



THE RAMARAJU SURGICAL COTTON MILLS LIMITED
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 CIN: L17111TN1939PLC002302
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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

Sl. No.	Particulars	STANDALONE				
		Quarter ended			Year ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	(Audited)	(Un-audited)	(Audited)	(Audited)	(Audited)	
1	a. Revenue from Operations					
	Sale of Products	6,842	7,603	7,267	29,308	24,651
	Other Operating Income	41	17	164	281	618
	b. Other Income	146	1,836	57	2,207	345
	Total Revenue	7,029	9,456	7,488	31,796	25,614
2	Expenses					
	a. Cost of Materials Consumed	3,712	4,243	3,734	16,853	13,568
	b. Purchases of Stock-in-trade	188	22	345	720	513
	c. Change in Inventories of Finished Goods, Work in progress and Stock-in-trade.	73	267	(64)	(523)	(1,771)
	d. Employee Benefit Expenses	686	851	749	3,216	3,028
	e. Power & Fuel	684	811	982	2,708	2,916
	f. Finance Cost	704	705	681	2,774	2,655
	g. Depreciation and Amortisation Expenses	437	417	369	1,657	1,529
	h. Other Expenditure	756	866	1,511	3,389	4,161
	Total Expenses	7,240	8,182	8,307	30,794	26,599
3	Profit / (Loss) from ordinary activities before Tax (1-2)	(211)	1,274	(819)	1,002	(985)
4	Tax Expenses					
	- Current Tax - Under MAT	(59)	190	-	131	
	- MAT Credit Entitlement	59	(190)	-	(131)	
	- Deferred Tax	(236)	258	(142)	(248)	(190)
5	Net Profit / (Loss) for the period (3-4)	25	1,016	(677)	1,250	(795)
6	Other Comprehensive Income (net of tax)	(62)	-	61	(62)	61
7	Total Comprehensive Income after tax (5+6)	(37)	1,016	(616)	1,188	(734)
8	Paid-up Equity Share Capital (Face value of a Share of Rs 10/- each)	395	395	395	395	395
9	Reserves excluding Revaluation Reserves	-	-	-	7,122	5,934
10	Earning Per Share of * 10/- each (in Rs) (Not Annualised)					
	Basic	0.64	25.72	(17.16)	31.68	(20.13)
	Diluted	0.64	25.72	(17.16)	31.68	(20.13)



SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakhs)

Particulars	STANDALONE				
	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	(Audited)	(Un-audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue (Net Sales / Operating Income)					
a) Textiles	3,370	2,999	4,032	13,627	14,079
b) Surgical	740	1,087	1,070	3,738	3,983
c) Fabrics	3,631	4,416	3,088	15,385	9,690
d) Wind Mills	120	91	68	880	961
	7,861	8,593	8,258	33,630	28,713
Less: Inter Segment Revenue	978	973	827	4,041	3,444
Total Income From Operations (Net)	6,883	7,620	7,431	29,589	25,269
2. Segment Results Profit/(Loss) Before Finance Cost & Tax					
a) Textiles	(92)	1,614	(574)	1,473	(658)
b) Surgical	74	102	76	467	522
c) Fabrics	386	257	369	1,132	1,121
d) Wind Mills	34	6	(9)	498	570
e) Unallocated Items	91	-	-	206	115
	493	1,979	(138)	3,776	1,670
Less: Finance Cost - Unallocable Expenditure	704	705	681	2,774	2,655
Profit / (Loss) Before Tax	(211)	1,274	(819)	1,002	(985)
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Textiles	(1,756)	(1,032)	(8)	(1,756)	(8)
b) Surgical	4,908	4,567	(1,260)	4,908	(1,260)
c) Fabrics	1,584	982	4,676	1,584	4,676
d) Wind Mills	1,670	1,670	1,812	1,670	1,812
e) Unallocated /Exceptional Items	1,111	1,109	1,109	1,111	1,109
Total	7,517	7,296	6,329	7,517	6,329



