of Excellence
DGFT	Directorate General of Foreign Trade
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft fur Internationale Zusammenarbeit
HEPC	Handloom Export Promotion Council
HMA	Handloom Marketing Assistance
IBEF	India Brand Equity Foundation
IMF	International Monetary Fund
Kg	Kilogram
MEIS	Merchandise Exports from India Scheme
NHDP	National Handloom Development Programme
NIFT	National Institute of Fashion Technology
NITRA	Northern India Textile Research Association
NSO	National Statistical Office
NTTM	National Technical Textile Mission
PE	Provisional Estimate
PM MITRA	PM Mega Integrated Textile Region and Apparel
RoSCTL	Rebate of State and Central Taxes and Levies
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries

Terms	Description
SASMIRA	Synthetic & Art Silk Mills' Research Association
SCBTS	Scheme for Capacity Building in Textiles Sector
SITP	Scheme for Integrated Textile Parks
SITRA	South India Textile Research Association
TC	Thread Count
T & A	Textile and Apparel
US$	United States Dollar

Conventional, General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
MSE	MSEI Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CCD	Compulsorily Convertible Debentures
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year / Fiscal/ FY	Period of 12 (twelve) months commencing on April 1 of the immediately preceeding calendar year and ending on March 31 of that particular calendar year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product

Term	Description
Government / Government of India / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository
IT	Information Technology
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
Listing Agreements	The listing agreements entered into by our Company with the Stock Exchange
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the SEBI Mutual Fund Regulations.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	Non Resident Indian
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India

Term	Description
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended
SEBI Rights Issue Circulars	Collectively, SEBI Master Circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 ("SEBI ICDR Master Circular")", and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	United States Securities Act of 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
US	United States of America
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in United States
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the "**Issue Materials**") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, this Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have registered their email address with their respective depositories or RTA and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange subject to the applicable law.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who make a request in this regard to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Issue Materials nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the

Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer/Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" contained in this Letter of Offer are to the Republic of India and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Consolidated Financial Statements for the year ended March 31,2023, and Unaudited Consolidated Financial Results for the nine months period ended December 31,2023. For further information, see "*Financial Information*" on page 82.

We have prepared our Audited Consolidated Financial Statements in accordance with Ind AS and Unaudited Consolidated Financial Results in accordance with Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees rounded off to Lakhs, wherever applicable. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or their respective affiliates and neither our Company, the Lead Manager, nor their respective affiliates make any representation as to the accuracy of such information. Accordingly, Investors should not place undue reliance on this information.

Certain industry related information in the sections titled "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 55, 64, 17 and 187 respectively, have been derived from various websites and publicly available documents from various industry sources.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America, references to “JPY” or “¥” are to Japanese Yen, the official currency of Japan, “CHF” is to Swiss Franc, the official currency of the Switzerland and Liechtenstein and all references to “Euro” or “€” are to Euro, the official currency of the European Union.

Certain numerical information has been presented in this Letter of Offer in “Lakhs” units. 1,00,000 represents one lakh, 1,00,00,000 represents one crore, 10,00,000 represents one million and 1,000,000,000 represents one billion.

Exchange Rates

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the respective foreign currencies:

Currency	December 31, 2023	March 31, 2023	March 31, 2022
1 US$	83.12	82.22	75.81
1 Euro	92.00	89.61	84.66
1 CHF	97.26	88.29	80.77
1 JPY	0.59	0.62	0.62

(Source: www.fbil.org.in)

**As direct quote of CHF/INR is not available, TT buying rate of SBI has been provided.*

Wherever the exchange rate was not available on account of March 31st or December 31st being a holiday, the exchange rate as of the immediately preceding working day has been provided.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- increase in the prices of our raw material or any decrease in the supply of our raw materials;
- fluctuations in foreign currency exchange rate, which may harm our results of operations;
- decrease in demand of our products or failure to accurately forecast and manage inventory;
- risks that manufacturing facilities are subject to, including quality control issues, disruptions in or lack of infrastructure facilities and obsolete plant and machinery and quality control problems;
- strikes or work stoppages by our employees or contractual employees;
- our inability to attract and retain skilled personnel; and
- our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 64 and 187, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled "*Risk Factors*", "*Objects of the Issue*", "*Our Business*" and "*Outstanding Litigations and Defaults*" on pages 17, 43, 64 and 196 respectively.

Summary of our Business

Established in the year 1939, our Company, The Ramaraju Surgical Cotton Mills Limited is a part of the Ramco Group of companies based at Tamil Nadu. Our Company is engaged in the business of manufacturing of yarn and greige fabrics as well as home textiles and bed linen under its Textiles segment. The Textiles segment consists of Spinning, Weaving and Made ups. Our Company is also engaged in the manufacturing of surgical dressings products as well as in generation of electricity from wind and solar panel for the purpose of captive consumption.

Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

(₹ In lakhs)

Sr. No.	Particulars	Amount
1.	Repayment, in full or part, of certain outstanding borrowings (including interest) availed by our Company;	3,500.00
2.	General corporate purposes*	149.04
Total Net Proceeds**		**3,649.04**

** The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

For further details, see "*Objects of the Issue*" on page 43.

Intention and extent of participation by our Promoters and Promoter Group in this Issue

Our Promoter *vide* its letter dated January 19, 2024 ("**Subscription Letter**"), have confirmed that they along with promoters group, intends to jointly and/or severally, intend to subscribe in the Issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of Promoter or member of the Promoter Group).

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

Summary of Outstanding Litigations and Defaults

A summary of outstanding legal proceedings involving our Company as on the date of this Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved* (₹ lakhs)
Litigations involving our Company and Subsidiary		
Proceedings involving moral turpitude or criminal liability on our Company	Nil	-
Proceedings involving material violations of statutory regulation by our Company	Nil	-
Matters involving economic offences where proceedings have been initiated	Nil	-

Nature of Cases	Number of Cases	Amount Involved* (₹ lakhs)
against our Company		
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	-

**To the extent quantifiable.*

For further details, see "*Outstanding Litigations and Defaults*" beginning on page 196.

Risk Factors

For details, see "*Risk Factors*" on page 17.

Contingent Liabilities

For details regarding our contingent liabilities, see "*Financial Statements*" on page 82.

Related Party Transactions

For details of our related party transactions as per Ind AS 24, see "*Financial Statements*" on page 82.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing of this Letter of Offer.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with the Financial Statements and other financial information included elsewhere in this Letter of Offer.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, cash flows, prospects, financial condition and results of operations. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 64 and 187, respectively, included in this Letter of Offer. If any of the risks described below, other risks that are not currently known or or are currently deemed immaterial, actually occur, our business, cash flows, prospects, financial condition and results of operations could be adversely affected, the trading price of, and the value of your investment in, Equity Shares could decline, and investors may lose all or part of their investment. In making an investment decision, investors must rely on their own examination and the terms of this Issue, including the merits and risks involved.

However, there are certain risk factors where the financial impact is not quantifiable and therefore, cannot be disclosed in such risk factors. Investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Letter of Offer.

In this section, unless the context otherwise required, a reference to "we", "us", "our", "our Company" and similar terms is a reference to The Ramaraju Surgical Cotton Mills Limited.

1. Any increase in the prices of raw material or any decrease in the supply of raw materials, primarily cotton will materially and adversely affect our business, results of operations and financial condition.

The primary raw material for our manufacturing operations is cotton. We purchase cotton from domestic and international markets such as Germany, Australia, USA, and Egypt. Being an agricultural commodity, there are fluctuations in price of cotton due to the changes in weather condition among other factors. Further, the minimum support price for cotton is also determined by the Government of India. As a result, the cotton price in India is not only driven by market demand but also supported by minimum support price operations of the Cotton Corporation of India. Any increase in cotton prices may have an adverse effect on our business, financial condition and results of operations. Any material shortage or interruption in the domestic supply or deterioration in quality of cotton due to natural causes or other factors could result in increased costs that we may not be able to pass on to customers.

Our suppliers help us in procuring raw materials and majority of them have been associated with our Company for over substantial period of time. There are no minimum committed volumes of raw material that our suppliers assure. Any failure to arrange for raw material in the necessary quantities or as per our requirement with respect to our schedule, quality, standards and specifications, may adversely affect our production processes, which may in turn result in a material adverse effect on our business, financial condition and results of operations. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost-effective manner.

We sell our products in highly competitive markets, and competition in these markets is based primarily on demand and price. However, competition in our businesses can be based on, among other things, innovation, perceived value, brand recognition, promotional activities, advertising, new product introductions and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. As a result, to remain competitive, we must continuously strive to reduce our production costs and improve our operating efficiencies. In our businesses, we actively compete with companies producing the same or similar products. Due to the nature of our products, competition in these markets is based primarily on price and quality.

2. We do not have long term contracts with our customers.

We have not executed any long-term contracts with our domestic or international customers. Our sales are based on purchase orders that are placed by our customers depending on their requirements, with typical delivery periods ranging from 15 days to 90 days. In the case of some of the export customers, this may range from 60 days to 180 days. In the absence of long-term contracts, there can be no assurance that a particular customer would continue to source their supplies from us in the future. A reduction in the purchase orders placed by the customers may adversely affect our business and revenues; and may require us to shift to different markets and/or look for alternative buyers. Further, any loss of our major customers arising out of competition or from cheaper sources can lead to reduced margins and our results and operations may be affected.

3. We are exposed to foreign exchange fluctuations risks.

We are exposed to foreign exchange related risks since a significant portion of our revenue from operations are in foreign currency. Our revenue from operations in foreign currency for the nine months period ended on December 31, 2023 and Fiscal 2023 (Standalone basis), accounted for 25.71% and 26.52% of our total revenue from operations for the respective periods.

Further, we import raw material from international markets in foreign currencies. For the nine months period ended on December 31, 2023 and Fiscal 2023 (Standalone basis), our raw material imports accounted for approximately 21.68% and 18.93% of our cost of raw material consumed for the respective periods. Any fluctuation of rupee rate against foreign currencies may adversely affect our export earnings, which we have experienced and can be expected to continue in terms of foreign exchange losses in respect of transactions denominated in foreign currencies.

We have been hedging our foreign exchange exposure through forward contracts to mitigate the risk of fluctuations in foreign exchange currencies for exports of our products. Although we have been entering into foreign exchange forward contracts to hedge against our foreign exchange risks, we cannot assure that we will continue to enter into forward contracts in the future and any such lack of hedging may expose us to foreign exchange currencies fluctuation, which may have an adverse impact on our business, results of operations and financial conditions.

4. We have incurred losses in the recent past. Continuous financial losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers which could adversely affect our reputation, business, financial condition and results of operation.

Our Company has incurred losses in the recent past, the details of which based on consolidated financial statements are provided below:

(₹ in lakhs)

Particulars	For the nine months period ended on December 31, 2023	March 31, 2023
Profit/(Loss) for the year	(3,146.15)	(2,925.40)

There can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect in our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation.

5. Any decrease in demand for our products may adversely affect our business and financial condition.

The sales of our yarn, fabrics, bed linens and surgical products, that we manufacture and trade, rely heavily on the demand and preferences of end-user consumers of garments, other home textile products and wound care products. Our largest business segment is the manufacturing of textiles which accounted for 84.73% and 86.44% of our total revenue from operations for the nine months period ended on December 31, 2023 and Fiscal 2023, respectively. If the preferences of end-users for textile products undergo a change which is driven by fashion or, availability of cheaper alternative such as polyester or if our industry experience lower or negative growth, demand for our products may decrease and our revenue from sales of such products may decline, which may in turn materially adversely affect our business, financial condition and results of operations.

In addition, the organised and unorganised textile industry is fragmented and inherently competitive with several regional brands and retailers present in local and international markets. In the event, our customers substitute our products with that of our competitors due to difference in price or quality of the products, it may have an adverse impact on the demand for our products. Similarly, in the event our competitors who are larger than us or develop alliances to compete against us may be able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer high quality products at lower price and our Company may be unable to adequately react to such developments which may affect our revenues and profitability. Furthermore, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices; thereby impacting our revenues and profitability adversely.

6. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products and unable to identify customer demand, which could have a material adverse impact on our profitability.

We monitor our inventory levels based on our projections of future demand and requirements of our products based on past data. Because of the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales for some of our products. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. An inaccurate forecast of demand for any product may result in unavailability/surplus of products. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an overstocking of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially due to writing down of inventory cost from its carrying value to the net realisable value. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase, and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

7. We are integrated textile manufacturer as a result of which the impact of production slowdowns in one segment of our product line may adversely affect our operations and profitability in connection with the other products in the textile value chain. Further, increased costs in any one segment of our business may affect profitability of the other segments.

We are an integrated manufacturer for textile, different types of yarn and fabrics. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delay in our operations in multiple product lines. If we are unable to repair malfunctioning in machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace it. As a part of the manufacturing process, any disruption in one segment can halt the entire production line and the impact of slowdowns/breakdowns in a single product may cause disruptions in the overall production value chain. Further, any increased costs in one segment may have an adverse effect on the profitability of the other product segments.

Further, because some of our products are used in a manufacturing chain in which raw cotton, through a series of intermediate processes, results in greige fabric, adverse effects on any link in the chain can have indirect effects on all our other production processes. For example, if the production of yarn is affected due to any reason such as machinery breakdown, the production of fabric may be similarly affected. Moreover, increased costs in any one segment of our business may affect the profitably of the other segments. For example, although an increased price of yarn would typically benefit the results of our operations in connection with manufacture of yarn, but our profitability in connection with fabric for which raw material are sourced internally could be adversely affected, since yarn is the principal raw material for the manufacture of fabrics.

Although we have not experienced any significant disruptions (except for Covid-19 pandemic) at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

8. ***We depend on certain key customers, and our business and financial conditions may be adversely affected if we are unable to retain these customers.***

Our business depends on our relationships with our key customers. The revenue concentration from our top five customers was 34.88% and 36.55% of our total revenue from operations for the nine months period ended on December 31, 2023 and Fiscal 2023, respectively. There can be no assurance that we will be able to retain these customers. If one or more of these key customers are unable or unwilling to continue their business relationships with us, our business may be affected, and our financial condition and results of operations may be adversely affected. Any deterioration in our relationship with any of them would have a significant adverse impact on our business, financial condition, and results of operations. Some of our products are in the nature of commodity products which are facing highly competitive conditions and extremely price sensitive. Therefore, any major fluctuations in prices of our products can adversely affect our competitiveness and lead to loss of customers.

9. **Our indebtedness, including various conditions and restrictions imposed on us by our financing agreements, could adversely affect our ability to react to changes in our business, and we may be limited in our ability to use debt to fund future capital needs.**

As of January 31, 2024, our borrowings amounted to ₹40,422.59 lakhs. Our substantial indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to payments in respect of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenditures;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or our industry;
- limit our ability to borrow additional funds;
- restrict us from making strategic acquisitions, introducing new products or services or exploiting business opportunities; and
- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

We cannot guarantee that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, adverse changes in the business conditions affecting us could cause the amount of refinancing proceeds to meet our interest payments or fully repay any existing debt upon maturity and we may be unable to fund the payment of such shortfalls. If we cannot obtain alternative sources of financing or our costs of borrowings become significantly more expensive, then our financial condition and results of operations will be adversely affected.

Moreover, the agreements governing certain of our debt obligations include terms that, in addition to certain financial covenants, which, amongst others, restrict our ability to make any investments whether by way of deposits,loans, or investments in share capital or otherwise or provide any credit or give guarantee, indemnity or similar assurance,declare dividends, effect a scheme of merger, amalgamation, compromise or reconstitution, any change in the general nature of the business of the Company, ownership or control of the Company (both management and shareholding), alter our constitutional documents, undertake new projects, implement any scheme of expansion/modification or capital expenditure, any change in our constitution or management and board of directors, modify our promoter/ promoter group shareholding, and effect any change in capital structure. Any failure on our part to comply with these terms in our loan agreements would generally result in events of default under these loan agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over various assets and take possession of those assets, which could adversely affect our liquidity and materially and adversely affect our business and operations. In addition, to the extent that we cannot make payments on accelerated amounts, such non-payment could result in the cross default and/or cross-acceleration of some or all our other outstanding indebtedness, and payment of penalty interest, which could likewise adversely affect our liquidity and materially and adversely affect our business, operations and financial conditions.

10. Certain of our Promoter Group companies and group companies may have conflict of interest as they are engaged in the similar line of business and may compete with us

Certain of our Promoter Group companies and group companies namely Ramco Industries Limited, Rajapalayam Mills Limited, Sri Vishnu Shankar Mill Limited and Sandhya Spinning Mill Limited and group company namely Rajapalayam Textile Limited are engaged in the similar line of business/industry in which our Company operates. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies among our Company and our Promoter Group companies and group companies in circumstances where our interests differ from theirs. There can be no assurance that such Promoter Group companies, or group companies will not compete with our existing business or any future business that we may undertake, or that their interests will not conflict with ours. Further, there is no non-compete agreement with any such Promoter Group companies or group companies. Further, our Promoters / few of our Directors are also promoter/director of our Promoter Group companies and/or group companies. As a result, conflicts of interests may arise in allocating business opportunities among our Company and our Promoter Group companies and group companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters / Directors may favour other Promoter Group companies and group companies in which our Promoters / Directors have interests.

11. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

(In ₹ lakh)

Particulars	September 30, 2023#	March 31,2023	March 31,2022
Net Cash Flow from/ (used in) Operating Activities	-*	(550.75)	-*
Net cash generated from/ (used in) investing activities	(343.62)	(6,736.52)	(5,083.19)
Net Cash Flow from/ (used in) Financing Activities	(291.45)	-*	-*

**indicates positive cashflow*

#from unaudited consolidated financial results of Company for the six-months period ended on September 30, 2023

We may incur negative cash flows in the future which could have a material adverse effect on our business, prospects, results of operations and financial condition.

12. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.

As on date of this Letter of Offer, we have two (2) registered trademarks. The measures we take to protect our intellectual property including initiating legal proceedings, may not be adequate to prevent any objections raised on our trademarks. Further, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that the registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and to create counterfeit products. There may be other companies or vendors which may use our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, may not be adequate to prevent unauthorized use of our intellectual property by third parties.

Furthermore, the application of laws governing intellectual property rights in India is evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our brand names. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and requires to enter into potentially expensive royalty or licensing agreements or to cease usage of certain brand names. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our reputation, business, financial condition, cash flows, and results of operations.

13. We are subject to government policies and regulations affecting the agricultural sector particularly related to cotton and related industries could adversely affect our operations and profitability.

Production of cotton, our primary raw material for our operations is significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products) can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. In recent years, rising prices of cotton and concerns about food security have prompted governments in several countries to introduce export bans on key agricultural commodities and commodity products. There is no assurance that such export bans may not become more prevalent whether across countries or products. Future government policies may adversely affect the supply, demand for and prices of our products restrict our ability to do business in our existing and target markets and could cause our financial results to suffer.

14. Any inability on our part to comply with prescribed technical specifications and standards of quality in connection with our products could adversely impact our operations and profitability.

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities as well as some of our customers that enable us to be eligible to participate in orders. Further, we are required to adhere to stringent contractual technical specifications and standards, and our customers may require our manufacturing facilities and products to be pre-approved and/or accredited by various agencies before placing orders for our products. If we fail to adhere to the aforesaid requirements or changes thereto in a timely manner, or at all, our cash flows, operations and/or profitability could be adversely affected. Our top customers may vary from period to period depending on order bookings. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship or pre-qualified status with our key customers.

15. Our operations are subject to high working capital finance requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

We require substantial amounts of working capital for our business operations, and the failure to obtain required working capital on attractive terms or at all, may materially and adversely affect our growth prospects and future profitability. We require substantial capital to maintain and operate our production facilities.

Our total working capital debt from bank (including working capital term loan) as of January 31, 2024, amounting to ₹26,499.44 lakhs. We rely on debt financing to meet our working capital requirements. We cannot assure that we will be able to raise additional debt in a timely manner or on acceptable terms in the future to finance our working capital, and this may materially and adversely affect our business.

16. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.

Our Company proposes to utilize the Net Proceeds for the Issue towards repayment of loans and general corporate purpose. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates, and have not been appraised by any bank or financial institution or other independent agency. For details, see "*Objects of the Issue*" on page 43. In addition, we cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability, or an increase in the value of our business and your investment.

17. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on the results of our operations and profitability.

Any material interruption at our manufacturing facilities, including but not limited to power failure, fire and unexpected mechanical failure of equipment's and labour unrest could reduce our ability to meet the conditions of our contracts and earnings for the affected period. Irregular or any interruption in supply of power including from our captive windmills or water are factors that could adversely affect our daily operations. If there is an insufficient supply of electricity, water or fuel to satisfy our requirements, we may need to limit or delay our production, which could adversely affect our business, financial condition, and results of operations. We cannot assure you that we will always have access to sufficient supplies of electricity, water and fuel in the future to accommodate our production requirements and planned growth. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to procure various supplies and products to meet our production requirements, which could affect our profitability.

18. Export destination countries may impose varying duties on our products or enter into free trade agreements with countries other than India. Any increase in such duties or the entry into free trade agreements with countries other than India may materially adversely affect our business, financial condition, and results of operations.

Our revenues from exports amounted to ₹6,563.25 lakhs and ₹10,920.56 lakhs for the nine months period ended on December 31, 2023 and Fiscal 2023, which represented approximately 25.71% and 26.52% of our revenues from operations for the respective periods. The destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such destination countries will not increase. Any change or increase in such duties may adversely affect our business, financial condition, and results of operations. Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements may place us at a competitive disadvantage compared to manufacturers in other countries and may adversely affect our business, financial condition, and results of operations. Further, adverse changes in import policies in countries to which we export our products may have a particularly significant adverse impact on our business, financial condition, and results of operations.

19. We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition, and results of operations.

We face huge competition in our industry from the existing players and new entrants especially producers of man-made fibre, which is a cheaper alternative to the natural fibre we use. If there is a change in trend and increase in demand of man-made fibre may put pressures on pricing, product quality, turnaround time, order size etc., which may put strain on our profit margins. Failure to compete with producers of man-made fibre may have adverse effect on our business, financial condition, and results of operations.

20. If we are unable to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner, or unable to anticipate and respond to change in the application in the medical procedures, the demand for our products may decline, which may have an adverse effect on our business, results of operations and prospects.

Our Company is engaged in the business of manufacturing of surgical products which consist of absorbent cotton wool, cotton gauze and bandages. It is also engaged in manufacturing of cotton yarn, greige fabrics and bed linens. Our results of operations are dependent on our ability to anticipate, gauge and respond to changes in customer preferences and design of new products or modifying our existing products in line with changes in fashion trends as well as customer demands and preferences. If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose, or fail to attract customers, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory at a discount. A decline in demand for our products or a misjudgement on our part could lead to lower sales, excess inventories and higher mark downs, each of which may have an adverse effect on our results of operations and financial condition. Further, our process for designing our products is a key aspect of our operations for which we rely heavily on data analysis and the study of industry and fashion trends to introduce new and original concepts. We incur expenses in the design and development of our products, and we cannot assure you that our current portfolio of designs and any products we launch, will be well received by our customers, or that we will be able to recover costs we incurred in designing and developing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

Presently our surgical products are mainly used for medical purposes. Any change in the application in the medical procedures may impact the demand of our surgical products.

21. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required at our manufacturing units and of our products from manufacturing units to our customers, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic and international customers. Transportation strikes have had in the past, and could again have in the future, an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials, and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. Failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition, and results of operations.

22. We introduce new value-added products for our customers and there is no assurance that our new products will be profitable in the future. Further, we face additional risks as we expand our product offerings and grow our business.

In order to continue to expand our businesses and profitability, we introduce new value added products in our existing lines of business. Failure to consider, identify and provide for all additional risks may result in an adverse financial impact on us. Such new products would result in incurring additional costs and we cannot guarantee that such new products will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to obtain sufficient financing to support or a failure to understand customer demand and market requirements. If we are unable to achieve the intended results with respect to our offering of new products, or manage the growth of our business, our financial condition, cash flows, results of operations and prospects could be materially adversely affected.

23. Inconsistent product quality could lead to customer dissatisfaction, hampering reputation, sales and business which may materially and adversely affect our business and prospects.

We face business risks relating to our products not meeting the customer's technical specifications or the required quality standards. Some of our manufacturing products has OEKOTEX, RCS, GOT, GRS, OCS certifications. We have prescribed stringent quality checks and continue to improve its resource utilization and minimize in-process rejections by leveraging quality tests across all manufacturing facilities. We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could not still be some deviation from prescribed quality standards due to factors such as human error. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, distribution channel, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet our customers' expectation could adversely affect our business, result of operations and financial condition. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are delivered to our customers. In case our products do not meet the customer, requirements or fails to adhere to the technical specifications or quality standards, our customers may cancel the order. Any such cancellation by our customers may adversely affect our reputation and brand image, which could adversely affect our business, results of operations and financial condition.

24. We are subject to strict quality requirements, and any failure to comply with quality standards may lead to the cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects.

Our customers maintain strict quality and certification procedures. Our products go through various quality checks at various stages. Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs and business management systems at our manufacturing facilities include TPM and 5S.

Despite strict adherence to quality control programs and business management systems, we cannot assure you that our quality control processes will not fail, or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims.

25. We are dependent on our senior management and other key personnel as well as certain intermediaries, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations, financial condition, and cash flows.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. For further information of our key management personnel, see "*Our Management and Organisational Structure*" on page 76. There can be no assurance that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition, and cash flows.

26. We require various licences and approvals for undertaking our business and if we fail to obtain, maintain, or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.

Our operations are subject to government regulations, and we are required to obtain and maintain several statutory and regulatory permits, approvals, and consents under central, state, and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Further, certain approvals for our manufacturing facilities are required to be applied or renewed on an ongoing basis. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

27. We have in the past entered related party transactions and may continue to do so in the future. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.

We have entered transactions with related parties. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter related party transactions in the future, and such transactions may potentially involve conflicts of interest. For further information on our related party transactions, see "*Financial Information*" on page 82. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition, and cash flows. In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected.

28. If we are unable to successfully execute our growth strategies, our business prospects, and results of operations could be materially and adversely affected.

We propose to expand our business by adopting a series of strategies. For further details, see "*Our Business – Our Strategy*" on page 63. Our growth depends on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational, and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to several factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses.

29. If we are unable to collect our dues and receivables from our customers, our results of operations and cash flows could be materially and adversely affected.

Our business depends on our ability to successfully obtain payment from our customers of the amount they owe us for the products delivered in timely manner. Our Company generally extends the benefit of a credit period from 30 days to 90 days and extends up to 180 days in case of export customers, however, the same is not uniform and it varies on a case-to-case basis. Our average credit cycle has been 36 days and 47 days in Fiscal 2023 and for the nine months period ended December 31, 2023, respectively.

We cannot assure you that we will be able to accurately assess the creditworthiness of our customers. Macroeconomic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency, or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, cause us to enter into litigation for non-payment, all of which could increase our receivables. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our products, our cash flows could be adversely affected. Any significant decrease in or discontinuation of products manufactured from our products by customers in the industry or other industries from which we derive significant revenues in the future may reduce the demand for our products.

30. We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.

As of March 31, 2023, contingent liabilities disclosed in the notes to our Audited Consolidated Financial Statements aggregated ₹142.52 lakhs. Our contingent liabilities that had not been provided for as on March 31,2023, are set forth below:

(₹ in lakhs)

Particulars	As at March 31, 2023
Guarantees given by the bankers on behalf of the company	142.52
Demands/claims not acknowledged as Debts in respect of matters in appeals relating to – TNVAT*	NIL

**In respect of Electriciy 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 ₹159.49 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 this matter.*

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

31. We may face a risk on account of not meeting our export obligations. Our failure to fulfil these export obligations in full may make us liable to pay duty proportionate to unfulfilled obligation along with the interest.

We have obtained licenses under Export Promotion Capital Goods Scheme ("**EPCG**") for import of capital goods without payment of duty and GST; and under Advance Authorisation Scheme for import of inputs without payment of duty and / or GST. As per the licensing requirement under the said scheme, we are required to export goods of a definite amount, failing which we will have to make payment to the Government of India equivalent to the duty saved by us along with the interest. Though in the past we have not been penalised for non-fulfilment of the export obligations under the EPCG Scheme; there can be no assurance that we would be able to meet the export obligations in the future. In case we fail to fulfil these export obligations in full; we will have to pay duty proportionate to unfulfilled obligation along with the interest.

32. Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.

Wage costs and operating costs have historically been significantly lower in India than wage costs and operating costs in the United States, Europe, and other developed economies; and these reduced costs have been one of the sources of our competitive strengths. However, any increase in wage and operating expense in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases manifest a hike in operational costs which may result in a material adverse effect on our business and financial condition and result of operations.

33. Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.

Our Company is engaged in the business of manufacturing of surgical products which consist of absorbent cotton wool, cotton gauze and bandages. It is also engaged in manufacturing of cotton yarn, greige fabrics and bed linens. For sale to various manufacturers which makes it mandatory for us to comply with extensive laws and government regulations, including in relation to safety, health and environmental protection. In view of the nature of our manufacturing process and the significant quantity of water utilized in the bleaching process of cotton and fabrics, which generates a considerable amount of water waste which is treated in-house through a zero-discharge effluent treatment plant installed in the said facility.We cannot assure you that there will not arise a situation whereinwe shall not be able to effectively treat the industrial waste, thereby failing to comply with the necessary procedures and requirements laid down under the applicable environmental laws. On the occurrence of any of the above events, we could face regulatory action which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There can be instances in the future, where our Company may be forced to halt our business operations in our manufacturing units on receiving adverse orders from state pollution control boards. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing units due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations. India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc.

Our Company is also subject to safety, health and environment laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company's safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India and all around the world, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws andregulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

34. We are subject to export and import controls that could adversely impact our business.

We are subject to export and import control laws that limit us to where and to whom we can sell our products which could result in postponements or cancellations of product orders. In addition, various countries have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export or import of our products to certain countries altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Delays caused by our compliance with regulatory requirements in obtaining or maintaining any regulatory approvals that may, in the future, be required to operate our business could materially affect our business and operating results. We may also be unable to secure raw materials, components or software for our capital equipment due to export control laws, as a result of which, our supply chain may be disrupted and we may be unable to provide our products to customers, which can result in a loss of business for us.

35. **Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.**

As of January 31, 2024, we employed about 2,277 personnel across our operations. Although we have not experienced any material labour unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent, or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

36. **Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.**

Our operations are subject to various risks inherent in the manufacturing industry including defects, failures of manufacturing equipment, fire, riots, strikes, explosions, accidents and natural disasters. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. Our key insurance policies consist of all industrial risks policy, standard fire and perils policy, marine policy and other miscellaneous policies.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

37. **Our Company's ability to pay dividends in the future will depend on future earnings, financial condition, cash flows, working capital requirements and required or planned capital expenditures and terms of its financing arrangements.**

Our Company has paid ₹ 19.99 lakhs dividend to our shareholders for the Fiscal 2023. Our ability to pay dividends in future will depend on the earnings, financial condition, and capital requirements of our Company. Our business is capital intensive as we are required to innovate from time to time to increase margins, which may require us to invest all, or part of the profits generated by our business operations. Further, we may not be able to distribute dividends in certain circumstances such as default in payment of interest and/or principal, amongst others, based on certain of our high-cost financing arrangements. Our Company may be unable to pay dividends in the near or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition, and results of operations. Any inability to pay dividends in the future may adversely affect the trading price of the Equity Shares of our Company. For further details, please see "*Financial Information*" on page 82.

38. **Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased**

liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. We cannot assure you that compliance with such laws and regulations will not result in a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, manufacturing activities in India are also subject to various health and safety laws and regulations as well as laws and regulations governing their relationship with their respective employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring, and terminating employees and work permits. Accidents, in particular fatalities, may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

Non-compliance with these laws and regulations could expose us to civil penalties, criminal actions, and revocation of key business licences. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition.

39. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder's approval

We propose to utilise the Net Proceeds to repay, in full or in part, of certain outstanding borrowings (including interest). For further details of the proposed objects of the Issue, please refer chapter titled "*Objects of the Issue*" beginning on page 45 of this Letter of Offer. In case of any exigencies arising out of business conditions, economic conditions, competition, or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure which cannot be determined with certainty as on the date of this Letter of Offer. In terms of the SEBI ICDR Regulations and the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in this Letter of Offer, we cannot assure that we will be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Letter of Offer, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

40. Industry information included in this Letter of Offer has been derived from a publicly available information. There can be no assurance that such third- party statistical, financial, and other industry information is complete, reliable or accurate.

We have not independently verified data obtained from various websites, industry publications and publicly available documents from various industry sources referred to in this Letter of Offer and therefore, while we believe them to be accurate, complete, and reliable, we cannot assure you that they are accurate, complete, or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to India, its economy, the textile industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete, or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

41. The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.

Since the size of the Issue is less than ₹ 10,000 lakhs, no monitoring agency is required to be appointed by our Company to oversee the deployment of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. The Board of Directors of our Company through Audit Committee will monitor the utilization of the Issue proceeds. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our business and financial condition.

EXTERNAL RISK FACTORS

42. Our business is affected by prevailing economic, political, and other prevailing conditions in India and the markets we currently service.

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian economy, which in turn may adversely impact our business, prospects, financial performance, and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

43. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

44. Terrorist attacks, civil disturbances, regional conflicts, and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition, and trading price of our Equity Shares

45. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations may adversely affect our business results of operations, cash flows and financial performance.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation, and implementation of any amendment to, or change to governing laws, regulation, or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition, and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

Risks relating to the Equity Shares

46. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

47. Our Company will not distribute the Issue Materials to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Issue Materials to such Shareholders who have provided an address in India for the service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. However, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act and may subject our Company to fines or penalties.

48. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before Wednesday, March 20, 2024, to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialised form (except in case of transmission or transposition of Equity Shares).

49. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

50. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to shortterm capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Any changes in the Finance Act 2023 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

51. You may not receive the Equity Shares that you subscribe in the Issue until approximately fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

52. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

53. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

54. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.

The Rights Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

55. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India’s economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time-to-time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on August 12, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in "*Terms of the Issue*" on page 208.

Equity Shares proposed to be issued	Up to 18,17,227 Rights Equity Shares
Rights Entitlements	5 (Five) Rights Equity Share for every 11 (Eleven) fully paid up Equity Shares held on the Record Date.
Fractional Entitlement	For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 11 (Eleven) Equity Shares or is not in multiples of 11 (Eleven), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements.However,Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlement, if any.
Record Date	Tuesday, March 5, 2024
Face value per Equity Share	₹10
Issue Price per Rights Equity Share	₹204
Issue Size	Up to ₹3,707.14 lakhs* **Assuming full subscription*
Equity Shares issued, subscribed and paid-up prior to the Issue	39,97,900 Equity Shares of ₹10 each
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	58,15,127 Equity Shares of ₹10 each
Security Codes	**ISIN:** INE328E01027 **MSEI:** RAMARAJU **ISIN for Rights Entitlement:** INE328E20019
Use of Issue Proceeds	For details, see "*Objects of the Issue*" on page 43.
Terms of the Issue	For details, see "*Terms of the Issue*" on page 208.
Terms of Payment	The full amount of the Issue Price being ₹204 will be payable on application.

GENERAL INFORMATION

Our Company was incorporated as 'The Surgical Cotton Mills Limited' as a public limited company under the India Companies Act, 1913 (Act VII of 1913) at Madras pursuant to certificate of incorporation dated February 20, 1939 issued by the Registrar of Joint Stock Companies, Madras. Thereafter, our Company was granted the certificate of commencement of business dated February 7, 1940. The name of our Company was changed to "The Ramaraju Surgical Cotton Mills Limited" pursuant to a resolution passed by the shareholders of our Company at the General Meeting held on December 30,1942 and a fresh certificate of incorporation dated June 22, 1943 was issued by the Registrar of Companies, Ramnand at Madura

Registered Office, Corporate Identity Number and Registration Number

The Ramaraju Surgical Cotton Mills Limited
Post Box No. 2,
P.A.C. Ramaswamy Road,
Rajapalayam – 626117,
Tamil Nadu, India.
Telephone: +91-4563-235904
E-mail: rscm@ramcotex.com
Website: www.ramarajusurgical.com

Corporate Identity Number: L17111TN1939PLC002302
Registration Number: 002302

Address of the RoC

Our Company is registered with the Registrar of Companies, Tamil Nadu at Chennai, which is situated at the following address:

Registrar of Companies
Block No.6, B Wing,
2nd Floor, Shastri Bhawan
26, Haddows Road, Chennai – 600034, Tamil Nadu, India.

