

# THE RAMARAJU SURGICAL COTTON MILLS LIMITED

P.O.Box: 2, 119, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 117. Tamilnadu. India.  
P: (O) 91-4563-235904 F: 91-4563-235714 E-Mail: [rscm@ramcotex.com](mailto:rscm@ramcotex.com), [rscm@bsnl.in](mailto:rscm@bsnl.in)  
Web: [www.ramarajusurgical.com](http://www.ramarajusurgical.com) CIN: U17111TN1939PLC002302

## **Notice of Postal Ballot**

[Pursuant to Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time and other applicable laws and regulations, to transact the business mentioned in the Resolution appended below for sale of Undertaking proposed to be passed by the Members through postal ballot (the "Postal Ballot") / remote electronic voting ("E-voting"). Pursuant to Sections 102 and 110 of the Act, the Explanatory Statement pertaining to the said Resolution setting out the material facts and the reasons thereof is annexed to this Postal Ballot Notice, along with a Postal Ballot Form for your consideration.

The Committee of the Directors namely Sale Committee – Silvassa Division (hereinafter referred to as the "Committee") has appointed Shri M.R.L. Narasimha (ICSI Membership No. FCS 2851), Practicing Company Secretary, as the scrutinizer ("Scrutinizer") for conducting the Postal Ballot and E-voting process in a fair and transparent manner.

Members have the option to vote either by Postal Ballot or through E-voting. Members are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope so as to reach the Scrutinizer not later than the close of working hours i.e. 5:00 p.m. (IST) on Friday, the January 4, 2019. The Postal Ballot Form may also be deposited personally at the address given on the Business Reply Envelope. Postal Ballot Form, if sent by courier or by registered post or speed post at the expense of the Member(s) will also be accepted.

Postal Ballot Forms received after the close of working hours i.e. 5:00 p.m. (IST) on Friday, the January 4, 2019 will be treated as no reply has been received from the Members. E-voting will be blocked by the Central Depository Services (India) Limited ("CDSL") at 5:00 p.m. (IST) on Friday, the January 4, 2019 and E-voting shall not be allowed beyond the said date and time.

Members desiring to opt for E-voting as per the facilities arranged by the Company are requested to read the notes to this Postal Ballot Notice. References to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically.

Members can opt for only one mode of voting i.e. either by Postal Ballot or through E-voting. In cases where members cast their votes through both modes, votes cast electronically (E-voting) shall be treated as valid and votes cast through Postal Ballot Form(s) will be treated as invalid.

The Scrutinizer will submit his report to Shri P.R. Venketrama Raja, Chairman or in his absence Shri N.K. Shrikantan Raja, Director of the Company authorized by the Committee after the completion of scrutiny and the result of the voting by Postal Ballot will be announced by the Chairman or in his absence Shri N.K. Shrikantan Raja, Director of the Company authorized by the Committee, on or before Sunday, the January 6, 2019. The results along with the report of the Scrutinizer shall be placed on the Company's notice board, displayed on the Company's website: [www.ramarajusurgical.com](http://www.ramarajusurgical.com) and on the website of CDSL: <https://evotingindia.com> and shall also be communicated to M/s. Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.

**RESOLUTION:**

**Sale of undertaking, properties and assets of the Company's Division situated at Kherdi Village, Silvassa, UT of Dadra & Nagar Haveli**

To consider and if thought fit, to give assent / dissent to the following **Special Resolution:**

**"RESOLVED THAT** pursuant to Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, Rules, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof from the time being in force), the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and any other law for the time being in force and such other approvals, consents, permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Sale Committee – Silvassa Division (hereinafter referred to as the "Committee") of the Company to sell, transfer and dispose of, as a going concern basis or on an individual assets basis for sale / disposal / transfer of the following properties and assets of the Undertaking namely "Sudarsanam Spinning Mills (A Division of The Ramaraju Surgical Cotton Mills Limited)", Silvassa at a consideration of not less than Rs.32.36 Crores.

1. Entire Land at Silvassa (around 19.32 Acres)
2. Entire Buildings at Silvassa (around 2,37,924.40 sq.ft.); and
3. All other movable assets including but not limited to 21,600 spindles, electrical machineries, humidification plants, office furniture's, etc., at Silvassa.

together with the use of all the licenses, permits, consents and approvals whatsoever and related liabilities of the undertaking situated at Silvassa in UT of Dadra & Nagar Haveli in Gujarat.

**RESOLVED FURTHER THAT** the Committee be and is hereby authorised to ascertain the fair market value, to float enquiries, to get tenders, evaluating the proposal received to finalize the Buyer, undertake all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion for the purpose of giving effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard.