STATEMENT OF ASSETS & LIABILITIES

Particulars	STANDALONE	
	As at 31-03-2020	As at 31-03-2019
	(Audited)	(Audited)
I ASSETS		
(1) Non-Current Assets		
Property, Plant and Equipment	24,045	22,804
Capital Work-in-progress	27	10
Intangible Assets	6	7
Investment Property	6	1,064
Investment in Associates	1,097	1,097
Financial Assets		
Other Investment	15	12
Loans	10	10
Other Financial Assets	537	426
Other Non-Current Assets	90	275
Asset held for sale	-	389
Sub-Total	25,833	26,094
(2) Current Assets		
Inventories	8,315	8,218
Financial Assets		
Trade Receivables	5,577	3,753
Cash and Cash Equivalents	167	140
Bank Balance other than cash & Cash Equivalents	8	11
Other Financial Assets	117	139
Other Current Assets	1,101	745
Sub-Total	15,285	13,006
TOTAL ASSETS	41,118	39,100
II EQUITY AND LIABILITIES		
(1) Equity		
Equity Share Capital	395	395
Other Equity	7,122	5,934
Total Equity	7,517	6,329
(2) Liabilities		
Non Current Liabilities		
Financial Liabilities		
Borrowings	10,897	13,788
Provisions	138	154
Deferred Tax Liabilities (Net)	671	1,040
Deferred Government Grants	43	46
Lease Liability	61	
Sub-Total	11,810	15,028
Current Liabilities		
Financial Liabilities		
Borrowings	15,915	12,122
Trade Payables		
- Total Outstanding dues of micro enterprises and small enterprises	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,424	1,173
Other Financial Liabilities (*)	4,069	4,059
Provisions	187	300
Liabilities for Current Tax	196	89
Sub-Total	21,791	17,743
TOTAL EQUITY AND LIABILITIES	41,118	39,100
(*) Includes Current maturities of Long term Borrowings	3,033	3,033



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

		(Rs. in Lakhs)	
		2019-2020	2018-2019
A . Cash flow from Operating Activities			
Profit /(Loss) Before Tax		1,002.09	(984.78)
Adjustments for reconcile Profit /(Loss) Before Tax to Net Cash Flows:			
Depreciation & Amortisation		1,657.31	1,529.18
Finance Cost		2,774.42	2,655.45
Interest Received		(168.84)	(126.17)
Dividend Received		(206.09)	(114.81)
Impairment Loss on Assets		-	475.88
(Profit) / Loss on Sale of Assets		(1,769.99)	399.19
Operating Profit before Working capital Changes		3,288.90	3,833.94
Movements in Working Capital:			
Gratuity and Government Grants		(66.96)	86.04
Trade Receivables		(1,823.84)	(1,714.20)
Loans and Advances		(89.52)	316.36
Inventories		(97.66)	(1,026.00)
Trade Payables & Current liabilities		118.15	688.79
Cash generated from Operations		1,329.07	2,184.93
Income tax (Paid) / Received		(170.48)	6.35
Net Cash Generating from Operating Activities	A	1,158.59	2,191.28
B. Cash Flow from Investing Activities :			
Purchase of Fixed Assets (Including Capital work-in-progress)		(2,991.17)	(3,783.18)
Investment in Shares - Others		(0.74)	(0.58)
Proceeds from Sale of Property, Plant & Equipments		3,294.13	705.21
Interest Received		168.84	126.17
Dividend Received		206.09	114.81
Net Cash from / (used) in Investing Activities	B	677.15	(2,837.57)
C. Cash Flow from Financing Activities :			
Proceeds from Long Term Borrowings		2,465.85	7,621.21
Repayment of Deposits - Related Parties		(558.97)	(305.95)
Repayment of Long Term Loan		(5,358.64)	(3,399.03)
Proceeds / (Repayment) of Short Term Borrowings (Net)		4,414.98	(835.68)
Payment of Dividend and Tax thereon		-	(23.79)
Finance Cost		(2,774.42)	(2,655.45)
Net cash from / (used) in Financing Activities	C	(1,811.20)	401.31
Net Increase in Cash and Cash Equivalent	D=(A+B+C)	24.54	(244.98)
Opening balance of Cash and Cash Equivalents	E	150.66	395.64
Closing balance of Cash and Cash Equivalents	D+E	175.20	150.66