Company Secretary and Compliance Officer

P Muthukumar
Post Box No. 2,
P.A.C. Ramaswamy Road,
Rajapalayam – 626117,
Tamil Nadu, India.
Telephone: +91-4563-235904
E-mail: muthukumar_p@ramcotex.com

Statutory Auditors of our Company

M/s. N.A. Jayaraman & Co
Chartered Accountants
9, Cedar Wood,
11, 4th Main Road, Raja Annamalaipuram
Chennai 600 028, Tamil Nadu, India.
Contact Person: R. Palaniappan
Telephone: +91 (44) 2493 7493
E-mail: canajco@gmail.com
Firm Registration no.: 001310S
Peer Review No.: 012552

Lead Manager to the Issue

Vivro Financial Services Private Limited
Vivro House, 11 Shashi Colony,
Opp. Suvidha Shopping Center,
Paldi, Ahmedabad – 380 007,
Gujarat, India.
Telephone: +91-79-4040 4242;
Email: investors@vivro.net
Investor Grievance Email: investors@vivro.net
Website: www.vivro.net
Contact Person: Kruti Saraiya/ Jay Dodiya
SEBI Registration No.: INM000010122

Statement of responsibilities

Since Vivro Financial Services Private Limited is the sole Lead Manager to the Issue and all the responsibilities pertaining to co-ordination and other activities, in relation to the Issue, shall be performed by them.

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Building
N.G.N Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India
Telephone: +91 22 2266 3353

Registrar to the Issue

Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai - 600 002, Tamil Nadu, India
Telephone: 044 4002 0700/2846 0390**;**
Email: rights@cameoindia.com
Website: www.cameoindia.com
Investor Grievance Email: investor@cameoindia.com
Contact Person: K. Sreepriya
SEBI Registration Number: INR000003753

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see the section entitled "*Terms of the Issue*" on page 208.

Expert

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditor, M/s. N.A. Jayaraman & Co. Chartered Accountants, to include their name in this Letter of Offer and as an "expert", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Statements, and the statement of special tax benefits dated January 19, 2024, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

Banker(s) to the Issue

Axis Bank Limited
No. 82, Dr. Radhakrishnan Salai, Mylapore,
Chennai 600 004
Tamil Nadu, India
Telephone: 044 2830 6900
Contact Person: M S RAJARAM
E-mail: Chennai.BB@axisbank.com
SEBI Registration No: INBI00000017

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	On or before Thursday, March 14, 2024
Issue Opening Date	Friday, March 15, 2024
Last Date for On Market Renunciation of Rights Entitlements#	Monday, March 18, 2024
Issue Closing Date*	Friday, March 22, 2024
Finalization of Basis of Allotment (on or about)	Tuesday, April 2, 2024
Date of Allotment (on or about)	Wednesday, April 3, 2024
Date of credit (on or about)	Wednesday, April 10, 2024
Date of listing (on or about)	Tuesday, April 16, 2024

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
**Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Wednesday, March 20, 2024 , to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e.,Thursday, March 21, 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see "*Terms of the Issue*" beginning on page 208.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Equity Shares on or before Issue Closing Date, the Rights Entitlements of such Eligible Equity Shareholders shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.cameoindia.com after keying in their respective details along with other security control measures implemented there at. For further details, see "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 221.

Credit Rating

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustee

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Since the Issue size does not exceed ₹10,000 lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulations.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Filing

This Letter of Offer is being filed with the Stock Exchange i.e MSEI as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI for record purposes only. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in for record purposes only.

Minimum Subscription

The objects of the Issue involve repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by the Company. Further, our Promoter have confirmed vide letter dated January 19, 2024 that they along with promoter group, jointly and/or severally, intend to subscribe in the Issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of Promoter or member of the Promoter Group). Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer is set forth below:

(₹ in Lakhs, except share data)

Particulars	Aggregate value at face value	Aggregate value at Issue Price
AUTHORISED SHARE CAPITAL		
1,00,00,000 Equity Shares of ₹10 each	1,000.00	NA
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
39,97,900 Equity Shares of ₹10 each	399.79	NA
PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER(1)		
Up to 18,17,227 Rights Equity Shares at a premium of ₹194 per Rights Equity Share, i.e., at an Issue Price of ₹204 per Rights Equity Share	181.72	3,707.14
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE (2)		
58,15,127 Equity Shares of ₹10 each	581.51	NA
SECURITIES PREMIUM ACCOUNT		
Before the Issue		743.92
After the Issue(2)		4,269.34*

(1)The Issue has been authorised by a resolution of our Board passed at its meeting held on August 12, 2023, pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

(2)Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

**Subject to finalization of Basis of Allotment and Allotment of Rights Equity Shares.*

Notes to Capital Structure

1. **Details of outstanding instruments as on the date of this Letter of Offer**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

2. No Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

3. Except as disclosed below, no Equity Shares have been acquired by the Promoters or members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with Stock Exchange and submission to SEBI.

Sr. No.	Name of the Promoter/ Promoter Group	No. of Equity Shares Acquired	Percentage of Equity Shares acquired (%)	Date of Acquisition
1.	N.R.K.Ramkumar Raja	33,090	0.83	June 16, 2023
2.	Nalina Ramalakshmi	31,076	0.78	July 4, 2023
3.	N.R.K.Ramkumar Raja	13,600	0.34	July 4, 2023
4.	R. Sudharsanam	748	Negligible	July 4, 2023
5.	Saradha Deepa	136	Negligible	July 4, 2023
6.	P.R.Venketrama Raja	680	Negligible	July 4, 2023

4. **Intention and extent of participation by our Promoters and Promoter Group**

Our Promoter *vide* its letter dated January 19, 2024 ("**Subscription Letter**"), have confirmed that they along with promoter group, jointly and/or severally, intend to subscribe in the Issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of Promoter or member of the Promoter Group).

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations cannot be determined since the shares of the Company have not been traded on MSEI during sixty trading days preceding to the date of right issue determination, so the Company is unable to determine the ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulation. Hence the Issue Price of ₹204/- (including premium of ₹194/-) has been decided by the Board in consultation with the Lead Manager of the issue.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

8. **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations:**

    i. The shareholding pattern of our Company as on December 31, 2023, can be accessed on the website of the MSEI at: https://www.msei.in/XBRLViewer/frmSHPSummary?Symbol=RAMARAJU&qtrid=127.00&recId=16096

    ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2023 can be accessed on the website of the MSEI at: https://www.msei.in/XBRLViewer/frmSHPViewCategoryWiseSummaryProm?Symbol=RAMARAJU&qtrid=127.00&recId=16096

9. **Details of the Shareholders holding more than 1% of the issued, subscribed and paid-up Equity Share capital**

S. No.	Name of the Shareholders	No. of Shares	% of holdings
1	Nalina Ramalakshmi	15,50,796	38.79
2	N R K.Ramkumar Raja	2,13,230	5.33
3	N R K Ramkumar Raja HUF	45,920	1.15
4	The Director of Handlooms & Textiles	52,800	1.32
5	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	50,082	1.25
6	Govindlal M Parikh	1,47,080	3.68
7	Ramachandra Raja Chittammal	80,600	2.02
8	Krishnamurthy V	65,600	1.64
9	Chinmay G Parikh	63,600	1.59
10	Ganapathy Alamelu	42,480	1.06
11	M.A.A. Annamalai	40,320	1.01

10. Employee Stock Option Scheme

As on the date of this Letter of Offer, our company has no employee stock option scheme.

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the "**Gross Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the following objects (collectively, referred to as the "**Objects**"):

1. Repayment, in full or part, of certain outstanding borrowings (including interest) availed by our Company; and

2. General corporate purposes.

The main object clause of our Memorandum of Association enables our Company to undertake its existing activities and activities for which the funds are being raised by our Company through this Issue.

Issue Proceeds

The details of the Issue Proceeds are set forth in the following table:

(₹ in lakhs)

Particulars	Estimated Amount
Gross proceeds to be raised through the Issue*	3,707.14
Less: Issue related expenses	58.10
Net Proceeds	**3,649.04**

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

Requirements of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details set forth in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount
1.	Repayment, in full or part, of certain outstanding borrowings (including interest) availed by our Company	3,500.00
2.	General Corporate Purposes*	149.04
	Net Proceeds	**3,649.04**

* *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds
			Fiscal 2025
1	Repayment, in full or part, of certain outstanding borrowings (including interest) availed by our Company;	3,500.00	3,500.00
2	General corporate purposes*	149.04	149.04
Net Proceeds**		**3,649.04**	**3,649.04**

* *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment*.

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "*Risk factors - The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.*" on page 31.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals.

Means of Finance

The requirements of funds for the Objects of the Issue detailed above are intended to be funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of the Objects of the Issue

1. Repayment, in full or part, of certain outstanding borrowings (including interest) availed by our Company;

Our Company has, in the ordinary course of business, entered into financing arrangements with various banks, financial institutions, and other entities. The borrowing arrangements entered into by the Company comprise, among others, term loans and working capital facilities. As of January 31, 2024, the Company had a total borrowing amounting to ₹40,422.59 lakhs on a standalone basis. For details, see section titled "*Financial Statements*" on page 82.

Our Company proposes to utilize an amount of ₹3,500.00 lakhs from the Net Proceeds towards full or partial repayment of principal and interest amount of the borrowings availed by our Company from various banks, financial institutions, and other entities, as elaborated in the table below. The repayment will

(a) reduce the outstanding indebtedness of our Company and enable utilization of the internal accruals for further investment in business growth and expansions;

(b) improve our debt-equity ratio, which will further enable us to reduce our borrowing costs and increase the availability of other required facilities from banks/financial institutions; and

(c) improve our ability to raise further resources in the future to fund potential business development opportunities.

The following table provides details of certain borrowings availed by our Company (including interest) which are outstanding as on January 31, 2024, out of which our Company may repay and/or prepay, in full or in part, any or all of the borrowings, from the Net Proceeds upto an amount of ₹ 3,500.00 lakhs:

Name of the lender	Nature of borrowing	Tenure of borrowing	Sanctioned amount as on January 31, 2024 (in ₹ lakhs)	Total amount outstanding as on January 31, 2024 (including interest) (in ₹ lakhs)	Interest rate (% per annum)	Repayment Schedule	Purpose*	Nature of Security
Indian Bank Limited	Term Loan	7 years including holiday period of 2 years	6,000.00	1,239.88	9.05%	10 equal half yearly instalments	Capital Expenditure	Nil
ICICI Bank Limited	Term Loan	5 years including a moratorium of 1 year	2,000.00	1,234.76	9.60%	16 equal quarterly instalments	Capital expenditure	Nil
The Canara Bank Limited	Term Loan	5 years	5,000.00	831.65	8.65%	60 equal monthly instalments	Working capital	Nil
Federal Bank Limited	Term Loan	60 months including a moratorium of 12 months	5,290.00	2,929.83	8.90%	48 equal monthly instalments	Working capital	Nil
RBL Bank Limited	Term Loan	72 months including a moratorium of 24 months	2,900.00	2,644.75	9.40%	48 equal monthly instalments	Working capital	Nil
IDBI Bank Limited	Term Loan	5 years including a moratorium of 1 year	5,000.00	4,875.00	9.05%	16 quarterly instalments	Capital expenditure of ₹3,200 lakhs and Working capital amounting to ₹1,800 lakhs	Prepayment charges as per IDBI Bank policy
Karur Vysya Bank Limited	Term Loan	84 months including a moratorium of 12 months	4,000.00	3,999.97	8.75%	24 equal quarterly instalments	Working capital	Nil
Total			**30,190.00**	**17,755.84**				

**As per the certificate issued by M/s N.A. Jayaraman & Co, Chartered Accountants, dated March 1, 2024, the borrowings have been utilised for the purpose for which they were availed.*

The amounts outstanding against the loans and the interest rates as disclosed above may vary from time to time, in accordance with the amounts drawn down, instalments repaid and the prevailing interest rates.

The selection of borrowings proposed to be repaid by us shall be based on various factors including: (i) any conditions attached to the borrowings restricting our ability to repay the borrowings and time taken to fulfil such requirements, (ii) provisions of any laws, rules and regulations governing such borrowings; (iii) receipt of consents for prepayment from the respective lenders, and (iv) other commercial considerations including, among others, the quantum of monthly/quarterly instalments, the interest/ coupon rate on the borrowings, the amount of the borrowings outstanding, terms and conditions of consents and waivers, presence of onerous terms and conditions and the remaining tenor of the borrowings. Further, we may utilise the Net Proceeds for part or full repayment of any such additional borrowings obtained to refinance any of our existing borrowings. We will either repay the due instalments of the borrowings or make a bullet repayment of the borrowings identified in the table above, depending upon the repayment schedule of such borrowings.

The amounts outstanding against the loans disclosed above may vary from time to time, in accordance with the amounts drawn down, repayments made and the prevailing interest rates. In addition to the above, we may, from time to time, enter into further financing arrangements, such as undertaking financing from banks and financial institutions and draw down funds thereunder. In such cases or in case any of the above borrowings are repaid or pre-paid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of such additional indebtedness, including towards repayment or pre-payment of any new borrowings taken by the Company.

2. General Corporate Purposes

The remaining Net Proceeds of ₹149.04 lakhs, shall be utilised towards general corporate purposes and the amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited to meeting our routine capital expenditure, funding our growth opportunities, strengthening marketing capabilities and brand building exercises, strategic initiatives, general maintenance and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

Estimated Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹58.10 lakhs. The break-up of the Issue expenses is as follows:

Particulars	**Estimated Expenses *(₹ in lakhs)***	**% of Estimated Issue Expenses**	**% of Estimated Issue Size**
Fees of the Lead Manager	21.50	37.01	0.58%
Fees of Registrar to the Issue	1.25	2.15	0.03%
Fee to the legal advisor and other intermediaries	13.00	22.38	0.35%
Other professional service providers and statutory fees	3.78	6.50	0.10%
Fees payable to regulators, including depositories, Stock Exchange and SEBI	10.11	17.40	0.27%
Statutory Advertising, Marketing, Printing and Distribution	2.64	4.55	0.07%
Other expenses (including miscellaneous expenses and stamp duty)	5.82	10.02	0.16%
Total estimated Issue expenses*	**58.10**	**100.00**	**1.57%**

**In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

Appraisal of the Objects

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Interim Use of Funds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds from Issue

As this is an Issue for an amount less than ₹10,000 Lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Strategic and Financial Partners to the Objects of the Issue

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Variation in Objects

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the ‘Postal Ballot Notice’) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice will simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. For details, see *'Risk Factors - Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder's approval.'* on page 30.

Other Confirmations

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors, associate company or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Further, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
The Ramaraju Surgical Cotton Mills Limited
PO Box No.2, 119 PAC Ramaswamy Raja Salai,
Rajapalayam - 626117,
Tamil Nadu, India.

Dear Sirs,

Re: Proposed rights issue of equity shares of face value of ₹ 10 each ("Equity Shares") of The Ramaraju Surgical Cotton Mills Limited ("Company" and such offering, the "Issue").

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2023 (hereinafter referred to as "**Income Tax Laws**"), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements', issued by the ICAI.

The benefits discussed in the enclosed Statement cover only possible special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company and its shareholders. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer and Letter of Offer ("**Offer Documents**") of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchange, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchange. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

Yours faithfully,

For and on behalf of M/s N.A. Jayaraman & Co.
Chartered Accountants
Firm Registration Number: 001310S

R. Palaniappan

Partner
ICAI Membership Number: 205112

UDIN: 24205112BKEZDU3386
Date: January 19, 2024
Place: Chennai

ANNEXURE

STATEMENT OF TAX BENEFITS

The Board of Directors
The Ramaraju Surgical Cotton Mills Limited
PO Box No.2, 119 PAC Ramaswamy Raja Salai,
Rajapalayam - 626117,
Tamil Nadu, India.

Re: Proposed rights issue of equity shares of face value of ₹10 each (the "Equity Shares" and such offering, the "Issue") of The Ramaraju Surgical Cotton Mills Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').

We hereby report that the enclosed Statement prepared by The Ramaraju Surgical Cotton Mills Limited (the "**Company**") states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2023 (hereinafter referred to as "**Income Tax Laws**"), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India under the respective tax laws of their country as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only possible special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements

We do not express any opinion or provide any assurance as to whether:

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

Yours faithfully,

For and on behalf of M/s N.A. Jayaraman & Co.
Chartered Accountants
Firm Registration Number: 001310S

R. Palaniappan
Partner
ICAI Membership Number: 205112

UDIN: 24205112BKEZDU3386
Date: January 19, 2024
Place: Chennai

Encl: As above

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE RAMARAJU SURGICAL COTTON MILLS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO THE RAMARAJU SURGICAL COTTON MILLS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") *(collectively referred to as "indirect tax")*

1. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The industry related information in this chapter is derived from the website of India Brand Equity Foundation and its report titled "Textile and Apparels – May 2023" (referred as "IBEF Report") prepared by India Brand Equity Foundation and other publicly available information as cited in this chapter. The data may have been re-classified by us for the purpose of presentation. Further, the IBEF Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the IBEF Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be solely based on such information.

Overview of Global Economy

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis. The COVID-19 pandemic and Russia's invasion of Ukraine had impacted the world in the last 3 years, the largest shock of the past 75 years. The Global economy is still recovering from the effects of these adverse shocks. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging market and developing economies.

Signs of Slowdown

Despite these persistent challenges, several head-winds to global growth subsided earlier this year. The World Health Organization announced in May 2023 that it no longer considered COVID-19 a global health emergency, and infections and hospitalizations appear to remain relatively limited, despite a recent uptick in some regions. Supply chains, which the pandemic disrupted, have largely normalized, with shipping costs and suppliers' delivery times back to pre-pandemic level. The resilience reflected strong consumption amid tight labor markets in the United States and robust activity in economies with large travel and tourism sectors, such as Italy, Mexico, and Spain. These developments offset a slowdown in more interest-rate-sensitive manufacturing sectors. That said, there are signs the rebound is fading:

Diminishing pandemic-era savings: The stock of savings built during the pandemic, which has so far supported consumers, is declining in advanced economies, especially the United States. This implies fewer resources for households to draw on as they contend with a still-elevated cost of living and more restricted credit availability in the context of monetary tightening aimed at reducing inflation.

Slowing catch-up in services, including travel: International tourist arrivals are approaching pre-pandemic levels in most regions. The recovery of travel during 2021–23 has come with especially strong economic growth in economies with a large share of tourism activities in GDP. These economies had suffered especially sharp contractions in GDP at the onset of the pandemic (Milesi-Ferretti 2021). But with the recovery in tourism maturing, the boost to growth is waning. Leading indicators for services now indicate weaker growth or declining output in economies that previously enjoyed a strong rebound.

Persistent manufacturing slowdown: Recent data releases point to a wide-ranging slowdown or contraction in the manufacturing sector, with related declines in industrial production, investment, and international trade in goods. This weakness reflects the combined effects of the post-pandemic shift in consumption back toward services, weaker demand stemming from a higher cost of living, the unwinding of crisis policy support, tighter credit conditions, and general uncertainty amid intensified geoeconomic fragmentation. Part of the slowdown is policy induced, the result of the globally synchronous central bank tightening of monetary conditions to restore price stability.

Ongoing Inflation

Global headline inflation has more than halved, from its peak of 11.6 percent in the second quarter of 2022 (at a quarterly annualized rate) to 5.3 percent in the second quarter of 2023. A fall in energy prices and to a lesser extent in food prices has driven the decline in headline inflation. Crude oil prices have declined during 2023 and are well below their June 2022 peak, on the back of lower global demand partly driven by tighter global monetary policy affecting activity and strong oil output growth in non-OPEC countries, most notably the United States. Natural gas prices also remain well below their 2022 peak, reflecting ample storage and supplies from Norway and northern Africa. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Among major central banks, the Bank of Canada, the Bank of England, the European Central Bank, and the Federal Reserve all raised rates in July to further reduce the inflation.

Tighter Monetary Policy, Tighter Credit

Acute stress in the banking sector has receded. The March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse, a Swiss globally systemically important bank, on account of swift reaction by authorities in both countries. However, rapid rate hikes in major advanced economies over the past 18 months, a necessary response to rapidly rising inflationary pressures, have resulted in a tight monetary policy stance, real rates above neutral rates, that is expected to endure well into 2025 and signs are that tighter monetary policy has started to work its way through the financial system. Lending surveys in the United States and Europe suggest that banks restricted access to credit considerably over the past year and were expected to continue to do so in coming months. And there are also clear signs that tighter credit conditions are increasingly affecting real activity. In advanced economies, credit and investment demand contracted in the first half of the year, reflecting tighter supply as well as lower demand for credit, as many businesses began to deleverage in response to higher interest rates and production overcapacity. Higher interest rates are likely to put banks under increasing pressure in major economies, both directly (through higher cost of funding) and indirectly (as credit quality deteriorates). Housing markets have already been reacting, with house prices slowing or reversing since the beginning of the tightening cycle in several countries, and bankruptcy rates have increased in some economies (increasing by 20 percent in the United States over the last year) as pandemic-time forbearance measures are phased out. Bankruptcies remain lower than before the pandemic in most countries but are rising rapidly. Debt markets have started to reflect tighter monetary policy, whereas spreads to risk-free government debt have stayed more or less constant. This suggests that although credit conditions have tightened significantly, there is no immediate indication of a credit crunch.

China's slow growth

China's growth momentum is fading following a COVID-19 reopening surge in early 2023. Growth slowed from 8.9% in the first quarter of 2023 (seasonally adjusted annualized quarterly rate) to 4.0% in the second quarter. With ample economic slack and declining energy and food prices, inflation fell to an estimated 0.2% (year over year) in the second quarter of 2023. High-frequency indicators suggest further weakness with the property sector crisis in the country leading the factors hampering growth. Country Garden, China's largest property developer and a major beneficiary of government support is facing severe liquidity stress, a sign that real estate distress is spreading to stronger developers, despite policy easing measures. Property developers face severe funding constraints, preventing them from completing presold homes. This is undermining home buyer confidence and prolonging the property sector downturn. Meanwhile, real estate investment and housing prices continue to decline, putting pressure on local governments' revenues from land sales and threatening already fragile public finances. These developments, together with labor market uncertainty, as reflected in elevated youth unemployment that reached more than 20% in June 2023 have weighed on consumption. Consumer confidence remains subdued despite the economy's reopening in the first quarter. Industrial production, business investment, and exports are also weakening, reflecting a combination of waning foreign demand and geopolitical uncertainty. Commodity exporters and countries that are part of the Asian industrial supply chain are the most exposed to China's loss of momentum.

Global Economic Outlook

As per the International Monetary Fund (IMF)'s World Economic Outlook April 2023, global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024 on an annual average basis. The 2023-24 forecasts are below the historical (2000-19) annual average of 3.8 percent. Growth is below the historical average across broad income groups, both in overall GDP as well as in per capita GDP. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to have bottomed out until the second half of 2023.

Advanced economies continue to drive the decline in annual average growth from 2022 to 2023, with stronger services activity offset by weaker manufacturing, as well as idiosyncratic factors. On average, these economies are expected to have broadly stable growth in 2024 with a pickup in 2025. By contrast, emerging market and developing economies, on average, are projected to see stable growth over 2022–24, with a slight pickup in 2025, although with sizable shifts across regions.

World trade growth is expected to decline from 5.1 percent in 2022 to 0.9 percent in 2023, before rising to 3.5 percent in 2024, well below the 2000-19 average of 4.9 percent. The projected decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services; lagged effects of dollar appreciation, which slows trade owing to the widespread invoicing of products in dollars; and rising trade barriers. In 2022, countries imposed almost 3,000 new restrictions on trade, up from fewer than 1,000 in 2019.

Meanwhile, global current account balances, the sums of absolute surpluses and deficits are expected to narrow in 2023, following their significant increase in 2022. The rise in current account balances in 2022 reflected largely commodity price increases triggered by the war in Ukraine, which caused a widening in oil and other commodity trade balances. Over the medium term, global balances are expected to narrow gradually as commodity prices decline. Creditor and debtor stock positions reached historically elevated levels in 2022, with the increases reflecting mainly widening current account balances. They are expected to moderate slightly over the medium term as current account balances gradually narrow. In some economies, gross external liabilities remain large from a historical perspective and pose risks of external stress.

Global headline inflation is expected to steadily decline from its peak of 8.7 percent in 2022 (annual average) to 6.9 percent in 2023 and 5.8 percent in 2024.

Overview of the World Economic Outlook Projections (% change)

Name of the Country/ Economy	Actuals	Projections	
	2022	2023	2024
World Output	**3.5**	**3.0**	**2.9**
Advanced Economies	**2.6**	**1.5**	**1.4**
United States	2.1	2.1	1.5
Euro Area	3.3	0.7	1.2
Japan	1.0	2.0	1.0
United Kingdom	4.1	0.5	0.6
Canada	3.4	1.3	1.6
Other Advanced Economies	2.6	1.8	2.2
Emerging Market and Developing Economies	**4.1**	**4.0**	**4.0**
Emerging and Developing Asia	4.5	5.2	4.8
China	3.0	5.0	4.8
India	7.2	6.3	6.3
Emerging and Developing Europe	0.8	2.4	2.2
Russia	-2.1	2.2	1.1
Latin America and the Caribbean	4.1	2.3	2.3
Brazil	2.9	3.1	1.5
Mexico	3.9	3.2	2.1
Middle East and Central Asia	5.6	2.0	3.4
Saudi Arabia	8.7	0.8	4.0
Sub-Saharan Africa	4.0	3.3	4.0
Nigeria	3.3	2.9	3.1

Name of the Country/ Economy	Actuals	Projections	
	2022	2023	2024
South Africa	1.9	0.9	1.8
World Trade Volume (goods and services)	**5.1**	**0.9**	**3.5**
Imports			
Advanced Economies	6.7	0.1	3.0
Emerging Market and Developing Economies	3.2	1.7	4.4
Exports			
Advanced Economies	5.3	1.8	3.1
Emerging Market and Developing Economies	4.1	-0.1	4.2
Commodity Prices (US dollars)			
Oil	39.2	-16.5	-0.7
Non-fuel	7.9	-6.3	-2.7
World Consumer Prices	**8.7**	**6.9**	**5.8**
Advanced Economies	7.3	4.6	3.0
Emerging Market and Developing Economies	9.8	8.5	7.8

(Source – IMF World Economic Outlook, October 2023)

Overview of the Indian Economy

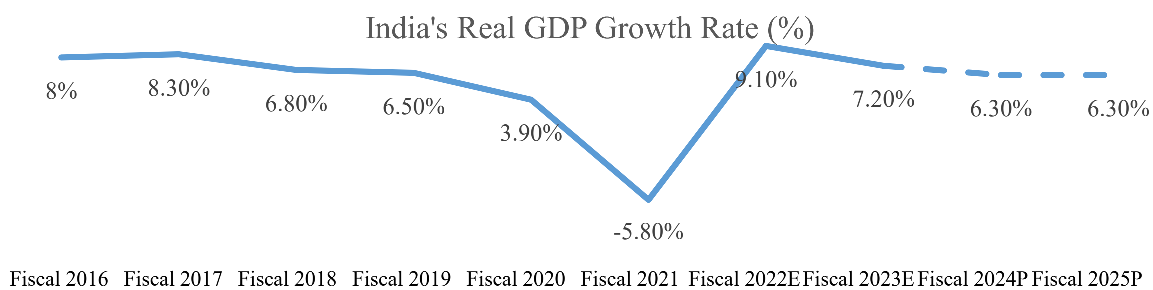
India had surpassed the UK to become the world's fifth-largest economy last year and is now behind only the US, China, Japan and Germany.

Gross Domestic Product (GDP)

India's real GDP growth has averaged 6.6% in the five years preceding the COVID-19 pandemic in 2020 with a moderation in economic growth since 2016. Economic growth slowed down significantly to 3.9% in Fiscal 2020 and in Fiscal 2021, the economy contracted 5.8% due to stringent lockdown measures that impacted both the manufacturing and services industries and increased unemployment. The growth in real GDP during 2022-23 is estimated at 7.2% as compared to 9.1% in 2021-22. India's GDP has reached USD 3.75trn (trillion) in 2023 from USD 2.0 trn in 2014.

According to the Provisional Estimates (PE) of National Income for 2022-23 released by the National Statistical Office (NSO) on May 31,2023, Real GDP or GDP at constant (2011-12) prices in the year 2022-23 is estimated to attain a level of ₹160.06 trn, as against the First Revised Estimates of GDP for the year 2021-22 of ₹149.26 trn. The growth in real GDP during 2022-23 is estimated at 7.2 per cent as compared to 9.1 per cent in 2021-22.

According to Estimates of Gross Domestic Product for the first quarter (April-June) 2023-24 released by National Statistical Office (NSO) on August 31,2023, Real GDP or GDP at Constant (2011-12) Prices in Q1 2023-24 is estimated to attain a level of ₹ 40.37 trn, as against ₹ 37.44 trn in Q1 2022-23, showing a growth of 7.8 percent as compared to 13.1 percent in Q1 2022-23.



Note: E- Estimates; P – Projected

Source: IMF World Economic Outlook; Fiscal 2022 and 2023 estimates - NSO.

Indian Textile Industry

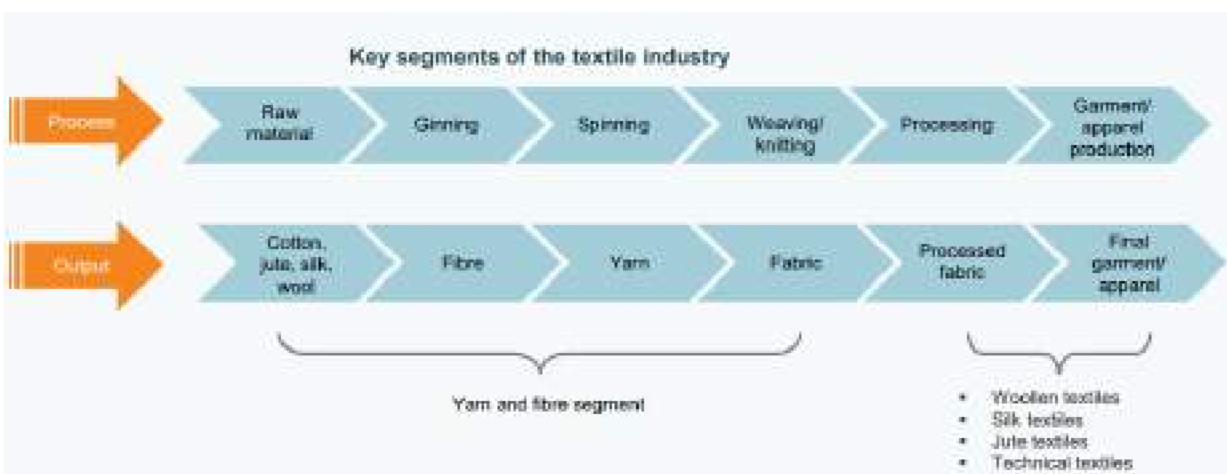
India is the world's second-largest producer of textiles and garments. India is the 3rd largest exporter of Textiles and Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. The share of textile and apparel (T&A) including handicrafts in India's total merchandise exports stood at a significant 10.5% in 2021-22. India has a share of 4.6% of the global trade in textiles and apparel.

The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry has around 45 million of workers employed in the textiles sector, including 3.5 million handloom workers. During April-November in FY23, the total exports of textiles stood at US$ 23.1 billion. India's textile and apparel exports (including handicrafts) stood at US$ 44.4 billion in FY22, a 41% increase YoY.

(Source: IBEF Report)

Total exports are expected to reach US$ 65 billion by FY26. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US$ 190 billion by 2025-26. The Indian apparel market stood at US$ 40 billion in 2020 and is expected to reach US$ 135 billion by 2025. The Indian textiles market is expected to be worth >US$ 209 billion by 2029. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22.

Key Segments of Textile Industry



(Source: IBEF Report)

Cotton Production

Cotton is one of the most important cash crops and accounts for around 21% of the total global fibre production. In the raw material consumption basket of the Indian textile industry, the proportion of cotton is around 60%. The consumption of cotton is approximately 316 lakh bales (170 kg each) per year. India occupies first position in the world in cotton acreage with around 119.10 lakh hectares under cotton cultivation which is around 36% of the world area of 326.36 lakh hectares. *(Source: Annual Report 2022-23, Ministry of Textile)*

Export

India is the world's 3rd largest exporter of Textiles and Apparel in the world. Capacity built over years has led to low cost of production per unit in India's textile industry. This has lent a strong competitive advantage to the country's textile exporters over key global peers. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US$ 44.4 billion in FY22. In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made-ups until March 2021. This helped boost exports and enhance competitiveness in the labour-intensive textiles sector.

(Source: IBEF Report)

Government Initiatives

1. Amended Technology Up-gradation Fund Scheme (A-TUFS)

- A total of US$ 75.74 million (Rs.621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- The government allocated funds worth Rs.17,822 crore (US$ 2.38 billion) between FY16 and FY22 for the 'Amended Technology Up- gradation Fund Scheme' (A-TUFS) to boost the Indian textile industry and enable ease of doing business.

2. National Textile Policy – 2000

- Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.
- New draft for this policy ensures that 35 million people get employment by attracting foreign investment. It also focuses on establishing a modern apparel garment manufacturing centre in every state in the Northeast for which the Government has invested an amount of US$ 3.27 million.

3. FDI

- Foreign direct investment (FDI) of up to 100% is allowed in the textile sector through the automatic route.

4. SAATHI Scheme

- The Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd. (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

5. **Merchandise Exports from India Scheme**

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of textiles Industry - readymade garments and made-ups - from 2% to 4%.

6. **Scheme for Capacity Building in Textiles Sector (SCBTS)**

- The Cabinet Committee on Economic Affairs (CCEA), Government of India, has approved a new skill development scheme called 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs. 1,300 crore (US$ 202.9 million) from FY18-20.
- The scheme is aimed at providing a demand driven and placement-oriented skilling programme to create jobs in the organised textile sector and to promote skilling and skill upgradation in the traditional sectors.

7. **Government Incentives**

- In the academic year 2022-23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for specialty fibre and technical textiles valued at US$ 28.27 million (Rs.232 crore) were approved.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.

8. **Textile Incentives**

- The Textile Ministry of India earmarked Rs. 690 crore (US$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of the Indian textile sector.

9. **Production-Linked Incentive Scheme**

- Under this scheme, incentives will be provided to manufacture and export specific textile products made of man-made fibres.
- The government approved Rs. 10,683 crore (US$ 1.44 billion) for man-made fibre and technical textiles.

10. **Mega Integrated Textile Region and Apparel (MITRA) Parks Scheme**

- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) parks with a total investment of US$ 541.82 million (Rs.4,445 crore) for the years up to 2027-28 was approved by the government.
- Under the Union Budget 2021-22, Minister of Finance and Corporate Affairs, Ms. Nirmala Sitharaman launched a Mega Integrated Textile Region and Apparel (MITRA) Park scheme to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period.

Opportunities

1. **Immense growth potential**

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The textile and apparel industry is expected to grow to US$ 190 billion by FY26.
- In October 2021, the government announced the target to achieve US$ 100 billion from India’s textile exports

in the next five years.

- Urbanisation is expected to support higher growth due to change in fashion and trends.

2. **Bilateral relations**

- In October 2021, the Ministry of Textiles and GIZ (Deutsche Gesellschaft fur Internationale Zusammenarbeit) signed an MoU to implement the 'Indo German Technical Cooperation' project. The project aims to increase the value addition from sustainable cotton production in the country.

3. **Proposed FDI in multi-brand retail**

- For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers.
- It will also bring in greater investment along the entire value chain - from agricultural production to final manufactured goods.
- With global retail brands assured of a domestic foothold, outsourcing will also rise significantly.

4. **Union Budget 2023-24**

- Under the Union Budget 2023-24, the government has allocated:
  a. Rs. 4,389.24 crore (US$ 536.4 billion) to the Ministry of Textiles.
  b. Rs. 900 crore (US$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS).
  c. Rs. 60 crore (US$ 7.33 million) for Integrated Processing Development Scheme.
  d. Rs. 450 crore (US$ 54.99 million) for National Technical Textiles Mission.

