

*73<sup>rd</sup>*  
*Annual Report*  
*2012 - 2013*



**The Ramaraju Surgical Cotton Mills Limited**  
**Rajapalaiyam**



Our Chairman Shri. P.R. Ramasubrahmaneya Rajha presiding the Kumbabhishekam function of Shri Vijaya Ganapathi at our Sudarsanam Spinning Mills, Rajapalayam.



Our Directors and Executives participating on the eve of our Founder's 102<sup>nd</sup> Birth day ceremony.



SHRI P.A.C. RAMASAMY RAJA





Founder  
Shri N.K. RAMARAJU



## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

### Board of Directors

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

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

Smt. C. PADMAVATHY  
*(Nominee of Govt. of Tamilnadu)*

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

Smt. R. SUDARSANAM

Shri N.R.K. RAMKUMAR RAJA, B.Tech., M.E.,

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

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

Shri S. KANTHIMATHINATHAN, M.Sc., M.B.A.,

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

### Bankers

Canara Bank

IDBI Bank Ltd

Indian Bank

Karur Vysya Bank Ltd

State Bank of India

Tamilnad Mercantile Bank Ltd

### Registered Office

The Ramaraju Surgical Cotton Mills Premises,  
119, P.A.C. Ramasamy Raja Salai,  
RAJAPALAIYAM - 626 117  
Tamilnadu.

### Website

[www.ramarajusurgical.com](http://www.ramarajusurgical.com)

### Factories

#### Surgical Division

1. Rajapalaiyam
2. Perumalpatti

#### Spinning Division

Sudarsanam Spinning Mills

1. Rajapalaiyam
2. Silvassa
3. Subramaniapuram
4. Thirumalagiri Village, A.P.

### Auditors

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

### Contents

Notice to the Members .....	2
Directors' Report .....	6
Corporate Governance .....	14
Shareholder Information .....	20
Auditors' Report .....	31
Balance Sheet .....	36
Statement of Profit and Loss .....	37
Cash Flow Statement .....	38
Notes to Financial Statements .....	40
Significant Accounting Policies .....	49

---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### NOTICE TO THE MEMBERS

Notice is hereby given that the 73<sup>rd</sup> Annual General Meeting of the Company will be held at 9.30 A.M. on Thursday, the 1<sup>st</sup> August, 2013, at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 108, Tamil Nadu to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as at that date and the Reports of the Directors and Auditors' thereon.
2. To declare Dividend for the year 2012-13.
3.
  - a) To appoint a Director in the place of Shri P.R. Venketrama Raja who retires by rotation and is eligible for re-appointment.
  - b) To appoint a Director in the place of Shri N.R.K. Ramkumar Raja who retires by rotation and is eligible for re-appointment.
  - c) To appoint a Director in the place of Shri S.N. Rama Raju who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED that M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, Tiruchirapalli be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.90,000/- (Rupees Ninety thousand only) exclusive of out-of-pocket expenses."

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

RAJAPALAIYAM,  
27<sup>th</sup> May, 2013.

P.R. RAMASUBRAHMANEYA RAJHA  
CHAIRMAN



---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### NOTICE

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
2. Proxy form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27.07.2013 to 01.08.2013 (both days inclusive).
4. The Dividends, on declaration, will be paid in respect of shares held in physical form to the shareholders whose appear in the Register of Members as on 01.08.2013 and in respect of shares held in electronic form to the beneficial owners whose names appear in the last furnished by the Depositories for the purpose as on 26.07.2013.
5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company is in compliance with SEBI's directive in this regard;
6. Under the provisions of Section 205 C of the Companies Act, 1956, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund (IEP Fund) of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the Members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

The details of due dates for transfer of such unclaimed dividend to the said Fund are:

<b>Financial Year ended</b>	<b>Date of declaration of Dividend</b>	<b>Last Date for claiming unpaid Dividend</b>	<b>Due Date for transfer to IEP Fund</b>
31-03-2006	28-07-2006	03-09-2013	02-10-2013
31-03-2007	25-07-2007	31-08-2014	30-09-2014
31-03-2008	06-08-2008	12-09-2015	11-10-2015
31-03-2010	04-08-2010	10-09-2017	09-10-2017
31-03-2011	20-07-2011	26-08-2018	25-09-2018

---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### NOTICE

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

##### 1. SHRI P.R. VENKETRAMA RAJA

Shri P.R. Venketrama Raja, aged 54 years, has Bachelor Degree in Chemical Engineering from University of Madras and Master in Business Administration from University of Michigan, USA.

He has been on the Board of The Ramaraju Surgical Cotton Mills Ltd, since 1986.

He is a Member in the Investors Grievance Committee of the Company.

He holds 2,700 Equity Shares in the Company.

He is the son of Shri P.R. Ramasubrahmaneya Rajha, Chairman of the Company.

He is also a Director in the following Companies:-

1. Ramco Industries Limited (Vice-Chairman & Managing Director)
2. Ramco Systems Limited (Vice-Chairman & Managing Director)
3. Madras Cements Limited
4. Rajapalayam Mills Limited
5. Sri Vishnu Shankar Mill Limited
6. Sandhya Spinning Mill Limited
7. Thanjavur Spinning Mill Limited
8. Sri Harini Textiles Limited
9. Rajapalayam Spinners Limited
10. Deccan Renewable Wind Electrics Limited
11. Sudharsanam Investments Limited
12. Sri Sandhya Farms (India) Private Limited
13. Sri Saradha Deepa Farms Private Limited
14. Ramamandiram Agricultural Estate Private Limited
15. Nalina Agricultural Farms Private Limited
16. Ramco Systems Corporation, USA
17. Ramco Systems Ltd., Switzerland
18. Ramco Systems Sdn Bhd., Malaysia
19. Ramco Systems Pte. Ltd., Singapore
20. Sri Ramco Lanka (Private) Limited, Sri Lanka
21. Sri Ramco Roofings Lanka Private Limited, Sri Lanka
22. RCDC Securities and Investments Private Limited
23. Nirmala Shankar Farms & Estates Private Limited

---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### NOTICE

24. Sri Nithya Lakshmi Farms Private Limited
25. Ram Sandhya Farms Private Limited
26. RSL Enterprise Solutions (Pty) Ltd., South Africa
27. Ramco Systems Canada Inc., Canada
28. Ramco Systems FZ-LLC

### 2. SHRI N.R.K. RAMKUMAR RAJA

Shri N.R.K. Ramkumar Raja, aged 56 years, has a Bachelor Degree in Technology and Master of Engineering on the Board of The Ramaraju Surgical Cotton Mills Ltd, since 2003.

He holds 70,480 Equity Shares in the Company.

He is the proprietor of M/s. N.R.Krishnama Raja Firm.

### 3. SHRI S.N. RAMA RAJU

Shri S.N. Rama Raju, aged 78 years, has Bachelor Degree in Textile Technology.

He has been on the Board of The Ramaraju Surgical Cotton Mills Ltd. from 2009. He is a Member in the following Committees of the Company.

- a. Audit Committee
- b. Remuneration Committee

He holds 4,640 Equity Shares in the Company.

He is the Secretary in Rajapalaiyam Chambers of Commerce & Industry.

He is also a Member in the following Companies:-

1. Madras Cements Limited
2. Ramco Industries Limited
3. Rajapalayam Mills Limited
4. Sri Vishnu Shankar Mill Limited
5. Ramco Systems Limited
6. Sandhya Spinning Mill Limited
7. Appollo Hospitals Limited
8. ETH Limited
9. HDFC Limited
10. Polyspin Exports Limited
11. HDFC Bank Limited
12. Hawkins Cookers Limited
13. Rajapalayam Cement & Chemicals Limited
14. Rajapalayam Kshatriya Rajukkal Sinthalapadi Dhayadhigal Charitable Trust

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors have pleasure in presenting their 73<sup>rd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

#### FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March, 2013, after charging all expenses and contribution to Ramaraju Memorial Fund of Rs.70.00 Lakhs which is within the limits laid in the Articles of Association, but before deducting interest and depreciation have resulted in operating profit of Rs.5,996.25 Lakhs against Rs.2,363.18 Lakhs for the previous financial year 2011-12.

After deducting Rs.2,183.92 Lakhs towards interest cost and providing Rs.1,396.78 Lakhs towards Depreciation, the Net profit for the year is Rs.2,415.55 Lakhs (PY: Net loss of Rs.1,512.60 Lakhs). Your Directors propose to appropriate the total sum of Rs.2,415.55 Lakhs as detailed below:

		Rs. in Lakhs
Provision for Taxation	Current Tax - MAT	414.91
	Deferred Tax	759.16
	MAT credit entitlement	(383.64)
	MAT credit entitlement (earlier years)	(629.55)
Interim Dividend	Rs.2.50 per share	49.33
Tax on Interim Dividend	@ 16.2225%	8.00
Final Dividend	Rs.0.50 per share (PY: Rs.NIL)	9.87
Tax on Final Dividend	@16.995%	1.68
Transfer to General Reserve		2,000.00
Balance carried over to Balance sheet		185.79
<b>TOTAL</b>		<b><u>2,415.55</u></b>

#### DIVIDEND

Your Directors have pleasure in recommending a Final Dividend of Rs.0.50 per share. Together with the Interim dividend of Rs.2.50 per share paid during the year, the total dividend for the year is Rs.3/- per share. The dividend will be tax free income in the hands of Shareholders as the Company will pay Dividend Distribution Tax under Income Tax Act, 1961. The total amount of dividend outgo (including interim dividend) would be Rs.59.20 Lakhs. The amount of tax on dividends (including tax on interim dividend already paid) would be Rs.9.68 Lakhs.

#### TAXATION

The Company is not liable to pay income tax under regular Income-Tax provisions. An amount of Rs.414.91 Lakhs towards current tax (MAT) and Rs.759.16 Lakhs towards Deferred Tax has been provided for the year. The tax paid under MAT will be available for set off in the year of regular income tax liability.

---

# THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

## DIRECTORS' REPORT

### SPINNING DIVISION

#### TRADE CONDITIONS

After a long spell of sluggishness, there was a sign of revival witnessed in Textile Industry. The cotton and yarn prices prevailed at a reasonable level. The expanded capacity with most modern and automatic machines has been utilized fully to make use of the improved demand situation. Better yarn realization coupled with higher capacity utilization have contributed for overall improved financial performance of the Company.

The severe power cut in Tamilnadu / Andhrapradesh is still continuing. Timely decision taken by your Directors to install Windmills in previous years and purchase of power from Third Party have helped the Company to tide over the power crisis to a greater extent. Still to meet the power short fall, we have to use Furnace Oil / Diesel Generator sets resulting in higher costs. The hike in electricity tariff rate by 30% by Government of Tamilnadu and also hike in Wheeling and other charges imposed on Wind Mills have pushed up the cost of power very steeply.

Inspite of spiraling wage cost, cost of power and logistics cost, the strategic decisions taken by the Company for installation of Wind Mills, increasing the capacity of Spindles with most advanced machineries, implementation of various cost reduction measures and production of flexible/value added count pattern have helped the Company to achieve improved results in the current market scenario.

#### EXPORTS

On the export front during the year, we have made export of Cotton Yarn / Fabrics and Surgical Dressings (including merchant exports) for a value of Rs.35.10 Crores as against Rs.36.01 Crores of the previous year.