Notes:

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

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



Notes:

- 1) The above audited results for the Quarter and Year Ended 31-03-2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on 24-06-2020.
- 2) The Board of Directors have recommended a dividend of Rs.0.50 per equity share of Rs. 10/- each for the financial year 2019-20.
- 3) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach and as a result, the comparative information for the earlier periods has not been restated.
On transition to Ind AS 116, the Company has recognised right-of-use assets amounting to Rs.68.44 Lakhs. and lease liabilities Rs.61.07 Lakhs. as at April 01, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019 for measuring the lease liability. During the quarter, the Company has recognized interest expense on lease liabilities amounting to Rs 3.20 Lakhs. and depreciation on right-of-use assets amounting to Rs.11.06 Lakhs. During the year, the Company has recognized interest expense on lease liabilities amounting to Rs 3.20 Lakhs. and depreciation on right-of-use assets amounting to Rs.11.06 Lakhs.

4) Other Comprehensive Income comprises of -	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
Remeasurement losses on defined benefit obligations, net of tax	(64)	-	58	(64)	58
Fair value gain / (loss) on equity instruments through OCI	2	-	3	2	3

- 5) The Company has followed equity method for accounting the investments made in Associates. Accordingly the Company has prepared the Consolidated Financial Statements for the year ended 31-03-2020 / 31-03-2019, which includes the results of the Company & its Associates.
- 6) The impact of Mark to Market loss on the valuation of cotton inventories of Rs. 149.83 Lakhs (PY: NIL) for the quarter / year ended 31-03-2020 includes in Cost of Materials Consumed
- 7) In view of the lock-down declared across the country by the Central / State Governments due to COVID-19 pandemic during second half of March 2020, the company's operations were adversely impacted. The operations have since resumed in a phased manner during April / May 2020 in accordance with the guidelines issued by the relevant regulatory authorities with regard to adhering of social distancing and following prescribed hygiene standards. The Company continues to comply with such guidelines from time to time.

The Company has sufficient liquidity / financing arrangements for the continuity of business operations. The lock-down due to COVID-19 is continuing with certain relaxations in FY 2020-21 and the Company is continuing its operations with lower demand. The Company expects the demand for yarn to get back to its normal levels, based on further relaxations that would be announced by the Central and State Governments, in the course of time. The Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long-term basis. The Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

The Company has exercised due care in determining its significant accounting judgements and estimates while preparing its financial statements including internal controls over financial reporting. As per the current assessment of the Company, there is no material impact on the carrying values of trade receivables and other financial / non-financial assets as at the reporting date. The Company continues to closely monitor the developments in economic conditions and assess its impact. However, the final impact may differ from the current estimates made as at the date of approval of the financial statements for the year ended 31-03-2020 considering the prevailing uncertainties.

- 8) As per Section 115BAA in the Income Tax Act, 1961, the Company has non-reversible option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. The Company has not exercised this option for the year ended 31-03-2020 in view of the benefits available under the existing tax regime.
- 9) The figures for the quarter ended 31-03-2020 and 31-03-2019 are the balancing figures between audited results in respect of full financial year and published year to date upto the third quarter of the relevant financial year.
- 10) The Previous period figures have been re-grouped / re-stated wherever necessary.

Rajapalayam,
24-06-2020



THE RAMARAJU SURGICAL COTTON MILLS LIMITED


N R K RAMKUMAR RAJA
MANAGING DIRECTOR



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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs in Lakhs)