5. **Centers of Excellence (CoE) for research and technical training**

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.
- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centres and support for development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities.

6. **Foreign investments**

- The Government is taking initiatives to attract foreign investment in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the Government is planning to attract foreign investment and creating employment opportunities for 35 million people.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN) as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

Advantage India

1. **Competitive Advantage**

- Abundant availability of raw cotton, wool, silk and jute.
- India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
- In July 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, stated that the mantra of 5 F's – Farms to Fibre to Fabric to Fashion to Foreign export – will help make India a strong textile brand globally.

2. **Policy Support**

- 100% FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US$ 536.4 billion). Out of this, Rs.900 crore (US$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs.450 crore (US$ 54.99 million) for National Technical Textiles Mission, and Rs.60 crore (US$ 7.33 million) for Integrated Processing Development Scheme.
- In October 2021, the government approved a PLI scheme worth Rs. 4,445 crore (US$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.

3. Increasing Investments

- In order to attract private equity (PE) and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks(SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Parkscheme.
- Total FDI inflows in the textiles sector between April 2000-March 2023 stood at US$ 4.2 billion.

4. Robust Demand

- The Indian technical textiles market is expected to expand to US$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes.
- Cotton production in India is projected to reach 7.2 million tonnes (~43 million balesof 170 kg each) by 2030, driven by increasing demand from consumers.
- In FY23, exports of readymade garments including accessories stood at US$ 16.2 billion. It is expected to surpass US$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 17, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 82 and 187 , respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results.

Overview

Established in the year 1939, our Company, The Ramaraju Surgical Cotton Mills Limited is a part of the Ramco Group of companies based at Tamil Nadu. Our Company is engaged in the business of manufacturing of yarn and greige fabrics as well as home textiles and bed linen under its Textiles segment. The Textiles segment consists of Spinning, Weaving and Made ups. Our Company is also engaged in the manufacturing of surgical dressings products as well as in generation of electricity from wind and solar panel for the purpose of captive consumption.

Textiles

Under the Textiles segment, we are in the business of manufacturing and trading of cotton yarn, speciality yarn and fabrics. Our spinning units are located at Rajapalayam district and Subramaniapuram, Srivilliputtur Taluk of Tamil Nadu and Thirumalagiri Village of Andhra Pradesh. As on December 31, 2023, our Company has an installed capacity of 49,056 ring spindles and 3,424 open-end rotors producing yarn ranging from 8s to 345s cotton yarn. Our Company manufactures and trades a wide range of textile products such as Ring yarn, Compact yarn, TFO yarn, Open End yarn, and Gassed yarn. Our products are tailor-made to cater specific customer needs and we sell our products in domestic as well as international markets such as Germany, Italy, Turkey, Portugal, USA and Bangaladesh.

We commenced our weaving unit based at Perumalpatti village, Tamil Nadu in the year 2013. We also manufacture greige fabrics equipped with 156 looms having a greige fabric production capacity of ~31,400 mtrs/day as on December 31, 2023. We have GOTS and OCS, giza seal and supima, OEKOTEX, GRS, RCS and GCC certifications. Our Company is also certified in Japanese Management Technique '5S'.

We, commenced cut and sew operations at Rajapalayam, Tamil Nadu in July 2022 to manufacture completed bedsheet sets and over the bed products such as pillow, fitted sheet, and quilt ("**bed linen**"). As on December 31,2023 we have the installed capacity to manufacture ~10,000 sheet sets per day.

Surgical

Our manufacturing units for surgical products are based at Rajapalayam and Perumalpatti, Tamil Nadu. We manufacture various types of surgical cotton such as absorbent cotton, gauze, bandages and other wound-care products. Our surgical products are manufactured under the brand name 'SURGICOM' and meet the standards recommended by the IHS, EP, USP, IS, and BP. As on December 31, 2023, our Company has an installed capacity of ~804.96 metric ton (**MT**) of medical grade bleached cotton and ~5.85 million sq. mtrs of bandages and gauze products.

Windmill & Solar Panel

We are also engaged in the generation of electricity from windmills and solar panel for our captive consumption. We have an aggregate installed capacity of ~8.30 megawatts (MW) wind power facilities and ~1.2MW solar power facilities along with recently entered group captive arrangement to the extent of ~8.50 MW for solar power, which helps us to reduce our power costs. Our windmills are based at Rajampatti, Dhanakkarkulam, Uthumalai, Kolumakondan, Aralvaimozhi district in Tamil Nadu.

Our Financial Performance

Our financial performance, on a consolidated basis, for the nine-months period ended on December 31,2023 and December 31, 2022 and for the Fiscal 2023 and Fiscal 2022 are summarized below:

(₹in lakhs)

Particulars	As at and for the nine-months period ended*		Fiscal ended	
	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022
Revenue from operation	26,474.64	32,208.31	40,711.00	43,213.77
EBITDA	1,664.57	3,324.51	4,025.28	8,716.93
Net Profit/(Loss) after Tax	(3,146.15)	(1,823.12)	(2,925.40)	2,115.31

**Unaudited*

Our Strengths

Long standing market presence in Textile Industry

Our Company, incorporated in the year 1939, is a part of Ramco Group. We have a legacy of more than 8 decades in the textile industry wherein we have diversified our business operations from manufacturer of Surgical products to spinning, weaving and made-ups activities. Owing to our Promoter, P R Venketrama Raja's experience of more than 3 decades in the textile industry, we are able to expand and diversify our business to cater domestic as well as international markets. We specialize in manufacturing yarn of finer counts ranging from 8s to 345s (single/multiple yarn), besides other value-added products such as gassed yarn, TFO yarn, and enjoying an established market presence in these products mainly driven by quality of our products and long-standing relationship with our customers. We also manufacture greige fabrics in one of our divisions *viz.* "Sudarsanam Fabrics" and manufacture yarns in another division *viz.* "Sudarsanam Spinning Mills" for consumption in jacquard, bed linens and shirting material. With an existing installed capacity of 156 looms, we can produce fabrics of upto 2000 thread counts (**"TC"**). We, being an integrated manufacturer, have a competitive advantage to cater to diversified segments of the textile industry.

Comprehensive product portfolio to serve in various segments of the Textile Industry

Our Company is engaged in manufacturing of cotton yarn, greige fabrics and bed linen. Our Company is also engaged in the business of manufacturing of surgical products such as absorbent cotton wool, cotton gauze and bandages under the brand name of "SURGICOM" and meet the standards recommended by the IHS, EP, USP, IS, and BP. As we offer a diverse set of products to cater various segments of the textile industry, we can seamlessly offer our products to the customers without extensive marketing efforts. We ventured into manufacturing of bed linen at our manufacturing plant based at Rajapalayam, Tamil Nadu in July 2022 with an installed capacity to manufacture ~10,000 sheet sets per day. Our products have diverse and varied uses in the garment industry. Our comprehensive product portfolio has paved our way to expand our business and operations domestically and internationally.

Established Marketing Setup

We specialise in producing wide range of products in textile industry such as yarns, fabrics, bed linens and surgical products. We believe that we enjoy the trust and confidence of our customers – both domestic and international, many of whom are our repeat customers which demonstrates our ability to satisfy the requirements of our customers and develop long-standing relationships. Based on consistent quality and timely delivery of our products, we have established long association with reputed customers in domestic as well as international markets for our yarn and greige fabrics. In addition to domestic customers, we have also supplied our products to customers based in Germany, Italy, Turkey, Portugal, USA and Bangaladesh. For the nine-months period ended December 31, 2023, Fiscal 2023 and Fiscal 2022, exports of products accounted for 25.71%, 26.52% and 21.55% of our revenue from operations, respectively. We are able to do so with the help of marketing agents in India as well as in international locations. We have also set up a sales and marketing office in New York for our bed linen. For domestic supply, we have also established a strong network of stockist in South India for distribution of our Surgical products to pharma retail and hospitals.

Extensive experience of management team

Our Promoter and Chairman, P R Venketrama Raja has been on the Board of our Company since 1992 and has a proven background and experience in the Textile industry. Our Managing Directors N. R. K. Ramkumar Raja and Nalina Ramalakshmi have been on the Board of our Company since 2003 and 2010, respectively and have collectively more than 3 decades of industrial experience in textile industry. Further, our Company is managed by a team of experienced personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities and help us in addressing and mitigating various risks inherent in our business, including significant competition and fluctuations in raw cotton prices.

Captive Power Plant

Power is an important factor in every manufacturing facility. Considering the power requirements of our manufacturing facilities and as a part of environmentally sustainable measures for reducing our carbon footprint, our Company has installed windmills with a total capacity of ~8.30 MW and ~1.2 MW Solar power along with recently entered group captive arrangement to the extent ~8.50 MW which helps us to reduce our power costs. These windmills are based at Rajampatti, Dhanakkarkulam, Uthumalai, Kolumakondan, Aralvaimozhi in Tamil Nadu. These windmills help us in getting an uninterrupted power supply at reduced cost.

Our Strategies

Our strategic objective is to improve and consolidate our position as a yarn manufacturing and textile processing in the global textile industry with a continuous growth philosophy.

Expanding our global presence

Through a combination of reduced costs and wider range of products, we intend to strengthen our presence of our products such as yarns, fabrics and bed linens in international markets. Export of our products accounted for approximately 25.71%, 26.52% and 21.55% of total revenue from operations for the nine months period ended December 31,2023, Fiscal 2023 and Fiscal 2022, respectively. These exports sales are achieved with the support of our widespread distribution network and marketing setup. We export yarn to various international market such as Italy, Germany, Portugal, Turkey, and Bangladesh. We also export fabrics and bed linen to Germany and USA, respectively.

Improve Operational Efficiencies

We continue to invest in operational efficiencies throughout the organization. We are addressing operational efficiencies through continuous process improvement, customer service and technology modernisation. Our Company is certified in Japanese management techniques such as 5S and Total Productive Maintenance **("TPM")** and these techniques are utilised in implementing various cost cutting measures, upgrading of skills of our manpower for achieving higher efficiency and output. Further, we intend to keep investing in such initiatives for improving our operational efficiencies.

Maintain and Expand Long-term relationships with customers

The business model is based on client relationships that are established over a long period of time. Our Company's philosophy is to sustain long-term relationship with larger customers to ensure continuity. Long-term relations with customers help our existing customers to understand basic approach, products and market of our Company. It also helps us to monitor a potential product or market closely and efficiently. We intend to focus on expanding our customer base and forming new long-term relations with our customers by catering their needs and demands in a timely, and efficient manner.

Reduce debt and improve financial performance

Our total borrowings were ₹40,174.87 lakhs, and ₹39,754.19 lakhs for the nine months period ended December 31,2023, and Fiscal 2023, respectively. We incurred finance costs of ₹2,679.35 lakhs, and ₹3,220.33 lakhs for the nine months period ended December 31,2023, and Fiscal 2023, respectively. We intend to reduce overall indebtedness and cost of debt to improve our financial performance. Further, we intend to utilise the proceeds from this Issue to repay our certain outstanding borrowings. For further details, see *"Objects of the Issue"* on page 43. This reduction in our debt will reduce costs and contribute towards improvement in financial performance.

MANUFACTURING UNITS

Name of Division / Unit	Address
Spinning Units	Sudarsanam Spinning Mills I - 118, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 117, Tamilnadu
	Sudarsanam Spinning Mills II - 898, 899, Subramaniapuram, Vanniampatti Road, Pillayarkulam Village, Srivilliputtur Taluk – 626 137, Tamilnadu
	Sri Harini Textiles - No. 47,48,49, Thirumalagiri Village, Jaggaiahpet Mandal, Krishna Dist-521175, Andhra Pradesh, Tamilnadu
	Sudarsanam Spinning Mills AP - Survey No. 52, 53, Thirumalagiri Village, Jaggaiahpet Mandal, Krishna Dist. – 521 178, Andhra Pradesh.
Fabric Unit	Sudarsanam Fabrics - 2/318-2/321, Sankaran Kovil Road, Perumalpatti Village, Sankaran Kovil Taluk, Tirunelveli – 627 753, Tamil Nadu
Made-ups Unit	Taram Textiles - 53/6 Annamaraja Nagar, Sankarankoil Road, Rajaplayam – 626 117, Tamil Nadu
Surgical Units	2/318 to 2/321, Sankaran Kovil Road, Perumalpatti Village, Tirunelveli – 627 753, Tamil Nadu.
	2, 119, 120, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 117, Tamil Nadu

INSTALLED AND UTILISED CAPACITY

The following table provides details of our installed capacity and extent of utilization:

Spinning Unit:

Particulars	Installed Capacity (spindles)	^Capacity Utilization (%)
Fiscal 2022	49,056	93.64
Fiscal 2023	49,056	89.48
Nine months period ended December 31, 2023	49,056	89.98

Particulars	Installed Capacity (rotors)	^Capacity Utilization (%)
Fiscal 2022	3,160	85.49
Fiscal 2023	3,424	62.30
Nine months period ended December 31, 2023	3,424	20.78

Fabrics Unit

Particulars	Installed Capacity (looms)	^Capacity Utilization (%)
Fiscal 2022	156	88.86
Fiscal 2023	156	85.43
Nine months period ended December 31, 2023	156	86.03

Made-ups

Particulars	Installed Capacity (Sewing)	^Capacity Utilization (%)
Fiscal 2022	-	-
Fiscal 2023*	27,00,000 Bed Sets	2.71
Nine months period ended December 31, 2023	27,00,000 Bed Sets	6.04

**Made ups division commenced its production from July 2022.*
^Certified by A. Ramaraju, Chartered Engineer vide his certificate dated February 22,2024 having registration no.AM 094847-3.

Surgical Unit

Absorbent Cotton wool

Particulars	Installed Capacity [Carding]	Capacity Utilization (%)
Fiscal 2022	1,073.28 MT	53.06
Fiscal 2023	1,073.28 MT	58.77
Nine months period ended December 31, 2023	804.96MT	60.09

Gauze & Bandage

Particulars	Installed Capacity [Stenter]	Capacity Utilization (%)
Fiscal 2022	78,00,000 Sq. Mtrs	77.07
Fiscal 2023	78,00,000 Sq. Mtrs	91.08
Nine months period ended December 31, 2023	58,50,000 Sq. Mtrs	92.31

Plaster of Paris

Particulars	Installed Capacity [POP]	Capacity Utilization (%)
Fiscal 2022	343.20 MT	71.27
Fiscal 2023	343.20 MT	88.22
Nine months period ended December 31, 2023	257.40MT	83.89

Products

Product	Description
Yarn	Compact & Ring yarn, Open end yarn, TFO yarn and Gassed yarn
Fabrics	Greige Fabrics
Bed linen	Completed bedsheet sets and over the bed products such as pillow, fitted sheet, and quilt
Surgicals	Absorbent Cotton IS 16468, Absorbent Cotton Gauze BP 1988 Type-17, Open Weave Bandage Is 16469, Sterile Instant Dressing Pad, Eye Pad, Sterile Cotton Gauze Pad, Sterile Cotton Gauze Pad Plus, Plaster of Paris IP, Mopping Pad Sterilised with X-Ray Thread, Mopping Pad Non Sterilised with X-Ray Thread, Mopping Pad Non Sterilised without X-Ray Thread, Gauze Swabs Sterilised with X-Ray Thread, Gauze Swabs Sterilised without X-Ray Thread, Gauze Swabs Non Sterilised with X-Ray Thread, Gauze Swabs Non Sterilised without X-Ray Thread.

Manufacturing process

Textile Division

A. Yarn

- Mixing: In the mixing department, pre-calculated quantities of different varieties of cotton are blended together to make a particular count.

- Blowing: Blowing is the process of opening and cleaning mixed cotton. Trash, short fibers, dust, and other foreign matters like seed coats etc. are removed during the blowing process. At this stage, the cleaned cottons are converted into a cylindrical lap (Lap) of 40-inch width or fed to the carding machine directly.

- Carding: After blowing stage, the laps are fed to the carding machines. The lap from the blow room is fed at the back of the card. The card has two major trash cleaning points namely, licker-in and cylinder and flats. The licker-in eliminates motes, short fibers, seed particles, etc. The pre-cleaned cotton tufts are then carded and the fibers are individualized by the slow moving flats and high speed cylinder. The carded fibers are then collected through a trumpet. The lap at this stage gets converted to a sliver.

- Combing: Combing is done to improve the mean fiber length, lustre, strength, and evenness of yarn. After carding, 20 card slivers are doubled to form a sheet of sliver lap. This is prepared by the sliver lap machine. Six sliver laps are again doubled in a ribbon lap machine for a homogeneous lap. Comber machines extract certain percentage of short fibers from the homogeneous lap and the resultant sheet of lap becomes a combed sliver. The Combed sliver is more even in texture.

- Drawing: The Combed slivers are fed to drawing machine. This machine parallelizes the combed sliver fiber.

- Simplex: The gradual reduction of linear density and twist imparted to withstand the stretch during spinning is carried out at this stage by using the simplex machines. The drawing / combed sliver gets drafted by the four pairs of fluted rollers and synthetic top rollers, running at different speeds to make a bobbin.

- Spinning: Simplex bobbins are reeled in spinning frame. The roving is drafted and twisted by a pair of 3 top rollers over 3 fluted rollers and by a ring and traveller respectively. The twisted yarn is then wound into plastic bobbins. The net yarn content in a bobbin weighs approximately 70 grams.

The spun yarn is sold in two forms namely, hanks and cones - Single Yarn Cone and Double Yarn Cone with or without gassing. For producing Double Yarn Cone, the spun yarn is further processed through Assembly Winding Machines and Two-for-One Twister machines. For producing Gassed Double Yarn cone, the double spun yarn is further processed through gassing machines and assembly winding machines.

B. Fabric

The yarn manufactured by the Company is used as a raw material for manufacturing of fabric. The fabric manufacturing process includes the following operations:

- Warping: Warping is the process of combining yarns from different cones together to form a sheet. Warping is done to achieve low end breakage rate during weaving process. We undertake direct warping process for greige yarn count ranging from 10/1 to 220/1 for fabric production. In this process the pressure and density of the combined yarns are controlled to achieve maximum performance during sizing and weaving process.

- Sizing: The sizing is a preparatory process of weaving which comes after warping. After warping, the warp yarn is sized in sizing machines. Sizing is the process of giving a protective coating on the warp yarn to minimize yarn breakage during weaving. Sizing is essential for weaving fabric from single spun yarn.

- Weaving: In the weaving process, the warp yarn and the weft yarn are interlaced together to make a fabric.

C. Made ups

The finished fabric received from fabric division is the raw material used for cut, sew & pack unit:

- Cutting: As per the cut plan, fabric will be received from raw material storage and the fabric will be under laying process. Once the laying process completed, the fabric lay will be under cutting process against marker plan and it will be converted as cut parts.

- Sewing: As per the sewing plan, cut parts will be feed into multiple sewing operations involves various sewing machineries. The outcome will be a sewn product.

- Inspection: The sewn products will be undergone trimming, checking & AQL inspection as per customer norms.

- Folding & Packing: The inspected product undergone folding & packing process as per the customer requirements.

Surgical Division

A. Absorbent Cotton

The manufacturing process basically involves opening and cleaning of pressed cotton bales, boiling it at 110 degrees Celsius with water and chemicals to give it white colour (raw cotton is almost brownish), removing water completely, drying it, lapping, carding, rolling, cutting and packaging. The process is described in detail as follows:

- Opening and cleaning of Raw Cotton: Raw cotton received in bale or otherwise is opened in opener where it is loosened, and simultaneously dust / foreign particles are also removed.

- Bleaching: Loosened cotton is then put into a kier where chemicals such as caustic soda, soda ash, detergent, etc. are added along with adequate water and steam boiled for about 3-4 hours. By this process most of the natural waxes and oils are removed while remaining foreign matter get soften and disintegrated. Bleaching is done by using bleaching agent. The bleaching process improves whiteness, wetting properties and assists in disintegration of any remaining foreign materials.

- Removal of Chemicals: The bleached cotton is thoroughly washed again to remove the chemicals. If required, it is rewashed with water. The moisture of cotton is removed with the help of hydro-extractor. It is then sent to a wet-cotton opening machine.

- Drying: The cotton so obtained is dried by passing through dryer.

- Lapping: The dried cotton is sent to blower room where it is thoroughly opened and made into laps.

- Carding: The laps are then fed into carding machine wherein cotton is warped around rollers in thin layers.

- Rolling: Cotton so obtained is compressed and rolled into suitable role size along with packaging paper.

- Weighing and cutting: The rolls are then cut and weighed according to required weight and sizes and labelled properly before packing in polythene sheets and heat sealed. Then feed into metal detector and bundling by customer requirements.

- Quality Control & Specification: This item is covered under Drug Control Act. Hence, it should be manufactured to meet its requirements.

B. Gauze bandage and Gauze pad

Greige cloth is the raw material for the production of Gauze bandage and pad. The raw materials are sourced from our own fabric unit and from outside supplier when needed.

- Inspection of Greige Cloth: Inspection of the raw material (i.e greige Cloth) for removing the dust / foreign particles and also inspect for damages of greige cloth.

- Batching: Batching is a process of removing the protecting layer applied to the yarn in the sizing process of yarn manufacture. After inspection the greige cloth are placed in batching machine and the protecting layer is removed.

- Bleaching: The processed greige cloth is then put into a beam dyeing machine where chemicals are added along with adequate water and steam boiled for about 3-4 hours. By this process most of the natural waxes and oils are removed while remaining foreign matter get soften and disintegrated. Bleaching is done by using bleaching agent. The bleaching process improves whiteness, wetting properties and assists in disintegration of any remaining foreign materials.

- Mangle washing: The bleached cloth is thoroughly washed again to remove the chemicals. And they sent to the stenter cum drier machine.
- Drying: In this process the water in the cloth is removed and dried greige cloth is obtained for folding and cutting.

- Folding and cutting: The cloth used for gauze is fold and cut as per the required size and specification of the customers.

- Packing and bundling: After folding and cutting the gauze pads or bandages are packed and bundle for the final dispatch of materials.

If the customer requests for the sterilized gauze pad or bandage, the same will be sterilized and dispatched to the customers.

C. Plaster of Paris

- Washed & Dried: Gypsum is the basic raw material required to manufacture Plaster of Paris. These are cleaned and washed for removal of impurities and dried in sunlight.

- Grinding: Grinding is the process which turns Gypsum into powder. The pulveriser and ball mill machines are used to turn gypsum into fine powder.

- Calcination: Calcination is the process of removing some of the water of crystallisation. The gypsum powder is heated in controlled environment at a temperature of 100 degrees celsius for 4 to 4.5 hours.

- Disindication and Sieving: In this process the calcined powder is further ground to ensure fine quality of the plaster of paris. After disindication the calcined powder is passed through mesh for filtration process.

- Packing: After sieving process, the plaster of paris is packed in airtight polythene lined gunny bags based on the required quantities.

Details of Existing Plant, Machinery, Technology:

A. Spinning

(i) Process: Ring Spinning

Name of the Division	No. of Machine	Spindle Capacity	Make / Year
Sudarsanam Spinning Mills I	42	18,144	LR/1980
	14	6,720	LR/1986
	6	6,624	LR/2006
	2	768	LR/2006
Sudarsanam Spinning Mills II	14	16,800	RIETER / 2008

(ii) Process: Open End Spinning

Name of the Division	No. of Machine	Rotor Capacity	Make / Year
Sudarsanam Spinning Mills I	1	288	SAURER / 2003
	1	352	SAURER / 2007
	1	264	SAVIO / 2008
	1	360	SAVIO / 2008
Sri Harini Textiles	6	2,160	SAVIO / 2007

B. Fabrics

Name of the Division	Type of the Machine	No. of Machine	Make / Year
Sudarsanam Fabrics	Airjet Loom	24	Itema / 2016
		36	Itema / 2018
		7	Itema / 2013
		5	Itema / 2014
		3	Itema / 2015
		24	Picanol / 2016
	Jacquard Loom	24	Staubli/ 2016
		8	Picanol / 2018
	Rapier Loom	24	Rapier / 2019
		1	Rapier / 2018

C. Made ups

Name of the Division	Type of the Machine	No. of Machine	Make / Year
Taram Textiles, Rajapalayam	Manual Sewing Machine	101	JUKI / 2022
	Manual Sewing Machine	6	Brother / 2022
	Automatic Sewing Machine	2	Texpa / 2022

D. Surgical

(i) Process: Absorbent Cotton Wool

Name of the Division	Type of the Machine	No. of Machine	Make / Year
The Ramaraju Surgical Cotton Mills Limited, Perumalpatti	Carding Machine	3	Lakshmi Retair / 2011
		4	Lakshmi Retair / 2012
		2	Lakshmi Retair / 1997
		4	Lakshmi Retair / 2002
		1	Lakshmi Retair / 2001

(ii) Process: Gauze & Bandage

Name of the Division	Type of the Machine	No. of Machine	Make / Year
The Ramaraju Surgical Cotton Mills Limited, Perumalpatti	Stenter Machine	1	SM Tecknic /1993

(iii) Process: Plaster of Paris

Name of the Division	Type of the Machine	No. of Machine	Make / Year
The Ramaraju Surgical Cotton Mills Limited, Perumalpatti	Pulveriser Machine	1	Jayem engineering/1983

UTILITIES

Raw Materials

Yarn

The primary raw material required for yarn is cotton. We procure our raw material for production of yarn from domestic and international market. Our indigenous raw material is procured from local suppliers located at Tamil Nadu, Andhra Pradesh, Telengana, Karnataka, Maharashtra, Madhya Pradesh and Gujarat and our imported raw materials are primarily procured from Germany, Australia, USA and Egypt.

Fabrics

The primary raw material for fabrics is yarn. We procure our raw material for production of fabrics from our own spinning unit and other local suppliers from Tamilnadu and Andhra Pradesh.

Made-ups

The primary raw material for bed linen is fabrics. We procure our raw material for production of bed linen from our our own fabric unit.

Surgical

The primary raw material for surgical products is cotton and greige fabrics. We procure raw material cotton for production from local suppliers from Tamilnadu, Andhra Pradesh, Telengana, Karnataka, Maharashtra, Madhya Pradesh and Gujarat and our imported raw materials are primarily procured from Germany, Australia, USA and Egypt as well as raw material fabrics from our own fabric unit.

Power

To fulfill our electricity requirements at the manufacturing plant, our Company has an electricity supply arrangement up to ~6.5 megawatts (MW) with TNEB. We have also installed windmills with a total capacity of ~8.30 MW and ~1.2 MW Solar power along with recently entered group captive arrangement to the extent ~8.50 MW for our captive consumption.

Water

The water requirement for the manufacturing process is met from ground water and municipal water.

Waste Management

Our processing facility is equipped with a zero-discharge effluent treatment plant for treating the wastes generating during the process.

OTHER KEY RESOURCES

Human Resources

The following table provides information about our employees as on January 31, 2024:

Department	Number of Employees
Key Managerial Personnel	4
Accounts	19
Administration & Civil	189
Human Resources	19
Electrical	70
IT	12
Maintenance	129
Production	1723

Department	Number of Employees
Sales	25
Stores	18
Quality	69
Total	**2,277**

Intellectual Property

We own 2 (two) registered trademarks as on the date of this Letter of Offer. The registered trademarks are valid for a period of 10 years from the date of application or renewal. For further details, see "*Risk Factors – Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us*" on page 21.

LOCATION OF OUR BUSINESS

Registered Office

Our registered office is located at Post Box No. 2, 119/120, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626117 Tamil Nadu, India

Manufacturing facilities

Our properties are located at below mentioned addresses:

Sr. No.	Address	Division	Purpose for which the property is utilised	Property Type
1.	118, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 117, Tamil Nadu	Sudarsanam Spinning Mills – Rajapalayam	Manufacturing of Cotton Yarn	Owned
2.	898, 899, Subramaniapuram, Vanniampatti Road, Pillayarkulam Village, Srivilliputtur Taluk – 626 137, Tamil Nadu	Sudarsanam Spinning Mills – Subramaniapuram	Manufacturing of Cotton Yarn	Owned
3.	Survey No. 52, 53, Thirumalagiri Village, Jaggaiahpet Mandal, Krishna Dist. – 521 178, Andhra Pradesh.	Sudarsanam Spinning Mills – Jaggaiahpet, AP	Manufacturing of Cotton Yarn	Owned
4.	No. 47,48,49, Thirumalagiri Village, Jaggaiahpet Mandal, Krishna Dist-521175, Andhra Pradesh	Sri Harini Textiles – Jaggaiahpet, AP	Manufacturing of Cotton Yarn	Owned
5.	2/318-2/321, Sankaran Kovil Road, Perumalpatti Village, Sankaran Kovil Taluk, Tirunelveli – 627 753, Tamil Nadu	Sudarsanam Fabrics-Perumalpatti	Manufacturing of Fabrics	Owned
6.	53/6 Annamaraja Nagar, Sankarankovil Road, Rajapalayam – 626 117, Tamil Nadu	Taram Textiles-Rajapalayam	Manufacturing of Textiles Products	Leased
7.	2, 119, 120, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 117, Tamil Nadu	The Ramaraju Surgical Cotton Mills Limited – Rajapalayam	Manufacturing of Surgical Products	Owned

Sr. No.	Address	Division	Purpose for which the property is utilised	Property Type
8.	2/318 to 2/321, Sankaran Kovil Road, Perumalpatti Village, Tirunelveli – 627 753, Tamil Nadu.	The Ramaraju Surgical Cotton Mills Limited – Perumalpatti	Manufacturing of Surgical Products	Owned

MARKETING ARRANGEMENT

Our Company established its operations since the year 1939. Over the years, we have established a stockist network in south India for distribution of our surgical products to pharma retail and hospitals. We have established long association with reputed customers in domestic as well as international markets for our yarn and greige fabrics. We are able to do so with the help of marketing agents in India as well as in international locations. We have also set up a sales and marketing office in New York for our bed linen.

OUR CUSTOMERS

We sell our finished products to various garment manufacturers**.** We sell our surgical products to pharma retail and hospitals.

INSURANCE

Our Company maintains adequarte insurance policies for the key assests, stocks and machineries of the Company which cover all industrial risks associated with the operations of our business. We have obtained various insurance policies such as standard fire and perils policy, marine policy, other miscellaneous policies which provides insurance cover against loss or damage, which we believe are in accordance with customary industry practices. These insurance policies are reviewed periodically to ensure that the coverage is adequate and in accordance with industry customs, including the terms of and the coverage provided by such insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

COMPETITION

The industry in which we operate is highly competitive. The organized players in the industry compete by providing high-quality value-added products. We believe the principal elements of competition in textile industry are price, consistent quality of yarn and fabric, timely delivery, and reliability. We compete against our competitors by leveraging our goodwill and establishing ourselves as a manufacturer of quality yarns and textile processing.

QUALITY CONTROL

Our raw materials and finished goods are tested to ensure that the desired quality is achieved. Our manufacturing units have testing facilities to assess the quality parameters of raw-material, work in process materials, and finished goods. Based on the tests carried out, corrective action is taken to ensure that the final products adhere to the desired quality.

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Our Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Associations. In accordance with the Articles, unless otherwise determined by the Company in General Meeting, our Company shall not have less than three Directors and not more than 15 Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, inter alia, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Letter of Offer, our Company has 10 (ten) Directors on our Board, comprising of 1(one) Chairman Non-Executive Non-Independent Director, 2 (two) Managing Directors, 1(One) Non-Executive Non-Independent Director, 5 (five) are Independent Directors and 1 (one) Non-Executive Non Independent Nominee Director.

The following table provides details regarding the Board of Directors of the Company as of the date of filing this Letter of Offer:

The following table sets forth the details regarding our Board as on the date of this Letter of Offer:

Sr. No.	Name, Designation, Date of Birth, Address, Occupation, DIN, Term, Period of Directorship, and Nationality	Age (in years)	Other Directorships
1.	**P R Venketrama Raja** **Designation:** Chairman (Non- Executive Director Non-Independent Director) **Date of Birth:** May 14, 1959 **Address:** No.142, Santhome High Road, Raja Annamalaipuram, Chennai, Tamil Nadu - 600 028. **Occupation:** Industrialist **DIN:** 00331406 **Current Term:** Liable to retire by rotation. **Period of Directorship:** Director since March 4, 1992 **Nationality:** Indian	64	**1.** The Ramco Cements Limited **2.** Ramco Systems Limited **3.** Ramco Industries Limited **4.** Rajapalayam Mills Limited **5.** Sri Vishnu Shankar Mill Limited **6.** Sandhya Spinning Mill Limited **7.** Rajapalayam Textile Limited **8.** Ramamandiram Agricultural Estate Private Limited **9.** Ramco Management Private Limited 10. Ramamandiram Management Consultancy Private Limited 11. RCDC Securities and Investments Private Limited 12. Ram Sandhya Farms Private Limited **13.** Nirmala Shankar Farms & Estates Private Limited **14.** Sri Sandhya Farms (India) Private Limited **15.** Rajapalayam Chamber of Commerce and Industry
2.	**Nalina Ramalakshmi** **Designation:** Managing Director	60	i. Shri Harini Media Limited ii. Madras Chipboard Limited

Sr. No.	Name, Designation, Date of Birth, Address, Occupation, DIN, Term, Period of Directorship, and Nationality	Age (in years)	Other Directorships
	Date of Birth: May 10, 1963 **Address:** 102, Shri Bhavanam, P.S.K. Nagar, K.R. Nagar Post, Virudhunagar, Rajapalayam – 626108, Tamil Nadu, India. **Occupation:** Industrialist **DIN:** 01364161 **Current Term:** Five Years with effect from April 1, 2023 to March 31, 2028 **Period of Directorship:** Director Since August 12, 2010 **Nationality:** Indian		iii. Nalina Agricultural Farms Private Limited iv. Sri Nithyalakshmi Farms Private Limited v. Sri Yannarkay Servicers Limited
3.	**N. R. K. Ramkumar Raja** **Designation:** Managing Director **Date of Birth:** April 18, 1957 **Address:**102, Shri Bhavanm, P S K Nagar, Virudhunagar, Rajapalayam – 626 108, Tamil Nadu, India. **Occupation:** Industrialist **DIN:** 01948373 **Current Term:** Five Years with effect from February 14, 2022 to February 13, 2027 **Period of Directorship:** Director since February 14, 2016 **Nationality:** Indian	66	i. Shri Harini Media Limited ii. Madras Chipboard Limited iii. Sri Yannarkay Servicers Limited
4.	**N. K. Shrikanthan Raja** **Designation:** Non-Executive Non-Independent Director **Date of Birth:** July 20, 1948 **Address:** 14/39, P S K Nagar, Virudhunagar, Rajapalayam – 626108, Tamil Nadu, India. **Occupation:** Industrialist	75	i. Ramco Industries Limited ii. Sandhya Spinning Mill Limited iii. Sudharsanam Investments Limited iv. Sri Vishnu Shankar Mill Limited v. N.R.K. Infra System Private Limited vi. Vinvent Chemilab Private Limited vii. Rajapalayam Chamber of Commerce and Industry viii. Sudharsanam Investments

Sr. No.	Name, Designation, Date of Birth, Address, Occupation, DIN, Term, Period of Directorship, and Nationality	Age (in years)	Other Directorships
	DIN: 00350693 **Current Term:** liable to retire by rotation. **Period of Directorship:** Director since April 15, 2002. **Nationality:** Indian		Limited
5.	**P.P.S. Janarthana Raja** **Designation:** Independent Director **Date of Birth:** January 21, 1951 **Address:** Flat Gb, 7/13, Ponmari Towers, Montieth Lane, Near Hotel Ambassador Pallava, Egmore, Chennai – 600 008, Tamil Nadu, India. **Occupation:** Legal Professional and retired Judge of High Court **DIN:** 06702871 **Current Term:** Five years with effect from May 25, 2019 up to May 24, 2024 **Period of Directorship:** Director since May 25, 2014. **Nationality:** Indian	73	i. Muthialpet Higher Secondary School; ii. Rajapalayam Mills Limited; iii. Ramco Systems Limited;
6.	**V. Santhanaraman** **Designation:** Independent Director **Date of Birth:** August 6, 1949 **Address:** New No.6, Old No.14, Sridevi Colony, Near 7th Avenue Titan Showroom, Ashok Nagar, Chennai 600 083. **Occupation:** Professional and Ex-Banker **DIN:** 00212334 **Current Term:** Five years with effect from May 25, 2019 up to May 24, 2024 **Period of Directorship:** Director since May 25, 2014. **Nationality:** Indian	74	i. Rajapalayam Mills Limited ii. Ramco Industries Limited
7.	**P.J. Ramkumar Rajha**	61	i. Senthur Textiles Private Limited

Sr. No.	Name, Designation, Date of Birth, Address, Occupation, DIN, Term, Period of Directorship, and Nationality	Age (in years)	Other Directorships
	Designation: Independent Director **Date of Birth:** November 19, 1961 **Address:** 90A 1/1, P S K Nagar, Kumarasamy Raja Nagar, Virudhunagar, Rajapalayam – 626108, Tamil Nadu, India. **Occupation:** Industrialist **DIN:** 00487193 **Current Term:** Five years with effect from May 25, 2019 up to May 24, 2024 **Period of Directorship:** Director since May 25, 2014. **Nationality:** Indian		ii. Madras Chipboard Limited iii. Rajapalayam Precision Farmers Producer Company Limited iv. Rajapalayam Textiles Limited v. Thanjavur Spinning Mill Limited
8.	**S. Sarathysubburaj** **Designation:** Nominee Director **Date of Birth:** May 8, 1964 **Address:** 62/19B-1, Jothi Nagar, 4th Street, Thoothukkudi, Kovilpatti – 628501, Tamil Nadu, India. **Occupation:** Joint Director **DIN:** 07601727 **Current Term:** Nominated by the Department of Textiles of Tamilnadu Government **Period of Directorship:** Director since November 20, 2021. **Nationality:** Indian	59	i. Tamilnadu Handloom Development Corporation Limited
9.	**P.A. Ramasubramania Raja** **Designation:** Independent Director **Date of Birth:** June 30, 1969 **Address:** 2, Lakshmipuram Street, Virudhunagar, Rajapalayam – 626117, Tamil Nadu India. **Occupation:** Business	54	NIL

Sr. No.	Name, Designation, Date of Birth, Address, Occupation, DIN, Term, Period of Directorship, and Nationality	Age (in years)	Other Directorships
	DIN: 10157477 **Current Term:** Five Years with effect from May 24, 2023 to May 23, 2028. **Period of Directorship:** Director since May 24, 2023. **Nationality:** Indian		
10.	**P A S Alaghar Raja** **Designation:** Independent Director **DOB -** February 6, 1976 **Address:** New No.13, Old No.50, P.S.K. Nagar, Virudhanagar, Kumarasamy Raja Nagar – 626 108. **Occupation:** Industrialist **DIN:** 00487312 **Current Term:** Five Years with effect from June 16, 2021 to June 15, 2025. **Period of Directorship:** Director since June 16, 2021 **Nationality:** Indian	48	i Rajapalayam Textile Limited; ii Sri Vishnu Shankar Mills Limited; and iii Tirupathi Yarntex Spinners Private Limited iv Rajapalayam Mills Limited

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any of the stock exchange during the term of their directorship in such company.