#### PROSPECTS FOR THE CURRENT YEAR

The high volatility in cotton prices during the current cotton season 2012-13 is creating uncertainties for Spinning Mills. The cotton prices are currently ruling high at uneconomical levels. There is no sustained demand for yarn both in domestic and global markets to absorb the increased cotton cost. The power cut imposed in Tamilnadu / Andhrapradesh and increase in power tariff are severely affecting the operations of the Company.

The Company is maintaining high standards of yarn quality, cost effective production and stringent waste control measures. The Company is focusing on more automation with a view to utilize the skilled manpower more efficiently and also focusing on value added yarn. These measures have strengthened the Company to face the challenges in the current scenario. Your Directors are hopeful of achieving satisfactory results for the current year with the implementation of above steps.

#### MODERNISATION

As a part of continuous intensive modernization programme, the company has invested about Rs.4 Crores for investment in state-of-the-art textile machinery & equipments like Soft Package, High Draft Conversion, Contamination Detector in Blow Room, Auto Doffer in Spinning, Yarn Conditioning Machines etc.

# **THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

## **DIRECTORS' REPORT**

### **WIND MILL**

The Wind Mill Division with an installed capacity of 8.30 MW comprising of 9 wind electric generators are working satisfactorily. There was good wind velocity during the year compared to previous year, which resulted in higher generation of power. This year our wind farm have generated 172 Lakhs Kwh as compared to 155 Lakhs Kwh of the previous year. The income during the year from the Wind Mill Division was Rs.9.61 Crores as against Rs.5.83 Crores of previous year. All the power generated from our wind farm were consumed captively.

### **SURGICAL DIVISION**

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

### **PERSONNEL**

Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment. The scarcity of skilled labour and heavy absenteeism in labour attendance are causing loss of production. We are striving our best to retain them by implementing attractive incentive schemes to labours to achieve better attendance.

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Member who is interested in obtaining such particulars may write to the Company.

### **INTERNAL CONTROL SYSTEM**

Your Company has adequate internal control procedures commensurate with the size and nature of its operations. The audit committee constituted by the Board of Directors is functioning effectively. All significant audit observations were discussed in the audit committee, which met five times during the year under review. ERP System developed by Ramco Systems Ltd., has been installed for online monitoring of all functions and management information reports are being used to have better control and to take decisions in time.

---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### DIRECTORS' REPORT

#### DIRECTORS

The following Directors retire by rotation at the ensuing Annual General Meeting of the Company and they are eligible for re-appointment.

- 1) Shri P.R. Venketrama Raja
- 2) Shri N.R.K. Ramkumar Raja
- 3) Shri S.N. Rama Raju

#### PUBLIC DEPOSITS

The total deposits from the public outstanding with the Company as on 31<sup>st</sup> March, 2013 were Rs.373.09 Lakhs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956. There was no deposits unclaimed / unpaid as on 31.03.2013.

#### SHARES

The Company's shares are listed in Madras Stock Exchange Ltd. The Company has paid listing fee to the Stock Exchange for the financial year 2013-2014.

#### AUDITORS

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, Tiruchirapalli, the Auditors of the Company retire at the end of the 73<sup>rd</sup> Annual General Meeting and are eligible for re-appointment.

#### COST AUDITORS

The Government has approved the Company's proposal to appoint M/s. Geeyes & Co., Cost Accountants, Chennai for audit of Cost Accounts of the Spinning Division and compliance report for the Surgical Division for the year ended 31.03.2013, on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) exclusive of out-of-pocket expenses. As per Central Government's direction, cost audit will be done every year.

#### CONSERVATION OF ENERGY, ETC.

The Company continues to take keen interest in conservation of energy and the information required under Section 217(1) (e) of the Companies Act, 1956 read with the relevant Rules, with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure I to this report.

#### CORPORATE GOVERNANCE

This Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreements with the Stock Exchange. A Report on Corporate Governance followed by the Company together with a Certificate from the Statutory Auditor is set out in Annexure II to this report.

---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### DIRECTORS' REPORT

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2013, the applicable accounting standards had been followed;
- ii) The selected accounting policies were applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts were prepared on a going concern basis.

Secretarial Compliance Certificate issued by a practicing Company Secretary U/s. 383(A) of the Companies Act, 1956 is given Annexure to this report.

#### ACKNOWLEDGEMENT

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

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

RAJAPALAIYAM,  
27<sup>th</sup> May, 2013.

P.R. RAMASUBRAHMANEYA RAJHA  
CHAIRMAN



---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### ANNEXURE I TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

#### A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken : The practice of computing monthly UKG (40's converted) being continued to monitor monthly fluctuation.  
Energy Audit and conservation measure is being adopted periodically.  
The air leakage in the compressor pipe lines and in the machines are checked monthly once and deviations are corrected by using pump up test.  
Installed super low loss chokes for lighting and regularly replacing the conventional chokes.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption : Trial Installation of LED fitting is under progress and there is a scope for energy saving.
- (c) Impact the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : There is no major impact.
- (d) Total energy consumption per unit of production of goods : Particulars given in Form A

#### B. TECHNOLOGY ABSORPTION

- (e) Efforts made in Technology Absorption : Particulars given in Form B

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (f) (i) Activities relating to exports  
(ii) Initiatives taken to increase exports  
(iii) Development of new export markets for products and services  
(iv) Export plans
- } Exporting Cotton Yarn to Japan, Thailand, Pakistan, Taiwan, China, Malaysia, Italy, South Korea, Turkey, Hong Kong, Indonesia, Sri Lanka, Vietnam, Madagascar.
- (g) (i) Total Foreign exchange used : Rs. 1,132.47 Lakhs  
(ii) Total Foreign exchange earned : Rs. 2,812.96 Lakhs

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

**ANNEXURE I TO DIRECTORS' REPORT  
FORM A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**A. Power and Fuel Consumption:**

		<b>2012-13</b>	2011-12
1. Electricity:			
a) Purchased from Electricity Board			
Units	<b>Lakhs KWH</b>	<b>390.89</b>	377.57
Total amount	<b>Rs. In Lakhs</b>	<b>1,734.37</b>	1,686.37
Rate/Unit	<b>Rs.</b>	<b>4.44</b>	4.47
b) Own Generation			
Through Diesel / HFO Generator	<b>Lakhs KWH</b>	<b>75.35</b>	35.92
Unit per litre of Diesel Oil	<b>KWH</b>	<b>3.65</b>	2.86
Cost per Unit	<b>Rs.</b>	<b>12.49</b>	10.97
c) Purchased from Third party			
Units	<b>Lakhs KWH</b>	<b>45.37</b>	43.00
Total Cost	<b>Rs. In Lakhs</b>	<b>223.93</b>	239.90
Rate per unit	<b>Rs.</b>	<b>4.94</b>	5.58
2. Furnace Oil:			
Quantity	<b>Lakhs Ltrs</b>	<b>7.53</b>	2.36
Total Cost	<b>Rs. In Lakhs</b>	<b>338.89</b>	98.04
Average rate	<b>Rs.</b>	<b>44.98</b>	41.50
3. Diesel Oil:			
Quantity	<b>Lakhs Ltrs</b>	<b>15.72</b>	10.12
Total Cost	<b>Rs. In Lakhs</b>	<b>680.09</b>	393.39
Average rate	<b>Rs.</b>	<b>43.26</b>	38.77
4. Firewood:			
Quantity	<b>Tonnes</b>	<b>3,212.00</b>	3,363.00
Total Cost	<b>Rs. In Lakhs</b>	<b>93.24</b>	99.44
Average rate	<b>Rs.</b>	<b>2.90</b>	2.96

**B. Consumption per unit of production:**

Products	Unit	2012-13	2011-12
<b>Production</b>			
100% Cotton Yarn	<b>Kgs.</b>	<b>78,33,594</b>	66,61,511
Absorbent Cotton Wool	<b>Kgs.</b>	<b>9,20,894</b>	9,10,756
Gauze and Bandages	<b>Kgs.</b>	<b>1,56,588</b>	1,69,104
Plaster of Paris Powder	<b>Kgs.</b>	<b>3,20,702</b>	3,30,840
<b>Consumption per unit</b>			
Electricity	<b>Units per Kg.</b>	<b>5.35</b>	5.66
Fire Wood	<b>Kg/Kgm.</b>	<b>2.30</b>	2.38

Note:

- 1) No Standard Rate of Consumption can be given as several factors enter into the picture.
- 2) As the Company is producing different Counts of Yarn separate details for each count are not given.

ANNEXURE I TO DIRECTORS' REPORT

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

**Research and Development (R & D):**

- |  |   |     |
|--|---|-----|
| <ol style="list-style-type: none"><li>1. Specific areas in which R &amp; D carried out by the Company</li><li>2. Benefits derived as a result of the above R &amp; D</li><li>3. Future plan of action</li><li>4. Expenditure on R &amp; D<ol style="list-style-type: none"><li>a) Capital</li><li>b) Recurring</li><li>c) Total</li><li>d) Total R &amp; D expenditure as a percentage of total turnover</li></ol></li></ol> | } | Nil |
|--|---|-----|

**Technology absorption, adaptation and innovation:**

- |  |   |                |
|--|---|----------------|
| <ol style="list-style-type: none"><li>1. Efforts, in brief, made towards technology absorption, adaptation and innovation.</li><li>2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.</li></ol> | } | Not applicable |
|--|---|----------------|

**ANNEXURE II TO DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Since inception, The Ramaraju Surgical Cotton Mills Ltd, is assiduously following its self determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stake holders of the Company viz, shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous upgradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction.

The Company lays great emphasis on team building and motivation. A contended and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the organisation.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the organisation grows, the society and the community around it should also grow.

**2. BOARD OF DIRECTORS**

The Board of Directors is headed by the Chairman Shri P.R. Ramasubrahmaneya Rajha. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Engineering, etc. The Board has 10 Directors out of which 9 Directors are Non-Executive. As required by the Code of Corporate Governance, 50% of the Board of Directors consists of Independent Directors. Our Board is having 30% of the Independent Directors. For this purpose, the Director nominated by Government of Tamil Nadu is deemed to be an independent Director.

With reference to the remark regarding this in the Auditors Certificate, we wish to state that steps have been initiated to increase the composition of independent Directors to 50%. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

During the year under review, five Board Meetings were held, one each on 28.05.2012, 07.08.2012, 07.11.2012, 11.02.2013 and 22.02.2013.

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

### ANNEXURE II TO DIRECTORS' REPORT

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director	Directorship	No. of Board Meetings attended	% of Meetings attended during the year
1.	Shri P.R. Ramasubrahmaneya Rajha	Chairman	5	100
2.	Smt. R. Nalina Ramalakshmi	Managing Director	4	80
3.	Shri S.U. Mohammed Masood *	Govt. Nominee Director	1	20
4.	Smt. C. Padmavathy *	Govt. Nominee Director	4	80
5.	Shri P.R. Venketrama Raja	Promoter Director	1	20
6.	Smt. R. Sudarsanam	Promoter Director	5	100
7.	Shri N.R.K. Ramkumar Raja	Promoter Director	–	–
8.	Shri N.K. Shrikantan Raja	Independent Director	5	100
9.	Shri P.J. Alaga Raja	Independent Director	5	100
10.	Shri S. Kanthimathinathan	Professional Director	5	100
11.	Shri N.K. Rama Raju	Independent Director	4	80

\* Shri S.U. Mohammed Masood, Govt. Nominee Director has been withdrawn from 06.08.2012 and Smt. C. Padmavathy has been nominated in his place.

