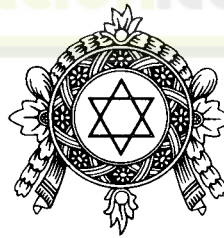
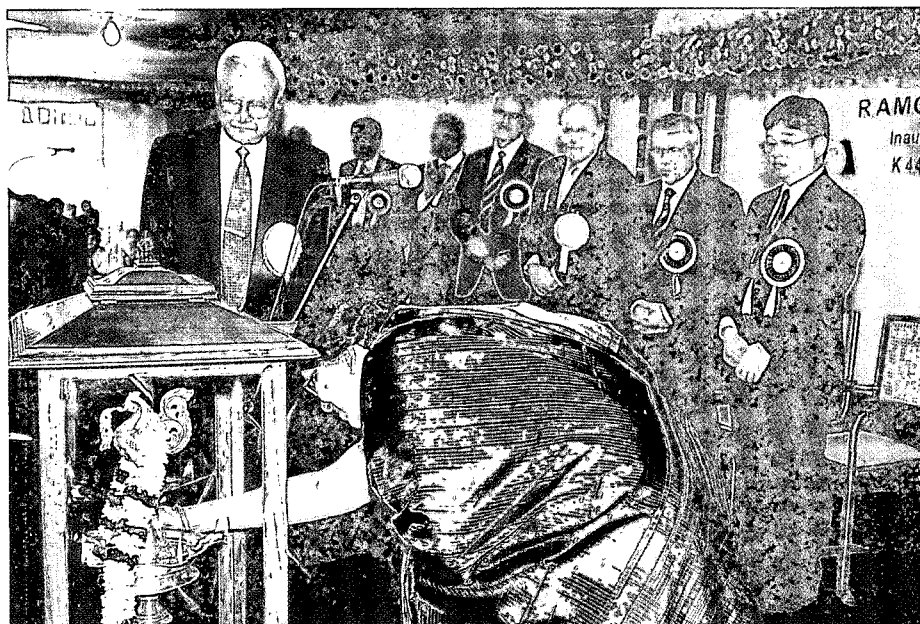