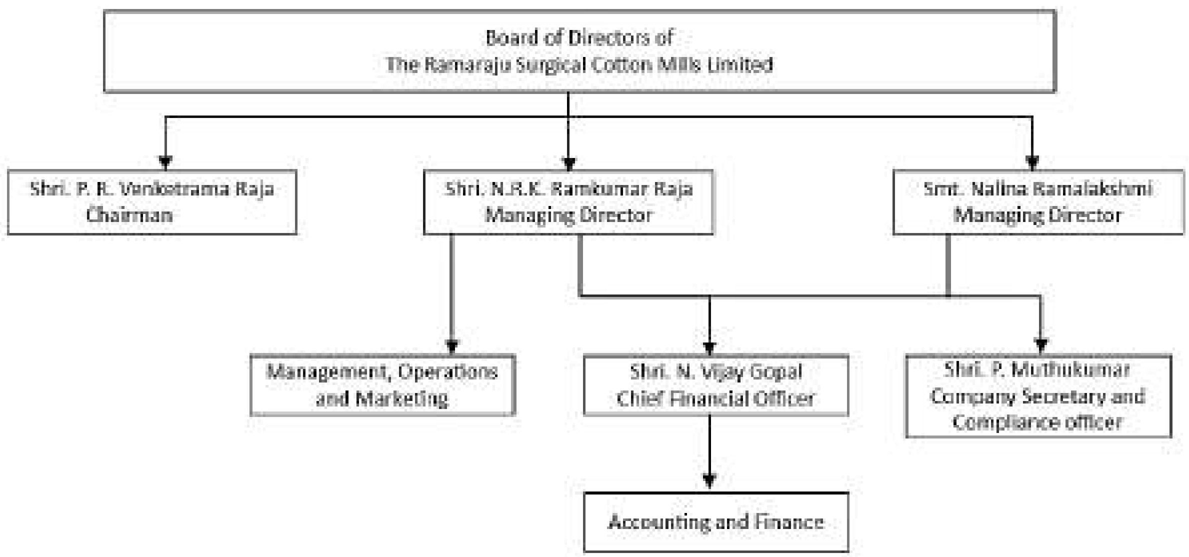
None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Our Key Management Personnel and Senior Management Personnel

Sl. No.	Name of key management personnel and senior management personnel	Designation
1.	Nalina Ramalakshmi	Appointed as the Managing Director on April 1, 2023.
2.	N. R. K. Ramkumar Raja	Appointed as the Managing Director on February 14, 2022.
3.	P Muthukumar	Appointed as Company Secretary and Compliance

Sl. No.	Name of key management personnel and senior management personnel	Designation
		Officer on August 12, 2023
4.	Narayan Vijay Gopal	Appointed as the Chief Financial Officer on February 12, 2020

Current Organisational Structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars
1.	Unaudited Consolidated Financial Statements for the nine-months period ended December 31, 2023, including reports issued thereon
2.	Audited Consolidated Financial Statements as at and for the year March 31,2023 including reports issued thereon

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Independent Auditor's Review Report on Consolidated Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Review Report to The Board of Directors
THE RAMARAJU SURGICAL COTTON MILLS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited financial results of **THE RAMARAJU SURGICAL COTTON MILLS LIMITED**("The Parent")and its Subsidiaries (The Parent and its subsidiaries together referred to as the "Group") and its share of net profit after tax and total comprehensive income of its associates for the quarter ended 31st December, 2023and year to date from 1st April, 2023 to 31st December, 2023("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), read with Circular No. CIR/CFD/CMD1/44/2019 dated 29th March 2019 and Circular No. CIR/CFD/CMD1/80/2019 dated 19th July 2019.

2. This Statement which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing obligations and Disclosure Requirements) regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of the following Subsidiaries and Associates:

Name of the entity	Relationship
Madras Chipboard Limited	Subsidiary – Indian
Taram Textiles LLC	Subsidiary – Foreign
Taram Textiles Online, Inc.	Step down Foreign Subsidiary
The Ramco Cements Limited	Associate
Ramco Industries Limited	Associate
Ramco Systems Limited	Associate

N.A. JAYARAMAN & CO.
CHENNAI
FRN-001310S
CHARTERED ACCOUNTANTS

9,Cedar Wood, 11,4th Main Road. Raja Annamalaipuram, Chennai - 600 028.
Phone : 2493 7493 / 2461 3461 Email : canajco@gmail.com / najcoofflce@gmail.com

Name of the entity	Relationship
Rajapalayam Mills Limited	Associate
Sri Vishnu Shankar Mill Limited	Associate
Shri Harini Media Limited	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors and Management Reportsreferred to in paragraph 6,7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying statements, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim unaudited financial results of TwoForeign Subsidiary(including one stepdown subsidiary) included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 1,951.16Lakhs and Rs. 2,635.12 Lakhs, total net profit/ (loss) after tax of Rs. 58.16 Lakhs and Rs.(428.12) Lakhs, total comprehensive income/ (loss) of Rs. 58.16 Lakhs and Rs. (428.12) Lakhs for the quarter ended 31st December 2023 and for the period from 1st April 2023 to 31st December 2023 respectively as considered in the respective consolidated unaudited financial results.The interim financial results of the foreign subsidiaries have been furnished by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these foreign subsidiaries, is based solely on the report of the management and the procedures performed by us as stated in paragraph 3 above. Our conclusion is not modified in respect of this matter.

7. We did not review the interim unaudited financial results of one Indian Subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect and total revenues of Rs. 91.32 Lakhs and Rs. 271.46 Lakhs, total net profit/ (loss)after tax of Rs. 0.97Lakhs and Rs. (4.79)Lakhs, total comprehensive income/ (loss) of Rs. 0.97Lakhs and Rs. (4.79) Lakhs for the quarter ended 31st December 2023 and for the period from 01st April 2023 to 31st December 2023 respectively, as considered in the respective consolidated unaudited financial results. These interim financial results of the Indian Subsidiary havebeen furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of that subsidiary, is based solely on the reports of the management and the procedures performed by us as stated in paragraph 3 above. Our conclusion is not modified in respect of this matter.

N.A. JAYARAMAN & CO. CHENNAI FRN-001310S CHARTERED ACCOUNTANTS

8. These consolidated unaudited financial results also include the group share of net profit after tax of Rs. 100.13Lakhs and Rs. 325.02Lakhs and total comprehensive income of Rs.99.46Lakhs and Rs. 428.01 Lakhs for the quarter ended 31st December 2023 and for the period from 01st April 2023 to 31st December 2023 respectively, as considered inthe consolidated unaudited financial results in respect of those six associates. Out of this, the interim financial results of one associate have been reviewed by us as joint auditor and three associates havebeen reviewed by other auditors and two associates in which other auditors are yet to be reviewed. These interim financial reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of the other auditors and management and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of these matters.

For N.A. JAYARAMAN & Co.,
Chartered Accountants
Firm Regn. No 001310S

N.A. JAYARAMAN & CO. CHENNAI FRN-001310S CHARTERED ACCOUNTANTS

R. Palaniappan
Partner
Membership No. 205112
UDIN:24205112BKEZFM8578

Place: Chennai
Dated: 12th February 2024

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

Regd.Office : P.A.C.Ramasamy Raja Salai, Post Box No.2, Rajapalayam - 626117 , Tamilnadu

CIN : L17111TN1939PLC002302

Telephone No. 04563 - 235904

E-mail : rscm@ramcotex.com Website : www.ramarajusurgical.com

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2023

(Rs. In Lakhs)

Sl. NO	Particulars	CONSOLIDATED					
		Quarter Ended			Nine Months Ended		Year Ended
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
		Un-Audited	Un-Audited	Un-Audited (Restated)	Un-Audited	Un-Audited (Restated)	Audited (Restated)
1	**Income**						
	a. Revenue from Operations						
	Sale of Product	8,777.59	8,427.32	9,647.64	26,141.28	31,968.85	40,391.69
	Other Operating income	137.67	120.46	86.47	333.36	239.46	319.31
	b. Other Income	93.28	-	24.46	269.32	84.38	269.54
	Total Income	9,008.54	8,547.78	9,758.57	26,743.96	32,292.69	40,980.54
2	**Expenses**						
	a. Cost of Materials Consumed	5,128.01	5,106.82	4,684.82	15,179.56	19,484.78	24,502.71
	b. Purchases of Stock-in-Trade	268.07	341.51	70.55	1,152.35	776.25	1,111.75
	c. Changes in Inventories of Finished Goods, Work in Progress Stock	(246.50)	(796.09)	1,667.18	(644.27)	(153.15)	(348.87)
	d. Employee Benefit Expenses	1,422.78	1,427.29	1,091.59	4,223.92	3,446.76	4,925.42
	e. Power and Fuel	738.83	469.82	799.97	1,962.75	2,054.35	2,878.46
	f. Finance Costs	904.62	958.79	977.39	2,678.25	2,163.53	3,158.65
	g. Depreciation and Amortisation Expenses	794.60	864.18	1,078.25	2,702.05	3,078.77	4,205.75
	h. Other Expenses	1,285.98	1,224.42	1,368.86	3,530.10	3,646.93	4,433.54
	Total Expenses	10,296.39	9,596.74	11,738.61	30,784.71	34,498.22	44,867.41
3	Profit / (loss) from ordinary activities before Tax (1- 2)	(1,287.85)	(1,048.96)	(1,980.04)	(4,040.75)	(2,205.53)	(3,886.87)
4	Tax Expenses						
	- Tax expenses earlier year	-	5.21	-	5.21	-	(5.82)
	- Deferred Tax	(1,957.67)	1,035.16	177.88	(989.68)	(102.06)	(407.90)
	- MAT Credit (Taken) /Withdraw related to earlier years	414.89	-	(60.25)	414.89	7.39	-
5	Profit / (loss) from ordinary activities after tax (3-4)	254.93	(2,089.33)	(2,097.67)	(3,471.17)	(2,110.86)	(3,473.15)
6	Share of Net Profit After Tax (PAT) of Associates accounted for using the equity method	100.13	105.82	67.78	325.02	287.74	547.75
7	NetProfit for the Period (5 + 6)	355.06	(1,983.51)	(2,029.89)	(3,146.15)	(1,823.12)	(2,925.40)
	Shareholders of the Company	354.43	(1,982.97)	(2,042.03)	(3,144.96)	(1,835.26)	(2,936.73)
	Non Controlling Interest	0.63	(0.54)	12.14	(1.19)	12.14	11.33
8	Other Comprehensive Income / (Loss), net of tax	-	-	-	-	-	(38.46)
9	Share of OCI of Associates accounted for using Equity Method	(0.67)	101.40	0.71	102.99	6.31	0.24
10	OCI - Foregin Currency Translation	5.50	8.32	6.17	33.00	13.64	3.53
11	Total Comprehensive income after tax (7 + 8 +9 +10)	359.89	(1,873.79)	(2,023.01)	(3,010.16)	(1,803.17)	(2,960.09)
	Shareholders of the Company	359.26	(1,873.25)	(2,035.15)	(3,008.97)	(1,815.31)	(2,971.42)
	Non Controlling Interest	0.63	(0.54)	12.14	(1.19)	12.14	11.33
12	Paid-up Equity Share Capital (Face value of a share of Rs.10/- Each)	399.78	399.78	399.78	399.78	399.78	399.78
13	Other Equity						26,390.98
14	Earnings per Equity Share of Rs.10/- each (in Rs) (Not Annualised)						
	Basic	8.88	(49.62)	(50.78)	(78.70)	(45.60)	(73.18)
	Diluted	8.88	(49.62)	(50.78)	(78.70)	(45.60)	(73.18)

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

THE RAMARAJU SURGICAL COTTON MILLS LIMITED RAJAPALAYAM

N.R.K.RAMKUMAR RAJA
MANAGING DIRECTOR
(DIN : 01948373)

Place : Rajapalayam
Date : 12-02-2024

SEGMENT WISE REVENUE,RESULTS AND CAPITAL EMPLOYED

(₹ in Lakhs)

Particulars	CONSOLIDATED					
	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
	Un-Audited	Un-Audited	Un-Audited (Restated)	Un-Audited	Un-Audited (Restated)	Audited (Restated)
1.Segment Revenue						
(Net Sales / Operating Income)						
a) Textiles	7,655.37	7,195.24	8,408.13	22,706.78	28,494.35	35,541.77
b) Surgical	1,361.58	1,450.50	1,393.86	4,043.74	4,026.00	5,522.19
c) Wind Mills	102.91	382.83	86.18	688.87	707.10	813.31
Total	9,119.86	9,028.57	9,888.17	27,439.39	33,227.45	41,877.27
Less: Inter Segment Revenue	204.60	480.79	154.06	964.75	1,019.14	1,166.27
Total Income From Operations (Net)	8,915.26	8,547.78	9,734.11	26,474.64	32,208.31	40,711.00
2.Segment Results						
Profit/(Loss) Before Finance Cost & Tax						
a) Textiles	(763.21)	(915.70)	(1,406.20)	(2,979.23)	(1,802.06)	(2,917.78)
b) Surgical	350.50	494.76	372.74	1,144.83	1,203.84	1,641.88
c) Wind Mills	29.48	261.46	7.74	402.59	453.78	482.58
d) Unallocated Items	-	69.31	23.07	69.31	102.44	65.10
Total	(383.23)	(90.17)	(1,002.65)	(1,362.50)	(42.00)	(728.22)
Less :Finance Cost - Unallocated Expenditure	904.62	958.79	977.39	2,678.25	2,163.53	3,158.65
Profit / (Loss) Before Tax	(1,287.85)	(1,048.96)	(1,980.04)	(4,040.75)	(2,205.53)	(3,886.87)
3.Capital Employed						
(Segment Assets (-) Segment Liabilities)						
a) Textiles	2,905.88	1,218.62	6,456.54	2,905.88	6,456.54	4,953.76
b) Surgical	904.57	2,114.51	1,952.35	904.57	1,952.35	1,970.50
c) Wind Mills	996.87	1,032.00	1,136.81	996.87	1,136.81	1,102.26
d) Unallocated / Exceptional Items	18,973.28	19,023.48	18,437.91	18,973.28	18,437.91	18,764.24
Total	23,780.60	23,388.61	27,983.61	23,780.60	27,983.61	26,790.76

Notes:

1) The above consolidated unaudited results for the quarter and nine months ended 31.12.2023 were reviewed by the Audit Committee and approved by the Board of Directors at their respective Meeting held on 12-02-2024.The Statutory Auditor have carried out Limited Review of the above results.

2) On 31-12-2023, the carrying amount of few varities of raw material stock which was earlier written down has now been written back to its Cost (Mark to Market Loss) due to improvement in market price of such materials. Consequently an amount of Rs. 15.48 Lakhs has been withdrawn against Previous Quarter Sep-23 provision of Rs.23.38 Lakh. MTM Loss as on 31-12-2023 is Rs.7.90 Lakhs only.

3) The Consolidated Financial results have been prepared in accordance with Ind AS 110 read with Ind AS 28 which include the standalone results of the holding company, The Ramaraju Surgical Cotton Mills Limited, Its Subsidiary Madras Chipboard Limited, Taram Textiles LLC and Stepdown subsidiary, Taram Textiles Online INC., collectively referred as group and its Associates viz., The Ramco Cements Limited, Ramco Industries Limited, Ramco Systems Limited, Rajapalayam Mills Limited, Sri Vishnu Shankar Mill Limited and Shri Harini Media Limited.

4) Business Combination

The National Company Law Tribunal ("NCLT") – Chennai bench vide its Order dated 31st May, 2023 has approved the Scheme of Amalgamation of M/s Sri Harini Textiles Ltd. (SHTL) with the Company. The Scheme was approved by the Board of Directors on 27th September, 2021. Consequent to the said Order and filing of the final certified Orders with the Registrar of the companies, Chennai on 25th June, 2023 the Scheme has become effective upon the completion of the filing with effect from the Appointed Date of 1st April, 2021. Upon coming into effect of the Scheme, the undertaking of SHTL stands transferred to and vested in the Company with effect from the Appointed Date.

The amalgamation has been accounted using the acquisition method based on IndAS 103 Business Combinations (in accordance with the approved Scheme). Consequently, the financials have been restated to include the value of Assets and Liabilities and Income and Expense as in the books of account of SHTL with effect from the appointed date, after eliminating the inter company balances.

5) The Company has issued and alloted 51340 Equity Shares of Rs.10/- each, fully paid up. These Equity shares are considered for paid up Equity share Capital and EPS Calculation in the comparative periods published above.

6) Key standalone financial information (Rs in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
	Un-Audited	Un-Audited	Un-Audited (Restated)	Un-Audited	Un-Audited (Restated)	Audited (Restated)
Total Income	**7,871.59**	9,017.36	9,558.99	**25,856.08**	32,201.12	41,551.72
Net Profit / (Loss) before tax	**(1,370.31)**	(680.92)	(1,932.60)	**(3,603.83)**	(2,068.39)	(3,608.19)
Net Profit / (Loss) after Tax	**(21.33)**	(1,623.27)	(1,957.51)	**(3,130.03)**	(1,870.55)	(3,057.76)

7) The standalone financial results of the Company are available on the Stock Exchange website www.msei.in and the Company's website www.ramarajusurgical.com

8) As per Section 115BAA in the Income Tax Act, 1961, the group has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. The Group has not exercised this option for the financial year 2022-23 in view of the benefits available under the existing tax regime.

9) The Previous period figures have been re-grouped / re-stated wherever necessary to conform to current year classification.

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

THE RAMARAJU SURGICAL COTTON MILLS LIMITED RAJAPALAYAM

Place : Rajapalayam

Date : 12-02-2024

N.R.K.RAMKUMAR RAJA

MANAGING DIRECTOR

(DIN : 01948373)

INDEPENDENT AUDITOR'S REPORT

To the Members of **The Ramaraju Surgical Cotton Mills Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of **THE RAMARAJU SURGICAL COTTON MILLS LIMITED** ("the Holding Company"), its subsidiaries (collectively referred to as "the Company" or "the Group") and its associates, comprising of the consolidated balance sheet as at 31st March 2023, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March 2023, and the consolidated profit/loss, and its consolidated cash flows for the year ended and consolidated changes in the equity on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	**Recognition and measurement of deferred taxes** The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results. We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts. **(Refer to Note No. 6 D (iv),(v),(vi),(vii) & 7(iv) to the Consolidated Financial Statements)**	**Principal Audit Procedures** The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards. Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.
2	**Evaluation of uncertain Tax Position / Other contingent liabilities** The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums. **(Refer to Note No. 6(O) (iv) & 7 (vii) to the Consolidated Financial Statements)**	**Principal Audit Procedures** The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims. Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated financial statements.

S. No.	Key Audit Matter	Auditor's Response
3	**Existence and Impairment of Trade Receivables** Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business, the requirements of customers and various contract terms are in place, there is a risk that the carrying values may not reflect of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, in estimating impairment assessment of trade receivables, we have identified this as a key audit matter. **(Refer to Note No. 6 V (vii), 6 X (vi)(b) and 7(viii) to the Consolidated Financial Statements)**	**Principal Audit Procedures:** We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures. Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements..
4	**Bad debts Written off in Subsidiary Company** During the Year, One of the Subsidiary companies namely M/s. Taram Textiles LLC has written off its Trade receivable for Rs.54.12 Lakhs on account of insolvency of one of the customers. Considering the materiality of Bad debts in the Consolidated financial statements, it has been considered as key audit matter. **Refer to Note No. 42 to the Consolidated Financial Statements)**	**Principal Audit Procedures:** We have performed audit procedures on the assessment of Bad debts written off: We have assessed the effectiveness of the company's internal controls over the identification and write-off of bad debts. We have considered the extent to which management's judgment is involved in determining the amount of bad debts write-off. Furthermore, we have assessed the adequacy and appropriateness of the disclosures in the Consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and board of directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

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

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

The respective Board of Directors of the entities included in the Group and its Associates are responsible for overseeing the financial reporting process of each entity.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness this assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and Subsidiaries) and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

a. The Consolidated financial statements include financial statements of Two Foreign subsidiaries (including one step down subsidiary) which reflect the total assets of Rs. 1726.27 Lakhs as at 31st March, 2023, the total revenue of Rs. 390.42 Lakhs and net cash inflow of Rs. 72.02 Lakhs for the year ended 31st March, 2023 which was audited by us.

b. The Consolidated financial statements include financial statements of One Indian subsidiary which reflect the total assets of Rs. 3,033.31 Lakhs as at 31st March, 2023, the total revenue of Rs.364.82 Lakhs and net cash outflow of Rs. 83.85 Lakhs for the year ended 31st March, 2023 which was audited by another independent auditor whose report has been furnished to us.

c. The consolidated financial statements also include the Group's share of profit after tax of Rs. 547.75 Lakhs and total comprehensive income of Rs. 547.99 Lakhs for the year ended 31st March 2023 as considered in the consolidated audited financial statements in respect of all the six associates. The financial results / financial information of one associate has been audited by us along with another joint auditor and five associates have been audited by an Independent Auditor, whose reports have been furnished to us by the management and our report on the consolidated financial statements in so far as it relates to the amounts that have been derived from such audited financial statements is solely based on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 ourauditof the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by lawrelating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associates incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2023 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure", which is based on the auditor's reports of the company and its subsidiaries and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.

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

In our opinion and best of our information and according to the explanations given to us, the remuneration paid to the directors during the current year by the Holding Company and its subsidiaries and associates which are incorporated in India is in accordance with the provision of section 197 (16) of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries and associates which are incorporated in India, is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;

In our opinion and to the best of our information and according to the explanations given tous:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associate companies incorporated in India during the year ended 31st March 2023.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules, 2014, as provide under (a) and (b) above, contain any material mis-statement.

v. The dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act.

As stated in Note No. 54 to the Consolidated Financial Statements, the Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **N.A. JAYARAMAN & CO.,**
Chartered Accountants
Firm Registration Number: 001310S

R. PALANIAPPAN
Partner
Membership Number: 205112
UDIN: 23205112BGTRBE1946

Chennai
12th August 2023

Annexure to the Independent Auditor's Report

Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date

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

In conjunction with our audit of the consolidated financial statements of The Ramaraju Surgical Cotton Mills Limited (The Holding Company) as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries and associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, based on the test checks conducted by us, the Holding Company and its subsidiaries and associate companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.A. JAYARAMAN & CO.,**
Chartered Accountants
Firm Registration Number: 001310S

R. PALANIAPPAN
Partner
Membership Number: 205112
UDIN: 23205112BGTRBE1946

Chennai
12th August 2023

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(SUBSEQUENT TO THE SCHEME OF AMALGAMATION OF SRI HARINI TEXTILES LIMITED)

(₹ In Lakhs)

	Note No.	As at 31-03-2023		As at 31-03-2022	
ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipments	8	29,727.20		24,105.54	
Capital Work-in-progress	9	917.02		2,497.60	
Investment Property	10	5.43		5.62	
Goodwill	11	1,961.50		1,961.50	
Intangible Assets	12	61.03		1.83	
Financial Assets					
Investments in Associates	13	18,755.97		18,246.31	
Other Investments	14	8.27		12.10	
Other Financial Assets	15	761.62		410.69	
Deferred Tax Assets (Net)	28	487.19		79.30	
Other Non-Current Assets	16	122.40		1,742.01	
Sub Total (A)			52,797.63		49,052.49
(2) Current Assets					
Inventories	17	12,973.32		10,333.99	
Financial Assets					
Trade Receivables	18	3,811.44		3,611.57	
Cash and Cash Equivalents	19	303.48		846.16	
Bank Balance other than Cash and Cash Equivalents	20	7.11		93.45	
Other Financial Assets	21	200.23		188.09	
Current Tax Assets		67.08		239.93	
Other Current Assets	22	2,589.68		2,929.09	
Sub Total (B)			19,952.34		18,244.28
TOTAL ASSETS (A+B)			72,749.97		67,296.77
EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	23	399.78		399.78	
Other Equity	24	25,855.02		28,865.66	
Non-Controlling Interest	25	535.96		521.39	
Total Equity (A)			26,790.76		29,786.83
(2) Liabilities					
(A) Non-Current Liabilities					
Financial Liabilities					
Borrowings	26	22,236.52		14,140.39	
Provisions	27	88.97		80.48	
Deferred Government Grants	29	15.96		17.41	
Sub Total (B)			22,341.45		14,238.28
(B) Current Liabilities					
Financial Liabilities					
Borrowings	30	20,037.02		18,432.29	
Trade Payables					
(i) Total Outstanding dues of micro enterprises and small enterprises	31	316.22		92.18	
(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises	31	1,137.87		1,606.64	
Other Financial Liabilities	32	963.13		882.78	
Other Current Liabilities	33	772.48		1,678.45	
Provisions	34	391.04		539.35	
Sub Total (C)			23,617.76		23,271.69
TOTAL EQUITY AND LIABILITIES (A+B+C)			72,749.97		67,296.77
Significant Accounting Policies, Judgements and Estimates	1 - 5				
See accompanying notes to the financial statements	8-58				

As per our report annexed

For N.A. Jayaraman & Co
Chartered Accountants
Firm Registration No. 001310S

R. Palaniappan
Partner
Membership No. 205112

Chennai
12th August, 2023

On behalf of the Board of Directors
For The Ramaraju Surgical Cotton Mills Limited

Shri P.R.Venketrama Raja
Chairman
(DIN: 00331406)
Rajapalayam

Shri N.R.K.Ramkumar Raja
Managing Director
(DIN: 01948373)
Rajapalayam

N.Vijay Gopal
Chief Financial Officer
Rajapalayam

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023
(SUBSEQUENT TO THE SCHEME OF AMALGAMATION OF SRI HARINI TEXTILES LIMITED)

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

(₹ In Lakhs)

		Note No.	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
	INCOME			
I	Revenue from operations	35	40,711.00	43,213.77
II	Other Income	36	268.21	187.49
III	**Total Income (I+II)**		40,979.21	43,401.26
IV	**EXPENSES**			
	Cost of Materials Consumed	37	24,602.71	25,515.59
	Purchases of Stock- in- Trade		1,111.75	505.04
	Changes in Inventories of Finished Goods and Work-in-Progress	38	(348.87)	(970.87)
	Employee Benefit Expenses	39	4,925.42	4,043.43
	Finance Cost	40	3,158.55	2,077.28
	Depreciation and Amortisation Expenses	41	4,205.75	4,597.83
	Other Expenses	42	7,310.67	6,864.27
	Total Expenses		44,866.08	42,632.55
V	**Profit / (Loss) before tax (III-IV)**		(3,886.87)	768.71
	Tax Expenses / (Savings)			
	Current Tax		-	134.75
	Current Tax relating to earlier years		(5.83)	-
	Deferred Tax		(407.89)	(208.22)
VI	**Total Tax Expenses / (Savings)**		(413.72)	(73.47)
VII	**Profit / (Loss) for the year before share of Profit of Associates (V - VI)**		(3,473.15)	842.18
VIII	**Share of Net profit after tax of Associates accounted using equity method**		547.75	1,273.13
IX	Profit for the Year (VII + VIII)		(2,925.40)	2,115.31
X	**Other Comprehensive Income**			
	Item that will not be reclassified subsequently to Profit and Loss:			
	Remeasurement (Losses) on defined benefit obligation (net)		(34.63)	(81.98)
	Less: Income tax Savings		(10.08)	(14.32)
	Add: Deferred Tax (including MAT Credit)		10.08	14.32
			(34.63)	(81.98)
	Fair value Gain on Equity Instruments through OCI (Net)		(3.83)	(1.71)
	Share of OCI of Associates accounted for using the equity method		0.24	(3.08)
	OCI - Foreign Currency Translation		3.53	-
	Other Comprehensive Income / (Loss) for the year, net of tax		(34.69)	(86.77)
XI	**Total Comprehensive Income / (Loss) for the year, net of tax (IX+X)**		(2,960.09)	2,028.54
	Profit / (Loss) for the attributable to :			
	Shareholders of the company		(2,936.73)	2,144.07
	Non controlling Interest		11.33	(28.76)
	Total Comprehensive Income for the year attributable to :			
	Shareholders of the company		(2,971.42)	2,057.30
	Non controlling Interest		11.33	(28.76)
XII	**Earnings per Equity Share of ₹ 10/- each (Basic & Diluted) (in Rupees) (Refer Note No.49)**		(73.46)	53.63
	Significant Accounting Policies, Judgements and Estimates	1 - 5		
	See accompanying notes to the financial statements.	6 - 56		

As per our report annexed

For N.A. Jayaraman & Co
Chartered Accountants
Firm Registration No. 001310S

R. Palaniappan
Partner
Membership No. 205112

Chennai
12th August, 2023

On behalf of the Board of Directors
For The Ramaraju Surgical Cotton Mills Limited

Shri P.R.Venketrama Raja
Chairman
(DIN: 00331406)
Rajapalayam

Shri N.R.K.Ramkumar Raja
Managing Director
(DIN: 01948373)
Rajapalayam

N.Vijay Gopal
Chief Financial Officer
Rajapalayam

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023
(SUBSEQUENT TO THE SCHEME OF AMALGAMATION OF SRI HARINI TEXTILES LIMITED)

A. Equity Share Capital

(₹ in Lakhs)

For the year ended 31-03-2023	Amount
Equity Shares of ₹ 10 each issued, subscribed and fully paid up	
Balance as at 01-04-2022	399.78
Changes in Equity Share Capital during the year 2022-23	-
Balance as at 31-03-2023	**399.78**

For the year ended 31-03-2022	Amount
Balance as at 01-04-2021	394.65
Changes in Equity Share Capital during the year 2021-22	5.13
Balance as at 31-03-2022	399.78

B. Other Equity (Refer Note No. 24 & 25)

(1) For the year ended 31-03-2023

Particulars	Reserves and Surplus					Non-controlling Interest	Items of OCI				Total Other Equity
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Retained Earnings		FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	Share of OCI of Associates	Foreign Currency Translation Reserve	
Other Equity as at 01-04-2022	17.83	10,486.79	743.92	15,175.71	2,441.61	521.36	-	-	-	-	29,387.02
Financial Year 2022-23											
Add/(Less): Profit for the year	-	-	-	-	(2,936.73)	11.33		-	-	-	(2,925.40)
Add/(Less): Other Comprehensive Income	-	-	-	-	-	-	(3.83)	(34.63)	0.24	3.53	(34.69)
Total Comprehensive Income	-	-	-	-	(2,936.73)	11.33	(3.83)	(34.63)	0.24	3.53	(2,960.09)
Add/(Less): Transfer from OCI	-	-	-	-	(38.22)	-	3.83	34.63	(0.24)	-	-
Add/(Less): Profit from Foreign Stepdown Subsidiary	-	-	-	-	0.25	-	-	-	-	-	0.25
Add/(Less): Purchase of NCI Shares in Subsidiary	-	-	-	-	-	3.27	-	-	-	-	3.27
Add/(Less): Dividend distribution to shareholders	-	-	-	-	(39.47)	-	-	-	-	-	(39.47)
Other Equity as at 31-03-2023	17.83	10,486.79	743.92	15,175.71	(572.56)	535.96	-	-	-	3.53	26,390.98

(2) For the year ended 31-03-2022

Particulars	Reserves and Surplus					Non-controlling Interest	Items of OCI			Total Other Equity
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Retained Earnings		FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	Share of OCI of Associates	
Other Equity as at 01-04-2021	17.63	10,337.79	-	15,175.71	557.54	777.62	5.01	-	-	26,871.30
Pursuant to Business Combination										
Add/(Less): Changes in reserves on Appointed Date - 01.04.2021	-	-	743.92	-	(144.63)	-	-	-	-	599.29
Add: De-Classification of Associates Share upon Business Combination	-	149.00	-	-	-	-	-	-	-	149.00
Other Equity as at 01-04-2021	17.63	10,486.79	743.92	15,175.71	412.91	777.62	5.01	-	-	27,619.59
Financial Year 2021-22										
Add/(Less): Profit/(Loss) for the year	-	-	-	-	2,144.07	(20.76)	-	-	-	2,115.31
Add/(Less): Other Comprehensive Income	-	-	-	-	-	-	(1.71)	(81.98)	(3.08)	(86.77)
Total Comprehensive Income	-	-	-	-	2,130.19	(256.26)	(1.71)	(81.98)	(3.08)	2,028.54
Add/(Less): Transfer from OCI	-	-	-	-	(81.76)		(3.30)	81.98	3.08	-
Add/(Less): Purchase of NCI Shares in Subsidiary	-	-	-	-	(13.88)	(227.50)	-	-		(241.38)
Add/(Less): Dividend distribution to shareholders	-	-	-	-	(19.73)	-	-	-	-	(19.73)
Other Equity as at 31-03-2022	17.63	10,486.79	743.92	15,175.71	2,441.61	521.36	-	-	-	29,387.02

As per our report annexed
For N.A. Jayaraman & Co
Chartered Accountants
Firm Registration No. 001310S

R. Palaniappan
Partner
Membership No. 205112

Chennai
12th August, 2023

On behalf of the Board of Directors
For The Ramaraju Surgical Cotton Mills Limited

Shri P.R.Venketrama Raja
Chairman
(DIN: 00331406)
Rajapalayam

Shri N.R.K.Ramkumar Raja
Managing Director
(DIN: 01948373)
Rajapalayam

N.Vijay Gopal
Chief Financial Officer
Rajapalayam

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2023
(SUBSEQUENT TO THE SCHEME OF AMALGAMATION OF SRI HARINI TEXTILES LIMITED)

(₹ in Lakhs)

		31.03.2023	31.03.2022
A. Cash flows from Operating Activities			
Net Profit / (Loss) before tax		(3,886.87)	768.71
Adjustments for reconcile Profit /(Loss) Before Tax to Net Cash Flows:			
Depreciation & Amortisation		4,205.75	4,597.83
Finance Cost		3,158.65	2,077.26
Interest Received		(223.32)	(172.34)
Loss/(Profit) on Sale of Assets		(36.72)	252.77
Government Grants		(1.45)	(1.45)
Impairment Allowance for Trade Recievable		-	11.16
Bad Debts		54.12	11.03
Operating Profit before Working capital Changes		3,270.16	7,544.97
Movements in Working Capital:			
Trade Receivables		(88.80)	1,607.62
Loans and Advances		225.91	(179.00)
Inventories		(2,639.33)	(3,944.22)
Trade Payables & Current liabilities		(1,251.62)	(87.78)
Cash generated from Operations		(483.68)	4,941.59
Income tax Paid (Net)		(67.07)	(234.73)
Net Cash Flows from / (used in) Operating Activities	A	(550.75)	4,706.86
B. Cash Flows from Investing Activities :			
Purchase of Property, Plant and Equipments,Intangible Asset and Investment Property Net of Capital Subsidies (including Capital work-in-progress and Capital advance and payable for capital goods)		(6,845.14)	(5,058.18)
Investment in Shares		(212.15)	(369.59)
Declassification of Investment pursuant to the scheme of amalgamation		-	149.00
Proceeds from Sale of Property, Plant & Equipments		195.64	190.14
Interest Received		22.69	4.65
Dividend Received		102.44	0.79
Net Cash Flows from / (used in) Investing Activities	B	(6,736.52)	(5,083.19)

(₹ in Lakhs)

		31.03.2023	31.03.2022
C. Cash Flows from Financing Activities :			
Long Term Borrowings			
Proceeds from Long Term Borrowings		14,315.39	6,343.43
Repayment of Long Term Loan		(6,122.11)	(4,043.70)
Short Term Borrowings			
Proceeds / (Repayment) of Deposits - Related Parties		(878.03)	241.97
Proceeds / (Repayment) of Short Term Borrowings (Net)		2,385.61	720.24
Non-controlling Interest		3.52	(241.38)
Payment of Dividend		(39.47)	(19.73)
Finance Cost		(3,008.66)	(2,077.26)
Net Cash Flows from / (used in) Financing Activities	C	6,656.25	923.57
Net Increase in Cash and Cash Equivalent	D=(A+B+C)	(631.02)	547.24
Opening balance of Cash and Cash Equivalents	E	941.61	391.37
Cash and Cash Equivalents acquired pursuant to Business Combination	F	-	3.00
Closing balance of Cash and Cash Equivalents	D+E+F	310.59	941.61

Notes:

(i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.

