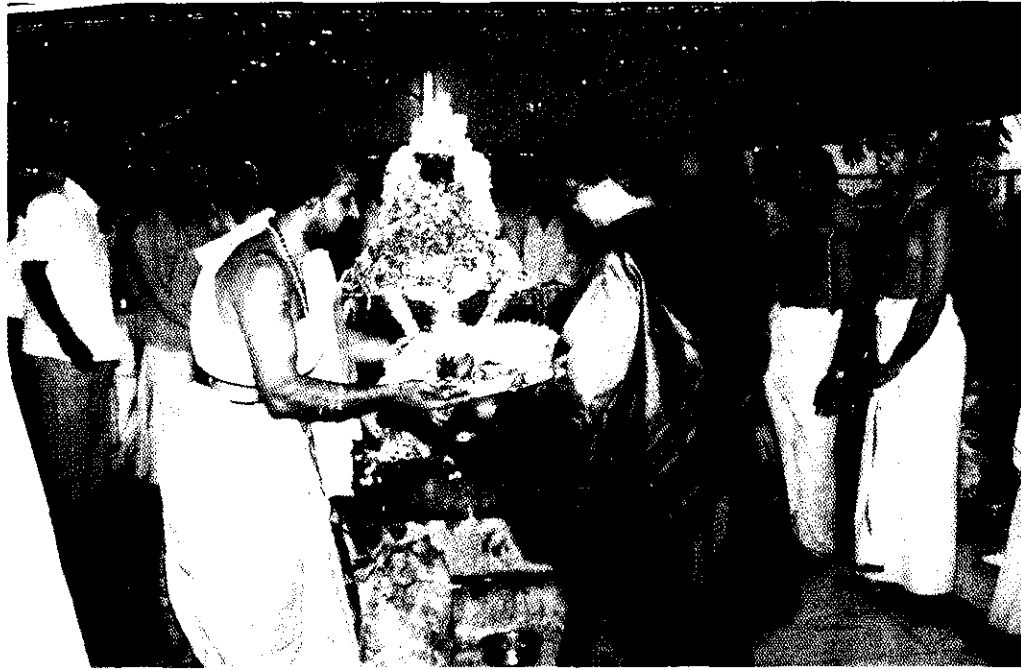


*60th
Annual Report
1999-2000*

report  junction.com

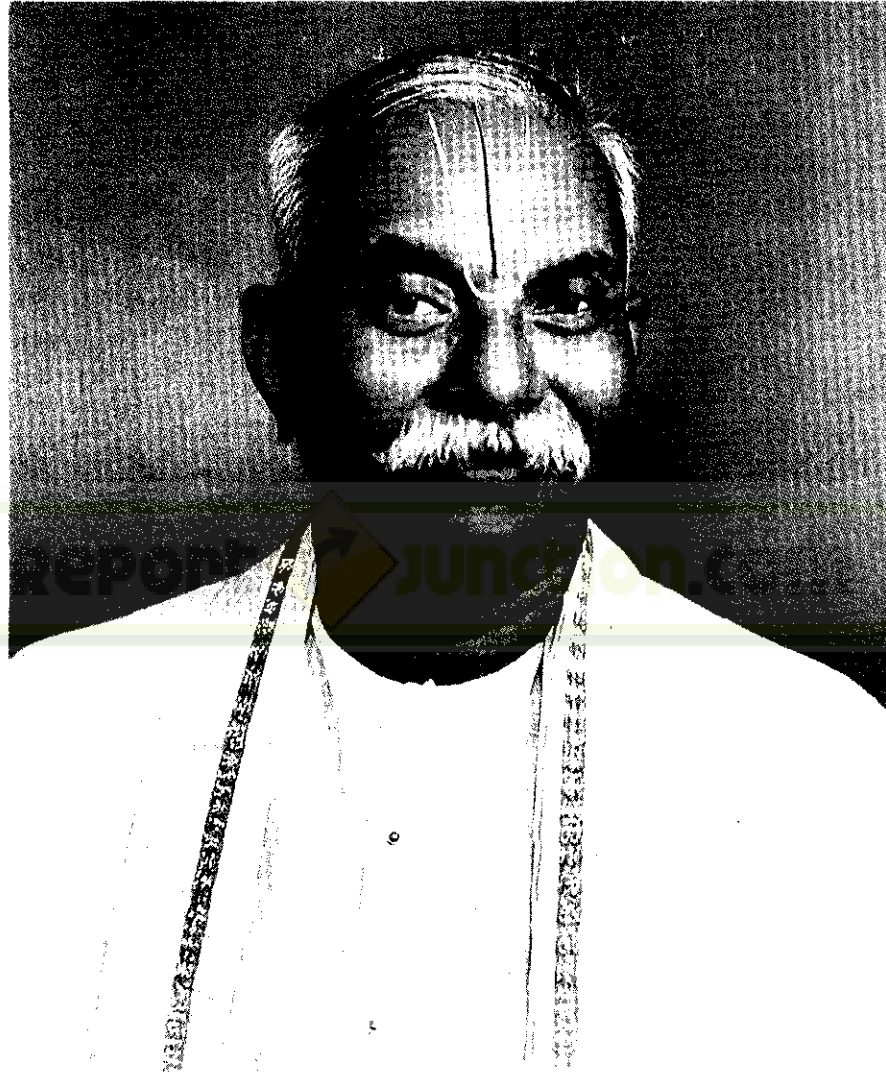
The Ramaraju Surgical Cotton Mills Limited
Rajapalaiyam



