

THE RAMARAJU SURGICAL COTTON MILLS LIMITED

Manufacturers of Antiseptic Dressings

27th September, 2021

F.No. MSEI /2021-22_33

To,
Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th Floor, Plot No. C-62,
G-Block, Opp. Trident Hotel, Bandra Kurla Complex,
Bandra (E), Mumbai- 400 098,
Maharashtra, India

Scrip Symbol: RAMARAJU

Dear Sir/Madam,

Sub: Outcome of Board Meeting of The Ramaraju Surgical Cotton Mills Limited ("Company")

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations")

With reference to captioned subject and in furtherance to our letter dated 21st September, 2021 this is to inform that the Board of Directors of the Company has, at its held today, i.e., 27th September, 2021 *inter alia* -

1. Taken on record valuation report dated 27th September, 2021 issued by Den Valuation (OPC) Private Limited, Registered Valuer ("Valuation Report") recommending the share exchange ratio and the fairness opinion dated 27th September, 2021 on the Valuation Report, issued by Vivro Financial Services Private Limited, a Category I Merchant Banker in connection with the proposed scheme of arrangement; and
2. Considered, reviewed and approved a scheme of arrangement providing for amalgamation of Sri Harini Textiles Limited ("SHTL"/"Transferor Company") with the Company, i.e., The Ramaraju Surgical Cotton Mills Limited ("TRSCML" / "Transferee Company") in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961 (hereinafter referred to as "Scheme").

The Scheme is subject to the approval of MSE, SEBI, shareholders, creditors, Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") and all other regulatory and necessary approvals.

The Scheme was reviewed and recommended to the Board of Directors of the Company for approval by the Audit Committee of the Company at its meeting held on 27th September, 2021 and also the committee of Independent Directors at its meeting held on 27th September, 2021 has recommended that the Scheme is not detrimental to the shareholders of the Company.

The disclosure with respect to the Scheme in accordance with Regulation 30 of the SEBI LODR Regulations read with the SEBI Circular - CIR/CFD/CMD/4/2015 dated September 09, 2015 is annexed herewith as *Annexure - A*.



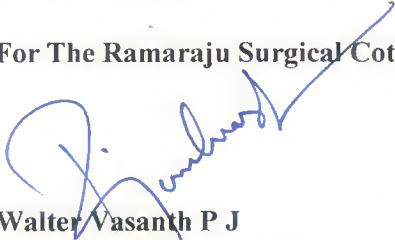
The meeting commenced at 10.15 AM and concluded at 10.45 AM.

You are requested to kindly take the same on your record and disseminate.

Thanking You,

Yours Faithfully,

For The Ramaraju Surgical Cotton Mills Limited



Walter Vasanth P J
Company Secretary & Compliance Officer



Encl.: As above.

Annexure - A

Disclosure in terms of Regulation 30 of the SEBI LODR Regulations read with SEBI Circular - CIR/CFD/CMD/4/2015 dated September 9, 2015.

- a) Name of the entities forming part of the amalgamation, details in brief such as, size, turnover etc.

The Scheme is proposed between Sri Harini Textiles Limited (“SHTL” / “Transferor Company”) and the Company, i.e., The Ramaraju Surgical Cotton Mills Limited (“TRSCML” / “Transferee Company”) in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961 with appointed date - 1st April, 2021.

The Scheme, *inter alia*, provides for –

- (i) the amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and consequent issuance of the New Equity Shares (*as defined in the Scheme*) of the Transferee Company in accordance with the Share Exchange Ratio (*as defined in the Scheme*) to the members of the Transferor Company in respect of the equity shares of Transferor Company held by them, in accordance with the Scheme; and
- (ii) various other matters incidental, consequential or otherwise integrally connected therewith.

Brief details of the Transferor Company and the Transferee Company are as under:

Sr. No.	Name of the Company	Net worth as on 31 st March, 2021 (in Rs. Lakh)	Turnover as on 31 st March, 2021 (in Rs. Lakh)
1	The Ramaraju Surgical Cotton Mills Limited	10,746.76	31,650.64
2	Sri Harini Textiles Limited	(1,481.00)	3,311.43

- b) Whether the transaction would fall within related party transactions, if yes whether the same is done at arm's length.