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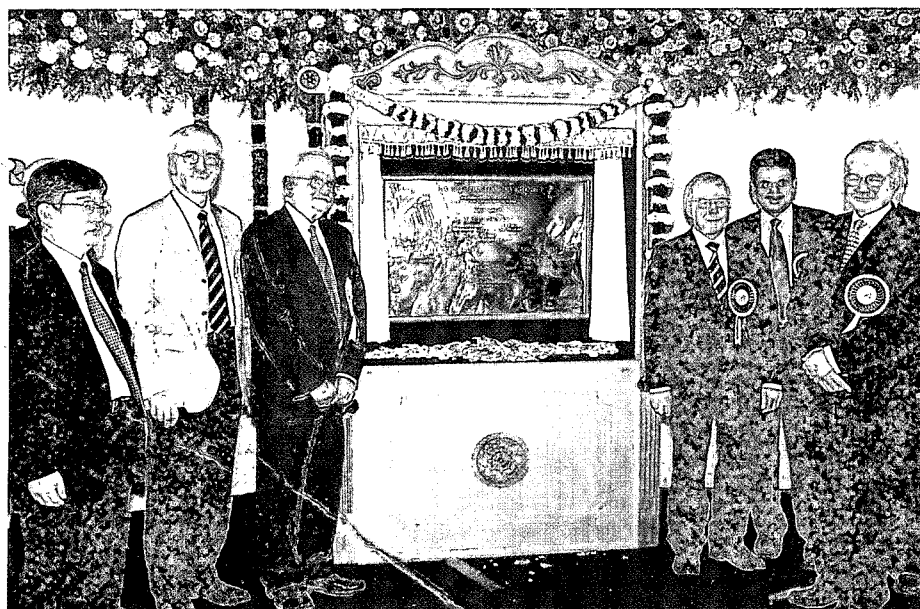
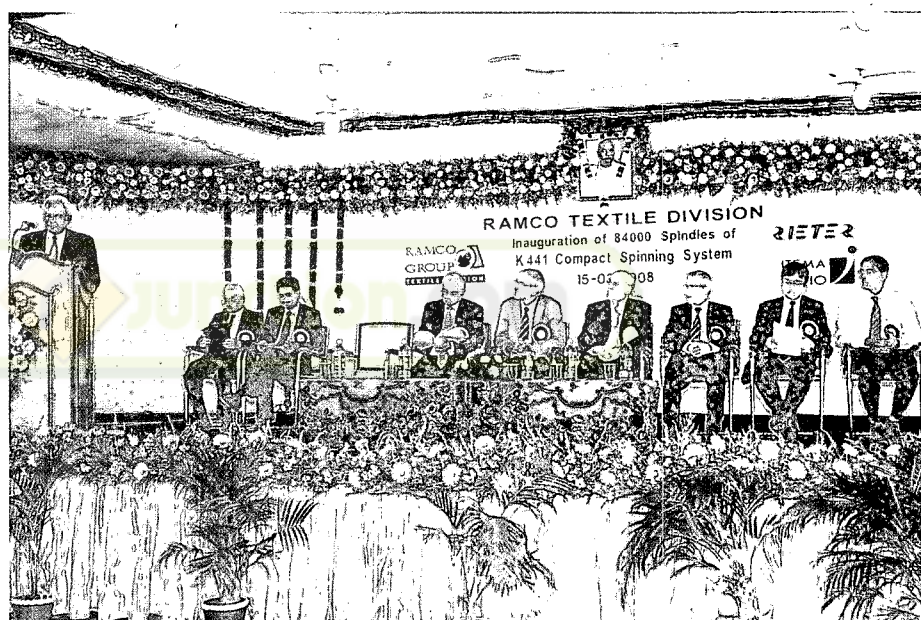


RAJAPALAYAM
MILLS
LIMITED
RAJAPALAIYAM



Our Managing Director Smt. R. Sudarsanam lighting "Kuthuvilaku" to commence the inaugural function of expansion of 16,800 Spindles of Rieter K441 Compact Spinning Project.

Our Chairman Shri. P.R. Ramasubrahmaneya Rajha welcoming delegates on the formal inauguration of Rieter K441 Compact Spinning Project.



Seen here are (from left, Clockwise) :
 Mr. Yanagawa, General Manager, Mitsubishi Corporation, Japan;
 Mr. Peter Gnägi, CEO - Textile Systems, Rieter AG, Switzerland;
 Our Chairman Shri. P.R. Ramasubrahmaneya Rajha;
 Mr. Jörg Büchler, Head SYS Sales -India, Rieter;
 Our Director Shri. P.R. Venketrama Raja and Shri. M.B.N. Rao, CMD, Canara Bank on the inauguration of Rieter K441 Compact Spinning Project.

FOUNDER



SHRI P.A.C. RAMASAMY RAJA



RAJAPALAYAM MILLS LIMITED

Board of Directors

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

Smt R. SUDARSANAM
Managing Director

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

Shri S.S. RAMACHANDRA RAJA, B.Sc.,

Shri N.K. RAMASUWAMI RAJA, B.Sc.,

Dr. K.T. KRISHNAN, M.D., F.C.C.P.,

Shri P.S. JAGANATHA RAJA

Shri N.R.K. VENKATESH RAJA, B.E.,

Shri V.S. VEMBAN

Shri A.V. DHARMAKRISHNAN, B.Com., ACA.,

Bankers

Axis Bank

Canara Bank

Citi Bank, N.A.

HDFC Bank Ltd

HSBC Ltd

IDBI Bank Ltd

Indian Bank

Karur Vysya Bank

Punjab and Sind Bank

Standard Chartered Bank

State Bank of India

Tamilnad Mercantile Bank Ltd

Registered Office

Rajapalayam Mills Premises,
Post Box No.1, P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117,
Tamilnadu.