The previous Annual General Meeting of the Company was held on 6<sup>th</sup> August, 2012 at Rajapalaiyam. The following Directors attended the Annual General Meeting:

Sl. No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri N.K. Shrikantan Raja
3.	Shri P.J. Alaga Raja
4.	Shri S.N. Rama Raju

#### CODE OF CONDUCT

The Board has laid down the Code of Conduct for the Board Members and Senior Management Personnel of the Company. The Code of Conduct is given below:-

#### 1. FOR DIRECTORS

A Director being a Trustee of the Shareholders shall –

- i. Act always in the best interest of the Shareholders.

**ANNEXURE II TO DIRECTORS' REPORT**

- ii. Maintain a high standard of probity in his relations with the Company, its subsidiaries, employees, contractors, suppliers and customers.
- iii. Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- iv. Conduct himself in a manner that befits his position.
- v. Assist the Company to observe the provisions of the Company Law and other Laws applicable to the Company, both in letter and in its spirits.
- vi. Not use this position in any manner to his personal advantage or that of his family or friends.

**2. FOR SENIOR MANAGEMENT PERSONNEL**

A Senior Management person is one who occupies the rank of Deputy General Manager or above and notified from time to time as a Senior Management person.

A Senior Management personnel shall -

- i. By his personal behaviour and conduct, set an example to his fellow employees.
- ii. Conduct himself in a manner that upholds his integrity, rectitude and fair name of the Company and give no occasion to the Management to explain his actions or behaviours.
- iii. Refrain his position for personal benefit from the employees, contractors, suppliers and customers of the Company.
- iv. Maintain the confidentiality of the Company's information that has come to his notice, except where disclosure is authorised in writing by the Management.
- v. Observe all prescribed safety and environmental related norms.
- vi. Not divulge to any member of the press or media any matter concerning the company unless authorised by the Management.
- vii. Not engage himself in any business relationship or commercial activity with or without remuneration, without the prior written permission of the Management.

The Code of conduct has also been posted on the Company's website:  
[www.ramarajusurgical.com](http://www.ramarajusurgical.com)

**3. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has constituted Committees of Directors to deal with matters in detail and to monitor the activities falling within the terms of reference. The Board Committees are as follows:

**(A) AUDIT COMMITTEE**

The terms of reference of the Audit Committee include:

- i) To review the report of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;

---

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

**ANNEXURE II TO DIRECTORS' REPORT**

- iii) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- iv) To generally assist the Board to discharge their functions more effectively.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by the Code of Corporate Governance and Companies Act from time to time.

The Audit Committee consists of the following Directors:

SI. No.	Name of the Director	No. of Meetings attended
1.	Shri S.N. Rama Raju, Chairman of the Committee	5
2.	Shri N.K. Shrikantan Raja	5
3.	Shri P.J. Alaga Raja	5

No. of Meetings held during the year : 5

Date of the Meetings : 28-05-2012, 07-08-2012, 31-10-2012,  
11-02-2013 & 22-02-2013

The Statutory Auditors, Deputy General Manager - Admin., Head of Internal Audit Department are invitees to the Audit Committee Meetings. 2/3<sup>rd</sup> of the Members of the Audit Committee are Independent Directors as required by the Code of Corporate Governance.

**(B) REMUNERATION COMMITTEE**

SI.No.	Name of the Director
1.	Shri S.N. Rama Raju, Chairman of the Committee
2.	Shri N.K. Shrikantan Raja
3.	Shri P.J. Alaga Raja

No. of Meetings held during the year : Nil

**(C) SHARE TRANSFER COMMITTEE**

SI.No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Smt. R. Sudarsanam
3.	Shri N.K. Shrikantan Raja
4.	Shri P.J. Alaga Raja

During the year under review, eight meetings were held to consider transfer and transmission of Shares.

The above Committees meet as and when necessity arises.

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

### ANNEXURE II TO DIRECTORS' REPORT

#### (D) INVESTORS GRIEVANCE COMMITTEE

SI.No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri P.R. Venketrama Raja
3.	Shri N.K. Shrikantan Raja

No. of Meetings held during the year : Nil

No complaint has been received during the year 2012-13 and no complaints are pending as on 31-03-2013.

The above Committees meet as and when necessity arises.

#### 4. BOARD PROCEDURE

The details about performance of the various Units of the Company, financial position, legal action, quarterly results, market environment and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information complies with the requirements of the Code of Corporate Governance with regard to the information to be placed before the Board of Directors.

No Director is a Member in more than 10 Committees or acts as Chairman of more than 5 Committees of Companies in which he is a Director. Every Director informs the Company about the position he occupies in other Companies and notifies the changes as and when they take place.

#### 5. REMUNERATION OF DIRECTORS

The Non - Executive Directors do not draw any remuneration from the Company except Sitting Fee which were paid @ Rs.5,000/- for each meeting of the Board and Rs.500/- for each meeting of the Share Transfer Committee of the Board attended by them.

#### 6. DISCLOSURE OF SHAREHOLDINGS OF NON - EXECUTIVE DIRECTORS

Following are the details of shareholdings of the non-executive directors in the Company as on 31-03-2013.

SI.No.	Name of the Director	No of Shares
1.	Shri P.R. Ramasubrahmaneya Rajha	69,740
2.	Shri P.R. Venketrama Raja	2,700
3.	Smt. R. Sudarsanam	4,680
4.	Shri N.R.K. Ramkumar Raja	70,480
5.	Shri N.K. Shrikantan Raja	5,960
6.	Shri P.J. Alaga Raja	5,880
7.	Shri S.N. Rama Raju	4,640
8.	Smt. C. Padmavathy	Nil
9.	Shri S. Kanthimathinathan	Nil



---

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

**ANNEXURE II TO DIRECTORS' REPORT**

**7. MANAGEMENT**

The matters that are required to be discussed under Management Discussion and Analysis report have been included in the Directors' Report to the Shareholders. Whenever commercial and financial transactions have been entered with Companies in which Directors are interested, the nature of interest is being disclosed to the Board of Directors.

**8. SHAREHOLDERS**

For appointment / re-appointment of Directors, shareholders are being provided with information at the Annual General Meeting about the Directors, their expertise and Companies in which they are interested. The information are also included in the Notice calling the Annual General Meeting.

---

**AUDITORS' CERTIFICATE**

This is to certify that we, the Auditors' of M/s. The Ramaraju Surgical Cotton Mills Ltd., Rajapalaiyam, have reviewed the compliance by the Company of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange and report that all the conditions contained therein have been complied with by the Company, *except with respect to requirement of independent Directors forming 50% of the total number of Directors.*

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

K.SRINIVASAN  
Partner  
Membership No. 21510

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

# THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

## ANNEXURE II TO DIRECTORS' REPORT

### SHAREHOLDER INFORMATION

#### Registered Office

THE RAMARAJU SURGICAL COTTON MILLS LIMITED  
Ramaraju Surgical Cotton Mills Premises,  
Post Box No.2,  
P.A.C. Ramasamy Raja Salai,  
Rajapalaiyam - 626 117, Tamilnadu.

#### Details of Factory Location

##### Surgical Division

##### Rajapalaiyam, Tamilnadu

- 1) The Ramaraju Surgical Cotton Mills Limited,  
Post Box No.2,  
P.A.C. Ramasamy Raja Salai,  
Rajapalaiyam - 626 117, Tamilnadu.
- 2) Perumalpatti Village - 627 753.

##### Textile Division

##### Rajapalaiyam, Tamilnadu

- 1) Sudarsanam Spinning Mills,  
P.A.C. Ramasamy Raja Salai,  
Rajapalaiyam - 626 117,  
Tamilnadu.
- 2) Sudarsanam Spinning Mills,  
Subramaniyapuram,  
Srivilliputhur Taluk,  
Tamilnadu.

##### Silvassa, Gujarat

- 3) Sudarsanam Spinning Mills,  
Kherdi Village,  
Silvassa,  
U.T. of Dadra & Nagar Haveli.

##### Thirumalagiri Village, Andhra Pradesh

- 4) Sudarsanam Spinning Mills,  
Thirumalagiri Village,  
Jaggayyapet Mandal,  
Krishna District - 521 178,  
Andhra Pradesh.

#### Person to be contacted for Shareholder enquires

P.R. RAMASUBRAMANIAN  
Deputy General Manager (Compliance Officer),  
The Ramaraju Surgical Cotton Mills Limited,  
Post Box No.2,  
P.A.C. Ramasamy Raja Salai,  
Rajapalaiyam - 626 117,  
Tamilnadu.  
Phone: 04563 - 235904  
Fax : 04563 - 235714  
e-mail : [rscm@ramcotex.com](mailto:rscm@ramcotex.com)

Share Transfer Documents are to be sent to our above office address. The Share Transfer matters are being handled in-house.

#### Listing on Stock Exchange

The Company's shares have been listed in Madras Stock Exchange Limited (MSE) for which Listing Fee for the year 2013-14 has been paid.

#### Stock Code

Name of the Stock Exchange	Code
Madras Stock Exchange	RAMARAJU

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

### ANNEXURE II TO DIRECTORS' REPORT

#### GENERAL MEETINGS

The last 3 Annual General Meetings were held as under:

Year ended	Date	Time	Venue
31-03-2010	04-08-2010	9.30 A.M	P.A.C.R. Centenary Community Hall, P.A.C.Ramasamy Raja Salai, Rajapalaiyam - 626 108 Tamil Nadu.
31-03-2011	20-07-2011	9.30 A.M	- do -
31-03-2012	06-08-2012	9.30 A.M	- do -

One Special Resolution has been passed in the previous three Annual General Meetings.

No resolution on matters requiring postal ballot as per Section 192A of the Companies Act, was passed during the year.

#### Ensuing Annual General Meeting

Date	Time	Venue
01-08-2013	9.30 A.M.	P.A.C.R. Centenary Community Hall, P.A.C.Ramasamy Raja Salai, Rajapalaiyam - 626 108 Tamil Nadu.

#### FINANCIAL CALENDAR

(For the Financial year April 2012 to March 2013)

Board Meeting for consideration of Accounts	27-05-2013
Posting of Annual Report	On or before 08-07-2013
Book Closure date	27-07-2013 to 01-08-2013 (both days inclusive)
Last date for receipt of Proxy form	30-07-2013
Date of the 73 <sup>rd</sup> AGM	01-08-2013
Dividend Payment date	Date of the AGM

#### MEANS OF COMMUNICATION

The Unaudited Quarterly and Half yearly Financial Results and Audited Annual Results are published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai edition). The results were also displayed on the Company's website : [www.ramarajusurgical.com](http://www.ramarajusurgical.com)

All the financial results are provided to the Stock Exchange.

Official News releases are given directly to the Press.

## **THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

### **ANNEXURE II TO DIRECTORS' REPORT**

#### **SHARE TRANSFER SYSTEM**

All the transfers received are processed in-house and are approved by the Share Transfer Committee / Board of Directors and through Circular resolutions. Share transfers are registered and returned within fifteen days from the date of lodgement, if the documents are complete in all respects.

#### **DEPOSITORY SYSTEM**

The Company's shares have been mandated for trading in dematerialized form by all categories of investors with effect from 17-01-2000. The Company's shares are available for dematerialization both under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The Company is having in-house facilities for the Depository Registrar Services relating to both NSDL and CDSL. As on 31<sup>st</sup> March, 2013, 78.70% of the shares have been dematerialized.

In view of the advantages offered by the Depository System, members who have not yet dematerialized their shares are requested to avail the facility of dematerialization of the shares. They have the choice to open account with Depository Participants of either of the Depositories by quoting the Company's ISIN No. INE328E01027.