(ii) Bank Borrowings including Cash Credits are considered as Financing Activities.

(iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

PARTICULARS	31.03.2023	31.03.2022
Cash and Cash Equivalents (Refer Note No. 19)	303.48	848.16
Bank Balances other than Cash and Cash Equivalents (Refer Note No. 20)	7.11	93.45
	310.59	941.61

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2023 (SUBSEQUENT TO THE SCHEME OF AMALGAMATION OF SRI HARINI TEXTILES LIMITED)

(₹ in Lakhs)

PARTICULARS	2022-23	2021-22
Balance at the beginning of the year		
Consolidated Cash flow from Financing Activities		
Long Term Borrowings	18,642.87	16,343.14
Short Term Borrowings	13,929.81	11,000.26
Sub-total Balance at the beginning of the year	32,572.68	27,343.40
Cash flows during the year		
Proceeds from Long Term Borrowings	14,315.39	6,343.43
Repayment of Long Term Borrowings	(6,122.11)	(4,043.70)
Proceeds from / (Repayment) of Short Term Borrowings, net	1,507.58	962.21
Proceeds from / (Repayment) of Short Term Borrowings, net pursuant to Business Combination	-	1,967.34
Sub-total Cash flows during the year	9,700.86	5,229.28
Non-cash changes		
Interest accrual for the year	3,008.66	2,077.26
Sub-total Non-cash changes during the year	3,008.66	2,077.26
Balance at the end of the year		
Long Term Borrowings	26,836.15	18,642.87
Short Term Borrowings	15,437.39	13,929.81
Balance at the end of the year	42,273.54	32,572.68

See accompanying notes to the financial statements (Refer to Note No.8 to 56)

As per our report annexed

For N.A. Jayaraman & Co
Chartered Accountants
Firm Registration No. 001310S

R. Palaniappan
Partner
Membership No. 205112

Chennai
12th August, 2023

On behalf of the Board of Directors
For The Ramaraju Surgical Cotton Mills Limited

Shri P.R.Venketrama Raja
Chairman
(DIN: 00331406)
Rajapalayam

Shri N.R.K.Ramkumar Raja
Managing Director
(DIN: 01948373)
Rajapalayam

N.Vijay Gopal
Chief Financial Officer
Rajapalayam

1. **Corporate Information**

The Ramaraju Surgical Cotton Mills Limited ("the Company","RSCM") is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1913. The company is listed on MSEI in India. The Registered office of the Company is located at The Ramaraju Surgical Cotton Mills Premises, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu, India.

The Company is primarily engaged in manufacture of Surgical Dressings, Yarn and Greige Fabrics with its manufacturing facilities located in Rajapalayam, Subramaniapuram, Perumalpatti Village in Tamilnadu and in Jaggiahpet, Andhra Pradesh. The Company is also engaged in generation of electricity from its windmills and solar panel for its captive consumption.

Sri Harini Textiles Limited ("SHTL") got amalgamated with RSCM on the appointed date of 1st April 2021 pursuant to the National Company Law Tribunal ('NCLT") order dated 31st May 2023 approving the Scheme of Amalgamation of Sri Harini Textiles Limited (SHTL).

The Consolidated Financial Statements (CFS) for the year ended 31-03-2023 were approved and adopted by Board of Directors of the Company in their meeting dated 25-05-2023 and the restated financials were approved and adopted by Board of Directors of the Company in their meeting dated 12-08-2023.

2. **Statement of Ind AS Compliance**

(i) The CFS are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

3. **Basis of Preparation of Consolidated Financial Statements**

(ii) The significant accounting policies used in preparing the financial statements are set out in Note No.6.

(iii) Pursuant to General Circular No.39/2014 dated 14-10-2014 issued by Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.

(iv) The CFS comprises the financial statements of The Ramaraju Surgical Cotton Mills Limited, its Subsidiaries including step down subsidiary hereinafter collectively referred as 'Group' and its Associates. The list of companies which are included in consolidation and the Parent's holding and voting rights therein are as under:

Name of the Subsidiary	% of ownership interest	
	31-03-2023	31-03-2022
Madras Chipboard Limited	**75.01**	75.01
Taram Textiles LLC, USA	**100**	NA
Name of the Step Down Subsidiary		
Taram Textiles Online,Inc., USA	**70.02**	NA

The following companies are considered as Associates based on existence of significant influence over such companies:

Name of the Company	% of Shareholding & Voting Power	
	31-03-2023	31-03-2022
The Ramco Cements Limited	**1.40**	1.40
Ramco Industries Limited	**0.16**	0.16
Ramco Systems Limited	**0.04**	0.04
Rajpalayam Mills Limited	**1.83**	1.83
Sri Vishnu Shankar Mill Limited	**0.75**	0.75
Shri Harini Media Limited	**2.65**	2.65

The above companies are incorporated in India and financial statements of the respective companies are drawn up to the same reporting date as that of the Parent (i.e.) 31-3-2023.

(v) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.

(vi) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.

(vii) A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(viii) The CFS are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.

(ix) The CFS comprises the financial statements of The Ramaraju Surgical Cotton Mills Limited and its Subsidiary & Associate Companies. The following companies are considered as Associates based on existence of significant influence over such companies:

(x) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

4. Principles of Consolidation

(a) The financial statements of the Parent and its subsidiaries have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after elimination of intra-group balances and intra-group transactions resulting in unrealized Profits/Losses.

(b) The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the Parent's separate financial statements.

(c) Non-controlling interest in the net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Parent's shareholders. Non-controlling interest in the net assets of subsidiary consists of :

(a) The amount of subscribed equity share capital attributable to non-controlling interest during the year.

(b) The movement of non-controlling interest in equity since the date the parent subsidiary relationship came into existence.

(d) The CFS includes the share of profit/loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit/ loss of the associates (the loss being restricted to the cost of investment) has been added/ deducted from the cost of investment. The most recent available financial statements of the associates are used in applying the equity method.

(e) Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Companies from the date on which it becomes an associate and any difference between the cost of the investment and the Parent's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

(i) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

(ii) Subsequently, the carrying amount of investment is adjusted to recognize the share of post-acquisition profits or losses of its Associates in the Parent's Statement of Profit & Loss.

(iii) The equity method shall be discontinued from the date when the investment ceases to be an Associate and it shall measure the retained interest shall be measured at fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as a financial asset. The difference between the fair value of retained interest & any proceeds from disposing of a part interest in the Associate and the carrying amount of investment at the date the equity method was discontinued will be recognized in profit or loss.

(f) Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.

(g) Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.

(h) At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates' in the Statement of Profit & Loss.

5. Basis of Measurement

The consolidated financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer to Note No. 6(U) - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value

6. Significant Accounting Policies

A. Inventories

(i) Raw-materials, Stores & Spares, Fuel, packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, the inventories are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

(ii) Work in Progress is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Work in Progress.

(iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs but excluding borrowing cost, incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

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

B. Statement of Cash Flows

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

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

(iii) Bank borrowings are generally considered to be financing activities. However, where bank overdrafts that are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Statement of Cash flows..

C. Dividend distribution to Equity shareholders

Final dividend distribution to Shareholders is recognised in the period in which the dividends are approved by the Shareholders. Dividend together with applicable taxes is recognised directly in Other Equity.

D. Income Taxes

(i) Current tax payable is based on taxable profit for the year. Taxable profit differs from Profit before tax as reported in the Statement of Profit & Loss because of Items of Income or Expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period. The MAT Credit Entitlement being unused tax credits that are carried forward by the Company for a specified period, is grouped under Deferred Tax.

(iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

(iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

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

(vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to such set off current tax assets against current tax liabilities.

(vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

E. Property, Plant and Equipment's (PPE)

(i) PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The directly attributable costs include cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition.

(ii) Government grants related to assets have been deducted in arriving at the carrying amount of the respective assets.

(iii) Subsequent expenditures are included in the assets' carrying amount and recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(iv) Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(v) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised.

(vi) The cost of major inspection / overhauling is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

(vii) The Company follows the useful lives of the significant parts of certain class of PPE on the straight line basis.

(viii) During the previous year, the company has re-assessed the useful life of the assets taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the Asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. based on technical advice as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such component ranging from	
	Existing	Revised
Building	3 to 60 years	3 to 60 years
Textile Machines / Equipment	10 to 25 years	7 to 25 years
Wind Mills	5 to30 years	5 to 30 years
HFO / DG Set	12 to 25 years	7 to 15 years
Solar Panel	25 years	25 years
Furniture and Fixtures	3 to 10 years	3 to 10 years
Electrical Machineries	3 to 25 years	3 to 15 years
Motor cars given to employees as per company's scheme	6 to 8 years	6 to 8 years

(ix) PPE 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, which ever is more clearly evident.

(x) PPEs are eliminated from the financial statements on disposal. Gains or losses arising from disposal, 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. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

(xi) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.

(xii) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.

(xiii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

F. Capital Work in progress / Capital Advances

Advances given towards acquisition / construction of PPE outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

The cost of assets not put to use before such date are disclosed under Capital Work in Progress. Capital Work in Progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

G. Leases

(i) Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model. The Company, as a lessee, upon transition to Ind AS 116, elected to measure the lease liability for all leases whose non-cancellable leases is more than 12 months, at the present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and recognise the right-of-use asset at an amount equal to the lease liability, adjusted for prepaid lease payments recognised in the balance immediately before the date of initial application.

(ii) The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(iii) The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. Company as a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date for all leases where non-cancellable leases is more than12 months. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Nature of RoU	Useful life ranging from
Land	99 years

The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset and lease improvements are periodically reduced by impairment losses, if any and adjusted for certain re-measurements of these liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

a. Fixed payments;

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

Amount expected to be payable under a residual value guarantee; and

The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on face of the Balance sheet.

The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Lease Improvements

Lease improvements on a right-of-use asset (RoU) made by the Company, which enhance the value, functionality, or extend the useful life of the leased asset, shall be recognized as assets and capitalized in the same category of RoU asset under 'Property, Plant and Equipment', if capitalization criteria are met.

Lease improvements recognized as assets shall be initially measured at cost, which includes all directly attributable costs incurred to bring the improvements to their present condition and location.

The lease improvements on RoU assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of lease improvement or the end of the lease term.

2. Company as a Lessor

The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company do not have any finance leases arrangements.

H. Revenue Recognition

(i) Revenue from Operations

(a) Sale of products

Revenue from product sales is recognized when the company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale including GST. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products are excluded from Revenue from operations and recognized as Interest Receipts over the credit periods as per Ind AS 115. The Company does not have any non-cash consideration.

(b) **Power generated from Windmills**

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the cost of power & fuel.

(c) **Scrap sales**

Scrap sales is recognized when the Company transfers control of the product to customers.

(d) **Income from Job Work**

Income from job work is recognized on the proportion of work executed as per the contract / agreement.

(ii) **Other Income**

a. Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, to the gross carrying amount of the financial asset or to the authorised cost of a financial liability.

b. Dividend income is recognised when the Company's right to receive dividend is established.

c. Rental income from operating lease on Property, Plant and Equipments is recognised on a straight line basis over the terms of the relevant lease.

I. **Employee Benefits**

(i) Short-term employee benefits 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 monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 10% / 12% of employee's basic salary. The Company has no further obligations.

(iv) The Company also contributes for superannuation a sum equivalent to 15% of the eligible and opting officer's annual basic salary. Out of the said 15% contribution, a sum upto Rs.1.50 Lakhs per annum is remitted to The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.

(v) The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund for its employees. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. Based on the Actuarial Valuation by an independent external actuary, 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 reporting date using Projected Unit Credit method.

(vi) The Company provides for expenses towards compensated absences provided to 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. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.

(vii) Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

J. Government Grants

(i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

(ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets"

(iii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred grant income and are credited to the statement of profit and loss on a systematic basis over the expected lives of the related assets.

K. Foreign currency transactions

(i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

(ii) All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

(iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

(iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

L. Borrowing Costs

(i) Borrowing cost include interest computed using Effective Interest Rate method, interest on lease liabilities, 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.

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

M. Earnings per Share

(i) Earnings per share is calculated by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares.

(ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.

(iii) The Company do not have any potential equity shares.

N. Impairment of Non-Financial Assets

(i) The carrying values of assets including property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.

(ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

(iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

(iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

O. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

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

(iii) Insurance claims are accounted 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. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.

(iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

P. Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity of subsidiary

Transaction costs are expensed in the consolidated statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

The purchase price is allocated to assets acquired and liabilities assumed based upon the determination of fair values at the date of acquisition

The excess of the purchase consideration paid over the fair value of net assets acquired has been attributed to goodwill.

Q. Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value.

R. Intangible Assets

(i) The costs of intangible assets acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.

(ii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Nature of Intangible Assets	Estimated useful life
Intangible assets	6 years

(iii) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.

(iv) The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each reporting date and adjusted prospectively, if appropriate.

S. Investment Properties

(i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.

(ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.

(iii) The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below:

Asset type	Useful life
Buildings under Investment properties	60 years

(v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use. Gains or losses arising from disposal, 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.

Amount receivable towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

(vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed periodically included at each reporting date.

T. Operating Segment

The Company has three operating/reportable segments viz. Textiles, Surgicals and wind Power Generation from Wind Mills.

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. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

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.

U. Financial Instruments

(i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

V. Financial Assets

(i) Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.

(ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

(iii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

(iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Associates as an option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

(v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

a. significant risk and rewards of the financial asset, or

b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

(vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

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

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

W. Financial Liabilities

(i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

(ii) The Company measures its financial liabilities as below:

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

X. Fair value measurement

(i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

(iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.

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

(iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

(v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

(vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

a) **Investments in Equity**

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

b) **Trade and other receivables**

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

c) **Investment Properties**

The fair value is determined for disclosure purposes based on an annual evalution performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

7. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

(i) **Revenue Recognition**

Significant management judgment is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The company offers credit period to customers and management judgment is exercised in assessing whether a contract contains a significant financing component.

(ii) **Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

(iii) **Current Taxes**

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

(iv) **Deferred Tax Asset (Including MAT Credit Entitlement)**

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

(v) **Provisions**

The timing of recognition requires application of judgment to existing facts and circumstance that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(vi) **Operating Segment**

Management's judgment is exercised to aggregate two or more business segments as single operating segment, based on economic characteristics, products, production process and types of customer, which are similar in nature.

(vii) **Contingent Liabilities**

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(viii) **Impairment of Trade receivables**

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

(ix) **Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)**

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

(x) **Defined Benefit Plans and Other long term benefits**

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

(xi) **Fair value measurement of financial instruments**

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

(xii) **Impairment of Investments in Subsidiary / Associates**

Significant management judgement is exercised in determining whether the investment in subsidiary / associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

(xiii) **Interests in other entities**

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights. Significant management judgement is exercised whether such associate companies are individually immaterial or not for the purpose of disclosure requirements.

Note No. 8

Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Year	Gross Block					Depreciation				Net Block	
		As at the beginning of the year	Pursuant to amalgamation of SHTL	Additions	Deductions/ Adjustments	As at the end of the year	As at the beginning of the year	For the year (Note No.41)	Deductions/ Adjustments	As at the end of the year	As at the end of the year	As at the beginning of the year
Land - Freehold	2022-23	2,834.55				2,834.55	-			-	2,834.55	2,834.55
	2021-22	2,236.47	591.20	6.88	-	2,834.55	-	-	-	-	2,834.55	2,236.47
Land- Right of use asset	2022-23	372.93				372.93	3.77	3.77		7.54	365.39	369.16
	2021-22	-	-	372.93	-	372.93	-	3.77	-	3.77	369.16	-
Buildings	2022-23	6,693.97		3,059.94	0.69	9,753.22	1,934.50	261.64	0.01	2,196.13	7,557.09	4,759.47
	2021-22	6,359.38	403.28	8.72	77.41	6,693.97	1,713.08	221.54	0.12	1,934.50	4,759.47	4,646.30
Buildings - Right of use asset	2022-23	-		227.97		227.97	-	6.53		6.53	221.44	-
	2021-22	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	2022-23	32,854.57		5,708.75	433.38	38,129.94	17,753.01	3,656.30	277.81	21,131.50	16,998.44	15,101.56
	2021-22	31,417.42	1,046.99	2,480.81	2,090.65	32,854.57	14,960.55	4,124.00	1,331.54	17,753.01	15,101.56	16,456.87
Electrical Machinery	2022-23	2,738.85		664.62	3.35	3,398.12	1,995.50	176.11	2.69	2,168.92	1,229.20	741.35
	2021-22	2,699.50	28.46	27.68	15.84	2,739.85	1,820.18	187.53	12.21	1,995.50	741.35	879.35
Furniture & Office Equipments	2022-23	381.91		294.36	0.41	675.86	263.20	65.72	0.26	328.67	347.19	118.71
	2021-22	344.81	0.87	36.23	-	381.91	230.27	32.93	-	263.20	118.71	114.54
Vehicles	2022-23	331.78		26.25	21.11	336.92	151.04	31.11	19.13	163.02	173.90	180.74
	2021-22	268.35	1.14	73.92	11.63	331.78	132.04	27.58	8.58	151.04	180.74	136.31
Total	2022-23	46,206.56	-	9,981.89	458.94	55,729.51	22,101.02	4,201.18	299.89	26,002.31	29,727.20	24,105.54
	2021-22	43,325.96	2,071.96	3,007.17	2,198.53	46,206.56	18,856.12	4,597.35	1,352.46	22,101.02	24,105.54	24,469.84

Other Disclosures:

(a) Borrowings cost have been capitalised for current year - ₹ 222.28 (PY: ₹ NIL).

(b) All the Fixed Assets has been pledged as security for borrowings.

(c) During the FY 21-22, the Company has revised its estimate of useful life in respect of certain items of property, plant and equipment. Had the Company used the earlier estimate, the depreciation for the year would have been lower by ₹ 2,981.16 Lakhs (CY : ₹ Nil) with a consequential impact on the carrying value of the property, plant and equipment. In the opinion of the management, the above change in estimate of useful life whichwas made based on technical evaluation made by registered valuer will result in more reliable and relevant presentation of the above referred items of property, plant and equipment in the financial statements.

(d) All the title deeds of immovable properties are held in the name of the Company.

(e) The Company has not revalued its Property, Plant and Equipment and Intangible Assets since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

(f) The company has received a sum of Rs. Nil (PY: Rs. 247.33 Lakhs) as capital subsidy. The subsidy has been directly credited against the carrying value of the respective plant and machinery.

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(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 9		
Capital Work in Progress		
As at the beginning of the year	2,497.60	121.51
Add / (Less) : Additions during the year	8,464.89	5,383.26
Add / (Less) : Capitalized during the year	(10,045.47)	(3,007.17)
As at the end of the year	917.02	2,497.60

Additional Disclosures:

i) Capital work in progress includes borrowing cost of ₹ Nil (PY: ₹ 26.93 Lakhs), computed at a weighted average interest rate of Nil (PY: 7.75% p.a.) applicable to entity's borrowings outstanding during the year.

ii) CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of			
	<1 year	1-3 years	>3 years	Total
As at 31-03-2023	917.02	-	-	917.02
As at 31-03-2022	2,497.60	-	-	2,497.60

Particulars	31-03-2023	31-03-2022
Pre-operative expenses incurred during the year		
Employee Benefit Expenses	-	100.71
Stores, Spares and Consumables	-	4.86
Repairs and Maintenance	-	16.07
Insurance	-	0.50
Rent Paid	-	1.85
Legal Charges	-	1.94
Miscellaneous Expenses	-	33.27
Pre-operative expenses included in CWIP as at the end of the year	-	159.20

Note No. 10
Investment Property

Particulars	As at 31-03-2023		As at 31-03-2022	
Building				
As at the Beginning of the Year	8.72		8.72	
Addition/Sale	-		-	
As at the end of the Year	-	8.72	-	8.72
Accumulated depreciation as at the beginning of the year	3.10		2.92	
Depreciation for the year	0.19		0.18	
Less :				
Accumulated depreciation as at the end of the year		3.29		3.10
Net Block		5.43		5.62
Total Investment Property		5.43		5.62
Fair Value of Investment Property		118.32		118.32

Additional Disclosures:

i) The company owns a flat in Krishna Towers, Adyar, Chennai. The property is used by the company and not letout. Apart from payment of property taxes, water tax and depreciation, the company has not incurred any additional expenditure towards maintenance of the flat.

ii) The Company measured its Investment Properties at Cost in accordance with Ind AS 40.

iii) The fair valuation of these investment property are determined by an internal technical team, who are specialists in valuing these types of investment properties by using the technic of quoted prices for similar assets in active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. Since the valuation is done by internal technical team as at 31-03-2023 the fair value of investment property as disclosed above is not based on valuation by a register valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

iv) The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

v) Fair value hierarchy disclosures for investment properties have been provided in Note No. 51.

(₹ in Lakhs

Particulars	31-03-2023	31-03-2022
Note No. 11		
Goodwill		
Goodwill recognised on consoldiation	**1,951.50**	69.12
Goodwill recognised pursuant to Business Combination (Refer Note No. 43)	-	1,882.38
Total	**1,951.50**	1,951.50

Other Disclosures:

The method of valuation of goodwill has been stated in Note 4Q.

Note No. 12

Intangible Assets

Particulars	Year	Gross Block						Depreciation				Net Block	
		As at the beginning of the year	Pursuant to amalgamation of SHTL	Additions	Additions due to acquisition of subsidiary	Deductions / Adjustments	As at the end of the year	As at the beginning of the year	For the year (Note No.41)	Deductions / Adjustments	As at the end of the year	As at the end of the year	As at the beginning of the year
Intangible Assets	**2022-23**	**27.45**	-	**63.58**	-	-	**91.03**	**25.62**	**4.38**	-	**30.00**	**61.03**	**1.83**
	2021-22	27.14	0.31	-	-	-	27.45	25.32	0.30	-	25.62	1.83	1.82

Other Disclosures:

(a) Deductions / adjustments represent intangible assets de-recognised from the financial statements since no future economic benefit is expected.

(b) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

Note No. 13

Investment in Associates (₹ in Lakhs)

Name of the Company	Face Value ₹ per share	As at 31-03-2023 No. of Shares	As at 31-03-2022 No. of Shares	Amount	Amount
Quoted Investment - Fully paid up Equity Shares					
Associates					
The Ramco Cements Limited	1	**33,13,175**	33,13,175	**16,033.37**	15,655.52
Ramco Industries Limited	1	**1,35,880**	1,35,880	**228.92**	220.98
Rajapalayam Mills Limited	10	**1,68,999**	1,57,733	**1,496.22**	1,363.86
Ramco Systems Limited	10	**12,739**	12,739	**76.98**	85.36
Total Quoted Investments (A)				**17,835.49**	17,325.72
Unquoted Investment - Fully paid up Equity Shares					
Associates					
Sri Vishnu Shankar Mill Limited	10	**11,200**	11,200	**80.48**	80.59
Total Unquoted Investments (B)				**80.48**	80.59
Investment in Preference Shares, Non Trade- Unquoted					
Shri Harini Media Limited- 9% Redeemable Preference shares	1	**8,40,00,000**	8,40,00,000	840.00	840.00
Total Investment in Preference Shares, Non Trade- Unquoted (C)				**840.00**	840.00
Aggregate Value of Total Investment (A+B+C)				**18,755.97**	18,246.31
Aggregate Value of:					
Quoted Investments - Cost (A)				**17,835.49**	17,325.72
Market Value				**26,175.70**	27,228.78
Unquoted Investments - Cost (B+C)				**920.48**	920.59
Total Quoted & Unquoted investments (A+B+C)				**18,755.97**	18,246.31

Additional Disclosures:

1) The Company has accounted for investments in Subsidiary and Associates at Cost. Refer Note 44 for information on principal place of business / country of incorporation and the Company's ownership interest / percentage of shareholding in the above subsidiaries and associates.
2) The carrying amount of Investment in Subsidiary and Associates is tested for impairment in accordance with Ind AS 36. These investments are strategic and long term in nature. Hence considering the long term prospects, no impairment is considered necessary as at the reporting date.
3) During the year, the Company had subscribed the rights issue by its associate M/s Rajapalayam Mills Limited CY : 11,266 Shares (PY: 22,533) shares amounting to CY: ₹ 64.10 Lakhs (PY: ₹ 128.21 Lakhs).

Note No. 14

Other Investment (Designated At FVTOCI) (₹ in Lakhs)

Name of the Company	Face Value ₹ per share	As at 31-03-2023 No. of Shares	As at 31-03-2022 No. of Shares	Amount	Amount
Other Non-Current Investments, Non-Trade - Unquoted					
Ramco Industrial and Technology Services Limited	10	**26,350**	26,350	**2.11**	5.94
Ramco Windfarms Limited	1	**6,16,000**	6,16,000	**6.16**	6.16
Total Investments				**8.27**	12.10
Total Cost				**8.27**	12.10

Note:

1) Refer to Note No. 51 for information about fair value hierachy under Disclosure of Fair Value Measurement.

Note No. 15

Other Financial Assets (Non Current)

Particulars	As at 31-03-2023	As at 31-03-2022
Unsecured and Considered Good		
Security Deposits with Electricity Board / Others	613.57	410.68
Application money for securities subscription	148.05	-
Total	761.62	410.68

Additional Disclosures:

i) During the year, subsequent to the power purchase agreement entered by the company, a sum of ₹ 148.05 lakhs has been paid towards securities subscription to M/s Green Infra Clean Wind Generation Limited for purchase of 14,80,500 shares. The allotment was done on 05th May 2023.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 16		
Other Non Current - Assets		
Unsecured and Considered Good		
Capital Advance	122.40	1,742.01
Total	**122.40**	1,742.01
Note No. 17		
Inventories		
Raw Materials	8,135.84	5,862.81
Work-in-Progress	1,092.73	1,568.42
Finished goods	3,400.71	2,576.15
Stores and Spares	344.04	326.61
Total	**12,973.32**	10,333.99

Additional Disclosures:

i) The total carrying amount of inventories as at reporting date has been pledged as security for Borrowings.

(ii) The mode of valuation of inventories has been stated in the Note No. 6A.

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 18		
Trade Receivables		
Unsecured and Considered Good	3,811.44	3,611.57
Unsecured and which have significant increase in Credit Risk	-	11.16
Add / (Less) : Allowances for expected Credit Loss	-	(11.16)
Total	**3,811.44**	3,611.57

Additional Disclosures:

a) Trade receivables are non-interest bearing.

b) Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

c) The total carrying amount of trade receivables has been pledged as security for borrowings.

d) Refer Note No.52 for information about risk profile of Trade Receivables.

e) Additional regulatory information as required under Companies Act, 2013 / Indian Accounting Standards.

Trade Receivables Ageing Schedule (₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment as at 31-03-2023						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	107.52	2,801.19	23.72	879.01			3,811.44
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**107.52**	**2,801.19**	**23.72**	**879.01**	**-**	**-**	**3,811.44**

Particulars	Outstanding for the following periods from the due date of payment as at 31-03-2022						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	1,452.25	1,996.41	3.72	96.93	51.10	-	3,600.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	11.16	-	-	-	11.16
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**1,452.25**	**1,996.41**	**14.88**	**96.93**	**51.10**	**-**	**3,611.57**

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 19		
Cash and Cash Equivalents		
Cash on hand	2.42	2.67
Balance with bank- In Current Account	298.55	828.13
In Deposit Account for Margin Money	2.51	17.36
Total	303.48	848.16

Additional Disclosures:

a) Refer Note No.52 for information about risk profile of cash and cash equivalents under Financial Risk Management.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 20		
Bank Balance Other than Cash And Cash Equivalents		
Earmarked balances with Banks for Unclaimed Dividend	7.11	7.57
Balances with Banks held as security against Borrowings	-	85.88
Total	7.11	93.45
Note No. 21		
Other Financial Assets (Current)		
Government Grants Receivable	39.28	39.28
Export Incentives Receivable	116.35	137.13
Security Deposit	44.60	11.68
Total	200.23	188.09
Note No. 22		
Other Current Assets		
Unsecured, considered good		
Advance to Suppliers / Others	233.01	2,035.85
Tax Credit and Refund due	1,002.50	310.39
Accrued Income	378.63	373.32
Prepaid Expenses	948.66	182.30
Other Current Assets	26.88	27.23
Total	2,589.68	2,929.09

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 23		
Equity Share Capital		
Authorised		
1,00,00,000 Equity Shares of ₹ 10/- each (PY: 1,00,00,000 Equity Shares of ₹ 10/- each)	**1,000.00**	1,000.00

Additional Disclosures:

Pursuant to approval of the scheme of amalgamation the authorised share capital of the transferor company (Sri Harini Textiles Ltd.,) stands combined with the authorised capital of the transferee company (The Ramaraju Surgical Cotton Mills Ltd.,)

Issued, Subscribed and fully paid-up		
39,97,900 Equity Shares of ₹ 10/- each (PY: 39,97,900 Equity Shares of ₹ 10/- each)	**399.78**	399.78

Additional Disclosures:

Pursuant to the scheme of amalgamation ,the equity shareholders of the transferor company where allotted shares of transferee company in the ratio 34 shares of the Company for every 1000 shares of transferor company. (Refer Note 43 - Business Combination).

a. Reconciliation of the number of shares outstanding

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	39,97,900	399.78	39,46,560	394.65
Issued/Bought Back during the year	-	-	-	-
Shares issued pursuant to Business Combination	-	-	51,340	5.13
Number of Shares at the end	39,97,900	399.78	39,97,900	399.78

b. Term / Rights / Restrictions attached to Equity Shares

The company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held.The company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Smt. Nalina Ramalakshmi	15,50,796	38.79	15,50,796	38.79
Shri. N.R.K. Ramkumar Raja & Shri. N.R.K. Ramkumar Raja HUF	2,26,060	5.65	2,26,060	5.65

d. Shareholders holding of Promoters as at 31.03.2023

S. No.	Name of the Promoters	No. of Shares	% of total shares	% Change during the year
1.	Smt. Nalina Ramalakshmi	15,50,796	38.79%	-
2.	Shri. N.R.K. Ramkumar Raja & Shri. N.R.K. Ramkumar Raja HUF	2,26,060	5.65%	-
3.	Smt Saradha Deepa	9,536	0.24%	-
4.	Smt. R. Sudarsanam	10,108	0.25%	-
5.	Shri. P.R.Venketrama Raja	6,080	0.15%	-
6.	M/s Rajapalayam Mills Limited	4,000	0.10%	-
7.	Smt. P.V. Srisandhya	3,400	0.09%	-
8.	M/s Sri Vishnu Shankar Mill Limited	2,200	0.06%	-
9.	Smt. P.V. Nirmala	400	0.01%	-
	Total Promoters Holding	18,12,580	45.34%	-

Shareholders holding of Promoters as at 31-03-2022

S. No.	Name of the Promoters	No. of Shares	% of total shares	% Change during the year
1.	Smt. Nalina Ramalakshmi	15,50,796	38.79%	0.99%
2.	Shri. N.R.K. Ramkumar Raja & Shri. N.R.K. Ramkumar Raja HUF	2,26,060	5.65%	1.24%
3.	Smt Saradha Deepa	9,536	0.24%	-
4.	Smt. R. Sudarsanam	10,108	0.25%	0.02%
5.	Shri. P.R.Venketrama Raja	6,080	0.15%	0.02%
6.	M/s Rajapalayam Mills Limited	4,000	0.10%	-
7.	Smt. P.V. Srisandhya	3,400	0.09%	-
8.	M/s Sri Vishnu Shankar Mill Limited	2,200	0.06%	-
9.	Smt. P.V. Nirmala	400	0.01%	-
	Total Promoters Holding	18,12,580	45.34%	

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 24		
Other Equity		
Capital Reserve		
Balance as per last financial statement	**17.63**	17.63

Additional Disclosures:

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Particulars	As at 31-03-2023	As at 31-03-2022
Capital Reserve on Consolidation		
Balance as per last financial statement	**10,486.79**	10,337.79
Add : Declassification of Associates pursuant to the scheme of amalgamation	-	149.00
Total	**10,486.79**	10,486.79

Additional Disclosures:

Capital Reserve on consolidation represents excess of the Parents' share of the net fair value of the investments in Associates overthe cost of the investment which is recognised directly in equity as capital reserve upon transition to Ind AS.

Particulars	As at 31-03-2023	As at 31-03-2022
Securities Premium		
Balance as per last financial statement	**743.92**	-
Add: Securities premium on Shares issued to the Shareholders of M/s Sri Harini Textiles Limited pursuant to the scheme of amalgamation. (Refer Note No. 43 - Business Combination)	-	743.92
Total	**743.92**	743.92

Additional Disclosures:

Represents the difference between the face value of shares and the issued price of shares allotted to the Share Holders pursuant to Business Combination.

Particulars	As at 31-03-2023	As at 31-03-2022
General Reserve		
Balance as per last financial statement	**15,175.71**	15,175.71
Add/(Less): Transfer from Retained Earnings	-	-
Total	**15,175.71**	15,175.71

Additional Disclosures:

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Retained Earnings		
Balance as per last financial statement	2,441.61	412.91
Add : Profit for the year	(2,936.73)	2,144.07
Add/(Less):Deferred Tax recognised on revaluation of assets taken over pursuant to Business Combination	-	-
Add/(Less):Transfer from Items of OCI	(34.39)	(78.68)
Add/(Less):Share of OCI from Associates	(3.83)	(3.08)
Sub-Total	(533.34)	2,475.22
Balance available for Appropriations		
Less: Appropriations		
Add/(Less):Dividend distribution to shareholders	(39.47)	(19.73)
Add/(Less): Profit from Foreign Stepdown Subsidiary	0.25	-
Add : Purchase of Non Controlling Interest	-	(13.88)
Total	(572.56)	2,441.61

Additional Disclosures:

Represents that portion of the net income of the Company that has been retained by the Company.

Note: The Board of Directors have recommended the payment of final dividend ₹ 0.50/- per share for the year 2022-23 (PY: ₹ 1/- per share). This proposed dividend is subject to the approval of Shareholders in the ensuing AGM.

