



## 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 Ltd

Canara Bank

Citi Bank, N.A.

Corporation Bank

HDFC Bank Ltd

HSBC Ltd

ICICI Bank Ltd

IDBI Bank Ltd

Indian Bank

Karur Vysya Bank Ltd

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,  
Tamil Nadu.

### Website

[www.rajapalayammills.co.in](http://www.rajapalayammills.co.in)

### Auditors

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

M/s. Ramakrishna Raja And Co.,  
Chartered Accountants,  
1-D, Shanthinikethan,  
VP Rathinasamy Nadar Road,  
Madurai - 625 002,  
Tamil Nadu.

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## RAJAPALAYAM MILLS LIMITED, RAJAPALAYAM

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### NOTICE TO THE MEMBERS

Notice is hereby given that the 74<sup>th</sup> Annual General Meeting of the Company will be held at 10.00 A.M. on Wednesday the 4<sup>th</sup> August, 2010 at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2009-2010.
3. a) To appoint a Director in the place of Shri V.S. Vemban, who retires by rotation and is eligible for re-appointment.  
b) To appoint a Director in the place of Shri N.R.K. Venkatesh Raja, who retires by rotation and is eligible for re-appointment.  
c) To appoint a Director in the place of Shri S.S. Ramachandra 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. 1,10,000/- (Rupees One Lakh Ten 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 a SPECIAL RESOLUTION:

“RESOLVED that subject to Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors of the Company for commencing and undertaking all or any of the business specified in Sub-Clauses d9 in the Object Clause of the Memorandum of Association of the Company”.

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED that the following new Regulations 22 & 23 shall be inserted after Regulation 21 in the Articles of Association of the Company –

22. The Board shall provide a Common Seal of the Company and they shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Common Seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director for the time being.



## NOTICE

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23. The Seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee and, unless the Board otherwise determines, every deed or other instrument to which the Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director or other duly authorized Officer in whose presence the seal shall have been affixed and countersigned by the Secretary, or such other person as may, from time to time, be authorized by the Board, provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same”.
7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:
- “RESOLVED that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorized to borrow monies with or without security for the purpose of the Company upto a limit of Rs. 500 Crores (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business).”
8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:
- “RESOLVED that pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors be and is hereby authorized to contribute in any financial year to Charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount aggregating upto Rupees One Crore or 5% of its average Net Profits as determined in accordance with the provisions of Sections 349 and 350 during the three financial years immediately preceding, whichever is higher. This is apart from the amount to be provided not exceeding 3% of the Net Profit of the Company towards P.A.C.R. Memorial Fund in accordance with Regulation 14A of the Articles of Association of the Company.”

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

RAJAPALAIYAM,  
28<sup>th</sup> May, 2010.

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN



## NOTICE

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### NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos.5 to 8 of the Notice is annexed hereto;
2. 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;
3. 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;
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 29-07-2010 to 04-08-2010 (both days inclusive);
5. The dividend, on declaration, will be paid in respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 04-08-2010 and in respect of shares held in electronic form to the beneficial owners whose names appear in the list furnished by the Depositories for this purpose as on 28-07-2010;
6. 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;
7. 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 (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 given below:



## NOTICE

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2003	07-08-2003	06-08-2010	04-09-2010
31-03-2004			
Interim Dividend	15-12-2003	14-12-2010	12-01-2011
Final Dividend	05-08-2004	04-08-2011	02-09-2011
31-03-2005			
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
31-03-2006			
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
31-03-2007			
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
31-03-2008			
First Interim Dividend	24-10-2007	23-10-2014	21-11-2014
Second Interim Dividend	16-01-2008	15-01-2015	13-02-2015
Final Dividend	06-08-2008	05-08-2015	03-09-2015
31-03-2009			
Interim Dividend	25-10-2008	24-10-2015	22-11-2015
Final Dividend	06-08-2009	05-08-2016	03-09-2016



## NOTICE

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

#### ITEM NO. 5

The Company is engaged in manufacture of Textiles and Tissue Culture Plants.