#### **SHARES HELD IN ELECTRONIC FORM**

Shareholders holding shares in electronic form may please note that:

- (i) all instructions regarding bank details which they wish to be incorporated in their dividend warrants will have to be submitted to their Depository Participants. As per the Regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company;
- (ii) instructions already given by them in respect of shares held in physical form will not be applicable to the dividend paid on shares held in electronic form and the Company will not entertain any request for deletion/change of bank details already printed on dividend warrants contrary to the information received from the concerned Depositories;
- (iii) all instructions regarding change of address, bank details, nomination, power of attorney etc. should be given directly to their Depository Participants and the Company will not entertain any such request directly from shareholders.

#### **REDRESSAL OF GRIEVANCES**

There are no pending Share transfers as on 31-03-2013. Complaints from shareholders with regard to Non-receipt of Certificates after transfer, Non-receipt of dividend, Non-receipt of Annual Reports,

---

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### ANNEXURE II TO DIRECTORS' REPORT

etc. are being acted upon by the Company immediately on receipt. The Company has taken steps to redress the grievances received during the year except in cases where, in the opinion of the Company, the matter is to be referred to Court or have already been referred to Courts. Any Shareholder who is having grievance may kindly e-mail to [rscminvestorgrievance@gmail.com](mailto:rscminvestorgrievance@gmail.com).

#### DISCLOSURES

- i) The Company has no related party transactions that may have potential conflict with the interests of the Company at large. The Audit Committee reviews the details of the significant related party transactions. A summary of the significant related party transactions have been disclosed under "Other Disclosures".
- ii) There has been no penalty/stricture imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

#### OUTSTANDING GDRs / ADRs / WARRANTS OR CONVERTIBLE BONDS

There are no outstanding convertible warrants / instruments.

#### CORPORATE SOCIAL RESPONSIBILITY

The Company's total expenditure towards Corporate Social Responsibility (CSR) for various Charitable causes, including for renovation of temples and for social developments amounted to Rs.70.12 Lakhs.

---

#### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31<sup>st</sup> March, 2013.

For THE RAMARAJU SURGICAL COTTON MILLS LTD.,

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

R. NALINA RAMALAKSHMI  
MANAGING DIRECTOR

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

**ANNEXURE II TO DIRECTORS' REPORT**

**Pattern of Shareholding as on 31-03-2013**

Description	Total Shareholders	%	Total Shares	%
<b>A. PROMOTERS HOLDING</b>				
1. Promoters	10	0.74	830750	42.10
Sub-total	10	0.74	830750	42.10
<b>B. NON - PROMOTERS HOLDING</b>				
1. Banks, FI's, Ins.Cos, Govt.Institutions	1	0.07	100	0.01
2. NRIs/ OCBs & Non-domestic Companies	3	0.15	1000	0.05
3. Private Corporate Bodies	9	0.67	10400	0.53
4. Public	1335	98.37	1131030	57.31
Sub-total	1348	99.26	1142530	57.90
<b>Total</b>	<b>1358</b>	<b>100.00</b>	<b>1973280</b>	<b>100.00</b>

**Distribution of Shareholding as on 31-03-2013**

No. of Shares held	Total Shareholders	%	Total Shares	%
Upto - 500	1031	75.92	155936	7.90
501 to 1000	134	9.87	103622	5.25
1001 to 2000	73	5.38	107100	5.43
2001 to 3000	29	2.13	72720	3.68
3001 to 4000	18	1.32	67400	3.42
4001 to 5000	16	1.18	72600	3.68
5001 to 10000	32	2.36	221012	11.20
10001 & above	25	1.84	1172890	59.44
<b>Total</b>	<b>1358</b>	<b>100.00</b>	<b>1973280</b>	<b>100.00</b>

**Category of Shareholding as on 31-03-2013**

Category	Total Shareholders	%	Total Shares	%
Dematerialised Form:				
CDSL	119	8.76	108244	5.48
NSDL	536	39.47	1444758	73.22
Physical Form	703	51.77	420278	21.30
<b>Total</b>	<b>1358</b>	<b>100.00</b>	<b>1973280</b>	<b>100.00</b>

---

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

**ANNEXURE II TO DIRECTORS' REPORT**

**COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

CIN L17111TN1939PLC002302

Nominal Capital : Rs.3,00,00,000.

To

The Members,  
THE RAMARAJU SURGICAL COTTON MILLS LTD.,  
P.A.C. Ramasamy Raja Salai,  
RAJAPALAIYAM- 626 117.

Sir,

I have examined the registers, records, books and papers of THE RAMARAJU SURGICAL COTTON MILLS LTD., [the Company] as required to be maintained under the Companies Act, 1956, [the Act] and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2013 [financial year]. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Central Government within the time prescribed under the Act and the rules made thereunder, except as stated in Annexure 'B'. However the Company is not required to file forms and returns with the Regional Director, Company Law Board or other authorities.
3. The Company being a public limited Company, has paid up capital of Rs.1,97,32,800.
4. The Board of Directors duly met five times respectively 28-05-2012, 07-08-2012, 07-11-2012, 11-02-2013 and 22-02-2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 01-08-2012 to 06-08-2012 (both days inclusive) and necessary compliance of Section 154 of the Act has been made. The Company has also fixed record date as 28-02-2013 for the purpose of payment of interim dividend declared on 22-02-2013.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2012 was held on 06-08-2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms referred to under Section 295 of the Act during the period under review.

## **THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

### **ANNEXURE II TO DIRECTORS' REPORT**

9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate.
13. The Company has:
  - i) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - ii) Deposited the amount of interim dividend declared on 22-02-2013 in a separate bank account on 28-02-2013 which within 5 days from the date of declaration of such dividend.
  - iii) Paid / posted warrants for dividend to all members within a period of 30 (thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred / to unpaid dividend account of the Company with Axis Bank Ltd., Rajapalaiyam on 30-03-2013.
  - iv) The Company has transferred the amounts in unpaid dividend account amounting to Rs.66,582/- relating to the year ended 31-03-2005 which have remained unclaimed or unpaid for a period of 7 years to Investor Education and Protection Fund on 17-10-2012. However the Company has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have been remained unclaimed or unpaid for a period of seven years to be transferred to Investor Education and Protection Fund.
  - v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and appointment of Nominee Director has been duly made. There was no appointment of Alternate / Additional Directors and Director to fill casual vacancy during the financial year.
15. The re-appointment of Managing Director with effect from 12-08-2010 has been made with the approval of the Central Government during the financial year ended 31-03-2011 which is valid up to 11-08-2015.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has applied for necessary approvals of the Central Government as prescribed under the various provisions of the Act as detailed below:-
  - i) Approval for appointment of Cost Auditor u/s. 233(B) applied on 02-06-2012.  
However the Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the Provisions of the Act and the rules made there under.



## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### ANNEXURE II TO DIRECTORS' REPORT

19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares / debentures and hence the question of redemption of preference shares / debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted by the Company during the year and the Company has filed the copy of Statement in lieu of Advertisement/necessary particulars as required with the Registrar of Companies, Chennai, Tamilnadu on 07-08-2012. The Company has also filed return of deposits with the Registrar of Companies on 30-06-2012.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31<sup>st</sup> March, 2013 is / are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting held on 06-08-2008 for Rs.300 Crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business over and above the paid up capital and free reserves).
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose during the period under review.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. Since Employees Provident Fund Act, 1952 is applicable, Section 418 is not applicable.

Rajapalaiyam,  
21<sup>st</sup> May, 2013.

M.R.L. NARASIMHA  
Practicing Company Secretary  
C.P. No.799

---

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

**ANNEXURE II TO DIRECTORS' REPORT**

**ANNEXURE 'A'**

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013.**

THE RAMARAJU SURGICAL COTTON MILLS LTD.,

CIN L17111TN1939PLC002302

Nominal Capital : Rs.3,00,00,000.

Registers as maintained by the Company:

- 1) Board Meeting Minutes u/s. 193.
- 2) Annual General Meeting Minutes u/s. 193.
- 3) Directors attendance cum Sitting Fees Register.
- 4) Share Transfer Committee Sitting Fees Register.
- 5) Register of Contracts in which Directors are Interested u/s. 301 and 301(3).
- 6) Register of Directors u/s. 303.
- 7) Register of Members u/s. 150.
- 8) Register of Share Transfer.
- 9) Register of charges and copies of instruments evidencing the charge u/s. 136.
- 10) Share Transfer Committee Minutes.
- 11) Register of Investments.
- 12) Register of Proxies.
- 13) Register of Deposits under rule 7 of Companies (Acceptance of Deposit) Rule 1975.
- 14) Register of Directors Shareholding u/s. 307.
- 15) Remuneration Committee Minutes.
- 16) Shareholders Attendance Register.

Rajapalaiyam,  
21<sup>st</sup> May, 2013.

M.R.L. NARASIMHA  
Practicing Company Secretary  
C.P. No.799

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

**ANNEXURE 'B'**

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

THE RAMARAJU SURGICAL COTTON MILLS LTD.,

CIN L17111TN1939PLC002302

Nominal Capital : Rs.3,00,00,000.

Forms and Returns filed by the Company with the Registrar of Companies during the Financial Year Ending 31<sup>st</sup> March, 2013.

S. No.	Form No. Return	Filed U/s	For	Date of Filing. SRN.	Whether filed within the prescribed Time	If delay in Filing whether Requisite Additional fees paid
1	62	Rule 10 of the Companies (Acceptance of Deposit) Rules, 1975	Return of Deposit as on 31.03.2012	30.06.2012 B42314948	Yes	Not Applicable
2	62	Rule 4A of Companies (Acceptance of deposit) Rules 1975	Statement in lieu of Advertisement	07.08.2012 B44899565	Yes	Not Applicable
3	66	383 A (1)	Secretarial Compliance certificate for the year ended 31.03.2012	22.08.2012 P88569975	Yes	Not Applicable
4	Form 5 INV	Rule 3 of IEPF (uploading of Information regarding unpaid and unclaimed amounts lying with Co.'s) Rules 2012	Statement of unclaimed and unpaid amount as on 20.07.2011	25.08.2012 S13878707	Yes	Not Applicable
5	32	303 (2)	Appointment of Smt. Chellappan Padmavathy as Nominee Director of Govt. of Tamilnadu and Cessation of Shri Ushman Mohideen Mohamed Masood as Director - Nomination withdrawn by Govt. of Tamilnadu.	28.08.2012 B56270085	Yes	Not Applicable

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

S. No.	Form No. Return	Filed U/s	For	Date of Filing. SRN.	Whether filed within the prescribed Time	If delay in Filing whether Requisite Additional fees paid
6	Form 5 INV	Rule 3 of IEPF (uploading of Information regarding unpaid and unclaimed amounts lying with Co.'s) Rules 2012	Statement of unclaimed and unpaid amount as on 06.08.2012	31.10.2012 S15337926	Yes	Not Applicable
7	8	135	Modification of charges - SBI Rs.338.17 Crores	17.11.2012 B61932273	Yes	Not Applicable
8	8	135	Modification of charges - SBI Rs.338.17 Crores - Extension of EM	01.03.2013 B69151199	Yes	Not Applicable
9	20 B	159	Annual Return made upto 06.08.2012	04.10.2012 P89309249	Yes	Not Applicable
10	1 INV	Rule 3 of investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001	Statement of amounts credited to Investor Education and Protection fund for the year ended 31.03.2005	26.10.2012 B60467578	Yes	Not Applicable
11	23 AC-XBRL, 23 ACA-XBRL	220	Profit & Loss Account & Balance Sheet as at 31.03.2012	12.01.2013 Q05778790	Yes	Not Applicable

**Central Government**

1	23 C	233 (B)	For appointment of Cost Auditor for the year ended 31.03.2013 for Textiles	02.06.2012 S08740813	Yes	Not Applicable
2	A-XBRL	209(1)(d) 600(3)(b)	Filing of cost audit compliance report for the year ended 31.03.2012	02.01.2013 S19745488	Yes	Not Applicable
3	1-XBRL	233(B)(4) 600(3)(b)	Filing of cost audit report for the year ended 31.03.2012	08.01.2013 S19838499	Yes	Not Applicable

Rajapalaiyam,  
21<sup>st</sup> May, 2013.