**RESOLVED FURTHER THAT** the Committee be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Director or Officer(s) or Authorised Representative(s) of the Company in order to give effect to this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Committee in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respect."

**Notes:**

1. An Explanatory Statement pursuant to Section 102(1) read with Section 110 of the Act, setting out the material facts and reasons for the proposed Resolution above, is appended herein below along with the Postal Ballot Form for your consideration.
2. The Postal Ballot Notice is being sent to the Members whose names appear in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on Friday, November 23, 2018. The voting rights shall also be reckoned on the paid-up value of shares registered in the name of the member(s) as on the said date. A person who is not a member as on the relevant date should treat this Postal Ballot Notice for information purposes only.
3. Members who have registered their e-mail IDs for receipt of the documents in electronic form are being sent the Postal Ballot Notice by e-mail to their e-mail IDs registered with their depository participants / the Company's records. Members who receive the Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may send an e-mail or letter to the Company to get the printed postal ballot form and postage-prepaid self-addressed business reply envelope. For members whose e-mail IDs are not registered, physical copies of this Postal Ballot Notice are being sent by registered post along with Postal Ballot Form and a postage-prepaid self-addressed business reply envelope. Alternatively, a Member may send an e-mail to [rscm@ramcotex.com](mailto:rscm@ramcotex.com) or letter to the

Company for obtaining a duplicate Postal Ballot Form, if the form is not received by the Member.

4. Resolution passed by the Members through Postal Ballot is deemed to have been passed as if they are passed at a General Meeting of the Members and shall be deemed to have been passed on the last date of voting i.e. Friday, the January 4, 2019.
5. Members who have not registered their e-mail ID are requested to register the same with the Company / depositories in order to receive the Company's Annual Report and other communications electronically in future.
6. This Postal Ballot Notice is also placed on the website of the Company: [www.ramarajusurgical.com](http://www.ramarajusurgical.com) and on the website of CDSL: <https://www.evotingindia.com>.
7. In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act, read with (i) Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended; and (ii) Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering E-voting facility to all the Members of the Company and the business may be transacted through electronic voting system. The Company has engaged the services of CDSL for facilitating E-voting to enable the Members to cast their votes electronically. A Member may avail of this facility at his / her / their discretion as per the instructions provided herein.
8. The E-voting period shall commence on Thursday, the December 6, 2018 at 9:00 a.m. (IST) and end on Friday, the January 4, 2019 at 5:00 p.m. (IST). The E-voting will be blocked by CDSL thereafter. During this period, Members of the Company holding shares either in physical or dematerialised form, as on the cut-off date, i.e. Friday, the November 23, 2018, may cast their vote electronically.
9. Once the vote on the Resolution is cast by the Members, the Members shall not be allowed to change it subsequently.
10. Shri N.K. Shrikantan Raja, Director and Shri A. Emarajan, Company Secretary have been entrusted with the responsibility of ensuring smooth conduct of the Postal ballot process. Members having any queries, clarifications or grievances connected with the voting by postal ballot (including voting by electronic means) may communicate with either of them at the registered office of the Company or through telephone at 04563-235904 or e-mail at [rscm@ramcotex.com](mailto:rscm@ramcotex.com).
11. The instructions for Members for E-voting are as under:

**a) In case of Members receiving postal ballot notice by e-mail:**

- (i) Log on to the e-voting website <https://www.evotingindia.com>
- (ii) Click on "Shareholders" tab.
- (iii) Enter your User ID as given below :
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical form should enter Folio Number registered with the company

(iv) Next enter the Captcha code as displayed and click on login.

(v) PASSWORD

- If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

- a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders and Physical Shareholders).

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio No. / Client ID in the PAN field.

In case the Folio number is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL Letters. Eg. if your name is S.Siva with Folio Number 1, then enter SS00000001 in the PAN field.

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

**Date of birth:** Enter the Date of birth as recorded in your demat account or in the company records in dd/mm/yyyy format.

**Dividend Bank details:** Enter the Dividend Bank details as recorded in your demat account or in the company records.

If both the details are not recorded with the Depository or the company, please enter the User ID [mentioned in (iii) above] in the Dividend Bank details field.

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

(vii) Members holding shares in physical form will then directly reach the "Company selection" screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password

field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (ix) Click on the relevant EVSN for "THE RAMARAJU SURGICAL COTTON MILLS LIMITED" on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTION FILE" link if you wish to view the entire Resolution.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page. It need not be sent to the Company.
- (xv) If the Demat account holder has forgotten the changed password, then enter the User ID and Captcha Code and click on Forgot Password and enter the details as prompted by the system.
- (xvi) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.,) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**(b) In case of members receiving Postal Ballot Form in physical form:**

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote if the members desire to cast his / her / their vote in electronic form.