Particulars	As at 31-03-2023	As at 31-03-2022
FVTOCI Reserve		
Balance as per last financial statement	-	5.01
Add/(Less): Profit for the year	(3.83)	-
Add: Other Comprehensive Income for the year	-	(1.71)
Less: Transfer to Retained Earnings	3.83	(3.30)
Total	-	-

Additional Disclosures:

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Share of OCI of Associates		
Balance as per last financial statement	-	-
Add: Other Comprehensive Income for the year	0.24	(3.08)
Less: Transfer to Retained Earnings	(0.24)	3.08
Total	-	-
Foreign Currency Translation Reserve		
Balance as per last financial statement	-	-
Add: Other Comprehensive Income for the year	3.53	-
Less: Transfer to Retained Earnings	-	-
Total	3.53	-
Total Other Equity	25,855.02	28,865.66

Note No. 25

Non-Controlling Interest

Balance as per last financial statement	521.36	777.62
Add/(Less): Share of capital in subsidiary	-	(227.50)
Add/(Less): Share of Profit / (Loss) in subsidiary	11.33	(28.76)
Add/(Less): Share of capital in subsidiary	3.27	-
Total	535.96	521.36

Note No. 26

Non-Current Borrowings

Secured		
Term Loan from Banks	7,450.23	5,246.69
Working Capital Term Loan from Banks	11,185.30	4,084.28
Unsecured		
Working Capital Term Loan from Banks	2,650.99	3,859.42
Loans and Advances from Related Parties	950.00	950.00
Total	22,236.52	14,140.39

Additional Disclosures

a) Term Loans from Banks - Secured

Existing Term Loans from Karur Vysya bank and Indian Bank are secured by Pari-passu 1st charge on the fixed assets of the Company and paripassu second charge on current assets of the Company carry interest rate linked to MCLR which stood at 8.75% p.a and 8.30% p.a respectively as at the reporting date.

Additional Term Loans in FY 2022-23 from Indian bank and ICICI Bank are secured by Pari-passu 1st charge on moveable assets of the Company and paripassu second charge on current assets of the Company carry interest rate linked to MCLR which stood at 7.75% p.a and 8.50% p.a respectively as at the reporting date.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022

b) Working Capital Term Loans from Banks - Secured

Existing Working Capital Term Loans from

A. Canara Bank is secured by pari-passu 1st charge on Current assets Company

B. ECLGS from RBL Bank Ltd is secured by pari-passu 1st charge on the moveable assets of the Company and pari-passu second charge on current assets of the Company

C. Karur Vysya Bank is secured by pari-passu 1st charge on the fixed assets of the Company and pari-passu second charge on current assets of the Company carry interest rate linked to MCLR which stood at 8.60% p.a, 9.05% p.a and 8.75% p.a respectively as at the reporting date.

Additional Working Capital Term Loans in FY 2022-23 from IDBI Bank and Karur Vysya Bank are secured by pari-passu 1st charge on moveable assets of the Company and pari-passu second charge on current assets of the Company carry interest rate linked to MCLR which stood at 8.20% p.a and 8.75% p.a respectively as at the reporting date.

c) Unsecured Working Capital Term Loan

Unsecured Working Capital Term Loan under Emergency Credit Line Guarantee (ECLGS) from Federal Bank is availed as unsecured and covered under 100% Government Guarantee carry interest rate linked to Repo Rate which stood at 9.25% p.a as at the reporting date.

d) Unsecured Working Capital Term Loan of ₹ 950.00 Lakhs from related parties i.e Rajapalayam Mills Ltd carry interest at 9.25% p.a as at the reporting date.

The Company has used the borrowings from banks and financial institutions form the specific purpose for which it was taken as at the reporting date.

Registration, Modification and Satisfaction of charges relating to the year under review had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.

e) Refer Note No.52 for information about risk profile of borrowings under Financial Risk Management.

f) The interest rates are reset on overnight / monthly / yearly basis. The term loans are repayable in equal monthly / quarterly / half yearly instalments at various dates and the year wise repayment is as follows:

Repayment Due	Amount	Amount
2023-24	-	4,396.57
2024-25	6,111.25	4,433.22
2025-26	4,943.37	2,548.34
2026-27	5,692.99	1,625.13
2027-28	3,641.06	151.51
2028-29	513.85	168.07
Above 2029	1,334.00	817.55
Total	**22,236.52**	14,140.39

Note No. 27

Provisions

Provision for Employee benefits	88.97	80.48
Total	**88.97**	80.48

Note No. 28

Deferred Tax (Asset) / Liability (Net)

(₹ in Lakhs)

Particulars	As on 01-04-2022	Credit Utilized/ Reversed	Recognition in P&L Account	As on 31-03-2023
Tax impact on difference between book base and tax base of assets	**3,078.68**		(131.33)	2,947.35
Tax impact on Leases	-	-	-	-
Tax effect on unabsorbed depreciation and business losses under Income Tax Act, 1961	**(379.21)**		(792.88)	(1,172.09)
Tax effect on Provision for Bonus and Leave Encashment	**(105.37)**		15.47	(89.90)
Unused tax credits (ie. MAT Credit Entitlement)	**(2,663.23)**	507.50	-	(2,155.73)
Others	**(10.17)**		(6.65)	(16.82)
Total	**(79.30)**	**507.50**	**(915.39)**	**(487.19)**

Particulars	As on 01-04-2021	Pursuant to Business Combination	Credit Utilized/ Reversed	Recognition in P&L Account	As on 31-03-2022
Tax impact on difference between book base and tax base of assets (including deferred tax on assets and liabilities taken over pursuant to scheme of business combination)	3,719.99	-		(641.31)	3,078.68
Tax effect on unabsorbed depreciation and business losses under Income Tax Act, 1961	(644.10)	(366.11)		631.00	(379.21)
Tax effect on Provision for Bonus and Leave Encashment	(71.83)	-		(33.54)	(105.37)
Unused tax credits (ie. MAT Credit Entitlement)	(2,653.66)	144.63		(154.20)	(2,663.23)
Others	-	-		(10.17)	(10.17)
Total	350.40	(221.48)	-	(208.22)	(79.30)

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Reconciliation of Deferred Tax (Asset) / Liabilities (Net)		
Balance at the beginning of the year	(79.30)	350.40
Deferred Tax recognized pursuant to business combination	-	(221.48)
Deferred Tax Expense during the year recognised in the Statement of Profit and Loss	(915.39)	(54.02)
MAT Credit Utilized/(recognized) during the year	507.50	(154.20)
Balance at the end of the year	(487.19)	(79.30)
Components of Tax Expenses		
Profit and Loss Section		
Current Tax	-	134.75
Current Income Tax Charge	-	-
Current Tax adjustments of earlier years	(5.83)	-
Deferred Tax		
Relating to the temporary difference	(915.39)	(54.02)
MAT Credit Recognition	507.50	(154.20)
Deferred Tax adjustments of earlier years		
Other Comprehensive Income Section		
Charged in Other Comprehensive Income	-	-
Total Tax Expenses recognized in the Statement of Profit or Loss account	(413.72)	(73.47)
Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarized as below:		
Accounting Profit before tax (including OCI)	Nil	794.39
Corporate Tax Rate%	29.12%	29.12%
Computed Tax Expense	Nil	Nil
Increase/(Reduction) in taxes on account of :		
Tax adjustments of earlier years		
Non-deductible expenses		
Income exempt / eligible for deduction under chapter VI-A		
MAT Credit Recognition / Utilization		
Additional allowances / deductions for tax purposes		
(A)	-	-

(₹ in Lakhs)

Particulars		As at 31-03-2023	As at 31-03-2022
Income Tax under MAT			
Accounting Profit before tax (including OCI)		**Nil**	794.39
Corporate Tax Rate %		**16.69%**	16.69%
Computed Tax Expense		**NIL**	132.58
Increase/(Reduction) in taxes on account of :			
Tax adjustments of earlier years			
Non-deductible expenses		-	2.17
Income exempt / eligible for deduction under chapter VI-A			
Additional allowances / deductions for tax purposes		-	-
	(B)	-	134.75
Tax Expenses recognised in the Statement of Profit and Loss Higher of A & B Above		-	134.75

Additional Disclosures:

i) A new Section 115BAA in the Income Tax Act, 1961, vide the Taxation Laws (Amendment) Ordinance 2019, is introduced providing domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01-04-2019 subject to certain conditions. Since new tax regime are not beneficial in view of various deductions, exemptions and MAT Credit Entitlement available under existing tax regime, the Company has not adopted new tax rates for the year and continue to adopt tax rates under existing tax regime. Accordingly, the Company has recognised deferred tax at the existing rates.

Note No. 29

Deferred Government Grants

Deferred Government Grants	**15.96**	17.41
Total	**15.96**	17.41

Additional Disclosures:

(i) Industrial Promotion Assistance (IPA) provided by Department of Industries, Government of Andhra Pradesh towards creation of infrastructure facilities is recognised as 'Grant Income' over the useful life of the underlying PPE.

(₹ in Lakhs)

Particulars	As at 31-03-2023		As at 31-03-2022	
Note No. 30				
Current Borrowings				
Secured				
Loan from Banks	12,103.39		11,816.54	
Current Maturities of Long Term Borrowings	3,340.25		3,333.90	
		15,443.64		15,150.44
Unsecured and Considered Good				
Loan / Repayable on Demand from Banks	2,485.67		1,999.99	
Current Maturities of Long Term Borrowings	1,259.38		1,168.58	
Loans and Advances from Related Parties [Refer to Note No. 48(b)(i)]	848.33		113.28	
		4,593.38		3,281.85
Total		20,037.02		18,432.29

Additional Disclosures:

a) Loan Repayable on Demand from Banks are secured by pari-passu first charge on the current assets of the Company and paripassu second charge on the fixed assets of the Company.

b) Loan from Banks and Loan repayable on demand carry interest rate for cash credit from 8.45% to 9.25%, Short term borrowings from 6.15% to 7.70%.

c) The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

d) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

e) Refer Note No.52 for information about risk profile of borrowings under Financial Risk Management.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Note No. 31		
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	316.22	92.18
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,137.87	1,666.64
Total	1,454.09	1,758.82

Additional Disclosures:

a) Disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006

The categorization of supplier as MSME registered under The Micro, Small and Medium Enterprises Development Act, 2006, has been determined based on the information available with the company as at the reporting date. The disclosures as per the requirement of the Act are furnished as below:

a. (i) The principal amount remaining unpaid to any supplier at the end of the financial year included in Trade payables	316.22	92.18
(ii) The interest due on the above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c. The amount of the payment made to the supplier beyond the appointed day during the financial year	-	-
d. The amount of interest accrued and remaining unpaid at the end of financial year	-	-
e. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	-	-

b) Trade Payables ageing schedule

As at 31-03-2023

Particulars		Outstanding for the following periods from the due date of payment as at 31-03-2023					
		Not Due	< 1 Year	1 - 2 years	2 - 3 years	> 3 years	Total
(i)	MSME	316.22	-	-	-	-	316.22
(ii)	Others	797.89	333.29	1.15	1.33	4.21	1,137.87
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
(v)	Unbilled dues	-	-	-	-	-	-
Total		1,114.11	333.29	1.15	1.33	4.21	1,454.09

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022

As at 31-03-2022

Particulars		Outstanding for the following periods from the due date of payment as at 31-03-2022					
		Not Due	< 1 Year	1 - 2 years	2 - 3 years	> 3 years	Total
(i)	MSME	92.18	-	-		-	92.18
(ii)	Others	882.73	765.70	1.40	16.81	-	1,666.64
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
(v)	Unbilled dues	-	-	-	-	-	-
Total		974.91	765.70	1.40	16.81	-	1,758.82

c) Refer to Note No 52 information about risk profile of Trade Paybles under Financial Risk Management and Ageing schedule.

Note No. 32

Other Financial Liabilities

Unclaimed Dividends	**7.11**	7.57
Ramaraju Memorial Fund	**462.62**	463.97
Liabilites for Other Finance	**466.24**	357.98
Derivatives Designated as Hedges - Foreign Exchange Forward Contract	**27.16**	33.26
Total	**963.13**	862.78

Additional Disclosures:

a) Unclaimed Dividends represent amount not due for transfer to IEPF.

Note No. 33

Other Current Liabilities

Other Current Payables	**772.48**	567.24
Statutory Liabilites / Lease Rent Payable	-	-
Current Payable - Capital Goods	-	1,111.21
Total	**772.48**	1,678.45

Note No. 34

Provisions (Short Term)

Provision for Compensated Absences (Refer Note No.46)	**384.49**	449.85
Provision for Taxation of earlier years	**6.55**	89.50
Total	**391.04**	539.35

Additional Disclosures:

a) The Company provides for expenses towards compensated absences provided to 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.

(₹ in Lakhs)

Particulars		For the year ended 31-03-2023		For the year ended 31-03-2022
Note No. 35				
Revenue From Operations				
Sale of Products				
Textiles	34,121.35		38,469.03	
Surgical Dressings	5,517.78		3,976.80	
Waste Sales	752.56		532.18	
		40,391.69		42,978.01
Other operating Revenues				
Export Incentive	204.50		166.53	
Job Work Charges Received	114.81	319.31	69.23	235.76
Total		40,711.00		43,213.77

Additional Disclosures:

a) The Company's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point in time.

b) Disaggregation of Income

Gross Revenue	42,991.70	45,417.26
Less : Discounts	(326.92)	(203.48)
Less : GST	(1,953.78)	(2,000.01)
Net Revenue	40,711.00	43,213.77

Note No. 36		
Other Income		
Interest Receipt	223.32	172.34
Rent Receipts	0.12	0.12
Profit on Sale of Fixed Assets	36.72	-
Government Grants	1.45	1.45
Miscellaneous Income	6.60	13.58
Total	268.21	187.49

Note No. 37		
Cost of Materials Consumed		
Cost of Materials Consumed	24,502.71	25,515.59
Total	24,502.71	25,515.59

(₹ in Lakhs)

Particulars		For the year ended 31-03-2023		For the year ended 31-03-2022
Note No. 38				
Changes in Inventories of Finished Goods And Work-in-Progress				
Opening stock				
Finished Goods	2,576.15		2,110.40	
Process Stock	1,568.42		1,063.30	
		4,144.57		3,173.70
Closing Stock				
Finished Goods	3,400.71		2,576.15	
Process Stock	1,092.73		1,568.42	
		4,493.44		4,144.57
Net (Increase) / Decrease in Stock		(348.87)		(970.87)
Note No. 39				
Employee Benefit Expenses				
For Employees other than Directors				
Salaries, Wages and Bonus	3,957.31		3,280.82	
Contribution to Provident and Other Funds	390.74		303.04	
Staff and Labour Welfare & Training Expenses	321.00		204.45	
		4,669.05		3,788.31
For Directors				
Managing Directors Remuneration	240.00		240.00	
Contribution to Provident and Other Funds (MD)	12.42		12.42	
Sitting Fees (MD)	3.95		2.70	
		256.37		255.12
Total		4,925.42		4,043.43

Additional Disclosures:

(a) Amount recognised in Other Comprehensive Income represent remeasurement losses on defined benefit obligations i.e Gratuity fund, recognised in OCI.

(b) Refer Note No.46 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.

(₹ in Lakhs)

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Note No. 40		
Finance Cost		
Interest on Debts and Borrowings	2,775.88	1,860.03
Exchange differences on Foreign Currency Borrowings regarded as on adjustment to Borrowing Cost	382.77	217.23
Interest Expenses on shortfall in payment of Advance Tax	-	-
Total	3,158.65	2,077.26

Additional Disclosures:

(a) Interest on Debt & Borrowings represent interest calculated using the effective interest rate method.

(b) Refer Note No.49 for information about Interest rate risk exposure under Financial Risk Management.

(c) The above Finance Costs is net of transfer to Capital Work in Progress portion of ₹ 26.93 Lakhs (PY: Nil) attributable to the qualifying assets.

Note No. 41		
Depreciation and Amortization Expenses		
Depreciation of Plant, Property and Equipment (Refer Note No.8)	4,201.18	4,597.35
Amortization of Intangible assets (Refer Note No.12)	4.38	0.30
Depreciation on Investment Properties (Refer Note No.10)	0.19	0.18
Total	4,205.75	4,597.83

Additional Disclosures:

(a) Depreciation adjustments comprise of additional ₹ 2,981.16 Lakhs in current year. This is on account of technical evaluation of plant and machinery and electrical machineries installed in the factory premises.

(b) The estimation of useful life of Property, Plant and Equipment has been provided under Note No. 4E.

(₹ in Lakhs)

Particulars		For the year ended 31-03-2023		For the year ended 31-03-2022
Note No. 42				
Other Expenses				
Manufacturing Expenses				
Power and Fuel	2,878.46		2,727.77	
Production Consumables	412.16		367.40	
Packing Materials Consumption	610.79		600.55	
Job work Charges Paid	212.01		150.10	
Repairs to Buildings	64.00		73.82	
Repairs to Plant and Machinery	611.24		706.93	
Repairs - General	655.79		576.80	
		5,444.45		5,203.37
Establishment Expenses				
Rates and Taxes	111.26		99.37	
Postage and Telephone	29.68		12.30	
Printing and Stationery	16.74		17.50	
Travelling Expenses	128.80		11.97	
Vehicle Maintenance	106.82		103.83	
Insurance	164.25		161.59	
Directors Sitting Fees	15.20		18.25	
Rent	30.94		8.96	
Audit Fees and Legal Expenses	87.55		40.94	
Corporate Social Responsibility Expenses	26.78		36.56	
Advertisement	36.50		16.65	
Bank Charges	53.08		45.31	
Covid-19 Welfare Expenses	-		2.52	
Loss on Sale of Assets	-		252.77	
Miscellaneous Expenses	103.21		46.96	
		910.81		875.48

(₹ in Lakhs)

Particulars		For the year ended 31-03-2023		For the year ended 31-03-2022
Selling Expenses				
Bad Debts and Impairment Allowances for Trade Receivables	54.12		22.19	
Sales Commission	318.70		294.43	
Export Expenses	315.90		289.48	
Other Selling Expenses	266.69		179.32	
		955.41		785.42
Total		7,310.67		6,864.27

Additional Disclosures:

(a) The details of CSR Expenditure are furnished in Note 55(g).

(b) Audit Fees & Expenses		
Statutory Auditors		
Statutory Audit	3.00	1.60
Other Certification work	3.08	1.11
Tax Audit	1.00	0.50
Total	7.08	3.21

Note No. 43

Business Combination

Further to the filing of the Scheme of Amalgamation of Sri Harini Textiles Limited (SHTL) with the Company, the NCLT vide its order dated 13th July, 2022, directed to hold the meetings of shareholders of the Transferor and Transferee Companies and the meetings of secured creditors and unsecured creditors of the Transferee Company. The requirement to hold the meeting of creditors of the Transferor Company was dispensed.

The meetings were held on 08th September, 2022 as directed. The Outcome of the said meetings with the scrutinizer report was submitted with stock Exchange on 09th September, 2022. The Order was pronounced on 31st May, 2023. The Certified Copy of NCLT Order and the Scheme of Amalgamation was filed with Registrar of Companies on 25th June, 2023.

Upon coming into effect of the Scheme, the undertaking of SHTL stands transferred to and vested in the Company with effect from the Appointed Date of 1st April, 2021.

The merger has been accounted as per the acquisition method based on IndAS 103 Business Combinations.

Ind AS 103 on Business Combinations:

The Assets and Liabilities in the books of account of SHTL as on 1st April, 2021, the appointed date, (after eliminating the intercompany balances) is included in the financial statements of the Company.

All equity shares of SHTL held by the Company were canceled without any further application, act or deed.

The investment held by the Company in SHTL aggregating to ₹ 149.00 Lakhs has been extinguished and the reserves and surplus of SHTL aggregating to ₹ 599.29 Lakhs as on the appointed date is added on line by line basis with the respective reserves of the Company.

All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value. This amalgamation did not involve any cash outflow (except for the transaction costs which was expensed out).

(A) Purchase consideration transferred:

As per the scheme, the Company issued its shares in favour of existing shareholders of SHTL such that 34 of Company's shares were allotted for every share of 1000 shares of SHTL.

(B) Details of assets acquired, and liabilities assumed:

Particulars		SHTL ₹ in Lakhs
ASSETS		
Non-Current Assets		
Property, Plant and Equiptments		1,575.30
Intangible Assets		0.31
Other Financial Assets		64.41
Deferred Tax Assets		366.11
Total Non-Current Assets	**(A)**	**2,006.13**

Particulars		SHTL ₹ in Lakhs
Current Assets		
Inventories		878.71
Financial Assets		
Trade Receivable		349.39
Cash and Cash Equivalents		3.00
Other Financial Assets		44.48
Other Current Assets		396.40
Total Current Assets	(B)	**1,671.98**
TOTAL ASSETS	(A+B)	**3,678.11**
EQUITY & LIABILITIES		
EQUITY		
Equity Share Capital		300.00
Other Equity		(1,781.00)
Total Equity	(C)	**(1,481.00)**
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Borrowings		950.00
Provisions		0.08
Deferred Government Grants/Income		18.86
Total Non-Current Liabilities	(D)	**968.94**
Current Liabilities		
Financial Liabilities		
Borrowings		1,017.34
Trade payables		
i) Total Outstanding dues of creditors other than micro enterprises and small enterprises		217.66
Other Financial Liabilities		2,932.81
Provisions		22.36
Total Current Liabilities	(E)	**4,190.17**
TOTAL EQUITY AND LIABILITIES	(C+D+E)	**3,678.11**

Computation of Goodwill (₹ In Lakhs)

Total Assets of SHTL		3,678.11
Add : Fair Valuation of Asset and Liabilities of SHTL		496.67
Total Gross Value of Assets of SHTL	(A)	**4,174.78**
Less : Current and Non Current Liabilities of SHTL	(B)	5,159.11
Net Assets of SHTL	C = A-B	**(984.33)**
Consideration Paid by way of issue of shares in the ratio of 34:1000	D	749.05
Add : Investment already held by RSCM in SHTL	E	149.00
Excess of Consideration paid over net assets taken over (Goodwill)	F = D+E-C	**1,882.38**

Reconciliation of Equity shares issued pursuant to Business Combination

Total Shares of Sri Harini Textiles Limited (SHTL)	30,00,000
Less : Shares held by the Company (RSCM)	14,90,000
Total shares held by outside shareholders	**15,10,000**
Swap Ratio	34 shares of RSCM for every 1000 shares of SHTL
Net shares issued pursuant to business combination	**51,340**
Value per share as per the approved scheme RSCM SHTL	 ₹ 1459/- ₹ 49/-
Value of 51,340 shares issued pursuant to business combination	
Equity (51,340 shares of ₹ 10/- each)	**₹ 5,13,400/-**
Securities Premium (51,340 shares of ₹ 1449/- each)	**₹ 7,43,91,660/-**

(C) Comparable period

The results for the year ended 31st March, 2021 does not include the impact of the acquisitions of SHTL since the effective date of amalgamation being 01st April, 2021 and accordingly are not comparable with previous year to that extent.

	As at 31-03-2023	As at 31-03-2022
Note No. 44		
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	NIL	NIL

(₹ In Lakhs)

	As at 31-03-2023	As at 31-03-2022
Note No. 45		
Contingent Liabilities		
Guarantees given by the bankers on behalf of company	**142.52**	100.40
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to – TNVAT	**NIL**	8.45

i. 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 ₹ 159.49 Lakhs (PY: ₹ 159.49 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 this matter.

Note No. 46

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

Defined Contribution Plan:

Employer's Contribution to Provident Fund	**243.99**	206.68
Employer's Contribution to Superannuation Trust Fund	**20.83**	18.99

Defined Benefit Plan – Gratuity

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Company makes annual contributions to "The Ramaraju Surgical Cotton Mills Limited Employees Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Details of the post retirement gratuity plan (Funded) are as follows:

Movements in the present value of define benefit obligation:

Opening defined Benefit Obligation	**629.18**	543.80
Current Service Cost	**50.53**	45.41
Past Service Cost	**NIL**	NIL
Interest Cost	**44.28**	35.28
Actuarial (Gain) / Loss	**30.21**	80.03
Benefits paid	**(-)55.03**	(-)75.34
Closing Defined Benefit obligation	**699.17**	629.18

(₹ In Lakhs)

	As at 31-03-2023	As at 31-03-2022
Movement in the present value of plan assets:		
Opening Fair Value of Plan Assets	631.67	609.09
Expected Return on Plan Assets	48.87	41.84
Actuarial Gain / (Loss)	(-)4.43	(-)1.95
Employer Contribution	119.74	58.03
Benefits Paid	(-)55.03	(-)75.34
Closing Fair Value of Plan Assets	740.82	631.67
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its defined benefit plans:		
Present value of obligation	699.19	629.18
Fair value of plan assets	740.82	631.67
Present value of Funded defined obligation	(-) 41.65	(-) 2.49
Cost of defined benefit plan:		
Current Service Cost	50.53	45.41
Interest Cost	(-) 4.59	(-) 6.57
Past Service Cost	NIL	NIL
Net Cost Recognized statement in the Income Statement	45.94	38.84
Expected return on plan assets (To the extent it does not represent an adjustment to Interest Cost)	4.43	1.95
Actuarial (Gain) / Loss	30.24	80.03
Net Cost recognized in the Other Comprehensive Income	34.67	81.98
Major Categories of Plan Assets:		
GOI Securities	NIL	NIL
Funds with LIC	737.20	628.57
Others	3.63	3.10
Total	740.83	631.67
Actuarial Assumptions:		
Discount rate P.A.	7.22%	7.36%
Rate of escalation in salary P.A.	5.00%	5.00%
Attrition rate	0.50%	0.50%

(₹ In Lakhs)

	As at 31-03-2023	As at 31-03-2022
Estimate of Expected Benefit payments:		
Year 1	**20.03**	20.96
Year 2	**78.29**	35.36
Year 3	**63.41**	36.20
Year 4	**74.11**	48.27
Year 5	**72.23**	44.69
Next 5 Years	**299.26**	285.89
Quantitative Sensitivity Analysis for Significant Assumptions:		
0.50% Increase in Discount Rate	**55.43**	47.52
0.50% Decrease in Discount Rate	**62.73**	53.84
0.50% Increase in Salary Growth Rate	**62.81**	53.92
0.50% Decrease in Salary Growth Rate	**55.32**	47.43

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation as significant actuarial assumptions source material (Projected unit credit method) has been applied as when calculating the defined benefit obligation recognised with in the Balance Sheet.

Details of Leave encashment plan (Unfunded) are as follows:

Movement in the present value of defined benefit Obligation:		
Opening defined Benefit Obligation	**88.38**	74.99
Current Service Cost	**17.54**	15.33
Interest Cost	**5.78**	4.60
Actuarial (Gain) / Loss	**3.45**	5.28
Benefits paid	**(-) 19.64**	(-) 11.83
Closing defined Benefit obligation	**95.51**	88.38
Movement in the present value of plan assets:		
Opening fair value of plan assets	**NIL**	NIL
Expected return on plan assets	**NIL**	NIL
Actuarial Gain / (Loss)	**NIL**	NIL
Employer Contribution	**11.83**	11.83
Benefits paid	**(-) 11.83**	(-) 11.83
Closing fair value of plan assets	**NIL**	NIL

(₹ In Lakhs)

	As at 31-03-2023	As at 31-03-2022
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
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its define benefit plans:		
Fair value of plan assets	**NIL**	NIL
Present value of obligation	**95.51**	88.37
Present value of Funded define obligation	**95.51**	88.37
Cost of defined benefit Plan:		
Current Service Cost	**17.54**	15.33
Interest Cost	**5.78**	4.61
Actuarial (Gain) / Loss	**3.45**	5.28
Net Cost recognized in the Income Statement	**26.77**	25.22
Major Categories of Plan Assets:		
GOI Securities	**NIL**	NIL
Funds with LIC	**NIL**	NIL
Bank balance	**NIL**	NIL
Total	**NIL**	NIL
Actuarial Assumptions:		
Discount rate p.a	**7.22%**	7.36%
Rate of escalation in salary p.a	**5.00%**	5.00%
Attrition rate	**0.50%**	0.50%
Estimate of Expected Benefit payments		
Year 1	**2.26**	3.61
Year 2	**9.90**	10.99
Year 3	**3.06**	7.16
Year 4	**9.18**	3.60
Year 5	**14.21**	8.67
Next 5 Years	**31.19**	40.89

(₹ In Lakhs)

	As at 31-03-2023	As at 31-03-2022
Quantitative Sensitivity Analysis for Significant Assumptions		
0.50% Increase in Discount Rate	**28.47**	16.64
0.50% Decrease in Discount Rate	**31.89**	18.52
0.50% Increase in Salary Growth Rate	**31.93**	18.55
0.50% Decrease in Salary Growth Rate	**28.41**	16.61

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation as significant actuarial assumptions the same method (Projected unit credit method) has been applied as when calculating the defined benefit obligation recognised with in the Balance Sheet.

Note No. 47

Disclosure Of Interests In Associates Under Equity Method

Name of the Company	Location	Principal activities of Business
Material Associates		
M/s. The Ramco Cements Limited	India	Manufacture of Building materials
M/s. Rajapalayam Mills Limited	India	Manufacturer of Cotton yarn
Immaterial Associates		
M/s. Ramco Industries Limited	India	Manufacture of Building materials
M/s. Ramco Systems Limited	India	Software development
M/s. Sri Vishnu Shankar Mill Limited	India	Manufacturer of Cotton yarn
M/s. Shri Harini Media Limited	India	Publications

Name of the Company	% of Shareholding as at	
	31-03-2023	31-03-2022
M/s. The Ramco Cements Limited	**1.40**	1.40
M/s. Ramco Industries Limited	**0.16**	0.16
M/s. Ramco Systems Limited	**0.04**	0.04
M/s. Rajapalayam Mills Limited	**1.83**	1.83
M/s. Sri Vishnu Shankar Mill Limited	**0.75**	0.75
M/s. Shri Harini Media Limited	**2.65**	2.65

(₹ In Lakhs)

Summarised financial information for Associates:

The summarized consolidated financial statements of the material associates are as below:

Balance Sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
As at 31-03-2023						
The Ramco Cements Limited	**12,70,787.00**	**24,438.00**	**1,88,687.00**	**4,63,859.00**	**3,08,809.00**	**6,86,806.00**
Rajapalayam Mills Limited	**1,02,880.02**	**1,85,747.37**	**58,544.84**	**53,480.38**	**69,520.33**	**2,24,171.52**
As at 31-03-2022						
The Ramco Cements Limited	11,18,187.00	26,929.00	1,70,737.00	3,75,048.00	2,78,269.00	6,62,536.00
Rajapalayam Mills Limited	77,245.00	1,81,709.00	40,771.00	36,065.00	51,086.00	2,12,554.00

Profit and Loss	The Ramco Cements Limited		Rajapalayam Mills Limited	
	31-03-2023	31-03-2022	**31-03-2023**	31-03-2022
Total Revenue	**8,19,019.00**	6,03,169.00	**87,169.00**	70,526.09
Profit before tax	**47,198.00**	80,344.00	**3,765.50**	5,721.00
Tax expenses	**12,999.00**	(8,941.00)	**590.04**	3,637.00
Profit after Tax	**34,199.00**	89,285.00	**3,175.46**	1,883.65
Share of profit in Associates	**(2,724.00)**	(1,090.00)	**5,012.90**	14,774.07
Other Comprehensive Income	**(109.00)**	(261.00)	**(23.31)**	16.36
Share of OCI of Associate	-	-	**88.18**	(45.47)
Total Comprehensive Income	**31,366.00**	87,934.00	**8,253.23**	16,628.61

Fair Value of Investments

Name of the material Associates	31-03-2023	31-03-2022
The Ramco Cements Limited	**16,033.37**	15,655.52
Rajapalayam Mills Limited	**1,496.22**	1,363.86

Share of contingent Liabilities in respect of associates

Name of the material Associates	31-03-2023	31-03-2022
The Ramco Cements Limited	**1,444.06**	1,380.53
Rajapalayam Mills Limited	**8.68**	10.11

(₹ In Lakhs)

Reconciliation to the carrying amount of investment in associates as on 31-03-2023 and 31-03-2022:

Profit and Loss	The Ramco Cements Limited		Rajapalayam Mills Limited	
	31-03-2023	31-03-2022	**31-03-2023**	31-03-2022
Entity's TCI	**31,366.00**	87,934.00	**8,253.23**	16,628.61
Entity's Adjusted TCI	**31,366.00**	87,934.00	**8,253.23**	16,628.61
Effective shareholding %	**1.40**	1.40	**1.83**	1.83
Associates share of profit / OCI	**478.76**	1,208.20	**69.90**	31.84
Amount recognized in P & L	**478.76**	1,208.20	**69.90**	31.84
Reconciliation				
Opening Carrying amount	**15,655.52**	14,447.32	**1,363.86**	1,204.60
Add: Associate's share of Profit & OCI	**477.24**	1,208.20	**69.83**	31.84
Less: Dividend received	**99.39**	-	**1.57**	0.79
De-recognition of Associates	-	-	-	-
Add: Subscription to Rights Issue	-	-	**64.10**	128.21
Net Carrying amount	**16,033.37**	15,655.52	**1,496.22**	1,363.86

Notes:

1) Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealized profits.

2) Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates.