M.R.L. NARASIMHA  
Practicing Company Secretary  
C.P. No.799

---

# THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. The Ramaraju Surgical Cotton Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.

---

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

**AUDITORS' REPORT TO SHARE HOLDERS**

- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;  
and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

K.SRINIVASAN  
Partner  
Membership No. 21510

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

**ANNEXURE TO THE AUDITORS' REPORT**

**Annexure Referred to in paragraph 1 of our "Report on other Legal and Regulatory requirements" of our Report of even date**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management is having a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets of the Company has been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of accounts.
- (iii) (a) The Company has not granted any unsecured loans during the year.
- (b) The Company has taken unsecured loans of Rs.488.00 Lakhs including opening balance from 2 parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year end balance of unsecured loans aggregate to Rs.404.40 Lakhs and Rs.104.40 Lakhs respectively.
- (c) In our opinion, the rate of interest and other terms and conditions on which the loan has taken from such companies/persons are not, *prima facie* prejudicial to the interest of the Company.
- (d) The Company is regular in payment of the principal and interest wherever applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal systems of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act, 1956 have been so entered.

## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### ANNEXURE TO THE AUDITORS' REPORT

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has accepted deposits from the public and the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act and rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal for non-compliance with the provision of Section 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products pursuant to the rules made by the Central Government for the maintenance of cost record under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess.
- (x) The Company has no accumulated losses at the end of the financial year nor had it incurred any cash loss during the financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or bank during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures or other Investments.
- (xiii) In our opinion, the Company is not a Chit fund or a Nidhi / Mutual benefit fund / Society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.



## THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM

---

### ANNEXURE TO THE AUDITORS' REPORT

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debenture or other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xv) Based on information and explanations given to us, the terms and conditions of the guarantee taken by the Company from Rajapalayam Mills Limited for Rs.11,457 Lakhs (Loans outstanding Rs.7,622 Lakhs).
- (xvi) On the basis of review of utilisation of funds on an overall basis in our opinion, the term loans taken by the Company were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and an overall examination of the balance sheet of the Company, we report that the Company has utilised Rs.567.71 Lakhs (PY. Rs.517.60 Lakhs) from short term sources towards long term obligations.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures and accordingly no securities or charges have been created in respect of debentures.
- (xx) The Company has not made a public issue of any its securities during the year and accordingly the provisions of clause 4(xx) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

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

K.SRINIVASAN  
Partner  
Membership No. 21510

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013**

	Note No.	As at 31-03-2013	(Rs. in Lakhs) As at 31-03-2012
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	1	197.33	197.33
Reserves and Surplus	2	3,876.15	4,073.48
			1,690.36
			1,887.69
<b>(2) Non-current Liabilities</b>			
Long Term Borrowings	3	10,893.14	14,175.04
Deferred Tax Liabilities (Net)	4	1,720.90	961.74
Long Term Provisions	5	282.89	12,896.93
			175.82
			15,312.60
<b>(3) Current Liabilities</b>			
Short Term Borrowings	6	5,989.10	5,297.12
Trade Payables		584.85	306.40
Other Current Liabilities	7	3,864.62	3,344.86
Short Term Provisions	8	712.05	11,150.62
			795.44
			9,743.82
<b>TOTAL</b>		<b>28,121.03</b>	<b>26,944.11</b>
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	19,238.30	20,140.29
Intangible Assets	9	26.23	42.81
Capital Work-in-Progress		70.02	62.55
			19,334.55
			20,245.65
<b>Non Current Investments</b>	10	<b>220.42</b>	220.71
<b>Long Term Loans and Advances</b>	11	<b>174.80</b>	212.88
<b>Other non current assets</b>	12	<b>1,013.19</b>	-
<b>(2) Current Assets</b>			
Inventories	13	3,659.60	2,675.07
Trade Receivables	14	2,465.15	2,113.34
Cash and Bank Balances	15	140.13	187.83
Short Term Loans and Advances	16	734.27	680.82
Other Current Assets	17	378.92	7,378.07
			607.81
			6,264.87
<b>TOTAL</b>		<b>28,121.03</b>	<b>26,944.11</b>
<b>Significant Accounting Policies</b>	25		
<b>Notes on Financial Statements</b>	26		

The notes form an integral part of these financial statements

As per our report annexed

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

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN

P.R.VENKETRAMA RAJA  
SMT. R.SUDARSANAM  
SMT. C.PADMAVATHY  
N.K.SHRIKANTAN RAJA  
S.N.RAMA RAJU  
P.J.ALAGA RAJA

K.SRINIVASAN  
Partner  
Membership No. 21510

SMT. R.NALINA RAMALAKSHMI  
MANAGING DIRECTOR

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

DIRECTORS

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

		(Rs. in Lakhs)	
	Note No.	For the year ended 31-03-2013	For the year ended 31-03-2012
I	Revenue from Operations	24,017.91	19,786.20
	Less: Excise Duty	220.09	175.34
		<u>23,797.82</u>	<u>19,610.86</u>
II	Other Income	177.93	263.47
III	<b>Total Revenue (I+II)</b>	<u><u>23,975.75</u></u>	<u><u>19,874.33</u></u>
IV	<b>EXPENSES</b>		
	Cost of Materials Consumed	10,916.71	11,040.45
	Changes in Inventories of Finished Goods and Work-in-Progress	(41.04)	1,212.40
	Employee Benefit Expenses	1,940.31	1,521.86
	Finance Costs	2,183.92	2,452.25
	Depreciation	1,396.78	1,423.53
	Other Expenses	5,163.52	3,736.44
	<b>Total Expenses</b>	<u><u>21,560.20</u></u>	<u><u>21,386.93</u></u>
V	<b>Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)</b>	2,415.55	(1,512.60)
VI	Exceptional & Extraordinary Items	-	-
VII	<b>Profit / (Loss) Before Tax (V-VI)</b>	<u>2,415.55</u>	<u>(1,512.60)</u>
VIII	<b>Tax Expenses</b>		
	Current Tax - MAT	414.91	-
	Deferred Tax	759.16	(494.98)
	MAT Credit Entitlement	(383.64)	-
	MAT Credit Entitlement (Earlier Years)	(629.55)	-
IX	<b>Profit / (Loss) for the Year (VII-VIII)</b>	<u><u>2,254.67</u></u>	<u><u>(1,017.62)</u></u>
X	Earnings per Equity Share of Rs. 10/- each Basic & Diluted (In Rupees) (Refer to Item No.12 of Note No.26)	114.26	(51.57)
	<b>Significant Accounting Policies</b>	25	
	<b>Notes on Financial Statements</b>	26	
The notes form an integral part of these financial statements			

As per our report annexed

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

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN

P.R.VENKETRAMA RAJA  
SMT. R.SUDARSANAM  
SMT. C.PADMAVATHY  
N.K.SHRIKANTAN RAJA  
S.N.RAMA RAJU  
P.J.ALAGA RAJA

K.SRINIVASAN  
Partner  
Membership No. 21510

SMT. R.NALINA RAMALAKSHMI  
MANAGING DIRECTOR

DIRECTORS

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

---

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Rs. in Lakhs)

2012-13      2011-12

**A. Cash Flow from Operating Activities**

Net Profit before tax and prior period and Extraordinary Items	<b>2,415.55</b>	(1,512.60)
Adjustments for :		
Depreciation	<b>1,396.78</b>	1,423.53
Interest Paid	<b>2,183.92</b>	2,452.25
Interest Received	<b>(30.15)</b>	(20.20)
Dividend Received	<b>(110.11)</b>	(142.73)
(Profit) / Loss on Sale of Assets	<b>0.67</b>	(37.40)
Operating Profit before Working Capital Changes	<b>5,856.66</b>	2,162.85
Adjustments for :		
Trade Receivables	<b>(351.81)</b>	573.45
Loans and Advances	<b>213.52</b>	575.05
Inventories	<b>(984.53)</b>	3,808.91
Trade Payables & Current Liabilities	<b>934.32</b>	(6.99)
Cash generated from Operations	<b>5,668.16</b>	7,113.27
Income Tax Paid	<b>(527.34)</b>	(62.53)
<b>Net Cash from Operating Activities</b>	<b>A      5,140.82</b>	7,050.74

**B. Cash Flow from Investing Activities**

Purchase of Fixed Assets	<b>(499.56)</b>	(560.66)
Sale of Assets	<b>13.50</b>	66.47
Interest Received	<b>30.15</b>	20.20
Dividend Received	<b>110.11</b>	142.73
<b>Net Cash used in Investing Activities</b>	<b>B      (345.80)</b>	(331.26)

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**(Rs. in Lakhs)**

**2012-13      2011-12**

**C. Cash Flow from Financing Activities**

Repayment of Long Term Borrowings		<b>(6,486.22)</b>	(4,874.49)
Repayment of Long Term Loan		<b>2,904.32</b>	2,959.40
Increase / (Decrease) in Working Capital Borrowings		<b>691.98</b>	(2,273.36)
Decrease in Inter Corporate Deposits		<b>300.00</b>	–
Payment of Dividend and Tax thereon		<b>(68.88)</b>	(86.00)
Interest Paid		<b>(2,183.92)</b>	(2,452.25)
<b>Net cash used in Financing Activities</b>	<b>C</b>	<b><u>(4,842.72)</u></b>	<b><u>(6,726.70)</u></b>

**Net Increase in Cash and Cash Equivalent**

*(Refer to Note No. 15)*

**(A+B+C)      (47.70)      (7.22)**

**Opening balance of Cash and Cash Equivalents**

**D      187.83      195.05**

**Closing balance of Cash and Cash Equivalents**

**E      140.13      187.83**

**Net Decrease in Cash and Cash Equivalent**

**(E-D)      (47.70)      (7.22)**

As per our report annexed  
For M.S.JAGANNATHAN & N.KRISHNASWAMI  
Chartered Accountants  
Firm Registration No. 001208S

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN

P.R.VENKETRAMA RAJA  
SMT. R.SUDARSANAM  
SMT. C.PADMAVATHY  
N.K.SHRIKANTAN RAJA  
S.N.RAMA RAJU  
P.J.ALAGA RAJA

K.SRINIVASAN  
Partner  
Membership No. 21510

SMT. R.NALINA RAMALAKSHMI  
MANAGING DIRECTOR

DIRECTORS

Rajapalaiyam,  
27<sup>th</sup> May, 2013.