Our Director Smt R.Sudarsanam participating in the Prathista function of Vinayagar at our mills.



Our Chairman Shri P.R.Ramasubrahmaneya Rajha delivering the Presidential address at the 18th Annual Sports Day.



SHRI P.A.C. RAMASAMY RAJA



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

BOARD OF DIRECTORS

Shri P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

Shri G. KALAISELVAN
(Nominee of Govt. of Tamilnadu)

Shri P.R. VENKETRAMA RAJA

Shri A. RAMASAMY NAICKER

Shri V.G. SUNDARAM

Shrimathi R. SUDARSANAM

Shri M.R.S. RADHAKRISHNA RAJA

Shri P.J. ALAGA RAJA

BANKERS

STATE BANK OF INDIA

Report Junction.com

AUDITORS

Messrs. M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants, Tiruchirapalli.

REGISTERED OFFICE

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

THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM.

NOTICE

The Sixtieth Annual General Meeting of the Members of the Company will be held at P.A.C. Ramasamy Raja Centenary Memorial Community Hall, P.A.C. Ramasamy Raja Salai, Rajapalaiyam on Friday, the 18th day of August, 2000 at 10.30 A.M. to transact the following business.

AGENDA

1. To consider and adopt the Directors' Report, the Audited Profit and Loss Account for the year ended 31.3.2000, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend for the year 1999-2000.
3. a) To appoint a Director in the place of Shri V.G.Sundaram who retires by rotation and is eligible for re-appointment.
 b) To appoint a Director in the place of Smt. R.Sudarsanam who retires by rotation and is eligible for re-appointment.
 c) To appoint a Director in the place of Shri P.R. Venketrama Raja who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors for the Company to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the subsequent Annual General Meeting and to fix their remuneration.

The retiring Auditors M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, Tiruchirappalli are eligible for re-appointment.

SPECIAL BUSINESS:

5. TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION UNDER SEC. 293(1) (d) OF THE COMPANIES ACT, 1956.

"that the Board of Directors of the Company be and they are hereby authorised to contribute to charitable and other funds such sums not exceeding Rs. 15,00,000/- (Rupees Fifteen lakhs only) in any financial year, in addition to the contribution of a sum not exceeding 3% of the net profit to the Ramaraju Memorial Fund".