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associates are furnished below:

Aggregate amounts of Group's share of:	**31-03-2023**	31-03-2022
Profit after Tax	**(0.94)**	30.32
Other Comprehensive Income	**1.84**	(0.30)
Total Comprehensive Income	**0.90**	30.02

Note No. 48

Related Party Transactions

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March 2023:

I. **Subsidiary Company**

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2023	31-03-2022
M/s. Madras Chipboard Limited	India	**75.01**	75.01
M/s. Taram Textiles LLC	USA	**100.00**	-
Name of the Step Down Subsidiary			
M/s. Taram Textiles Online, INC.,	USA	**70.02**	-

II. Associate Companies

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2023	31-03-2022
M/s. The Ramco Cements Limited	India	**1.40**	1.40
M/s. Ramco Industries Limited	India	**0.16**	0.16
M/s. Ramco Systems Limited	India	**0.04**	0.04
M/s. Rajapalayam Mills Limited	India	**1.83**	1.83
M/s. Sri Vishnu Shankar Mill Limited	India	**0.75**	0.75
M/s. Shri Harini Media Limited	India	**2.65**	2.65

III. Key Managerial Personnel (including Directors under the Companies Act, 2013)

Name of the Key Managerial Personnel	Designation
Shri P.R. Venketrama Raja	Chairman
Smt Nalina Ramalakshmi	Managing Director
Shri N.R.K. Ramkumar Raja	Managing Director
Shri N.K. Shrikantan Raja	Non-Executive Director
Shri P.J. Alaga Raja *	Independent Director
Justice Shri P.P.S. Janarthana Raja	Independent Director
Shri V. Santhanaraman	Independent Director
Shri P.J. Ramkumar Rajha	Independent Director
Shri P.A.S. Alaghar Raja	Independent Director
Shri S. Sarathy Subburaj	Nominee Director
Shri N. Vijay Gopal	Chief Financial Officer
Shri Walter Vasanth P.J *	Company Secretary

* Resigned on 10.03.2023

* Demised on 11.03.2023

iv. Relatives of Key Managerial Personnel

Name of the Relative of KMP	Relationship
Smt. R. Sudarsanam	Mother of Shri. P.R.Venketrama Raja
Smt. Saradha Deepa	Sister of Shri. P.R. Venketrama Raja
Smt. P.V. Nirmala	Spouse of Shri P.R. Venketrama Raja
Shri. Abhinav Ramasubramaniam Raja	Son of Shri P.R. Venketrama Raja
Smt. B. Sri Sandhya Raju	Daughter of Shri P.R. Venketrama Raja
Shri N.K. Ramasuwamy Raja	Brother of Shri N.R.K. Ramkumar Raja
Shri N.R.K. Venkatesh Raja	Brother of Shri N.R.K. Ramkumar Raja
Smt. P.S. Ramani Devi	Sister of Shri N.R.K. Ramkumar Raja
Smt. N.S. Gitalakshmi	Spouse of Shri N.K. Shrikantan Raja

v. Companies over which KMP/Relatives of KMP exercise significant influence

M/s. Sandhya Spinning Mill Limited
M/s. Rajapalayam Textile Limited
M/s. Ramco Windfarms Limited
M/s. N.R.K. Infra System Private Limited
M/s. Tirupathi Yarntex Spinners Pvt Ltd
M/s. Vinvent Chemilab Private Limited
M/s. Digvijai Polytex Private Limited

vi. Employee Benefit Funds where control exists

The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund
The Ramaraju Surgical Cotton Mills Limited Employees' Gratuity Fund

vii. Other entities over which there is a significant influence

M/s. P.A.C.R. Sethuramammal Charity Trust
M/s. P.A.C. Ramasamy Raja Centenary Trust
M/s. N.R.K. Distribution Services
M/s. Gowrihouse Metal Works LLP
Smt. Lingammal Ramaraju Shastra Prathishta Trust
P.A.C. Ramasamy Raja Education Charity Trust

(₹ In Lakhs)

Disclosure in respect of Related Party Transactions (excluding reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. **Transactions during the year at Arm's length basis or its equivalent**

	Name of the Related Party	2022-23	2021-22
i.	**Goods Supplied / Services rendered Associates**		
	M/s. Rajapalayam Mills Limited	**970.10**	1,874.18
	M/s. Ramco Industries Limited	**NIL**	1,181.25
	M/s. Sri Vishnu Shankar Mill Limited	**413.88**	905.99
	Goods Supplied / Services rendered Subsidiary & Step-down Subsidiary		
	M/s. Taram Textiles, LLC	**582.39**	NIL
	M/s. Taram Textiles Online, INC	**282.23**	NIL
	Companies over which KMP / Relative of KMP exercise significant Influence		
	M/s. Sandhya Spinning Mill Limited	**665.16**	847.80
	M/s. Rajapalayam Textile Limited	**2.38**	0.05
	M/s. Digvijai Polytex Private Limited	**0.21**	0.19
	M/s. Tirupathi Yarntex Spinners Pvt Ltd	**NIL**	0.13
	Other Entities over which there is a significant influence		
	M/s. Gowrihouse Metal Works LLP	**0.25**	0.20
ii.	**Sale of Fixed Assets**		
	Associates		
	M/s. Rajapalayam Mills Limited	**NIL**	1.48
iii.	**Cost of Goods & Services purchased/availed Subsidiaries**		
	M/s. Madras Chipboard Limited	**439.88**	NIL
	Associates		
	M/s. The Ramco Cements Limited	**14.58**	13.07
	M/s. Ramco Industries Limited	**865.56**	487.84
	M/s. Ramco Systems Limited	**21.49**	22.98
	M/s. Rajapalayam Mills Limited	**687.88**	1,883.97
	M/s. Sri Vishnu Shankar Mill Limited	**891.93**	197.47
	M/s. Shri Harini Media Limited	**64.08**	11.78

(₹ In Lakhs)

	Name of the Related Party	2022-23	2021-22
	Companies over which KMP / Relative of KMP exercise significant influence		
	M/s. Ramco Windfarms Limited	**289.33**	286.42
	M/s. Sandhya Spinning Mill Limited	**765.62**	33.08
	M/s. Rajapalayam Textile Limited	**471.05**	1.91
	M/s. N.R.K. Infra Systems Private Limited	**7.98**	5.48
	M/s. Vinvent Chemilab Private Limited	**4.05**	12.07
	M/s. Tirupathi Yarntex Spinners Pvt Ltd	**364.71**	1,166.36
	Other entities over which there is a significant influence		
	M/s. P.A.C.R. Sethuramammal Charity Trust	**35.02**	21.65
	M/s. P.A.C. Ramasamy Raja Centenary Trust	**8.73**	12.59
	M/s. N.R.K. Distribution Services	**102.94**	102.07
	M/s. Gowrihouse Metal Works LLP	**0.30**	0.03
	Relative of KMP exercise significant influence		
	Smt. N.S. Gitalakshmi	**0.16**	0.10
iv.	**Purchase of Right Issues**		
	M/s. Rajapalayam Mills Limited	**64.10**	128.22
v.	**Leasing Arrangements – Rent Paid**		
	Key Managerial Personnel		
	Smt. Nalina Ramalakshmi	**0.72**	0.72
vi.	**Share of Enterprise Agreement License Systems for Microsoft Products - Paid**		
	Associates		
	M/s. The Ramco Cements Limited	**19.78**	7.21
vii.	**Share of Issuance Levy for Verified Carbon Units - Paid**		
	Associates		
	M/s. The Ramco Cements Limited	**NIL**	7.03

(₹ in Lakhs)

Name of the Related Party	2022-23	2021-22
viii. Dividend Paid		
Key Managerial Personnel		
Shri. P.R. Venketrama Raja	**0.05**	0.03
Smt. Nalina Ramalakshmi	**15.19**	7.46
Shri. N.R.K. Ramkumar Raja	**2.12**	0.87
Associates		
M/s. Rajapalayam Mills Limited	**0.04**	0.02
M/s. Sri Vishnu Shankar Mill Limited	**0.02**	0.01
Relatives of Key Managerial Personnel		
Smt. R. Sudarsanam	**0.09**	0.05
Smt. Saradha Deepa	**0.09**	0.05
Shri. N.K. Ramasuwami Raja	**0.12**	0.06
Shri. N.K. Shrikantan Raja	**0.12**	0.06
Shri. N.R.K. Venkatesh Raja	**0.20**	0.10
Smt. P.S. Ramani Devi	**0.13**	0.07
ix. Inter Corporate Deposit Accepted		
M/s. Rajapalayam Mills Limited	**950.00**	950.00
x. Corporate Guarantee availed		
M/s. Ramco Industries Limited	**4,629.00**	4,629.00
xi. Dividend Received Associates		
M/s. The Ramco Cements Limited	**99.39**	NIL
M/s. Ramco Industries Limited	**1.35**	NIL
M/s. Rajapalayam Mills Limited	**1.57**	0.79
M/s. Vishnu Shankar Mill Limited	**0.11**	NIL
xii. Carbon Units Received Associates		
M/s. The Ramco Cements Limited	**NIL**	10.72

(₹ In Lakhs)

Name of the Related Party	2022-23	2021-22
xiii. Interest Paid / (Received)		
Key Managerial Personnel		
Smt. Nalina Ramalakshmi	**43.10**	31.04
Shri. N.R.K. Ramkumar Raja	**3.78**	3.85
Associates		
M/s Rajapalayam Mills Limited	**87.88**	87.88
xiv. Director's Sitting Fees		
Shri. P.R. Venketrama Raja	**1.30**	1.50
Smt. Nalina Ramalakshmi	**1.20**	1.35
Shri. N.R.K. Ramkumar Raja	**1.35**	1.35
Shri. N.K. Shrikantan Raja	**2.70**	2.70
Shri. P.J. Alaga Raja	**2.20**	2.70
Justice Shri. P.P.S. Janarthana Raja	**1.90**	2.40
Shri. V. Santhanaraman	**2.25**	2.40
Shri. P.J. Ramkumar Rajha	**2.70**	3.00
Shri S. Sarathy Subburaj	**0.80**	0.20
Shri P.A.S Alaghar Raja	**1.35**	1.30
xv. Remuneration to Key Managerial Personnel (Other than Sitting Fees)		
Smt. Nalina Ramalakshmi, Managing Director	**126.21**	126.21
Shri. N.R.K. Ramkumar Raja, Managing Director	**126.21**	126.21
Shri. N. Vijay Gopal, Chief Financial Officer	**85.81**	75.21
Shri. Walter Vasanth, Company Secretary	**14.18**	11.99
xvi. Contribution to Superannuation Trust Fund / Gratuity Fund		
Other entities over which there is a significant influence		
The Ramaraju Surgical Cotton Mills Limited Officers' Superannuation Trust Fund	**20.83**	18.99
The Ramaraju Surgical Cotton Mills Limited Employees Gratuity Fund	**100.00**	30.00

(₹ In Lakhs)

Name of the Related Party	2022-23	2021-22
xvii. Maximum amount of loans and advance/ (borrowings) outstanding during the year		
Key Managerial Personnel		
Smt. Nalina Ramalakshmi	**(943.83)**	(731.86)
Shri. N.R.K. Ramkumar Raja	**(80.50)**	(204.50)
Associates		
M/s Rajapalayam Mills Limited	**(950.00)**	(950.00)
xviii. Usage charges paid for Power Consumed by virtue of Joint Ownership of Shares with APGPCL		
Associates		
M/s. The Ramco Cements Limited	**NIL**	1.66
a. CSR Donation Given:		
Other Entities over which there is a significant influence Smt. Lingammal Ramaraju Sastra Prathista Trust	**13.87**	16.00
b. Outstanding balance including commitments		
i. Borrowings:		
Key Managerial Personnel		
Smt. Nalina Ramalakshmi	**(590.83)**	(34.83)
Shri. N.R.K. Ramkumar Raja	**(58.50)**	(49.50)
Associates		
M/s Rajapalayam Mills Limited	**(950.00)**	(950.00)
ii. Security deposit paid by virtue of Joint Ownership of shares with APGPCL		
Associates		
M/s. The Ramco Cements Limited	**11.50**	11.50
iii. Outstanding balance on supply of goods/ services Subsidiaries		
M/s. Taram Textiles, LLC	**275.40**	NIL
M/s. Taram Textiles Online, INC	**280.19**	NIL

c. Disclosure of Key Managerial Personnel compensation in total and for each of the following categories:

Short – Term Benefits (1)	**332.48**	321.70
Defined Contribution Plan (2)	**18.01**	17.92

(₹ In Lakhs)

Name of the Related Party	2022-23	2021-22
Defined Benefit Plan / Other Long-Term Benefits (3)	NIL	NIL
Total	350.49	339.62

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund.
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above

Note No. 49

Earnings per Share

Net Profit after tax (₹ in Lakhs) (A)	(2,936.73)	2,144.07
Weighted average number of Equity shares [In Lakhs] (B)	39.98	39.98
Nominal value per equity share (in ₹)	10.00	10.00
Basic & Diluted Earnings per share (A)/(B) (in ₹)	(73.46)	53.63

Note No. 50

Segment Information for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Textiles		Surgicals		Windmill Power		Total	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
REVENUE								
External Sales / Other Operating Income	35,188.81	36,201.23	5,522.19	4,012.55	-	-	40,711.00	43,213.78
Inter Segment Sale	352.96	849.09			813.31	886.71	1,166.27	1,735.80
Total Sales	35,541.77	40,050.32	5,522.19	4,012.55	813.31	886.71	41,877.27	44,949.58
Other Income	-	12.85	-	-	-	-	-	12.85
Total Revenue	35,541.77	40,063.17	5,522.19	4,012.55	813.31	886.71	41,877.27	44,962.43
RESULT								
Segment Result	(2,781.52)	1,937.03	1,641.88	599.22	482.58	546.50	(657.06)	3,082.75
Unallocated Income							44.89	15.15
Unallocated Expenses							506.42	424.31
Operating Profit							(951.54)	2,573.61
Interest Expenses							3,158.65	2,077.26
Interest Income							223.32	172.34
Provision for Taxation								
Current Tax							(5.83)	134.75
Deferred Tax							(407.89)	(208.22)
MAT Credit entitlement								
Profit from ordinary activities							(3,473.15)	842.18
Other Comprehensive Income							(34.63)	(81.96)
Fair value gain on Equity Instruments							(3.83)	(1.71)
Share of TCI from Associates							551.52	1,270.05
Total Comprehensive Income							2,960.09	2,028.54
OTHER INFORMATION								
Segment Assets	50,033.34	45,425.59	2,850.13	2,174.07	1,102.26	1,243.21	53,985.73	49,038.36
Unallocated Assets							18,764.24	18,258.41
Total Assets	50,033.34	45,425.59	2,850.13	2,174.07	1,102.26	1,243.21	72,749.97	67,296.77
Segment Liabilities Unallocated Liabilities	45,079.58	35,941.40	879.63	1,373.08			45,959.21	37,509.97
Total Liabilities	45,079.58	35,941.40	879.63	1,373.08	-	-	45,959.21	37,509.97
Capital Expenditure	9,742.69	4,828.49	302.78	252.95			10,045.47	5,079.44
Unallocated Capital Expenditure							-	-
Depreciation	3,960.26	4,367.54	104.54	88.57	140.95	141.72	4,205.75	4,597.83
Unallocated Depreciation Expenditure							-	-
Non-Cash expenses other than Depreciation							-	-

Note No. 51

Disclosure of Fair value measurements

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2023					
Financial Assets					
Investments in Preference Shares	840.00	-	-	840.00	840.00
Other Investments	-	-	8.27	8.27	8.27
Trade Receivables	3,811.44	-	-	3,811.44	3,811.44
Cash and Cash Equivalents	303.48	-	-	303.48	303.48
Bank Balance other than Cash and Cash Equivalents	7.11	-	-	7.11	7.11
Other Financial Assets	200.23	-	-	200.23	200.23
Financial Liabilities					
Borrowings	42,273.54	-	-	42,273.54	42,273.54
Trade Payables	1,454.09	-	-	1,454.09	1,454.09
Other Financial Liabilities	963.13	-	-	963.13	963.13

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2022					
Financial Assets					
Investments In Preference Shares	840.00	-	-	840.00	840.00
Other Investments	-	-	12.10	12.10	12.10
Trade Receivables	3,611.57	-	-	3,611.57	3,611.57
Cash and Cash Equivalents	848.16	-	-	848.16	848.16
Bank Balance other than Cash and Cash Equivalents	93.45	-	-	93.45	93.45
Other Financial Assets	188.09	-	-	188.09	188.09
Financial Liabilities					
Borrowings	32,572.68	-	-	32,572.68	32,572.68
Trade Payables	1,758.82	-	-	1,758.82	1,758.82
Other Financial Liabilities	862.78	-	-	862.78	862.78

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities				
As at 31-03-2023	-	-	**8.27**	**8.27**
As at 31-03-2022	-	-	12.10	12.10
Financial Instruments at FVTPL				
As at 31-03-2023	-	**27.16**	-	**27.16**
As at 31-03-2022	-	33.26	-	33.26

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at reporting date in Stock Exchange
Investment in Unlisted securities	Adjusted Net Assets	Net Assets value as per Balance Sheet of respective Companies as at reporting date.
Foreign exchange forward contracts	Mark to Market	Based on MTM valuation provided by the Banker

Note No. 52

Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

As at 31-03-2023	Due less than 45 days	46 to 90 days	More than 90 days	Total
Gross carrying amount	**3,513.17**	**37.90**	**260.37**	**3,811.44**
Expected Loss Rate	**0%**	**0%**	**0%**	**0%**
Expected Credit Losses	-	-	-	-
Carrying amount of trade receivables net of impairment	**3,513.17**	**37.90**	**260.37**	**3,811.44**

As at 31-03-2022	Due less than 45 days	46 to 90 days	More than 90 days	Total
Gross carrying amount	3,299.19	153.19	170.35	3,622.73
Expected Loss Rate	0%	0%	0.35%	0.35%
Expected Credit Losses	-	-	11.16	11.16
Carrying amount of trade receivables net of impairment	3,299.19	153.19	159.19	3,611.57

Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows.

Fund Management

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

(₹ in Lakhs)

Particulars	31-03-2023	31-03-2022
Expiring within one year		
Bank Overdraft and other facilities	**13,711.78**	3,564.74
Term Loans	**1,941.94**	4,794.56

Maturities of Financial Liabilities (₹ in Lakhs)

Nature of Financial Liability	< 1 Year	1 – 5 Years	>5 years	Total
As at 31-03-2023				
Borrowings	**20,037.02**	**22,236.52**	-	**42,273.54**
Trade payables	**1,454.09**	-	-	**1,454.09**
Other Financial Liabilities (Incl. Interest)	**963.13**	-	-	**963.13**
As at 31-03-2022				
Borrowings	18,236.80	14,335.88	-	32,572.68
Trade payables	1,758.82	-	-	1,758.82
Other Financial Liabilities (Incl. Interest)	862.78	-	-	862.78

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company uses derivative financial instruments viz. Foreign Exchange Forward Contracts exclusively for hedging currency risks that arise from imports / exports transactions. The Company measures the risk by forecasting foreign currency cash flows and manages its currency risks by appropriately hedging the transactions. When a forward contract is entered into for the purpose of being a hedge, the Company finalizes the terms of those forward contracts to match the terms of the hedged exposure i.e. receivables / payables / Firm Commitments. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities / Firm Commitments as at the end of reporting periods are given below :

As at 31-03-2023

Type	Particulars	USD	EURO
Hedged Items	**Financial Assets / Firm Commitments related to Financial Assets**		
	a) Trade Receivables	**29.61**	
	b) Export sale Contracts		**3.27**
	Financial liabilities / Firm Commitments related to Financial Liabilities		
	a) Buyers Credit Loan	**27.68**	
	b) Foreign Currency Loan		**6.97**
Hedging Instruments (forward Contracts)	**Instruments for hedging the currency risk on Financial Assets**		
	a) PCFC Loan	**15.30**	**3.08**
	b) Bill Discount - Export	**6.14**	
	Instruments for hedging the currency risk on Financial Liabilities		
	a) Forward Contract for Buyers Credit Loan	**27.68**	
	b) Forward contract for Foreign Currency Loan		

As at 31-03-2022 (₹ in Lakhs)

Type	Particulars	USD	EURO
Hedged Items	**Financial Assets / Firm Commitments related to Financial Assets**		
	a) Trade Receivables	10.01	-
	b) Export sale Contracts	36.68	7.41
	Financial liabilities / Firm Commitments related to Financial Liabilities		
	a) Buyers Credit Loan	36.54	-
	b) Foreign Currency Loan	30.00	-
Hedging Instruments (forward Contracts)	**Instruments for hedging the currency risk on Financial Assets**		
	a) PCFC Loan	16.69	
	b) Bill Discount - Export	1.36	
	Instruments for hedging the currency risk on Financial Liabilities		
	a) Forward Contract for Buyers Credit Loan	36.54	
	b) Forward contract for Foreign Currency Loan	30.00	

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest rate risk exposure

Particulars	31-03-2023	31-03-2022
Variable Rate Borrowings	**25,886.15**	16,940.36

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2023	31-03-2022
1% Increase in Interest Rate	**258.86**	169.40

Note No. 53

Impact of Covid - 19:

The resurgence of COVID-19 in India has forced State Government to impose complete lockdown from 24-05-2021 to 31-05-2021 and Mills were temporarily shutdown during that period. However, there is no material impact in the financial statements for the year ended 31-03-2022 due to such related restrictions.

Note No. 54

Events After the Reporting Period – Distribution Made and Proposed **(₹ in Lakhs)**

Particulars	31-03-2023	31-03-2022
Cash Dividends on Equity Shares declared and paid Final Dividend for the year ended 31st March, 2022 ₹ 1/- per share (PY: ₹ 0.50 per Share)	**39.47**	19.73
Proposed Dividends on Equity Shares Final Dividend for the year ended 31st March, 2023 ₹ 0.50/- per share (PY: ₹ 1/- per Share)	**19.99**	39.47

Note No.55

Additional Regulatory Information as required under Companies Act, 2013 / IND AS

a) Details of loans granted to Promoters, Directors, KMP and related parties:

Type of Borrower	Amount of Loan outstanding as on 31-03-2023	% to the Total Loans and advances in the nature of Loans
	Nil	

b) Undisclosed Income The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

c) Benami property

The Company did not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

d) Relationship with Struck off Companies The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

e) Details of Crypto Currency or Virtual Currency The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable.

f) The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities (intermediaries) with the understanding that the intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or onbehalf of the Company or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

g) **Disclosures related to CSR activities:** **(₹ in Lakhs)**

Particulars	Amount
Amount required to be spent by the company during the year	26.75
Amount of expenditure incurred	26.78
Shortfall at the end of the year	Nil
Total of previous years shortfall	Nil
Reason for shortfall	Not Applicable
Nature of CSR activities	Refer Table A
Details of related party transactions	Refer Table A

Note : The Company has not made any provision related to CSR activities for the FY 2022-23 and FY 2021-22.

Table A - Nature of CSR Activities:

Sl. No.	CSR Project or Activity identified & Sector in which the project is covered	Locations	Amount
			Actual
1.	Promotion of Education *	Rajapalayam, (Tamil Nadu).	14.15
1.	Promotion of preventive health care	Chennai, (Tamil Nadu).	5.39
2.	Protection of culture	Virudhunagar, (Tamil Nadu).	7.24
TOTAL			26.78

* ₹ 13.87 Lakh Paid to Lingammal Ramaraju Shastra Prathishta Trust (Related Party Transaction).

(₹ in Lakhs)

Note No. 56

Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

Particulars	31-03-2023	31-03-2022
Long Term Borrowings	22,236.52	14,140.39
Current maturities of Long Term borrowings	4,599.63	4,502.48
Short Term Borrowings	15,437.39	13,929.81
Less: Cash and Cash Equivalents	310.59	941.61
Net Debt (A)	41,962.95	31,631.07
Equity Share Capital	399.78	399.78
Other Equity	26,390.98	29,387.02
Total Equity (B)	26,790.77	29,786.80
Total Capital Employed (C) = (A) + (B)	68,753.72	61,417.87
Capital Gearing Ratio (A) / (C)	61%	52%

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the year ended 31-03-2023 and 31-03-2022.

As per our report annexed

For N.A. Jayaraman & Co
Chartered Accountants
Firm Registration No. 001310S

R. Palaniappan
Partner
Membership No. 205112

Chennai
12th August, 2023

On behalf of the Board of Directors
For The Ramaraju Surgical Cotton Mills Limited

Shri P.R.Venketrama Raja
Chairman
(DIN: 00331406)
Rajapalayam

Shri N.R.K.Ramkumar Raja
Managing Director
(DIN: 01948373)
Rajapalayam

N.Vijay Gopal
Chief Financial Officer
Rajapalayam

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, non circumstances have arisen since March 31, 2023, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

Allotment of Equity shares Pursuant to Scheme of Amalgamation

Allotment of 51,340 equity shares pursuant to the scheme of Amalgamation with Sri Harini Textiles Limited on the Board meeting held on 04th July, 2023.

Declaration and payment of Dividend

The Company has declared and paid a dividend of ₹ 0.50 per equity share for the year ended March 31, 2023. The Company has paid a total of ₹19.99 lakhs towards dividend to its shareholders.

Re-appointment of Nalina Ramalakshmi as Managing Director

The Board of Director of the Company in its meeting dated January 31, 2023, based on the recommendation of the Nomination & Remuneration, approved the re-appointment of Nalina Ramalakshmi as Managing Director of the company for a period of 5 years w.e.f. April 01, 2023. Shareholders via Postal Ballot result dated May 22, 2023 had approved the reappointment of Nalina Ramalakshmi as Managing Director of the company for a period of 5 years w.e.f. April 01, 2023.

Appointment of P A Ramasubramania Raja as Independent Director

The Board of Director of the Company in its meeting dated May 24, 2023, based on the recommendation of the Nomination & Remuneration, approved the appointment of P A Ramasubramania Raja as Independent Director of the company for a period of 5 years w.e.f. May 24, 2023. Shareholders via Postal Ballot result dated August 18, 2023 had approved the appointment of P A Ramasubramania Raja as Independent Director of the company for a period of 5 years w.e.f. May 24, 2023.

Appointment of P Muthukumar as Company Secretary & Compliance Officer

The Board of Director of the Company in its meeting dated August 12, 2023, based on the recommendation of the Nomination & Remuneration, approved the appointment of P Muthukumar as Company Secretary & Compliance Officer of the company w.e.f August 12, 2023

Sanction of Loan Facilities

Company has been sanctioned Stand-by letter of credit facility of ₹4,400 lakhs from Yes Bank Limited on August 5, 2023.

Company has been sanctioned working capital term loan facility of ₹3,500 lakhs from Karur Vysya Bank Limited on October 30, 2023.

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ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results. For details see "*Financial Statements*" on page 82.

Accounting Ratios:

Particulars	Based on Unaudited Consolidated Financial Results		Based on Audited Consolidated Financial Statements	
	As at nine months period ended December 31, 2023	As at nine months period ended December 31, 2022	As at and for March 31, 2023	As at and for March 31, 2022
Basic earnings per share (₹)	(78.70)	(45.60)	(73.46)	53.63
Diluted earnings per share (₹)	(78.70)	(45.60)	(73.46)	53.63
Return on Net Worth (%)	(25.07%)	(10.78%)	(18.58%)	11.28 %
Net Asset Value per Equity Share (₹)	313.89	423.03	393.88	469.27
EBITDA (₹ in lakhs)	1,664.57	3,324.51	4,025.28	8,716.93

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/(Loss) after Tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit/(Loss) after Tax as per consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) after exceptional item, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit/(Loss) for the Period/Year as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ Net worth at the end of the year on consolidated basis.
Net Worth as per 2(1)(hh) SEBI (ICDR) Regulations, 2018	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Net asset value per Equity Share	Net Worth on consolidated basis divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit/(Loss) for the year before finance costs, tax, depreciation, amortisation and exceptional items as presented in the consolidated statement of profit and loss in the Financial Statements.

Calculation of Return of Net Worth

(In ₹ lakhs, unless otherwise specified)

Particulars	Based on Unaudited Consolidated Financial Results		Based on Audited Consolidated Financial Statements	
	As at and for the nine months period ended December 31, 2023	As at and for the nine months period ended December 31, 2022	As at and for March 31, 2023	As at and for March 31, 2022
Net Profit/ (Loss after Tax (Before OCI)* (A)	(3,146.15)	(1,823.12)	(2,925.40)	2,115.31
Net worth (B)	12,548.90	16,912.12	15,746.85	18,761.02
Return on Net Worth	(25.07%)	(10.78%)	(18.58%)	11.28%

Particulars	Based on Unaudited Consolidated Financial Results		Based on Audited Consolidated Financial Statements	
	As at and for the nine months period ended December 31, 2023	As at and for the nine months period ended December 31, 2022	As at and for March 31, 2023	As at and for March 31, 2022
(A/B) (%)				

**Includes share of Net Profit of Associates*

Calculation of Net asset value per Equity Share

(In ₹ lakhs, unless otherwise specified)

Particulars	Based on Unaudited Consolidated Financial Results		Based on Audited Consolidated Financial Statements	
	As at nine months period ended December 31, 2023	As at nine months period ended December 31, 2022	As at and for March 31, 2023	As at and for March 31, 2022
Net worth (A) (₹ in lakhs)	12,548.90	16,912.12	15,746.85	18,761.02
No of Equity Shares (B) (In numbers)	39,97,900	39,97,900	39,97,900	39,97,900
Net Assets Value [(A x 1,00,000)/B]	313.89	423.03	393.88	469.27

Calculation of EBITDA

(In ₹ lakhs, unless otherwise specified)

Particulars	Based on Unaudited Consolidated Financial Results		Based on Audited Consolidated Financial Statements	
	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/ (Loss after Tax (Before OCI)*	(3,146.15)	(1,823.12)	(2,925.40)	2,115.31
Add: Taxes	(569.58)	(94.67)	(413.72)	(73.47)
Add: Interest	2,678.25	2,163.53	3,158.65	2,077.26
Add: Depreciation	2,702.05	3,078.77	4,205.75	4,597.83
EBITDA	1,664.57	3,324.51	4,025.28	8,716.93

**Includes share of Net Profit of Associates*

STOCK MARKET DATA

Our Company's Equity Shares are listed on the MSEI Limited

For the purpose of this section:

1) Year is a calendar year;
2) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
4) In case of two days with the same high/low/closing price, the date with higher volume has been considered

It is important to note that since the shares of the Company were not traded on MSEI during the Financial Year 2023-24, Market price of the MSEI is not available.

The Issue Price of Rs.204/- (including premium of ₹194/-) has been decided by the Rights Issue Committee in consultation with the Lead Manager.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements as of and for the year ended March 31, 2023, and Unaudited Consolidated Financial Results as of and for the nine months period ended December 31,2023, all prepared in accordance with the Companies Act and Ind AS, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 82. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Consolidated Financial Statements and Unaudited Financial Results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 14 and 17 respectively, of this Letter of Offer.

Our financial year ends on March 31 of each year, so all references to a particular "Financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that financial year. References to the "Company", "we", "us" and "our" in this chapter refer to The Ramaraju Surgical Cotton Mills Limited, as applicable in the relevant period, unless otherwise stated. Unless otherwise indicated or the context requires, (i) the financial information for Financial Year 2023 included herein is based on the Audited Consolidated Financial Statements: and (ii) the financial information included herein for the nine months period ended December 31,2023 is based on the Unaudited Consolidated Financial Results, included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 82.

Overview

Established in the year 1939, our Company, The Ramaraju Surgical Cotton Mills Limited is a part of the Ramco Group of companies based at Tamil Nadu. Our Company is engaged in the business of manufacturing of yarn and greige fabrics as well as home textiles and bed linens under its Textiles segment. The Textiles segment consists of Spinning, Weaving and Made ups. Our Company is also engaged in the manufacturing of surgical dressings products as well as in generation of electricity from wind and solar plants for the purpose of captive consumption.

Textiles

Under the Textiles segment, we are in the business of manufacturing and trading of cotton yarn, speciality yarn and fabrics. Our spinning units are located at Rajapalayam district and Subramaniapuram, Srivilliputtur Taluk of Tamil Nadu and Thirumalagiri Village of Andhra Pradesh. As on December 31, 2023, our Company has an installed capacity of 49,056 ring spindles and 3,424 open-end rotors producing yarn ranging from 8s to 345s cotton yarn. Our Company manufactures and trades a wide range of textile products such as Ring yarn, Compact yarn, TFO yarn, Open End yarn, and Gassed yarn. Our products are tailor-made to cater specific customer needs and we sell our products in domestic as well as international markets such as Germany, Italy, Turkey, Portugal, USA and Bangaladesh.

We commenced our weaving unit based at Perumalpatti village, Tamil Nadu in the year 2013. We also manufacture greige fabrics equipped with 156 looms having a greige fabric production capacity of ~31,400 mtrs/day as on December 31, 2023. We have GOTS and OCS, giza seal and supima, OEKOTEX, GRS, RCS and GCC certifications. Our Company is also certified in Japanese Management Technique '5S'.

We commenced cut and sew operations at Rajapalayam, Tamil Nadu in July 2022 to manufacture completed bedsheet sets and over the bed products such as pillow, fitted sheet, and quilt ("**bed linen**"). As on December 31,2023 we have the installed capacity to manufacture ~10,000 sheet sets per day.

Surgical

Our manufacturing units for surgical products are based at Rajapalayam and Perumalpatti, Tamil Nadu. We manufacture various types of surgical cotton such as absorbent cotton, gauze, bandages and other wound-care products. Our surgical products are manufactured under the brand name 'SURGICOM' and meet the standards recommended by the IHS, EP, USP, IS, and BP. As on December 31, 2023, our Company has an installed capacity of ~804.96 metric ton (**MT**) of medical grade bleached cotton and ~5.85 million sq. mtrs of bandages and gauze products.

Windmill & Solar Panel

We are also engaged in the generation of electricity from windmills and solar panel for our captive consumption. We have an aggregate installed capacity of ~8.30 megawatts (MW) wind power facilities and ~1.2MW solar power facilities along with recently entered group captive arrangement to the extent of ~8.50 MW for solar power, which helps us to reduce our power costs. Our windmills are based at Rajampatti, Dhanakkarkulam, Uthumalai, Kolumakondan, Aralvaimozhi district in Tamil Nadu.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our business, financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled *'Risk Factors'* on page 17. The following are certain factors that had, and we expect will continue to have, a significant effect on our business, financial condition and results of operations:

- Factors affecting the textile and surgical Industry;
- Increasing competition in the Industry;
- Ability to comply with the quality requirement of customers as well as regulatory authorities;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Unaudited Consolidated Financial Results and Audited Consolidated Financial Statements. For details of our significant accounting policies, please refer chapter titled *"Financial Statements"* on page 82.

CHANGE IN ACCOUNTING POLICIES

There has been no change in accounting policies during the Financial Year 2023 and for the nine months period ended December 31, 2023.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS/OTHER OBSERVATIONS IN CARO

The following is the summary of qualifications/reservations/emphasis of matters/adverse remarks/other observations in CARO (as applicable) in limited review report for the nine months period ended December 31, 2023 and the Audited Financial Statements for Financial Year 2023:

Period	Type of Financials	Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/ Other Observations in CARO	Impact on the Financial Statements of the Company
Nine months period ended December 31,2023	Consolidated and Standalone	NIL	NIL
Financial Year 2023	Consolidated and Standalone	NIL	NIL

PRINCIPLE COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

Revenue from operations

Revenue from operations comprises (i) sale of products which includes Textiles, Surgical Dressings and Waste Sales; (ii) other operating revenues which includes export incentive and job work charges received.

Other income

Other income primarily comprises interest income, rent income, profit on sale of Property, Plant and Equipment, government grants, and Miscellaneous income.

Expenses

Our expenses primarily comprise cost of materials consumed, purchase of stock-in-trade, changes in inventories of finished goods, work in progress and stock in trade, employee benefit expense, finance costs, depreciation and amortization expenses and other expenses.

Cost of materials consumed

The cost of materials consumed comprises of cotton and cotton waste, yarn and greige fabrics.

Purchase of stock-in-trade

Purchase of stock-in-trade comprise of trading of yarn, fabric and home textile products.

Changes in inventories of finished goods, work in progress and stock in trade

Changes in inventories of finished goods, work in progress and stock in trade comprises of difference in amount of inventories of finished goods, work in progress and stock in trade at the beginning of period *vis-a-vis* amount of inventories at the end of period.

Employee benefit expense

Employee benefit expenses comprises salaries, wages and bonus, contribution to provident fund and other funds, staff and labour welfare & training expenses, managing directors' remuneration and sitting fees.

Finance cost

Finance cost comprises interest on debts & borrowings, exchange differences on foreign currency borrowings regarded as an adjustment to borrowing cost, interest on shortfall in payment of advance income tax.

Depreciation and amortization expense

Depreciation and amortization expense comprises of depreciation on buildings, right of use asset, plant and machinery, electrical machinery, furniture & office equipments, vehicles, investment property and amortisation on Intangible Assets.

Other expenses

Other expenses comprises power and fuel, production consumables ,packing material consumption, job work charges, repairs to buildings, plant and machinery and others, rates & taxes, postage and telephone, printing and stationery, travelling expenses, vehicle maintenance, insurance, directors sitting fees, rent, audit fees and legal expenses, corporate social responsibility expenses, advertisement, bank charges, covid-19 welfare expenses, loss on sale of assets, miscellaneous expenses, bad debts and impairment allowance for trade receivables, sales commission, export expenses, other selling expenses,

Tax expense

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year/period as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	Nine Months ended December 31, 2023		Nine Months ended December 31, 2022		Financial Year 2023		Financial Year 2022	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	26,474.64	98.99%	32,208.31	99.74%	40,711.00	99.35%	43,213.77	99.57%
Other Income	269.32	1.01%	84.38	0.26%	268.21	0.65%	187.49	0.43%
Total Revenue	**26,743.96**	100.00%	**32,292.69**	100.00%	**40,979.21**	**100.00%**	**43,401.26**	**100.00%**
Cost of Material Consumed	15,179.56	56.76%	19,484.78	60.34%	24,502.71	59.79%	25,515.59	58.79%
Purchase of stock-in-trade	1,152.35	4.31%	776.25	2.40%	1,111.75	2.71%	505.04	1.16%
Changes in Inventories of finished goods and work in progress	(644.27)	(2.41)%	(153.15)	(0.47)%	(348.87)	(0.85)%	(970.87)	(2.24)%
Employee Benefit Expenses	4,223.92	15.79%	3,446.76	10.67%	4,925.42	12.02%	4,043.43	9.32%
Financial Cost	2,678.25	10.01%	2,163.53	6.70%	3,158.65	7.71%	2,077.26	4.79%
Depreciation and Amortization Expenses	2,702.05	10.10%	3,078.77	9.53%	4,205.75	10.26%	4,597.83	10.59%
Other Expenses	5,492.85	20.54%	5,701.28	17.66%	7,310.67	17.84%	6,864.27	15.82%
Total Expenses	**30,784.71**	115.11%	**34,498.22**	106.83%	**44,866.08**	**109.48%**	**42,632.55**	**98.23%**
Profit/(Loss) before tax	**(4,040.75)**	(15.11)%	**(2,205.53)**	(6.83)%	**(3,886.87)**	**(9.48)%**	**768.71**	**1.77%**
Tax expense/ (Savings):								
- Current Tax – MAT	-	-	-	-	-	-	134.75	0.31%
- Current Tax adjustments for earlier years	5.21	0.02%	-	-	(5.83)	(0.01)%	-	-
- MAT credit (Entitlement)/Availment	414.89	1.55%	7.39	0.02%	-	-	-	-
- Deferred Tax	(989.68)	(3.70)%	(102.06)	(0.32)%	(407.89)	(1.00)%	(208.22)	(0.48)%
Total Tax expenses/(Savings)	**(569.58)**	(2.13)%	**(94.67)**	(0.29)%	**(413.72)**	**(1.01)%**	**(73.47)**	**(0.17)%**
Profit/(Loss) after tax for the period before share of profit of Associates	**(3,471.17)**	(12.98)%	**(2,110.86)**	(6.54)%	**(3,473.15)**	**(8.48)%**	**842.18**	**1.94%**
Share of Net Profit after tax of Associates accounted for using the equity method	325.02	1.22%	287.74	0.89%	547.75	1.34%	1,273.13	2.93%
Profit/(Loss) for the period	**(3,146.15)**	(11.76)%	**(1,823.12)**	(5.65)%	**(2,925.40)**	**(7.14%)**	**2,115.31**	**4.87%**

Nine months period ended December 31, 2023, compared to nine months period ended December 31, 2022

Total Revenue

Our total revenue for the nine months period ended December 31, 2023, was ₹26,743.96 lakhs as compared to ₹32,292.69 lakhs for the nine months period ended December 31, 2022, representing a decrease of 17.18%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the nine months ended December 31, 2023, was ₹26,474.64 lakhs as compared to ₹32,208.31 lakhs for the nine months period ended December 31, 2022, representing a decrease of 17.80%. The decrease was primarily due to decrease in sales volume of yarns and lower price realisation.