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

	As at 31-03-2013	(Rs. in Lakhs) As at 31-03-2012
<b>NOTE NO. 5</b>		
LONG TERM PROVISIONS		
Provision for Employee Benefits	71.43	33.36
Ramaraju Memorial Fund	211.46	142.46
	282.89	175.82
<b>NOTE NO. 6</b>		
SHORT TERM BORROWINGS		
<b>Secured</b>		
Loan Repayable on Demand from Banks *	5,865.72	2,137.09
<b>Unsecured</b>		
Loan Repayable on Demand from Banks	–	3,000.00
Deposits	18.60	56.66
Loan from Other Parties	0.38	0.37
Loan from Related Parties	104.40	103.00
<i>(Refer to Item No.4 of Note No.26)</i>		
	5,989.10	5,297.12
* Loan Repayable on Demand from Banks are secured by pari-passu charge on the current assets of the Company and a second charge on the fixed assets of the Company.		
<b>NOTE NO. 7</b>		
OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debts	3,185.86	2,904.32
Interest accrued but not due on Borrowings	42.12	51.13
Unpaid Dividends	15.50	7.23
Liabilities for Other Finance	621.14	382.18
	3,864.62	3,344.86
<b>NOTE NO. 8</b>		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	252.66	235.17
Provision for Taxation	447.84	560.27
Proposed Final Dividend Rs.0.50/- per share (PY: Rs. NIL)	9.87	–
Provision for Tax on Proposed Dividend	1.68	–
	712.05	795.44



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

**NOTE : 9**

<b>Tangible Assets</b>	<b>(Rs. in Lakhs)</b>									
	<b>Gross block</b>			<b>Depreciation</b>			<b>Net block</b>			
<b>Description</b>	Cost as at 01-04-2012	Additions	Sales	Cost as at 31-03-2013	Up to 01-04-2012	For the year	Withdrawn	Up to 31-03-2013	As at 31-03-2013	As at 31-03-2012
Land	560.34	-	-	560.34	-	-	-	-	560.34	560.34
Buildings	3,928.42	105.60	-	4,034.02	792.47	129.29	-	921.76	3,112.26	3,135.95
Plant and machinery	21,967.65	293.48	10.65	22,250.48	7,015.19	1,124.40	2.11	8,137.48	14,113.00	14,952.46
Electrical machinery	1,927.14	47.19	20.82	1,953.51	517.70	75.32	19.20	573.82	1,379.69	1,409.44
Furniture, Office Equipments	265.27	5.78	0.37	270.68	216.66	36.65	0.35	252.96	17.72	48.61
Vehicles	107.79	36.61	23.78	120.62	74.35	10.82	19.79	65.38	55.24	33.44
Loose Tools	0.09	-	-	0.09	0.04	-	-	0.04	0.05	0.05
<b>Total - Tangible Assets</b>	28,756.70	488.66	55.62	29,199.74	8,616.41	1,376.48	41.45	9,951.44	19,238.30	20,140.29
As on 31-03-2012	28,376.71	522.12	142.13	28,756.70	7,328.55	1,400.92	113.06	8,616.41	20,140.29	21,048.16
<b>Intangible Assets</b>										
Computer Software	137.52	3.43	-	140.95	94.71	20.01	-	114.72	26.23	42.81
Total - Intangible Assets	137.52	3.43	-	140.95	94.71	20.01	-	114.72	26.23	42.81
As on 31-03-2012	137.52	-	-	137.52	72.39	22.32	-	94.71	42.81	65.13

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

(Rs. in Lakhs)  
As at As at  
31-03-2013 31-03-2012

**NOTE NO. 10**

**NON-CURRENT INVESTMENTS**

**A. Investment Property**

Building		<b>8.72</b>	8.72
Less: Accumulated depreciation as at the beginning of the year		<b>(1.04)</b>	(0.75)
Depreciation for the year		<b>(0.29)</b>	(0.29)

<b>Total Investment property</b>	<b>(A)</b>	<b>7.39</b>	7.68
----------------------------------	------------	-------------	------

**B. Investment in Equity Instruments, Non-Trade**

Name of the Company	No. of Shares	Total face Value Rs.	Cost	Cost
<b>1) Quoted</b>				
<b>Associate Companies</b>				
M/s. Madras Cements Ltd	36,24,000	36,24,000	<b>19.86</b>	19.86
M/s. Ramco Industries Ltd	1,35,880	1,35,880	<b>0.53</b>	0.53
M/s. Rajapalayam Mills Ltd	1,50,100	15,01,000	<b>28.81</b>	28.81
M/s. Ramco Systems Ltd	12,739	1,27,390	<b>12.15</b>	12.15
Sub-Total			<b>61.35</b>	61.35
<b>2) Unquoted</b>				
<b>Associate Companies</b>				
M/s. Sri Vishnu Shankar Mill Ltd	11,200	1,12,000	<b>1.68</b>	1.68
M/s. Ontime Transport Co.Ltd	10,000	1,00,000	<b>1.00</b>	1.00
M/s. Sri Harini Textiles Ltd	14,90,000	1,49,00,000	<b>149.00</b>	149.00
Sub-Total			<b>151.68</b>	151.68

<b>Total Quoted &amp; Unquoted investments (B)</b>		<b>213.03</b>	213.03
--	--	---------------	--------

<b>Aggregate Value of Total Investment (A + B)</b>		<b>220.42</b>	220.71
--	--	---------------	--------

**Aggregate Value of:**

Quoted Investments - Cost		<b>61.35</b>	61.35
- Market Value		<b>9,938.65</b>	6,275.76
Unquoted Investments - Cost		<b>159.07</b>	159.36

*Refer to Item No.5 of Note No.25*

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

	As at 31-03-2013	(Rs. in Lakhs) As at 31-03-2012
<b>NOTE NO. 11</b>		
LONG TERM LOANS AND ADVANCES		
<b>Unsecured and Considered good</b>		
Loans and advances to related parties*	10.00	10.00
Security deposits	164.80	202.88
	<u>174.80</u>	<u>212.88</u>
<i>* Refer to Item No.15 of Note No. 26.</i>		
<b>NOTE NO. 12</b>		
OTHER NON CURRENT ASSETS		
MAT Credit Entitlement	1,013.19	—
	<u>1,013.19</u>	<u>—</u>
<b>NOTE NO. 13</b>		
INVENTORIES		
Finished goods	1,063.08	1,094.40
Rawmaterials - Cotton & Cotton Waste	2,113.34	1,187.43
Stores and Spares	157.48	139.90
Process Stock	325.70	253.34
	<u>3,659.60</u>	<u>2,675.07</u>
Details of Process Stock		
Yarn	307.12	233.77
Surgical Dressings	18.58	19.57
	<u>325.70</u>	<u>253.34</u>
<i>Method of valuation of inventories are disclosed in Significant Accounting Policies in Note No. 25.</i>		
<b>NOTE NO. 14</b>		
TRADE RECEIVABLES		
<b>Unsecured and Considered good</b>		
Outstanding for a period exceeding six months	88.90	88.90
Other Trade Receivables	2,376.25	2,024.44
	<u>2,465.15</u>	<u>2,113.34</u>
<b>NOTE NO. 15</b>		
CASH AND BANK BALANCES		
Cash on hand	1.99	1.71
Balance with bank		
In Current Account	39.71	107.77
In Deposit Account for margin money	82.93	71.12
In Unclaimed Dividend warrant account	15.50	7.23
	<u>140.13</u>	<u>187.83</u>

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

	(Rs. in Lakhs)	
	As at	As at
	31-03-2013	31-03-2012
<b>NOTE NO. 16</b>		
SHORT TERM LOANS AND ADVANCES		
<b>Unsecured and Considered good</b>		
Advance to Suppliers	204.86	87.74
Advance Income Tax, TDS and Refund Due	529.41	593.08
	<u>734.27</u>	<u>680.82</u>
<b>NOTE NO. 17</b>		
OTHER CURRENT ASSETS		
Accrued Income	120.45	118.76
Prepaid Expenses	49.10	44.22
Other Current Assets	209.37	444.83
	<u>378.92</u>	<u>607.81</u>
<b>NOTE NO. 18</b>		
REVENUE FROM OPERATIONS		
<b>Sale of Products</b>		
Yarn	19,574.39	15,672.68
Surgical Dressings	3,506.03	3,505.57
Waste Cotton	614.04	454.59
	<u>23,694.46</u>	19,632.84
<b>Other Operating Revenues</b>		
Value of Power Generated from Wind Mills	14.51	–
Export Incentive	53.96	99.38
Job Work Charges Received	254.98	53.98
	<u>24,017.91</u>	<u>19,786.20</u>
<b>NOTE NO. 19</b>		
OTHER INCOME		
Interest Received	30.15	20.20
Rent Received	1.06	1.05
Dividend Income	110.11	142.73
Carbon Credit Sale	–	9.36
Industrial Promotion Assistance	19.07	28.18
Miscellaneous Income	2.42	6.54
Profit / (Loss) on sale of assets	(0.67)	37.40
Exchange Gain on Foreign Currency Transactions	15.79	18.01
	<u>177.93</u>	<u>263.47</u>

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

	<b>(Rs. in Lakhs)</b>	
	<b>For the year ended 31-03-2013</b>	<b>For the year ended 31-03-2012</b>
<b>NOTE NO. 20</b>		
COST OF MATERIALS CONSUMED		
<b>Rawmaterials consumed</b>		
Cotton & Cotton Waste	<u>10,916.71</u>	<u>11,040.45</u>
	<u>10,916.71</u>	<u>11,040.45</u>
<b>NOTE NO. 21</b>		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
<b>Opening stock</b>		
Finished Goods	1,094.40	2,129.81
Work-in-Progress	<u>253.34</u>	<u>430.33</u>
	<b>1,347.74</b>	2,560.14
<b>Less:</b>		
<b>Closing Stock</b>		
Finished Goods	1,063.08	1,094.40
Work-in-Progress	<u>325.70</u>	<u>253.34</u>
	<b>1,388.78</b>	1,347.74
	<u>(41.04)</u>	<u>1,212.40</u>
<b>NOTE NO. 22</b>		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	1,637.26	1,261.82
Contribution to Provident and Other Funds	210.38	193.59
Staff and Labour Welfare Expenses	<u>92.67</u>	<u>66.45</u>
	<u>1,940.31</u>	<u>1,521.86</u>
<b>NOTE NO. 23</b>		
FINANCE COSTS		
Interest Expenses	2,022.24	2,157.76
Other Borrowing Costs	86.82	192.93
Exchange Fluctuation (Net) applicable to Finance Costs	<u>74.86</u>	<u>101.56</u>
	<u>2,183.92</u>	<u>2,452.25</u>

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

	<b>(Rs. in Lakhs)</b>	
	<b>For the year ended 31-03-2013</b>	<b>For the year ended 31-03-2012</b>
<b>NOTE NO. 24</b>		
OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power and Fuel <i>(Refer to Item No. 10 of Note No. 26)</i>	<b>2,594.63</b>	1,829.01
Packing Materials	<b>534.19</b>	440.25
Job work Charges Paid	<b>171.08</b>	53.56
Repairs to Buildings	<b>77.42</b>	36.12
Repairs to Plant and Machinery	<b>324.37</b>	285.23
Repairs - General	<b>331.53</b>	<b>4,033.22</b>
	<u>232.14</u>	2,876.31
ESTABLISHMENT EXPENSES		
Managing Director Remuneration	<b>114.15</b>	27.88
Rates and Taxes	<b>58.22</b>	40.28
Postage and Telephone	<b>14.34</b>	13.24
Printing and Stationery	<b>8.73</b>	7.06
Travelling Expenses	<b>36.28</b>	24.17
Vehicle Maintenance	<b>43.27</b>	40.44
Insurance	<b>31.63</b>	41.89
Directors Sitting Fees	<b>1.97</b>	1.42
Rent	<b>6.76</b>	6.83
Audit and Legal Expenses	<b>16.39</b>	17.52
Miscellaneous Expenses	<b>79.92</b>	67.65
Corporate Social Responsibility	<b>70.12</b>	<b>481.78</b>
	<u>0.47</u>	288.85
SELLING AND DISTRIBUTION EXPENSES		
Sales Commission	<b>459.99</b>	382.69
Export Expenses	<b>16.74</b>	20.23
Other Selling Expenses	<b>171.79</b>	168.36
	<b>648.52</b>	571.28
	<b>5,163.52</b>	<b>3,736.44</b>

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

---

**NOTE NO. 25**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation and presentation of financial statements**

- i. The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.
- ii. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- iii. During the year the monetary value of the power generated at wind farms that are consumed at Mills are not treated as revenue but have been set off against the cost of Power & Fuel in accordance with the announcement of Institute of Chartered Accountants of India on treatment of inter-divisional transfers. Hitherto such value was treated as revenue in the wind farms and included as expenditure in Textile Divisions grouped under Power & Fuel. The change in presentation does not have any impact in the financial statements.