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Resolution No. 5

By the Articles of Association of the Company, the Company has to contribute a sum not exceeding 3% of the net profit to the Ramaraju memorial Fund. At the Annual General Meeting held on 23.8.1990 the company has authorised the Board of Directors to contribute a sum not exceeding Rs. 5,00,000/- to Charitable and other funds. In view of the increased social obligations it is necessary to increase the limit to Rs. 15,00,000/- in any financial year. This will be in addition to the contribution to the Ramaraju Memorial Fund as mentioned above. Hence the above resolution.

Rajapalaiyam,
29.5.2000.

By Order of the Board of Directors,
P.R. RAMASUBRAHMANEYA RAJHA,
Chairman.

THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM.

NOTICE (Contd.,)

NOTE:

1. Every Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. The proxy form should be lodged with the Company at its registered office atleast 48 hours before the time of the meeting.
2. The Register of Members of the Company will be closed from 10.8.2000 to 18.8.2000 (both days inclusive)
3. Pursuant to the provisions of the erstwhile sub section (5) of Section 205-A of the Companies Act, 1956, the dividends upto the financial year 1994-95 which remained unclaimed, have been transferred to the General Revenue Account of the Central Government. The concerned shareholders are requested to claim the amount from the Registrar of Companies, Tamil Nadu. In case any assistance is required, please write to the Company at its Registered Office. In accordance with the amended provisions of Section 205-A(5). (amended by the Companies (Amend) Ordinance, 1999), the unclaimed dividends pertaining to the years from 1995-1996 would remain with the Company for a period of 7 years, upon expiry of which they will be transferred to a Fund to be established by the Central Government called the Investor Education and Protection Fund.



THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM.

DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 2000.

Ladies and Gentlemen,

Your Directors have pleasure in presenting the annual accounts for the year ending 31st March, 2000.

2. The Working for the year, after deducting all working expenses but before providing for interest and depreciation, has resulted in an Operating Profit of Rs. 5,62,23,999/-. After providing Rs. 2,26,88,672/- towards interest and Rs. 1,62,27,990/- towards depreciation, the Net Profit is Rs. 1,73,07,337/-. A sum of Rs. 4,32,500/- has been paid as donation and another amount of Rs. 3,46,147/- has been contributed to the Ramaraju Memorial Fund thus leaving a balance of Rs.1,65,28,690/-.

3. After giving effect to the above adjustments and taking into account the surplus brought forward from the previous year amounting to Rs. 20,48,273/- the total amount available is Rs.1,85,76,963/-. Your Directors have declared an interim dividend at 25% amounting to Rs.24,66,600/-. After deducting the same, the amount available for appropriation is as under.

	Rs.
Provision for Income Tax (MAT)	21,00,000
Tax on Interim Dividend	2,71,326
Transfer to General Reserve	1,20,00,000
Balance carried over	17,39,037
Total	1,61,10,363

The Interim Dividend at 25% declared by your Directors for the year may please be treated as final dividend for the year.

4. With regard to the working of your Sudarsanam Spinning Mills, during the year there was increase in power cost, wages and interest charges besides sluggish yarn market and unfavourable prices for yarn. In spite of these adverse conditions we were able to achieve better results than last year due to savings in raw material cost by judicious and timely purchase of cotton at economical price by the management. Further, higher productivity with consistent quality have also helped us to achieve better results. During the year we have exported our yarn to the tune of Rs. 127 Lakhs and the same will go up further during the current year.

5. The Ministry of Textiles, Government of India, has launched a Technology Upgradation Fund Scheme for Textile Industry effective from 1.4.1999. Under the scheme interest reimbursement of 5% p.a. has been provided to the eligible textile mills for investments in technologically improved machineries. Your Directors are pleased to inform you that a modernisation programme has been undertaken under the scheme at a cost of Rs. 11 Crores. State Bank of India has been pleased to grant a loan of Rs. 8.48 Crores under the scheme and the balance under regular Term Loan. The Term Loan under Technology Upgradation Fund scheme is repayable within 8 years including 2 years moratorium. The following machineries have been installed and commissioned during the year.