Other Income

Other income for the nine months period ended December 31, 2023, was ₹269.32 lakhs as compared to ₹84.38 lakhs for the nine months period ended December 31, 2022, representing an increase of 219.18%. The increase in other income was primarily due to recognition of interest as per Ind AS -15 "Revenue from Contracts with Customers" and interest received on income tax refund.

Expenses

Our total expenditure for the nine months period ended December 31, 2023, was ₹30,784.71 lakhs as compared to ₹34,498.22 lakhs for the nine months period ended December 31, 2022, representing a decrease of 10.76%. Total expenditure comprises of:

Cost of Material Consumed

The cost of material consumed for the nine months period ended December 31, 2023, was ₹15,179.56 lakhs as compared to ₹19,484.78 lakhs for the nine months ended December 31,2022, representing a decrease of 22.10%. The decrease was primarily on account of decrease in volume of raw material consumed in production of our products.

Purchase of stock-in-trade

Purchase of stock-in-trade for the nine months period ended December 31,2023 was ₹1,152.35 lakhs as compared to ₹776.25 lakhs for the nine months ended December 31,2022, representing an increase of 48.45%. The increase was due to increase in purchase of stock-in-trade for the period ended December 31,2023 as compared to December 31,2022.

Changes in inventories of finished goods, work in progress and stock in trade

The changes inventories of finished goods, work in progress and stock in trade for the nine months period ended December 31, 2023, was ₹(644.27) lakhs as compared to ₹(153.15) lakhs for the nine months period ended December 31, 2022. The change was due to increase in closing stock of finished goods and work in progress for the period ended December 31,2023 vis-a-vis closing stock of finished goods and work in progress for the period ended December 31,2022.

Employee benefit expenses

Employee benefit expense for the nine months period ended December 31, 2023, was ₹4,223.92 lakhs as compared to ₹3,446.76 lakhs for the nine months period ended December 31, 2022, representing an increase of 22.55%. This increase was primarily due to increase in salary, wages and additional staff recruitment for made ups unit'.

Finance cost

Finance cost for the nine months period ended December 31, 2023, was ₹2,678.25 lakhs as compared to ₹2,163.53 lakhs for the nine months period ended December 31, 2022, representing an increase of 23.79%. The increase in finance cost was primarily due to increase in working capital and term loan borrowings and increase in average rate of interest.

Depreciation and amortization expenses

Depreciation and amortization expenses for the nine months period ended December 31, 2023, was ₹2,702.05 lakhs as compared to ₹3,078.77 lakhs for the nine months period ended December 31, 2022, representing a decrease of 12.24%. This decrease was due to change in written down value (WDV) of property, plant and equipment and intangible assets.

Other expenses

Other expenses for the nine months period ended December 31, 2023, was ₹5,492.85 lakhs as compared to ₹5,701.28 lakhs for the nine months period ended December 31, 2022, representing a decrease of 3.66%. This decrease was primarily due to reduction in job work charges, other operating expense, packing materials consumption, selling expenses, repair and maintenance.

Profit/(loss) before Tax

The profit/(loss) before tax for the nine months period ended December 31, 2023, was ₹(4,040.75) lakhs as compared to ₹(2,205.53) lakhs for the nine months period ended December 31, 2022. This increase in loss before tax was primarily due to decrease in revenue from operations, employee benefit expense, other expenses primarily on account of power and fuel and finance cost.

Tax expenses

Total tax expense/(savings) for the nine months period ended December 31, 2023, was ₹(569.58) lakhs as compared to ₹(94.67) lakhs for the nine months period ended December 31, 2022. The increase was on account of change in rate of tax which has resulted in deferred tax asset.

Profit/(Loss) after tax for the period before share of Profit of Associates

In light of above discussion, the profit/(Loss) after tax before share of Profit of Associates for the nine months period ended December 31, 2023, was ₹(3,471.17) lakhs as compared to ₹(2,110.86) lakhs for the nine months period ended December 31,2022.

Share of Net Profit after tax of Associates accounted for using the equity method

Share of Net Profit after tax of Associates accounted using the equity method for the nine months period ended December 31,2023, was ₹325.02 lakhs as compared to ₹287.74 lakhs for the nine months period ended December 31,2022. This increase in share of net profit after tax was due to increase in profit after tax of associates for the nine months period ended December 31,2023 as compared to nine months period ended December 31,2022.

Net Profit/(Loss) for the period

The profit/(loss) for the nine months period ended December 31,2023 was ₹ (3,146.15) lakhs as compared to ₹(1,823.12) lakhs for the nine months period ended December 31,2022.

Financial Year 2023 compared to Financial Year 2022

Total Revenue

Our total revenue for the Financial Year 2023 was ₹40,979.21 lakhs as compared to ₹43,401.26 lakhs for the Financial Year 2022, representing a decrease of 5.58%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Financial Year 2023 was ₹40,711.00 lakhs as compared to ₹43,213.77 lakhs for the Financial Year 2022, representing a decrease of 5.79%. The decrease was primarily on account of decrease in sales volume of greige fabrics and lower price realisation. This is partially offset by increase in sales volume of surgical products.

Other income

Other income for the Financial Year 2023 was ₹268.21 lakhs as compared to ₹187.49 Lakhs for the Financial Year 2022, representing an increase of 43.05%. The increase in other income was primarily on account of increase in interest income and profit on sale of fixed assets.

Expenses

Our total expenditure for the Financial Year 2023 was ₹44,866.08 lakhs as compared to ₹42,632.55 lakhs for the Financial Year 2022, representing an increase of 5.24%. Total expenditure comprises of:

Cost of Material Consumed

The Cost of Material Consumed for the Financial Year 2023 was ₹24,502.71 lakhs as compared to ₹25,515.59 lakhs for the Financial Year 2022, representing a decrease of 3.97%. The decrease was on account of decrease in volume of raw material consumed in production of our greige fabrics.

Purchase of stock-in-trade

Purchase of stock-in-trade for the Financial Year 2023 was ₹1,111.75 lakhs as compared to ₹505.04 lakhs for the Financial Year 2022. The increase was due to increase in stock-in-trade for the Financial Year 2023 as compared to the Financial Year 2022.

Changes in inventories of finished goods, work in progress and stock-in-trade

The changes inventories of finished goods, work in progress and stock-in-trade for the Financial Year 2023 was ₹(348.87) lakhs as compared to ₹(970.87) lakhs for Financial Year 2022. The change was due to decrease in closing stock of finished goods and work in progress for the Financial Year 2023 vis-a-vis closing stock of finished goods and work in progress for the Financial Year 2022.

Employee benefit expenses

Employee benefit expense for the Financial Year 2023 was ₹4,925.42 lakhs as compared to ₹4,043.43 lakhs for the Financial Year 2022, representing an increase of 21.81%. The increase was primarily due to increase in salary, wages and additional staff recruitment for cut and sew unit which commenced commercial operations w.e.f. July ,2022.

Finance cost

Finance cost for the Financial Year 2023 was ₹3,158.65 lakhs as compared to ₹2,077.26 lakhs for the Financial Year 2022, representing an increase of 52.06%. The increase in finance cost was primarily due to increase in working capital and term loan borrowings and increase in average rate of interest.

Depreciation and amortization expenses

Depreciation and amortization expenses for the Financial Year 2023 was ₹4,205.75 lakhs as compared to ₹4,597.83 lakhs for the Financial Year 2022, representing a decrease of 8.53%. This decrease was due to change in written down value (WDV) of property, plant and equipment and intangible assets.

Other expenses

Other expenses for the Financial Year 2023 were ₹7,310.67 lakhs as compared to ₹6,864.27 lakhs for the Financial Year 2022, representing an increase of 6.50%. This increase was primarily due to increase in power and fuel expense, job work charges, packing materials consumption, legal expense, travelling expenses, selling expenses, audit fees & legal expenses, and miscellaneous expenses.

Profit/(loss) before Tax

The profit/(loss) before tax for the Financial Year 2023 was ₹(3,886.87) lakhs as compared to ₹768.71 lakhs for the Financial Year 2022. This increase in (loss) before tax was primarily due to decrease in revenue from operations, increase in cost of goods sold, employee benefit expenses, other expenses, and finance cost.

Tax expenses/(Savings)

Total tax expense/(Savings) for the Financial Year 2023 was ₹(413.72) lakhs as compared to ₹(73.47) lakhs for the Financial Year 2022.This increase in tax savings was primarily due to decrease in current tax for the Financial Year 2023 as compared to Financial Year 2022.

Profit/(Loss) for the period after tax

In light of the above discussion, the profit/(loss) after tax for the Financial Year 2023 was ₹(3,473.15) lakhs as compared to ₹842.18 lakhs for the Financial Year 2022.

Share of Net profit after tax of Associates accounted for using the equity method

Share of Net profit after tax of associates accounted for using the equity method for the Financial Year 2023 was ₹547.75 lakhs as compared to ₹1,273.13 lakhs for the Financial Year 2022. This decrease in net profit after tax of associates was primarily due to decrease in profit after tax of associates for the Financial Year 2023 as compared to Financial Year 2022.

Net Profit/(Loss) for the period

The profit/(Loss) for period for the Financial Year 2023 was ₹(2,925.40) lakhs as compared to ₹2,115.31 lakhs for the Financial Year 2022.

Cash Flows

The following table sets forth certain information relating to the cash flows for the periods indicated:

(₹ in lakh)

Particulars	Financial Year 2023	Financial Year 2022
Net cash flows generated from/ (used in) operating activities	(550.75)	4,706.86
Net cash flows from/ (used in) investing activities	(6,736.52)	(5,083.19)
Net cash flows generated from / (used in) financing activities	6,656.25	923.57
Net increase/(decrease) in cash and cash equivalents	(631.02)	547.24

Cash flows from/ (used in) operating activities

Financial Year 2023

Our net cash used in operating activities was ₹550.75 lakhs for the Financial Year 2023. Our operating profit before changes in working capital changes was ₹ 3,270.16 lakhs which was primarily adjusted against increase in trade receivables, inventories, and loans and advances by ₹ 88.80 lakhs, ₹2,639.33 and ₹225.91 lakhs, respectively and decrease in trade payables & current liabilities by ₹1,251.62. The cash used in operations was ₹483.68 lakhs and net taxes paid were ₹ 67.07 lakhs in the financial year 2023.

Financial Year 2022

Our net cash generated from operating activities was ₹4,706.86 lakhs for the Financial Year 2022. Our operating profit before changes in working capital changes was ₹ 7,544.97 lakhs which was primarily adjusted against increase in loans and advances, inventories, and trade payables & current liabilities by ₹ 179.00 lakhs, ₹3,944.22 and ₹87.78 lakhs, respectively and decrease in trade receivables by ₹ 1,607.62 lakhs. The cash generated from operations was ₹ 4,941.59 lakhs and net taxes paid were ₹ 234.73 lakhs in the financial year 2022.

Cash flows from/ (used in) investing activities

Financial Year 2023

The net cash used in investing activities was ₹6,736.52 lakhs. It was on account of purchase of property, plant and equipments, intangible assets and investment property Net of Capital Subsidies (including Capital work-in-progress and capital advance and payable for capital goods) of ₹6,845.14 lakhs, investment in shares of ₹212.15 lakhs sale of property, plant and equipments of ₹195.64 lakhs, interest received of ₹22.69 lakhs and dividend received of ₹102.44 lakhs.

Financial Year 2022

The net cash used in investing activities was ₹5,083.19 lakhs. It was on account of purchase of property,plant and equipments, intangible assets and investment property Net of Capital Subsidies (including Capital work-in-progress and capital advance and payable for capital goods) of ₹5,058.18 lakhs, investment in shares of ₹369.59 lakhs, declassification of investment pursuant to the scheme of amalgamation of ₹149.00 lakhs, sale of property, plant and equipments of ₹190.14 lakhs, interest received of ₹4.65 lakhs and dividend received of ₹0.79 lakhs.

Cash flows from/ (used in) financing activities

Financial Year 2023

Net cash generated from financing activities was ₹6,656.25 lakhs which was on account of increase in long term borrowings of ₹14,315.39 lakhs, increase in short term borrowings (Net) of ₹2,385.61 lakhs, repayment of loan of ₹6,122.11 lakhs, repayment of deposits of ₹878.03, non-controlling interest of ₹3.52 lakhs, payment of dividend of ₹39.47 lakhs and finance cost of ₹3,008.66 lakhs.

Financial Year 2022

Net cash generated from financing activities was ₹923.57 lakhs which was on account of increase in long term borrowings of ₹6,343.43 lakhs, increase in short term borrowings (Net) of ₹720.24 lakhs, repayment of loan of ₹4,043.70 lakhs, increase in deposits of ₹241.97, non controlling interest of ₹241.38 lakhs, payment of dividend of ₹19.73 lakhs and finance cost of ₹2,077.26 lakhs.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 17 and 187 respectively, of this Letter of Offer, to our knowledge, there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Letter of Offer, particularly in chapter titled "*Risk Factors*" on page 17, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please refer to the chapter titled "*Financial Statements*" beginning on page 82.

Significant developments after March 31, 2023, that may affect our future results of operations

Other than as disclosed in this Letter of Offer, there have been no significant developments after March 31, 2023 that may affect our future results of operations. For further information, please see the chapter titled "*Material Developments*" on page 183.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

*Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of (a) the "Policy for Determination of Materiality of Events and Information" adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the materiality policy adopted by the Rights Issue Committee through its resolution dated Janaury 19, 2024, for the purpose of litigation disclosures in this Letter of Offer (**"Materiality Policy"**).*

In this regard, please note the following:

1. *Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer, if the monetary claim involved in such proceedings is an amount equal to or exceeding 5% of the average of past 3 years of the absolute value of Profit After Tax as per the consolidated financial statementsof the Company (being ₹ 154.46 lakhs) ("**Materiality Threshold**"), and / or (ii) is otherwise determined to be material in terms of the Materiality Policy.*

2. *Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, and material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company is impleaded as defendants in litigation proceedings before any judicial forum.*

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigations involving our Company

Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no criminal litigations initiated against our Company.

Proceedings involving material violations of statutory regulations by our Company

As on the date of this Letter of Offer, there are no matters involving material violations of statutory regulations by our Company.

Economic offences where proceedings have been initiated against our Company

As on the date of this Letter of Offer there are no Economic Offences where proceedings have been initiated against our Company.

Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Tax Proceedings

Details of outstanding tax proceedings involving our Company are disclosed below:

Particulars	Number of Cases	Aggregate Amount Involved (in ₹ lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Civil Proceedings

As on date of this Letter of Offer, there are no civil proceedings involving our company which exceed the Material Threshold.

Litigation involving our Subsidiary

As on the date of this Letter of Offer, there are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Subsidiary, except as follows:

(a) Proceedings involving issues of moral turpitude or criminal liability

Criminal proceedings against our Subsidiary

As on the date of this Letter of Offer, there are no criminal proceedings initiated against our Subsidiary

Criminal proceedings initiated by our Subsidiary

As on the date of this Letter of Offer, there are no criminal proceedings initiated by our Subsidiary.

(b) Matters involving material violations of statutory regulations by our Subsidiary

As on the date of this Letter of Offer, there are no matters involving material violations of statutory regulations by our Subsidiary.

(c) Economic Offences where proceedings have been initiated against our Subsidiary

As on the date of this Letter of Offer there are no Economic Offences where proceedings have been initiated against our Subsidiary.

(d) Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or financial position of our Company.

Civil litigation against our Subsidiary

As on the date of this Letter of Offer there are no Economic Offences where proceedings have been initiated against our Subsidiary.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations ("**Approvals**") for carrying on its present business activities. These include consents to establish and operate, contract labour license for employment of contract labour at various project sites, environmental clearances, factory licenses and other applicable approvals. The requirement for such approvals for a particular project may vary based on factors such as activity being carried out at the project, legal requirement in the state in which the project is situated and stage of development of the project. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Since, our Company intend to utilize the gross proceeds raised through the Issue after deducting the Issue related expenses Repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by our Company, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held August 12, 2023 pursuant to Section 62 (1) (a)and other applicable provisions of the Companies Act, 2013. Further, issue has been authorised by resolution of the shareholders at its meeting held on September 29, 2023 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013 and articles of association.

The Letter of Offer has been approved by the Rights Issue Committee pursuant to its resolution dated March 1, 2024. The Rights Issue Committee has, at its meeting held on February 28, 2024 determined the Issue Price of ₹204 per Rights Equity Share (including a premium of ₹194 per Rights Equity Share), in consultation with the Lead Manager, and the Rights Entitlement as 5 (Five) Rights Equity Share for every 11 (Eleven) fully paid up Equity Shares held on the Record Date.

Our Company has received 'in-principle' approval from MSEI in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to its letter dated February 20, 2024. Our Company will also make application to MSEI to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE328E20019 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For further details, see "*Terms of the Issue*" on page 208.

Prohibition by the SEBI

Our Company, our Promoters, the members of the Promoter Group or our Directors have not been and are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court.

Further, the Promoters and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoters nor our Directors have been declared as Fugitive Economic Offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Association of our Directors with the securities market

None of our Directors are associated with entities operating in the securities market. Further, SEBI has not initiated action against any of our Directors in the past five years preceeding the date of this Letter of Offer.

Prohibition by RBI

Neither our Company nor Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Indian Companies Act, 1913. Our Equity Shares are presently listed on MSEI. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company will make application to MSEI and in order to receive in-principle approval for listing of the Rights Equity Shares to be issued pursuant to this Issue. MSEI is the Designated Stock Exchange for the purpose of the Issue.

Applicability of the SEBI ICDR Regulations

The present Issue being of less than 5,000 lakhs, Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and Our Company has filed the copy of this Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, to the extent applicable, in terms of the disclosures made in this Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with Designated Stock Exchange;

2. The reports, statements and information referred to in sub-clause (a) above are available on the website of MSEI; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

As required, a copy of this Letter of Offer will be submitted to SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO

EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 1, 2024, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

    a. **THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

    b. **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    c. **THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS- NOT APPLICABLE**

5. **WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. - NOT APPLICABLE, BEING A RIGHTS ISSUE**

6. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER - NOT APPLICABLE, BEING A RIGHTS ISSUE**

7. **ALL APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED**

COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE - NOT APPLICABLE, BEING A RIGHTS ISSUE

8. **NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.- NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE**

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**

    b. **THAT THE ISSUER SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI.**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 TO THE EXTENT APPLICABLE.**

12. **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018 – NOT APPLICABLE, BEING A RIGHTS ISSUE**

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager, namely Vivro Financial Services Private Limited, accept no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

We and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with the SEBI.

Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Tamil Nadu, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is MSE.

Disclaimer Clause of MSEI

"Metropolitan Stock Exchange of India Limited ("**the Exchange**") has given vide its letter dated February 20, 2024, permission to the Issuer to use the Exchange's name in this offer document as the stock exchange on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer.

It is to be distinctly understood that the aforesaid permission given by the Exchange should not in any way be deemed or construed that the offer document has been cleared or approved by the Exchange. The Exchange does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; or

take any responsibility for the financial or other soundness of this Issuers, its promoters, its management or any scheme or project of this Issuer; Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever

Disclaimer Clause of BSE

The Equity Shares of the Company are not listed on BSE. Based on the application made by the Company, BSE has given permission to the Company to use the bidding platform of BSE i.e. Internet based-Book Building Software (iBBS) for the Rights Issue. BSE does not in any manner:

- Warrant, certify or endorse the correctness, accuracy or completeness of any of the contents of this letter of offer; and
- Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company; and
- Monitor any compliances / non-compliances, as the case may be, with respect to the filings made by the Company; and
- Will allow any person associated, directly or indirectly, including but not limited to the subscriber to the rights issue, any recourse to the investor grievance redressal mechanism including arbitration mechanism for any action undertaken in consonance with or pursuant to the letter of offer or even otherwise also.

and it should not for any reason be deemed or construed that this letter of offer has been scrutinized, cleared or approved by BSE.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever. Every person who desires to participate in the Rights Issue of the Company expressly understands that BSE is only providing its iBBS platform to the Company for its Rights Issue, that securities of the Company are listed on Metropolitan Stock Exchange of India Limited, that any complaint/grievances with regards to Rights Issue has to be filed with Metropolitan Stock Exchange of India Limited and that equity shares issued by the Company will not be listed at BSE pursuant to Rights Issue.

In addition to the aforesaid, to the full extent possible and permissible by law, BSE disclaims all the contents of the letter of offer, express or implied, including but not limited to the particular purpose of letter of offer vis-à-vis rights issue. It is understood and agreed that the Company’s access to and use of the iBBS is at Company’s own risk. BSE will not be liable for any damages of any kind arising from the use of iBBS.

BSE shall not be liable for any direct, indirect, incidental, special, consequential, or punitive damages, or any loss of capital, profit or revenue, whether incurred directly or indirectly, or any loss of data, use, goodwill or other intangible losses resulting from the letter of offer, rights issue or the use of iBBS.

Any use of the iBBS and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.”

Selling Restrictions

The distribution of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer, Entitlement Letter or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/ dispatch this Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form only to email addresses of such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail this Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form, shall not be sent this Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form. Further, this Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange. Accordingly, our Company, the Lead

Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer /Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Letter of Offer Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Issue Materials nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer / Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

Filing

This Letter of Offer is being filed with Designated Stock Exchange and with SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing, through the SEBI intermediary portal at siportal.sebi.gov.in in terms of the SEBI ICDR Master Circular.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investor Grievances arising out of this Issue:

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. Cameo Corporate Services Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter.

All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process),. For details on the ASBA process, please see "*Terms of the Issue*" on page 107.

Investors may contact the Registrar to the Issue at:

Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai - 600 002, Tamil Nadu, India
Telephone: + 91-44-4002 0700/28460390**;**
Email: rights@cameoindia.com
Website: www.cameoindia.com
Investor Grievance Email: investor@cameoindia.com
Contact Person: Ms. K. Sreepriya
SEBI Registration Number: INR000003753

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

P Muthukumar is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

P Muthukumar
Post Box No. 2,
P.A.C. Ramaswamy Road,
Rajapalayam – 626117,
Tamil Nadu, India
Telephone: +91-4563-235904
E-mail: muthukumar_p@ramcotex.com

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with ASBA Circular, SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA facility.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice or security certificate and rules as may be applicable and introduced from time to time.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

1. Our Company at www.ramarajusurgical.com;
2. The Registrar at https: www.cameoindia.com;
3. The Lead Manager *i.e.*, Vivro Financial Services Private Limited at www.vivro.net
4. The Stock Exchange https://www.msei.in/Index ; and

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.Our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper, with the same details as mentioned in the Application Form available online.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* www.cameoindia.com), by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), PAN and such other credentials. The link for the same shall also be available on the website of our Company i.e., (i.e., www.ramarajusurgical.com)

Our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue related materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Form or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction and India, without the requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see ‘*Terms of the Issue - Making an Application through the ASBA process*’ on page 211.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see '*Term of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*' on page 221.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see '*Terms of the Issue - Grounds for Technical Rejection*' on page 217. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected. Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. For details, see '*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*' on page 212.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

3. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

5. Renounce its Rights Entitlements in full.

Making an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with a SCSB prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be responsible for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do’s for Investors applying through ASBA

1. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

2. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated, as the Rights Equity Shares will be allotted in the dematerialized form only.

3. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

4. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

6. Ensure that you have a bank account with a SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

8. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don’ts for investors applying through ASBA

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

3. Do not send your physical Application to the Lead Manager, the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

5. Do not submit Application Form using third party ASBA account.

Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar, Stock Exchange or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being The Ramaraju Surgical Cotton Mills Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option - only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹204 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at www.cameoindia.com; and

17. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold only in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (Regulation S) to existing shareholders who are located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in 'Restrictions on Foreign Ownership of Indian Securities' on page 235.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the U.S. Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper Application format will be available on the website of the Registrar at www.cameoindia.com. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see '*Terms of the Issue – Credit of Rights Entitlement in dematerialised account of Eligible Equity Shareholders*' on page 221.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 day before the Issue Closing Date; and
3. The remaining procedure for Application shall be same as set out in '*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*' on page 212.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in '*Terms of the Issue - Basis of Allotment*' beginning on page 229.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making an Application

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

2. The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

3. Application should be made only through the ASBA facility.

4. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

5. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with a SCSB, prior to making the Application.

6. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

7. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under '*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process'* on page 212.

8. Applications should be submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

9. Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

10. Applications should not be submitted to the Banker(s) to the Issue, our Company or the Registrar or the Lead Manager.

11. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income Tax Act, 1961, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

12. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (Demographic Details) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and / or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match 3 parameters i.e., (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

13. By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

15. Investors should provide correct DP ID and Client ID / Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

16. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

17. All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and

Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

18. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

19. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

20. Do not submit the General Index Registrar number instead of the PAN as the application is liable to be rejected on this ground.

21. Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.

22. Do not pay the Application Money in cash, by money order, pay order or postal order.

23. Do not submit multiple Applications.

24. No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

25. An Applicant being an Overseas Corporate Body (OCB) is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

26. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar

2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

3. Sending an Application to our Company, the Lead Manager, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.

4. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to a regulatory order.

6. Account holder not signing the Application or declaration mentioned therein.

7. Submission of more than one Application Form for Rights Entitlements available in a particular demat account

8. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

9. Submitting the General Index Registrar number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

11. Applications by SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

12. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

13. Physical Application Forms not duly signed by the sole or joint Investors, as applicable

14. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

15. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

16. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and / or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

17. Applications which have evidence of being executed or made in contravention of applicable securities laws.

18. Applicants holding physical shares not submitting the documents. For further details, see '*Terms of the Issue - Application by Eligible Equity Shareholders holding Equity Shares in physical form*' on page 212.

19. Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see *'Procedure for Applications by Mutual Funds*' on page 220.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoters to meet the minimum subscription requirements applicable to this Issue as described in '*Capital Structure*' on page 40.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

b. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and the SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to a rights issue. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to a rights issue. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (OCI) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been recently amended to state that all investments by entities incorporated in a country which shares a land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (Restricted Investors), will require prior approval of the Government. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (NBFC-SI)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of Reserve Bank of India Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Friday, March 22, 2024 i.e., Issue Closing Date. Our Board, or, the Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with a SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as set out in entitled '*Terms of the Issue - Basis of Allotment*' on page 229.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified, and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of the Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e www.cameoindia.com by entering their DP ID and Client ID and PAN. The link for the same shall also be available on the website of our Company (i.e.,www.ramarajusurgical.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for subscription of Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.cameoindia.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with CDSL and NSDL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE328E20019. The ISIN for the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date. The ISIN for the Rights Entitlements shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than 2 Working Days prior to the Issue Closing Date, i.e., by Wednesday, March 20, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 208 OF THIS LETTER OF OFFER

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (**On Market Renunciation**); or (b) through an off-market transfer (**Off Market Renunciation**), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE328E20019 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Friday, March 15, 2024 to Monday, March 18, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE328E20019 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The OnMarket Renunciation shall take place electronically on secondary market platform of MSEI under automatic order matching mechanism and on ‘T+2 rolling settlement basis, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE328E20019 the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the CDSL and NSDL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act, 1961. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents / NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see '*The Issue*' on page 35.

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹204 per Rights Equity Share (including a premium of ₹ 194 per Rights Equity Share) in this Issue.

The Issue Price for the Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share for every 11 (Eleven) fully paid up Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Shares for every 11 (Eleven) fully paid up Equity Shares held as on the Record Date. As per the SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 11 (Eleven) Equity Shares or is not in the multiple of 11 (Eleven) fully paid up Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for the Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 15 (Fifteen) Equity Shares, such Equity Shareholder will be entitled to 6 (Six) Rights Equity Share and will also be given a preferential consideration for the Allotment of 1

(One) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 2 (Two) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for the Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for the Additional Rights Equity Shares, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government and other statutory and regulatory authorities from time to time, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company will apply for in principle approval to the Stock Exchange.

Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on MSEI (SYMBOL: RAMARAJU) The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing / trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded / unblocked within 4 days after our Company becomes liable to repay it, our Company and every Director of our Company who is an officer-in-default shall, on and from the expiry of the 4th day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter

For details of the intent and extent of subscription by our Promoter, see '*Capital Structure - Intention and extent of participation by our Promoter*' on page 40.

Rights of Holders of the Rights Equity Shares of our Company

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

1. The right to receive dividend, if declared;

2. The right to vote in person, or by proxy, except in case of the Rights Equity Shares credited to the demat;

3. The right to receive surplus on liquidation;

4. The right to free transferability of the Rights Equity Shares;

5. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Dratf Letter of Offer; and

6. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where 2 or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue**.**

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, theLetter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then theLetter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Tamil language daily newspaper with wide circulation (Tamil being the regional language ofTamil Nadu, where our Registered Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including Additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for Allotment of the Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of the Rights Equity Shares and issue of the Rights Entitlement Letters / letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rights@cameoindia.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such Allotments made by relying on such approvals.

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which the Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to rights@cameoindia.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE '*TERMS OF THE ISSUE - ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS'* ON PAGE 230.

ISSUE SCHEDULE

Last Date for credit of Rights Entitlements	On or before Thursday, March 14, 2024
Issue Opening Date	Friday, March 15, 2024
Last Date for On Market Renunciation of Rights Entitlements#	Monday, March 18, 2024
Issue Closing Date*	Friday, March 22, 2024
Finalization of Basis of Allotment (on or about)	Tuesday, April 2, 2024
Date of Allotment (on or about)	Wednesday, April 3, 2024
Date of credit (on or about)	Wednesday, April 10, 2024
Date of listing (on or about)	Tuesday, April 16, 2024

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 Working Days prior to the Issue Closing Date, i.e., Wednesday, March 20, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date, i.e., Thursday, March 21, 2024. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e www.cameoindia.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.cameoindia.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.ramarajusurgical.com).

BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of RightsEquity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

2. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with 'zero' entitlement, would be given preference in allotment of 1 additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (1) above. If number of Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Rights Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

5. Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the MSEI, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS

Our Company will send / dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of15 days from date of Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT / CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST 2 WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated April 5, 2021 with CDSL and an agreement dated April 5, 2021 with NSDL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in the Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Rights Equity Shares in physical form / with IEPF authority / in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice / refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10,00,000 or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than 6 months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than 3 years) and fine of an amount not less than the amount involved in the fraud, extending up to 3 times of such amount. Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than 3 years. In case the fraud involves (i) an amount which is less than ₹ 10,00,000 or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to 5 years or a fine of an amount extending up to ₹ 50,00,000 or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the timeline specified by SEBI.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA Applications.

7. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

8. No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

10. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer, carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed 'The Ramaraju Surgical Cotton Mills Limited - Rights Issue' on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

   Cameo Corporate Services Limited
   Subramanian Building, No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India
   Telephone: + 91-44-28460390**;**
   Email: rights@cameoindia.com; **Website:** www.cameoindia.com
   Investor Grievance Email: investor@cameoindia.com
   Contact Person: Ms. K. Sreepriya
   SEBI Registration Number: INR000003753

3. In accordance with the SEBI Rights Issue Circular, frequently asked questions, and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the

Investors will be available on the website of the Registrar www.cameoindia.com . Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 1800 309 4001.

This Issue will remain open for a minimum 7 days. Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Subject to conditions specified in the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in "pharmaceuticals" (greenfield), while up to 74% foreign investment under the automatic route is currently permitted in "pharmaceuticals" (brownfield), with approval under the government route for any foreign investment beyond such threshold.

The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants/ Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, would be available at our Registered Office between 10 a.m. and 5 p.m. on all working days and will also be available at the website of our Company from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated January 19, 2024 between our Company and the Lead Manager.

2. Registrar Agreement dated December 23, 2023 between our Company and the Registrar to the Issue.

3. Bankers to the Issue Agreement dated February 5, 2024 among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of incorporation dated February 20, 1939.

3. Certificate of commencement of business dated February 7, 1940.

4. Certificate of incorporation dated June 22, 1943 upon change in the name of the Company.

5. Information Memorandum dated March 24, 2017 for listing of 19,73,280 equity shares of ₹10 each of the Company.

6. Copies of Audited Financial Statements for the Fiscal 2023.

7. Copies of annual report of our Company for Fiscals 2023, 2022, 2021, 2020 and 2019.

8. Resolution of our Board dated August 12, 2023 approving the Issue and Rights Issue Committee dated March 1, 2024 approving this Letter of Offer.

9. Resolution of the Rights Issue Committee dated February 28, 2024, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

10. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Bankers to the Issue, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.

11. Consent from the Statutory Auditor of the Company, to include name in this Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act,2013, in respect of (i) the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and report issued thereon dated August 12, 2023; (ii) statement of un-audited consolidated financial results for the quarter and nine months period ended December 31, 2023 and report issued thereon dated February 12,2024; and (iii) the statement of special tax benefits dated January 19, 2024.

12. The audit report dated August 12, 2023 of the Statutory Auditor included in this Letter of Offer.

13. The Limited Review Report dated February 12, 2024 of the Statutory Auditor along with the Interim Unaudited Consolidated Financial Results included in this Letter of Offer.

14. Statement of Special Tax Benefits dated January 19, 2024 received from the Statutory Auditor regarding special tax benefits available to our Company and its shareholders;

15. Tripartite Agreement dated April 5, 2021 between our Company and NSDL.

16. Tripartite Agreement dated April 5, 2021 between our Company and CDSL.

17. In-principle approval issued by the MSEI dated February 20, 2024 under Regulation 28(1) of the SEBI Listing Regulations.

18. Due diligence certificate dated March 1, 2024, addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

P R Venketrama Raja
Chairman (Non-Executive Non-Independent Director)
DIN: 00331406

Date: 01.03.2024

Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nalina Ramalakshmi
Managing Director
DIN: 01364161

Date: 01.03.2024
Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

N. R. K. Ramkumar Raja
Managing Director
DIN: 01948373

Date: 01-03-2024

Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

N. K. Shrikantan Raja
Non-Executive Non-Independent Director
DIN: 00350693

Date: 01.03.2024

Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

S. Sarathysubburaj
Nominee Director
DIN: 07601727

Date: 01.08.2024

Place: Chennai

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

P. P. S. Janarthana Raja

P. P. S. Janarthana Raja
Independent Director
DIN: 06702871

Date: 01.03.2024
Place: Chennai

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

V. Santhanaraman
Independent Director
DIN: 00212334

Date: 01/03/2024

Place: Chennai - 600083

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

P.J. Ramkumar Rajha
Independent Director
DIN: 00487193

Date: 01.03.2024

Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

P.A.S. Alaghar Raja
Independent Director
DIN: 00487312

Date: 01.03.2024
Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

P.A. Ram

P.A. Ramasubramania Raja
Independent Director
DIN: 10157477

Date: 01-03-2024
Place: Rajapalayam

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CFO OF OUR COMPANY

N. Vijay Gopal
Chief Financial Officer

Date: 01.03.2024

Place: Rajapalayam