**2. Use of Estimates**

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

**3. Tangible Fixed Assets**

- i. Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT / VAT wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost less impairment losses if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- ii. Depreciation has been provided on straight-line basis / Written down value method at the rates specified under Rules/Schedule XIV to the Companies Act, 1956, prevailing at the time of acquisition of the Asset.
- iii. Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.

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

---

**4. Intangible Assets**

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

**5. Investments**

All Investments being long term & non-trade are stated at cost less permanent diminution in value, if any.

**6. Investment Property**

- i. An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss if any.
- ii. Depreciation on building component of investment property is calculated on straight-line basis using the rate prescribed under Schedule XIV to the Companies Act, 1956.
- iii. Gains or losses arising from disposal of investment properties are measured as the difference between the net disposal proceeds and the carrying amount of such investment properties are recognised in the statement of profit and loss.

**7. Inventories**

- i. Raw-materials, stores, spares, packing materials etc., are valued at cost including the cost incurred in bringing the inventories to their present location and condition.
- ii. Process Stock is valued at cost including the cost of conversion. The cost of conversion includes direct costs.
- iii. Finished goods of Surgical units are valued at cost including Excise Duty or net realisable value whichever is lower and Finished goods of Spinning Mills are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

**8. Revenue recognition**

- i. Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii. Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sale value excludes Excise duty, Education Cess, Secondary and Higher education cess, VAT and CST.
- iii. Dividend income is recognised when the company's right to receive dividend is established by the reporting date.
- iv. Income from Wind Mills:  
The monetary value of the power generated at wind farms that are consumed at Mills are not treated as revenue but have been set off against the cost of Power & Fuel. The value



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

---

of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognised and shown as Income from Wind Mills.

**9. Employee Benefits**

- i. Short-term employee benefits viz., Salaries and Wages are recognised 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 recognised as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services. The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. The Company also contributed for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs.1 Lakh per employee to funds administered by trustees and managed by LIC of India annually. There are no other obligations other than the above defined contribution plans.

**iii. Defined Benefit Plan**

**Gratuity:**

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

**Leave Encashment:**

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

**10. Provision, Contingent Liabilities and Contingent Assets**

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. Un-provided contingent liabilities are disclosed in the accounts by way of Notes. Contingent Assets are not recognised.

**11. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of those assets as per Accounting Standard-16 (Borrowing costs). All other borrowing costs are charged to revenue.

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

---

**12. Government Subsidy / Grant**

- i. Interest subsidy under Technology Upgradation Fund Scheme (TUF) is credited to the interest and finance charges.
- ii. Power subsidy under Industrial Investment Promotion Policy of Andhra Pradesh is credited to the Power & Fuel Cost.
- iii. Other subsidies under Industrial Investment Promotion Policy of Andhra Pradesh are credited to Industrial Promotion Assistance under note "Other Income".

**13. Foreign Currency Transactions**

- i. Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction.
- ii. Covered liabilities in foreign currencies are accounted at the rate at which they have been covered. Uncovered liabilities in Foreign Currency are accounted at the rates as on the Balance Sheet date. The exchange difference on account of this is recognised in the statement of profit and loss as per Accounting Standard - 11(The Effects of Changes in Foreign Exchange Rates).
- iii. The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense over the life of contract.

**14. Earnings Per Share**

Net profit after tax is divided by the number of equity shares as stipulated in Accounting Standard - 20 (Earnings Per Share)

**15. Income Tax**

The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income) and includes deferred tax liability. The Company recognises the Deferred Tax Liability based on the accumulated timing difference using the current tax rate.

The Company considered credit entitlement of Minimum Alternative Tax (MAT) where it is reasonably certain that this will be available for set-off in accordance with the provisions of the Income Tax Act, 1961.

**16. Segment Reporting**

The Company has identified three reportable segments viz., Textiles, Surgical Dressings and Power generation from Windmills as primary business segments considering the nature of the products, the differing risks and returns as per Accounting Standard-17 (Segment Reporting). The valuation of inter segment transfers are based on prevailing market prices.



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

(Rs. in Lakhs)  
**2012-13**    2011-12

8. There are no dues to micro and small enterprises as at 31.03.2013 (PY:Rs.Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
9. The unadjusted units generated from the Wind Mills as on 31-03-2013 are 5.28 Lakhs KWH (PY: Nil) and its monetary value of Rs.14.51 Lakhs (PY: Rs. Nil) has been included in Other Current Assets.
10. The value of power generated from Wind Mills and adjusted against own consumption at the Mills (captive consumption) of Rs.946.04 Lakhs (PY: Rs.583.35 Lakhs) have been Rs.14.51 Lakhs as on 31-03-2013 (PY: Rs. Nil) and sold to the Electricity Board are shown under Income from Wind Mills. In the previous year all the above amount have been classified under Income from Wind Mills.
11. As per Accounting Standard 15 (Revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plan:**

Employer's Contribution to Provident Fund	<b>34.15</b>	30.16
Employer's Contribution to Superannuation Fund	<b>2.68</b>	3.29

**Details of the post retirement gratuity plan (Funded) are as follows:**

**Reconciliation of opening and closing balances of defined benefit plan:**

Defined Benefit Obligation as at the beginning of the year	<b>271.54</b>	205.95
Current Service Cost	<b>23.47</b>	20.52
Interest Cost	<b>22.20</b>	15.41
Actuarial (gain) / loss	<b>25.16</b>	56.19
Past service cost - ( vested benefits)	<b>NIL</b>	NIL
Benefits paid	<b>(-) 20.71</b>	(-)26.54
Defined Benefit obligation as at the end of the year	<b>321.66</b>	271.54

**Reconciliation of opening and closing balances of fair value of plan assets:**

Fair value of plan assets as at the beginning of the year	<b>206.47</b>	147.77
Expected return on plan assets	<b>21.68</b>	13.29
Actuarial gain / (loss)	<b>0.47</b>	8.70
Employer Contribution	<b>89.48</b>	63.25
Benefits paid	<b>(-) 20.71</b>	(-) 26.54
Fair value of plan assets as at the end of the year	<b>297.39</b>	206.47

**Actual Return of plan assets:**

Expected return of plan assets	<b>21.68</b>	13.29
Actuarial (gain) / loss on plan assets	<b>0.47</b>	8.70
Actual return on plan assets	<b>22.15</b>	21.99

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

	(Rs. in Lakhs)	
	2012-13	2011-12
<b>Reconciliation of opening and closing balance of fair value of Plan assets:</b>		
Fair value of plan assets	321.66	271.54
Present value of the obligation	297.38	206.47
Difference	24.28	65.07
Unrecognized transitional liability	NIL	NIL
Unrecognized past service cost non-vested benefits	NIL	NIL
Amount recognized in Balance Sheet	24.28	65.07
<b>Expense recognized during the year:</b>		
Current Service Cost	23.47	20.52
Interest Cost	22.20	15.41
Expected return on plan assets	(-) 21.68	(-)13.29
Actuarial gain / (loss)	24.69	47.50
Transitional liability recognised in the year	NIL	18.17
Past service cost-non-vested benefits	NIL	NIL
Past service cost-vested benefits	NIL	NIL
Net Cost	48.68	88.31
<b>Investment Details as on 31-03-2013</b>		
GOI Securities	0.55%	0.87%
State Government Securities	NIL	NIL
High quality Corporate Bonds	NIL	NIL
Funds with LIC	99.26%	96.25%
Bank Balance	0.19%	2.88%
Others	NIL	NIL
Total	100%	100%
<b>Actuarial assumptions:</b>		
LIC 1994-96 Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a.	7.90%	8.50%
Expected rate of return on plan assets p.a.	9.25%	9.00%
Rate of escalation in salary p.a.	5.00%	5.00%

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

(Rs. in Lakhs)  
**2012-13**    2011-12

**Details of Leave encashment plan (Unfunded) are as follows:**

**Reconciliation of opening and closing balances of defined benefit plan:**

Defined Benefit Obligation as at the beginning of the year	<b>44.17</b>	36.78
Current Service Cost	<b>11.68</b>	8.32
Interest Cost	<b>3.58</b>	2.85
Actuarial (gain) / loss	<b>16.13</b>	(-) 1.48
Benefits paid	<b>(-) 4.13</b>	(-) 2.30
Defined Benefit obligation as at the end of the year	<b>71.43</b>	44.17

**Reconciliation of opening and closing balances of fair value of plan assets:**

Fair value of plan assets as at the beginning of the year	<b>NIL</b>	NIL
Expected return on plan assets	<b>NIL</b>	NIL
Actuarial gain / (loss)	<b>NIL</b>	NIL
Employer Contribution	<b>4.13</b>	2.30
Benefits paid	<b>(-) 4.13</b>	(-) 2.30
Fair value of plan assets as at the end of the year	<b>NIL</b>	Nil

**Actual Return of plan assets:**

Expected return of plan assets	<b>NIL</b>	NIL
Actuarial (gain) / loss on plan assets	<b>NIL</b>	NIL
Actual return on plan assets	<b>NIL</b>	NIL

**Reconciliation of fair value of assets and obligations:**

Fair value of plan assets	<b>NIL</b>	NIL
Present value of obligation	<b>71.42</b>	44.17
Difference	<b>71.42</b>	44.17
Unrecognized transitional liability	<b>NIL</b>	NIL
Unrecognized past service cost non vested benefits	<b>NIL</b>	NIL
Amount recognized in Balance Sheet	<b>71.42</b>	44.17

**Expense recognized during the year:**

Current Service Cost	<b>11.68</b>	8.32
Interest Cost	<b>3.58</b>	2.85
Expected return on plan assets	<b>NIL</b>	NIL
Actuarial gain / (loss)	<b>16.12</b>	(-) 1.47
Transitional liability recognized in the year	<b>NIL</b>	NIL
Past service cost-non-vested benefits	<b>NIL</b>	NIL
Past service cost-vested benefits	<b>NIL</b>	NIL
Net Cost	<b>31.38</b>	9.69

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

(Rs. in Lakhs)  
**2012-13**    2011-12

**Investment Details as on 31-03-2013:**

GOI Securities	<b>NIL</b>	NIL
State Government Securities	<b>NIL</b>	NIL
High Quality Corporate Bonds	<b>NIL</b>	NIL
Funds with LIC	<b>NIL</b>	NIL
Bank balance	<b>NIL</b>	NIL
Others	<b>NIL</b>	NIL

**Actuarial assumptions:**

LIC 1994-96 Ultimate Table applied for Service Mortality rate	<b>Yes</b>	Yes
Discount rate p.a.	<b>7.90%</b>	8.50%
Expected rate of return on plan assets p.a.	<b>N.A.</b>	N.A.
Rate of escalation in salary p.a.	<b>5.00%</b>	5.00%
Total	<b>NIL</b>	NIL

**12. Earnings per Share**

<b>Particulars</b>	<b>2012-13</b>	2011-12
Net profit / (Loss) after tax (A)	<b>2,254.67</b>	(1,017.62)
No. of Shares (B)	<b>19.73</b>	19.73
Basic & Diluted earnings per share of Rs. 10/- each (A/B)	<b>114.26</b>	(51.57)

- 13.** The Company has utilised short term funds amount Rs.567.71 Lakhs (PY Rs.517.60 Lakhs) towards long term purposes. The Company in order to cash emerging business opportunities resulted in Short term Borrowings and the Company intends renewing/rolling over these loans.

**THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM.**

**14. Segment Information for the year ended 31<sup>st</sup> March, 2013**

Particulars	Textiles		Surgical		Windmill Power		Total	
	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012
<b>REVENUE</b>								
External Sales (Net)	20,449.16	16,198.20	3,334.14	3,412.66	14.51	-	23,797.81	19,610.86
Inter Segment Sale	-	-	-	-	946.04	583.35	946.04	583.35
Total Sales	20,449.16	16,198.20	3,334.14	3,412.66	960.55	583.35	24,743.85	20,194.21
Other Income	34.79	94.40	2.88	6.14	-	-	37.67	100.54
<b>Total Revenue</b>	<b>20,483.95</b>	<b>16,292.60</b>	<b>3,337.02</b>	<b>3,418.80</b>	<b>960.55</b>	<b>583.35</b>	<b>24,781.52</b>	<b>20,294.75</b>
<b>RESULT</b>								
Segment Result	3,216.04	( 389.70)	566.97	846.87	676.20	319.55	4,459.21	776.72
Unallocated Income							110.11	142.73
Unallocated Expenses								
Operating Profit							4,569.32	919.45
Interest Expenses							2,183.92	2,452.25
Interest Income							30.15	20.20
Provision for Taxation								
Current Tax							414.91	-
Deferred Tax							759.16	(494.98)
MAT Credit entitlement							(1,013.19)	-
Profit from ordinary activities							2,254.67	(1,017.62)
Exceptional Items							-	-
<b>Net Profit</b>							<b>2,254.67</b>	<b>(1,017.62)</b>
<b>OTHER INFORMATION</b>								
Segment Assets	24,023.72	23,303.47	1,119.94	724.52	2,756.95	2,695.00	27,900.61	26,722.99
Unallocated Assets	-	-	-	-	-	-	220.42	221.12
Total Assets	24,023.72	23,303.47	1,119.94	724.52	2,756.95	2,695.00	28,121.03	26,944.11
Segment Liabilities	21,852.47	22,618.74	744.66	575.21	1,450.42	1,862.47	24,047.55	25,056.42
Unallocated Liabilities							-	-
Total Liabilities	21,852.47	22,618.74	744.66	575.21	1,450.42	1,862.47	24,047.55	25,056.42
Capital Expenditure	382.55	442.03	109.54	80.04	-	-	492.09	522.07
Unallocated								
Capital Expenditure	1,167.94	1,194.87	32.07	32.03	196.77	196.63	1,396.78	1,423.53
Depreciation							-	-
Unallocated								
Depreciation Expenditure							-	-
Non-Cash expenses							-	-
other than Depreciation							-	-



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

**15. Related Party Transactions**

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

**a. Key Management personnel and relatives.**

Shri P.R. Ramasubrahmaneya Rajha, Chairman  
 Smt. R. Nalina Ramalakshmi, Managing Director  
 Shri P.R. Venketrama Raja, Director  
 Smt. R. Sudarsanam, Director  
 Shri N.R.K. Ramkumar Raja, Director

The company transactions with the above persons are furnished in Note No. 3 of note above.

Enterprises over which the above persons exercise significant influence and with which the company had transactions during the year.

M/s. Madras Cements Ltd., M/s. Ramco Industries Ltd., M/s. Ramco Systems Ltd., M/s. Rajapalayam Mills Ltd., M/s. Thanjavur Spinning Mill Ltd.,	M/s. Sri Vishnu Shankar Mill Ltd., M/s. Sandhya Spinning Mill Ltd., M/s. Sri Harini Textiles Ltd., M/s. Rajapalayam Spinners Ltd.,
--	---

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

(i) Inter Corporate Deposits given

(Rs. in Lakhs)

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Sri Harini Textiles Ltd	10.00	10.00	10.00	10.00

Interest on ICD

Name of the Related Party	Interest		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Sri Harini Textiles Ltd	1.12	1.10	NIL	NIL

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

(ii) Inter Corporate Deposits accepted

(Rs. in Lakhs)

Name of the Related Party	Maximum Outstanding		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Rajapalayam Mills Ltd.,	300.00	1,350.00	NIL	300.00

Interest on ICD

Name of the Related Party	Interest		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Rajapalayam Mills Ltd.,	26.88	120.09	NIL	NIL

(iii) Good Supplied / Services rendered

Name of the Related Party	Value		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Rajapalayam Mills Ltd.,	13.92	231.63	NIL	NIL
M/s. Sri Vishnu Shankar Mill Ltd.,	0.43	2.28	NIL	NIL
M/s. Sandhya Spinning Mill Ltd.,	158.50	6.87	NIL	NIL
M/s. Thanjavur Spinning Mill Ltd.,	3.09	NIL	NIL	NIL
M/s. Ramco Industries Ltd.,	531.69	224.58	NIL	NIL
M/s. Madras Cements Ltd.,	0.22	3.24	NIL	NIL
M/s. Sri Harini Textiles Ltd.,	176.88	20.71	NIL	NIL
M/s. Rajapalayam Spinners Ltd.,	0.31	63.78	NIL	NIL

(iv) Cost of Goods & Services purchased / availed

Name of the Related Party	Value		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Rajapalayam Mills Ltd.,	105.51	47.00	NIL	NIL
M/s. Sri Vishnu Shankar Mill Ltd.,	39.05	93.19	NIL	NIL
M/s. Sandhya Spinning Mill Ltd.,	4.59	12.27	NIL	NIL
M/s. Thanjavur Spinning Mill Ltd.,	74.73	79.99	NIL	NIL
M/s. Ramco Industries Ltd.,	242.13	114.37	NIL	NIL
M/s. Madras Cements Ltd.,	77.15	96.73	NIL	NIL
M/s. Ramco Systems Ltd.,	8.10	8.23	NIL	NIL
M/s. Sri Harini Textiles Ltd.,	16.40	13.35	NIL	NIL
M/s. Rajapalayam Spinners Ltd.,	5.96	63.63	NIL	NIL

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

(Rs. in Lakhs)

(v) Amount paid by virtue of Joint Ownership of Shares of APGPCL

Name of the Related Party	Value		Outstanding as on	
	2012-13	2011-12	31-03-2013	31-03-2012
M/s. Madras Cements Ltd	2.85	2.73	NIL	NIL

**16. Other Additional information pursuant to the Revised Schedule VI of the Companies Act,1956.**

**(a) Value of Imports calculated on CIF Value**

	2012-13 Value	2011-12 Value
Raw Materials	902.19	1,160.56
Components and Spares	85.37	47.08
Capital Goods	-	101.19

**(b) Expenditure in Foreign Exchange during the year**

	2012-13	2011-12
Interest	35.65	29.90
Export Sales Commission	95.98	68.64
Foreign Travel	13.28	2.54
Others	-	1,207.65
<b>Total</b>	<b>144.91</b>	<b>1,308.73</b>

**(c) Value of Raw Materials, Stores & Spare parts consumed**

	2012-13		2011-12	
	Amount	%	Amount	%
i) Raw Materials: Cotton, Cotton Waste, Grey Pieces, Gypsum Gauze Cloth & Plaster of Paris Powder				
Imported	1,070.55	10	825.25	8
Indigenous	9,846.16	90	10,215.20	92

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

		(Rs. in Lakhs)			
		2012-13		2011-12	
		Amount	%	Amount	%
ii)	Stores and Components:				
	Imported	86.11	7	51.08	5
	Indigenous	1,181.40	93	942.66	95

**(d) Earnings in Foreign exchange (FOB) Value**

Export of Yarn and Surgical Dressings	2,812.96	2,583.33
---------------------------------------	----------	----------

17. Previous year figures have been regrouped / restated wherever necessary to make them comparable with the current years figures.

18. Figures have been rounded off to Lakhs with two decimals.

As per our report annexed

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

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN

P.R.VENKETRAMA RAJA  
SMT. R.SUDARSANAM  
SMT. C.PADMAVATHY  
N.K.SHRIKANTAN RAJA  
S.N.RAMA RAJU  
P.J.ALAGA RAJA

K.SRINIVASAN  
Partner  
Membership No. 21510

SMT. R.NALINA RAMALAKSHMI  
MANAGING DIRECTOR

Rajapalaiyam,  
27<sup>th</sup> May, 2013.

DIRECTORS

**PROXY FORM**

**THE RAMARAJU SURGICAL COTTON MILLS LIMITED**

Regd. Office: RSCM Premises, 119 P.A.C. Ramasamy Raja Salai,  
RAJAPALAIYAM - 626 117. TAMIL NADU

I/We.....Son of /Wife of/Daughter of..... residing  
at.....being a member/members of  
THE RAMARAJU SURGICAL COTTON MILLS LIMITED do hereby appoint Sri/Smt/Miss.....  
Son of/Wife of/Daughter of..... residing at.....  
or failing him Sri/Smt/Miss..... Son of/Wife of/  
Daughter of..... residing  
at.....as my/our proxy to vote for me/us on my/our  
behalf at 73<sup>rd</sup> Annual General Meeting of the Company to be held on Thursday the  
1<sup>st</sup> August, 2013 at 9.30 A.M. and at any adjournment thereof.

Signed this ..... day of .....2013

Folio No/DP ID/CL ID	No. of Shares

Affix 1 Rupee  
Revenue  
Stamp and  
Sign over it

---

Note : Any member entitled to attend and vote at the meeting is entitled to attend and either vote in person or by Proxy and that the Proxy need not be a member of the Company. This form thus completed should be deposited at the Registered Office of the Company at Rajapalaiyam before 9.30 A.M. on Tuesday the 30<sup>th</sup> July, 2013.



Our Chairman distributing prizes  
on the occasion of our  
31<sup>st</sup> Annual Sports Day function.

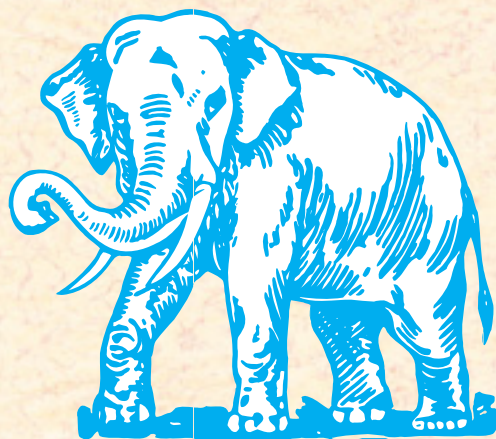


Our Chairman Shri. P.R. Ramasubrahmaneya Rajha  
delivering the presidential address on  
our Mill's 31<sup>st</sup> Annual Sports Day function.

Our President distributing prizes to  
our Silvassa unit workers for  
achieving higher productivity.



SUDARSANAM SPINNING MILLS



TRADE MARK IRAVATHAM