Auditors

M/s. M.S. Jagannathan & N. Krishnaswami,
Chartered Accountants,
27, Premier Flats, Karur Bypass Road,
Tiruchirappalli – 620 002,
Tamilnadu.

M/s. Ramakrishana Raja and Co.,
Chartered Accountants,
1-D, Shanthiniketan,
Rathinasamy Nadar Road,
Madurai - 625 002,
Tamilnadu.

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RAJAPALAYAM MILLS LIMITED, RAJAPALAYAM

NOTICE TO THE MEMBERS

Notice is hereby given that the 72nd Annual General Meeting of the Shareholders of the Company will be held at 10.00 A.M. on Wednesday the 6th August, 2008 at P.A.C.Ramasamy Raja Centenary Community Hall, P.A.C.Ramasamy Raja Salai, Rajapalaiyam to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2007-2008.
3. a) To appoint a Director in place of Shri N.R.K. Venkatesh Raja who retires by rotation and is eligible for re-appointment.
b) To appoint a Director in place of Shri S.S.Ramachandra Raja who retires by rotation and is eligible for re-appointment.
c) To appoint a Director in place of Shri N.K. Ramasuwami Raja 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 and M/s. Ramakrishna Raja and Co., Chartered Accountants be and are hereby jointly 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) each, exclusive of out-of-pocket expenses”.

Special Business :

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that Shri A.V. Dharmakrishnan who has been appointed as Additional Director and holds office until this Annual General Meeting be and is hereby appointed as a Director of the company liable to retire by rotation”.

By Order of the Board,
For RAJAPALAYAM MILLS LTD.,

RAJAPALAIYAM,
18th June, 2008.

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN.



NOTICE

NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.5 of the Notice is annexed hereto;
2. The Register of Members of the Company will be closed from 01-08-2008 to 06-08-2008 (both days inclusive);
3. 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;
4. 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;
5. Under the provisions of Section 205C of the Companies Act, 1956, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection 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 given below:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2001	03-08-2001	02-08-2008	31-08-2008
31-03-2002	12-08-2002	11-08-2009	09-09-2009
31-03-2003	07-08-2003	06-08-2010	04-09-2010
<u>31-03-2004</u>			
Interim Dividend	15-12-2003	14-12-2010	12-01-2011
Final Dividend	05-08-2004	04-08-2011	02-09-2011
<u>31-03-2005</u>			
First Interim Dividend	15-09-2004	14-09-2011	12-10-2011
Second Interim Dividend	31-01-2005	30-01-2012	28-02-2012
Final Dividend	12-08-2005	11-08-2012	09-09-2012
<u>31-03-2006</u>			
First Interim Dividend	24-10-2005	23-10-2012	21-11-2012
Second Interim Dividend	31-01-2006	30-01-2013	28-02-2013
Final Dividend	28-07-2006	27-07-2013	25-08-2013
<u>31-03-2007</u>			
First Interim Dividend	23-10-2006	22-10-2013	20-11-2013
Second Interim Dividend	25-01-2007	24-01-2014	22-02-2014
Final Dividend	25-07-2007	24-07-2014	22-08-2014



NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Shri A.V. Dharmakrishnan was appointed as an Additional Director by the Board of Directors of the Company on 16-01-2008. He holds office till the date of the Annual General Meeting. Under Section 257(1) of the Companies Act, 1956, a notice in writing has been received from a Member signifying his intention to propose the appointment of Shri A.V. Dharmakrishnan as a Director, at the AGM.

Shri A.V. Dharmakrishnan, a Chartered Accountant, started his carrier in 1982 with Madras Cements Ltd. He is presently holding the position of Executive - Director (Finance) at Madras Cements Ltd. He has specialized knowledge and rich experience in Finance and Taxation matters.

He holds 550 Shares in Rajapalayam Mills Ltd.

He is presently a Director in the following companies :

1. On-Time Transport Company Limited
2. Ramco Systems Limited

None of the Directors is deemed to be interested in the Resolution.