The proposed Scheme will fall within related party transactions as defined under the SEBI LODR Regulations. The transaction shall not attract compliance with the requirements of Section 188 of the Companies Act, 2013 pursuant to the clarifications provided in General Circular No. 30/2014 dated July 17, 2014.

For the purpose of the Scheme, valuation has been carried out by Den Valuation (OPC) Private Limited, Independent Registered Valuer. The shareholders of the Transferor Company will be issued equity shares of the Transferee Company based on the share exchange ratio recommended by the Independent Registered Valuer and the fairness opinion on the Valuation Report, issued by Vivro Financial Services Private Limited, a Category I Merchant Banker. In the view of the same, the transaction under the Scheme is considered to be at arm's length.

- c) Area of business of the Transferor Company and the Transferee Company

1. Sri Harini Textiles Limited (“SHTL” / “Transferor Company”) is engaged in the business of manufacture, and trading of Yarn.

2. **The Ramaraju Surgical Cotton Mills Limited (“Transferee Company” / “TRSCML”)** is primarily engaged in manufacture of Surgical Dressings, Yarn and Grey Fabrics.

d) Rationale for amalgamation

The amalgamation pursuant to the Scheme is proposed by the Board of Directors of the Transferor Company and the Transferee Company with following objectives and rationale:

(i) Rationalization of Group Corporate Structure

The Transferor Company and the Transferee Company are part of the same group and are having common promoters and accordingly, the amalgamation of the Transferor Company into the Transferee Company pursuant to the Scheme would result in streamlining the group corporate structure. The amalgamation will further enable to reduce the number of entities within the group that require to be administered and also help realize operational synergies which would also result in simplification of structure and operations.

Further, the amalgamation of the Transferor Company with the Transferee Company would, *inter alia*, provide the following benefits:

- Reduction in operative and administrative cost;
- Economies of scale, improved capital allocation, optimum utilization of resources and operational efficiency etc.;
- Elimination of inter-company holdings and layering of investments and business operations;
- Simplification of management structure;
- Stronger asset base and infrastructure for future growth.

e) In case of cash consideration, amount - otherwise share exchange ratio

Upon the Scheme becoming effective, the Transferee Company shall issue and allot its fully paid-up equity shares to the shareholders of the Transferor Company in following proportion:

Sr. No.	Share Exchange Ratio	Description
1	34:1000	34 Equity Shares of Rs. 10/- each fully paid up of the Transferee Company for every 1,000 Equity Shares of Rs. 10/- each fully paid up held in the Transferor Company.

The Share Exchange Ratio for the Scheme has been determined by the Board of Directors of the Transferor Company and the Transferee Company based on their independent judgement after taking into consideration the valuation report dated 27th September, 2021 issued by Den Valuation (OPC) Private Limited, Registered Valuer recommending the share exchange ratio and the fairness opinion dated 27th September, 2021 on the valuation report, issued by Vivro Financial Services Private Limited, a Category I Merchant Banker.

f) Brief details of change in shareholding pattern (if any) of the listed entity

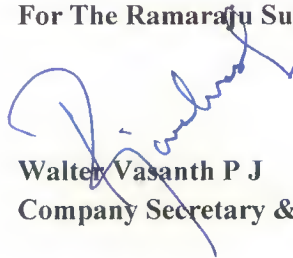
Upon the Scheme becoming effective, the following change will occur in the shareholding pattern of the Transferee Company:



The Ramaraju Surgical Cotton Mills Limited (“Transferee Company”)

Particulars	Pre- Scheme		Post- Scheme	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters & Promoter Group	17,00,680	43.09	17,50,983	43.80
Public	22,45,880	56.91	22,46,917	56.20
Total	39,46,560	100.00	39,97,900	100.00

For The Ramaraju Surgical Cotton Mills Limited



Walter Vasanth P J
Company Secretary & Compliance Officer