The Company is having Land at Ambasamudram, Tamil Nadu. Geological study report has confirmed that the above said land has good deposit of Granite. The Company is considering quarrying of Granite in the above mentioned Land. The above said activity is covered under Clause d9 of the Memorandum of Association of the Company, which is reproduced below.

d9. "To produce, manufacture, purchase, refine, prepare, process, import, export, sell and generally to deal in cement, Portland cement, alumina cement, white and coloured cement; lime and lime-stone kankar and/or by-products thereof and building materials, generally non-ferrous metals, ferro-alloys; and in connection therewith, to acquire, erect, construct, establish, operate and maintain factories mines and quarries, work-shops and other works".

The commencement of above new business is to be approved by the Shareholders by a Special Resolution in terms of Section 149(2A) of the Companies Act, 1956.

#### ITEM NO. 6

Presently the Company is adopting Table A of Schedule I to Companies Act in the matters relating to the Common Seal of the Company, as the Articles of the Company is not having any specific regulation. For administrative convenience, it is proposed to insert new regulations in the Articles of Association of the Company to enable the Company to affix Common Seal in a manner as specified in Item No. 6.

#### ITEM NO. 7

The Board of Directors are at present empowered to borrow upto a limit of Rs. 360 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. To fund the future plan of capital expenditure, the company may borrow additional funds and the existing limit of borrowing is not sufficient. Hence the consent to borrow upto a limit of Rs. 500 Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) is being sought by the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 as an ordinary resolution.



## NOTICE

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### ITEM NO. 8

As per Section 293(1)(e) of the Companies Act, consent of the Shareholders is to be obtained for contributing charitable and other funds in excess of Rs.50,000/- or 5% of its average net profits during the three financial years immediately preceding, whichever is greater.

The Company has consent from the Shareholders to contribute upto Rs.50,00,000/- at the EGM held on 30<sup>th</sup> November, 2000. The Company may contribute more funds for charitable activities for the benefit of the Public in general and hence it is proposed to increase the limit from Rs.50,00,000/- to Rs.1,00,00,000/-.

Your Directors recommend the resolutions for your approval.

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

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

RAJAPALAIYAM,  
28<sup>th</sup> May, 2010.

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN





## NOTICE

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

#### **1. SHRI V.S. VEMBAN**

Shri V.S. Vemban, aged 63 years, has been on the Board since 1978.  
He holds 2,080 Equity shares in the Company.

#### **2. SHRI N.R.K. VENKATESH RAJA**

Shri N.R.K. Venkatesh Raja, aged 59 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:-

Sri Yennarkey Services Ltd.

Sri Vidhiya Spinners Private Ltd.

#### **3. SHRI S.S. RAMACHANDRA RAJA**

Shri S.S. Ramachandra Raja, aged 75 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:-

Share Transfer Committee

Investor Grievances Committee

He holds 12,240 Equity shares in the Company.  
He is also a Director in the following Companies:-

Ramco Industries Ltd.

Sri Vishnu Shankar Mill Ltd.

Ramco Systems Ltd.

Sri Sethu Ramasamy Farms Private Ltd.

Ramco Management Private Ltd.



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their 74<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March, 2010 after charging all expenses and contribution to P.A.C.Ramasamy Raja Memorial Fund of Rs. 30,00,000/- (which is within the limits laid in the Articles of Association), but before deducting interest and depreciation have resulted in operating profit of Rs. 74,49,21,965/-.

After deducting Rs. 29,36,58,880/- towards interest cost and providing Rs.30,33,70,292/- towards Depreciation, the Net Profit for the year is Rs.14,78,92,793/-. Adding the surplus of Rs.1,55,95,709/- brought forward from the previous year, your Directors propose to appropriate the total sum of Rs.16,34,88,502/- as detailed below :

		Rs.
Provision for Taxation	- Current Tax - MAT	94,11,993
	- Deferred Tax	2,08,00,000
Dividend	Rs. 6 /- per share	2,10,75,480
	(P.Y. - Rs.5/- per share	
	Interim Dividend - Rs.3/-	
	Final Dividend - Rs.2/-)	
Tax on Dividend	@ 16.60875%	35,00,374
Transfer to General Reserve		1,17,70,000
Balance carried over to Balance Sheet		9,69,30,655
	TOTAL	<u>16,34,88,502</u>

### DIVIDEND

Your Directors have pleasure in recommending a dividend of Rs. 6/- 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 tax on dividend) would be Rs. 2,45,75,854/-.

### TAXATION

An amount of Rs. 94.12 Lakhs towards Current Tax (MAT) and Rs. 208 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.