By Order of the Board,
For RAJAPALAYAM MILLS LTD.,

RAJAPALAIYAM,
18th June, 2008.

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN.



NOTICE

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

1. Shri. N.R.K. Venkatesh Raja

Shri N.R.K. Venkatesh Raja, aged 57 years, holds a degree in Engineering. He has been on the Board of Rajapalayam Mills Ltd. since 1986.

He holds 12,160 Equity shares in the Company.

He is also a Director in the following Companies:

1. Sri Yennarkey Services Ltd.
2. Sri Vidhiya Spinners Private Ltd.

2. Shri. S.S. Ramachandra Raja

Shri S.S. Ramachandra Raja, aged 73 years, holds a degree in Science. He has been on the Board of Rajapalayam Mills Ltd. since 1992.

He is a Member in the following Committees of the Company:

1. Share Transfer Committee
2. Investor Grievances Committee

He holds 12,240 Equity shares in the Company.

He is also a Director in the following Companies:

1. Ramco Industries Ltd.
2. Sri Vishnu Shankar Mill Ltd.
3. Ramco Systems Ltd.
4. Sri Sethu Ramasamy Farms Private Ltd.
5. Ramco Management Private Ltd.



NOTICE

3. Shri. N.K. Ramasuwami Raja

Shri N.K. Ramasuwami Raja, aged 65 years, holds a degree in Science. He has been on the Board of Rajapalayam Mills Ltd. since 1980.

He is a Member in the following Committees of the Company:

1. Audit Committee
2. Remuneration Committee
3. Share Transfer Committee

He holds 7,700 Equity Shares in the Company.

He is Managing Director of Madras Chipboard Ltd. and he is also a Director in the following Companies:

1. Sri Harini Textiles Ltd.
2. Ramco Agencies Private Ltd.

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DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their 72nd Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2008 after charging all expenses and contribution to P.A.C.Ramasamy Raja Memorial Fund of Rs. 36,00,000/- which is within the limits laid in the Articles of Association, but before deducting interest and providing depreciation has resulted in operating profit of Rs. 55,74,88,015/-

After deducting Rs.15,13,53,821/- towards interest cost and providing Rs. 26,56,15,626/- towards Depreciation, the Net Profit for the year is Rs. 14,05,18,568/-. Adding the surplus of Rs. 1,88,30,908/- brought forward from the previous year, your Directors propose to appropriate the total sum of Rs. 15,93,49,476/- as detailed below:

		Rs.
Provision for Taxation	- Current Tax - MAT	96,00,000
	- Deferred Tax	1,90,00,000
	- Fringe Benefit Tax	15,00,000
First Interim Dividend	@ 30% (P.Y. - 30%)	1,05,37,740
Second Interim Dividend	@ 30% (P.Y. - 30%)	1,05,37,740
Tax on Interim Dividends	@ 16.995%	35,81,778
Final Dividend	@ 60% (P.Y. - 60%)	2,10,75,480
Tax on Final Dividend	@ 16.995%	35,81,778
Transfer to General Reserve		6,66,40,000
Balance carried over to Balance Sheet		1,32,94,960
	TOTAL	<u>15,93,49,476</u>

DIVIDEND

Your Directors have pleasure in recommending a final dividend of 60%. Together with the 1st Interim dividend of 30% and 2nd Interim dividend of 30% paid during the year, the total dividend for the year is 120%. The total amount of dividend outgo including interim dividends for the year will be Rs. 4,21,50,960/- . The amount of tax on dividends (including tax on interim dividends already paid) would be Rs. 71,63,556/- .

TAXATION

An amount of Rs. 301 Lakhs has been provided for Income-Tax (MAT), Fringe Benefit Tax (FBT) and Deferred Tax. However, the cash outflow for Income-Tax is only Rs. 111 Lakhs towards Current Tax (MAT) and FBT. The balance of Rs. 190 Lakhs has been provided towards Deferred Tax Liability for the current year. The tax paid under MAT will be available for set off in the year of regular income tax liability.