- (c)** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Committee

For **THE RAMARAJU SURGICAL COTTON MILLS LIMITED,**

Rajapalayam  
30<sup>th</sup> November, 2018

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**

**Explanatory Statement pursuant to Section 102(1) and 110 of the Companies Act, 2013**

**Sale of properties and assets of the Undertaking "Sudarsanam Spinning Mills, Silvassa Division**

The Company is having 3 divisions namely Surgical, Spinning and Fabrics. In the spinning divisions, currently the Company is having 74,256 Spindles, 2,440 Rotors and the details of various Divisions in which the above spindle capacities installed are given below:

<b>Name of the Unit</b>	<b>No.of Ring Spindles</b>	<b>No.of Open End Rotors</b>
Sudarsanam Spinning Mills - Rajapalayam	32,256	1,000
Sudarsanam Spinning Mills - Subramaniapuram	16,800	-
Sudarsanam Spinning Mills - Silvassa	21,600	-
Sudarsanam Spinning Mills - Andhra Pradesh	3,600	1,440
<b>TOTAL</b>	<b>74,256</b>	<b>2,440</b>

The Capacity and turnover contribution by Silvassa Division for the Financial Year 2017-18 are provided below:

<b>Particulars</b>	<b>Turnover (Rs. in Lakhs)</b>	<b>Production Capacity</b>	
		<b>No.of Ring Spindles</b>	<b>No.of Open End Rotors</b>
Total Turnover / Capacity of the Company	25,740	74,256	2,440
Sudarsanam Spinning Mills - Silvassa	2,992	21,600	-
Percentage	11.62%	29.08%	-

The Company is presently having around 19.32 acres of Land, 2,37,924.40 Sq. feet of Buildings, 21,600 Spindles and all other movable assets at P.O. Box.33, Survey No.57/3/3, Kherdi Village, Silvassa - 396 230, UT of Dadra & Nagar Haveli, India.

Due to increase in cotton price, power cost, administrative overheads, absence of skilled labour and adverse market conditions the Silvassa Division has incurred a loss in the last four financial years. The financial performance of Silvassa Division for the last four years are as follows:

(Rs.in Lakhs)

<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Turnover	6,962	4,782	4,490	2,992
Operating Profit	603	511	106	(60)
Interest	833	842	528	392
Depreciation	279	375	288	295
Net Profit / (Loss)	(509)	(706)	(710)	(747)
Cash Profit / (Loss)	(230)	(331)	(422)	(452)

Despite our continuous efforts to improve operational efficiency by way of exercising effective cost control measures and optimizing production, Silvassa Division has incurred a Net Loss and Cash Loss. By considering the market condition, the possibility of turning around the Division is very remote and it was proposed to sell the relevant properties and assets of the Undertaking "Sudarsanam Spinning Mills (A Division of The Ramaraju Surgical Cotton Mills Limited), Silvassa".

The proposed sale has been approved by the Audit Committee and Board of Directors at their meetings held on 30<sup>th</sup> January 2018 and 31<sup>st</sup> January 2018 respectively. The Board has authorized the sale committee to decide the sale price and considering the fair market value at the time of sale after evaluating all the offers received from the parties.

Proceeds of this sale would be utilised for repayment of term loans, working capital facilities, deployment in new business activities and general corporate purposes of the Company.

Silvassa Unit is an operational unit of the Company, the existing business operation would cease on commencement of the sale process.

In terms of Section 180(1)(a) of the Act, shareholders' approval is required by a company to sell or otherwise dispose-off the whole or substantially the whole of the undertaking of the company. Accordingly, the approval of the members of the Company is being sought for the proposed transaction under the provisions of Section 110 of the Companies Act, 2013 read with applicable Rules through Postal Ballot as set out in the Notice.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

The Board of the Directors are of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board of Directors recommends passing of the Special Resolution for approval of the members through Postal Ballot.

All the relevant documents pertaining to this item of business (including valuation report given by Mr. Rajesh Patel, Chartered Engineer, Krishna Services, Silvassa) are available for inspection at the registered office at Rajapalayam, during business hours upto the last date for casting vote through the postal ballot.

By Order of the Committee

For **THE RAMARAJU SURGICAL COTTON MILLS LIMITED,**

Rajapalayam  
30<sup>th</sup> November, 2018

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**

Encl.:

1. Postal Ballot Form
2. Self-addressed postage pre-paid envelope