Sl. No.	Particulars	Consolidated				
		Quarter ended			Year ended	
		31-03-2020 (Audited)	31-12-2019 (Un-audited)	31-03-2019 (Audited)	31-03-2020 (Audited)	31-03-2019 (Audited)
1	a. Revenue from Operations					
	Sale of Products	6,842	7,603	7,267	29,308	24,651
	Other Operating Income	41	17	164	281	618
	b. Other Income	55	1,836	57	2,001	231
	Total Revenue	6,938	9,456	7,488	31,590	25,500
2	Expenses					
	a. Cost of Materials Consumed	3,712	4,243	3,734	16,853	13,568
	b. Purchases of Stock-in-trade	188	22	345	720	513
	c. Change in Inventories of Finished Goods, Work in progress and Stock-in-trade.	73	267	(64)	(523)	(1,771)
	d. Employee Benefit Expenses	686	851	749	3,216	3,028
	e. Power & Fuel	684	811	982	2,708	2,916
	f. Finance Cost	704	705	681	2,774	2,655
	g. Depreciation and Amortisation Expenses	437	417	369	1,657	1,529
	h. Other Expenditure	756	866	1,613	3,389	4,263
	Total Expenses	7,240	8,182	8,409	30,794	26,701
3	Profit / (Loss) from ordinary activities before Tax (1-2)	(302)	1,274	(921)	796	(1,201)
4	Tax Expenses					
	- Current Tax - Under MAT	(59)	190	-	131	-
	- MAT Credit Entitlement	59	(190)	-	(131)	-
	- Deferred Tax	(494)	258	(142)	(248)	(190)
5	Profit / (Loss) from ordinary activities after Tax(3-4)	192	1,016	(779)	1,044	(1,011)
6	Share of Net Profit After Tax (PAT) of Associates accounted for using the equity method	204	154	311	944	985
7	Net Profit / (Loss) for the period (5+6)	396	1,170	(468)	1,988	(26)
8	Other Comprehensive Income (net of tax)	(62)	-	61	(62)	61
9	Share of OCI of Associates accounted for using the equity method	(10)	2	(2)	(8)	(3)
10	Total Comprehensive Income after tax (7+8+9)	324	1,172	(409)	1,918	32
11	Paid-up Equity Share Capital (Face value of a Share of Rs 10/- each)	395	395	395	395	395
12	Reserves excluding Revaluation Reserves	-	-	-	23,257	21,339
13	Earning Per Share of ` 10/- each (in `) (Not Annualised)					
	Basic	10.04	29.65	(11.85)	50.38	(0.66)
	Diluted	10.04	29.65	(11.85)	50.38	(0.66)



SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakhs)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	(Audited)	(Un-audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue (Net Sales / Operating Income)					
a) Textiles	3,370	2,999	4,032	13,627	14,079
b) Surgical	740	1,087	1,070	3,738	3,983
c) Fabrics	3,631	4,416	3,088	15,385	9,690
d) Wind Mills	120	91	68	880	961
	7,861	8,593	8,258	33,630	28,713
Less: Inter Segment Revenue	978	973	827	4,041	3,444
Total Income From Operations (Net)	6,883	7,620	7,431	29,589	25,269
2. Segment Results Profit/(Loss) Before Finance Cost & Tax					
a) Textiles	(92)	1,614	(574)	1,473	(658)
b) Surgical	74	102	76	467	522
c) Fabrics	386	257	369	1,132	1,121
d) Wind Mills	34	6	(9)	498	570
e) Unallocated Items			(102)		(102)
	402	1,979	(240)	3,570	1,453
Less: Finance Cost - Unallocable Expenditure	704	705	681	2,774	2,655
Profit / (Loss) Before Tax	(302)	1,274	(921)	796	(1,201)
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Textiles	(1,756)	(1,032)	(8)	(1,756)	(8)
b) Surgical	4,908	4,567	(1,260)	4,908	(1,260)
c) Fabrics	1,584	982	4,676	1,584	4,676
d) Wind Mills	1,671	1,671	1,812	1,671	1,812
e) Unallocated /Exceptional Items	17,246	17,141	16,514	17,246	16,514
Total	23,653	23,329	21,734	23,653	21,734