- 1) Trutzschler Card DK-780
- 2) Draw Frame SB-2
- 3) Uni Lap E-30
- 4) Rieter Combers E-62

THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM.

DIRECTORS' REPORT (Contd.)

In order to ensure full and uninterrupted power supply at economical cost, we are installing Power Plants under Technology Upgradation Fund Scheme with a total capacity of 1.80 MW at a cost of Rs.4.60 Crores. The plant is expected to go on stream by end of August, 2000.

6. Your Directors are glad to report that the working results of our surgical units are satisfactory, inspite of increase in input costs. During the year we have exported our Surgical Dressings to the tune of Rs. 651 Lakhs as against Rs. 354 Lakhs last year.

7. Since the export market has picked-up during the year we are expanding our Gauze and Bandage manufacturing unit in Perumalpatti Village at a cost of Rs. 65 Lakhs to increase the production capacity so as to meet the demand in export market. We hope the export turn over will go up further in the current year.

8. You are aware that M/s. Orthofix India Ltd., was merged with our Company from 1.4.1998. For the year under report the above division has contributed to the earnings of the Company.

9. With regard to prospects for the current year, the benefit of modernisation, cost economy at all levels and maintenance of consistent high quality will improve the profitability of the Company in the current year. The result for the current year will also depend upon the cotton prices that would rule in the ensuing cotton season. However your Directors are taking all necessary steps to maintain reasonable profit for the current year.

10. Your Directors regret to inform that Shri S. Subbuswamy Iyer, a Director of our Company has passed away on 18.2.2000. Your Directors place on record the valuable services rendered by him throughout the tenure for more than 25 years in our Company.

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

- 1) Shri V. G. Sundaram.
- 2) Smt. R. Sudarsanam.
- 3) Shri P.R. Venketrama Raja.

12. Your Directors express their thanks to State Bank of India, The Industrial Finance Corporation of India Ltd., and State Industries Promotion Corporation of Tamilnadu Ltd., for their continued support.

13. No Deposit that has become due for payment on or before 31st March, 2000 remains unpaid.

14. The Company is not having any person drawing remuneration more than Rs.6,00,000/- per annum or Rs.50,000/- per month during the part of the financial year under review.

15. Particulars under the Company's (Disclosure of Particulars in the report of Board of Directors) Rules 1988 are given in the Annexure to this report.

16. The Company is fully Y2K Compliant.

17. The Company's shares are listed with M/s. Madras Stock Exchange Ltd., Exchange Buildings, 11, Second Line Beach, Chennai - 600 001. The Company has paid listing fee for the financial year 2000-2001.

18. M/s. M.S. Jagannathan & N. Krishnaswami, the Auditors of the Company retire and are eligible for re-appointment.

Rajapalaiyam,
29.5.2000.

By Order of the Board of Directors,
P.R. RAMASUBRAHMANEYA RAJHA,
Chairman.

THE RAMARAJU SURGICAL COTTON MILLS LTD., RAJAPALAIYAM.

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

Information as per 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 | : | Suessen HP-A-310 spring loaded drafting system is installed in 23 Ring Frames replacing pneumatic drafting system. |
| (b) Additional investments and proposals if any, being implemented for reduction of consumption of energy. | : | The above energy conservation measure will be taken up for implementation in the remaining Ring frames. |
| (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | : | There is 100% saving in power consumption by compressors supplying air to Ringframes. |
| (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 OUT GO :

- | | | |
|--|---|---|
| (f) (i) Activities relating to exports | : | By offering best quality of Absorbent Cotton Wool, Gauze & Bandages and Cotton Yarn we aim to capture more export orders. |
| (ii) Initiatives taken to increase exports | : | |
| (iii) Development of new export markets for products and services. | : | |
| (iv) Export plans | : | |
| (g) i) Total Foreign exchange used | : | Rs. 699.77 lakhs |
| ii) Total Foreign exchange earned | : | Rs. 734.10 lakhs |