STATEMENT OF ASSETS & LIABILITIES

Particulars	Consolidated	
	As at 31-03-2020	As at 31-03-2019
	(Audited)	(Audited)
I ASSETS		
(1) Non-Current Assets		
Property, Plant and Equipments	24,045	22,804
Capital Work-in-progress	27	10
Investment Property	6	1,064
Intangible Assets	6	7
Investment in Associates	17,232	16,501
Financial Assets		
Other Investment	15	12
Loans	10	10
Other Financial Assets	537	426
Other Non-Current Assets	90	275
Asset held for sale	-	389
Sub-Total	41,968	41,499
(2) Current Assets		
Inventories	8,316	8,218
Financial Assets		
Trade Receivables	5,577	3,753
Cash and Cash Equivalents	167	140
Bank Balance other than cash & Cash Equivalents	8	11
Other Financial Assets	117	139
Other Current Assets	1,101	745
Sub-Total	15,286	13,006
TOTAL ASSETS	57,254	54,505
II EQUITY AND LIABILITIES		
(1) Equity		
Equity Share Capital	395	395
Other Equity	23,257	21,339
Total Equity	23,652	21,734
(2) Liabilities		
Non Current Liabilities		
Financial Liabilities		
Borrowings	10,897	13,788
Lease Liability	61	
Provisions	138	154
Deferred Tax Liabilities (Net)	43	46
Deferred Government Grants	671	1,040
Sub-Total	11,811	15,028
Current Liabilities		
Financial Liabilities		
Borrowings	15,915	12,122
Trade Payables		
- Total Outstanding dues of micro enterprises and small enterprises	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,424	1,173
Other Financial Liabilities (*)	4,069	4,059
Provisions	187	300
Liabilities for Current Tax	196	89
Sub-Total	21,791	17,743
TOTAL EQUITY AND LIABILITIES	57,254	54,505
(*) Includes Current maturities of Long term Borrowings	3,033	3,033



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

		(Rs. in Lakhs)	
		2019-2020	2018-2019
A . Cash flow from Operating Activities			
Net Profit /(Loss) before tax		796.00	(1,201.32)
Adjustments for reconcile Profit /Loss Before Tax to Net Cash Flows			
Depreciation & Amortisation		1,657.31	1,529.18
Finance Cost		2,774.42	2,655.45
Interest Received		(168.84)	(126.17)
Impairment Loss on Assets		-	475.88
(Profit) / Loss on Sale of Assets		(1,769.99)	399.19
Fair Value Movement		-	101.73
Operating Profit before Working capital Changes		3,288.90	3,833.94
Movements in Working Capital :			
Gratuity and Government Grants		(66.96)	86.04
Trade Receivables		(1,823.84)	(1,714.20)
Loans and Advances		(89.52)	316.36
Inventories		(97.66)	(1,026.00)
Trade Payables & Current liabilities		118.15	688.79
Cash generated from Operations		1,329.07	2,184.93
Income tax (Paid) / Received		(170.48)	6.35
Net Cash Generated from Operating Activities	A	1,158.59	2,191.28
B. Cash Flow from Investing Activities :			
Purchase of Fixed Assets (Including Capital work-in-progress)		(2,991.17)	(3,783.18)
Investment in Shares - Others		(0.74)	(0.58)
Proceeds from Sale of Property, Plant & Equipments		3,294.13	705.21
Interest Received		168.84	126.17
Dividend Received		206.09	114.81
Net Cash from / (used) in Investing Activities	B	677.15	(2,837.57)
C. Cash Flow from Financing Activities :			
Proceeds from Long Term Borrowings		2,465.85	7,621.21
Repayment of Deposits - Related Parties		(558.97)	(305.95)
Repayment of Long Term Loan		(5,358.64)	(3,399.03)
Proceeds / (Repayment) of Short Term Borrowings (Net)		4,414.98	(835.68)
Payment of Dividend and Tax thereon			(23.79)
Finance Cost		(2,774.42)	(2,655.45)
Net cash from / (used) in Financing Activities	C	(1,811.20)	401.31
Net Increase in Cash and Cash Equivalent	D=(A+B+C)	24.54	(244.98)
Opening balance of Cash and Cash Equivalents	E	150.66	395.64
Closing balance of Cash and Cash Equivalents	D+E	175.20	150.66
Notes:			
(i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.			
(ii) Bank Borrowings including Cash Credits are considered as Financing Activities			



Notes:

- 1) The above un-audited results for the Quarter and Year Ended 31-03-2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on 24-06-2020. The Statutory Auditors have carried out a limited review of the above results.
- 2) The Board of Directors have recommended a dividend of Rs.0.50 per equity share of Rs. 10/- each for the financial year 2019-20.
- 3) The Consolidated Financial results have been prepared in accordance with Ind AS 110 read with Ind AS 28. The Consolidated results include its Associates viz., The Ramco Cements Limited, Ramco Industries Limited, Ramco Systems Limited, Rajapalayam Mills Limited, Sri Vishnu Shankar Mill Limited, Sri Harini Textiles Limited and Shri Harini Media Limited.
- 4) Key standalone financial information

(' in Lakhs)

Particulars	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	(Audited)	(Un-Audited)	(Audited)	(Audited)	
Total Revenue	7,029	9,456	7,488	31,796	25,614
Net Profit before tax	(211)	1,274	(819)	1,002	(985)
Net Profit after tax	25	1,016	(677)	1,250	(795)

The standalone financial results of the Company are available on the Bombay Stock Exchange website www.bseindia.com and the Company's website www.ramarajusurgical.com

- 5) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach and as a result, the comparative information for the earlier periods has not been restated.

On transition to Ind AS 116, the Company has recognised right-of-use assets amounting to Rs.68.44 Lakhs. and lease liabilities Rs.61.07 Lakhs. as at April 01, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019 for measuring the lease liability. During the quarter, the Company has recognized interest expense on lease liabilities amounting to Rs 3.20 Lakhs. and depreciation on right-of-use assets amounting to Rs.11.06 Lakhs. During the year, the Company has recognized interest expense on lease liabilities amounting to Rs 3.20 Lakhs. and depreciation on right-of-use assets amounting to Rs.11.06 Lakhs.

- 6) Other Comprehensive Income comprises of -

	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
Remeasurement losses on defined benefit obligations, net of tax	(64)	-	58	(64)	58
Fair value gain / (loss) on equity instruments through OCI	2	-	3	2	3

- 7) The Company has followed equity method for accounting the investments made in Associates. Accordingly the Company has prepared the Consolidated Financial Statements for the year ended 31-03-2020 / 31-03-2019, which includes the results of the Company & its Associates.

- 8) The impact of Mark to Market loss on the valuation of cotton inventories of Rs. 149.83 Lakhs (PY: NIL) for the quarter / year ended 31-03-2020 includes in Cost of Materials Consumed

- 9) In view of the lock-down declared across the country by the Central / State Governments due to COVID-19 pandemic during second half of March 2020, the company's operations were adversely impacted. The operations have since resumed in a phased manner during April / May 2020 in accordance with the guidelines issued by the relevant regulatory authorities with regard to adhering of social distancing and following prescribed hygiene standards. The Company continues to comply with such guidelines from time to time.

The Company has sufficient liquidity / financing arrangements for the continuity of business operations. The lock-down due to COVID-19 is continuing with certain relaxations in FY 2020-21 and the Company is continuing its operations with lower demand. The Company expects the demand for yarn to get back to its normal levels, based on further relaxations that would be announced by the Central and State Governments, in the course of time. The Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long-term basis. The Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

The Company has exercised due care in determining its significant accounting judgements and estimates while preparing its financial statements including internal controls over financial reporting. As per the current assessment of the Company, there is no material impact on the carrying values of trade receivables and other financial / non-financial assets as at the reporting date. The Company continues to closely monitor the developments in economic conditions and assess its impact. However, the final impact may differ from the current estimates made as at the date of approval of the financial statements for the year ended 31-03-2020 considering the prevailing uncertainties.

- 10) As per Section 115BAA in the Income Tax Act, 1961, the Company has non-reversible option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. The Company has not exercised this option for the year ended 31-03-2020 in view of the benefits available under the existing tax regime.

- 11) The figures for the quarter ended 31-03-2020 and 31-03-2019 are the balancing figures between audited results in respect of full financial year and published year to date upto the third quarter of the relevant financial year.

- 12) The Previous period figures have been re-grouped / re-stated wherever necessary.

Rajapalayam,
24-06-2020



THE RAMARAJU SURGICAL COTTON MILLS LIMITED

N R K RAMKUMAR RAJA
MANAGING DIRECTOR