

RAJAPALAYAM MILLS LTD

RAJAPALAIYAM



Annual Report and Accounts for the year ended 31st March 2013



Our Chairman discussing with Mr. Toru Yamaguchi who has been elevated as GM-Fibre Yarn & Industrial Textile Department of M/s. Mitsubishi Corporation, Kansai Branch, Japan during his recent visit to our Mills.

Our Chairman and President with the Officials from M/s. Mitsubishi Corporation & M/s. Nikko Textile, Japan during their visit to India.



Mr. V. Raju, Senior General Manager (Works) of our Mills receiving State Safety Award given by Shri S.T. Chellapandian, Hon'ble Labour Welfare Minister, Government of Tamil Nadu for the year 2009.

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

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

Bankers

Axis Bank Ltd

Canara Bank

IDBI Bank Ltd

Indian Bank

Karur Vysya Bank Ltd

Kotak Mahindra Bank Ltd

Punjab and Sind 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

Auditors

M/s. M.S. Jagannathan & N. Krishnaswami,
Chartered Accountants,
Unit - 5, Ground Floor, Abirami Apartments,
No.14, V.O.C. Road, Cantonment,
Tiruchirappalli - 620 001.
Tamil Nadu.

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

Contents

Notice to the Members	3
Directors' Report	8
Corporate Governance	17
Shareholder Information	23
Auditors' Report	29
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes to Financial Statements	38
Auditors' Report and Consolidated Financial Statement of Rajapalayam Mills Ltd and its Subsidiary	65



NOTICE

NOTICE TO THE MEMBERS

Notice is hereby given that the 77th Annual General Meeting of the Company will be held at 10.00 A.M. on Thursday, the 1st August, 2013 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 Statement of Profit & Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year 2012-2013.
3.
 - a) To appoint a Director in the place of Shri N.R.K. Venkatesh Raja, who retires by rotation and is eligible for re-appointment.
 - b) To appoint a Director in the place of Shri S.S. Ramachandra Raja, who retires by rotation and is eligible for re-appointment.
 - c) To appoint a Director in the 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 & 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.1,75,000/- (Rupees One Lakh Seventy Five Thousand only) each, exclusive of out-of-pocket expenses".

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

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN

RAJAPALAIYAM,
27th May, 2013.



NOTICE

NOTES:

- (i) 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;
- (ii) 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;
- (iii) The Register of Members and the Share Transfer Books of the Company will remain closed from 27-07-2013 to 01-08-2013 (both days inclusive);
- (iv) The Dividends, 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 01-08-2013 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 26-07-2013;
- (v) 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;
- (vi) 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
31-03-2006 Final Dividend	28-07-2006	27-07-2013	25-08-2013
31-03-2007 First Interim Dividend Second Interim Dividend Final Dividend	23-10-2006 25-01-2007 25-07-2007	22-10-2013 24-01-2014 24-07-2014	20-11-2013 22-02-2014 22-08-2014
31-03-2008 First Interim Dividend Second Interim Dividend Final Dividend	24-10-2007 16-01-2008 06-08-2008	23-10-2014 15-01-2015 05-08-2015	21-11-2014 13-02-2015 03-09-2015
31-03-2009 First Interim Dividend Final Dividend	25-10-2008 06-08-2009	24-10-2015 05-08-2016	22-11-2015 03-09-2016
31-03-2010 Final Dividend	04-08-2010	03-08-2017	01-09-2017
31-03-2011 Final Dividend	20-07-2011	19-07-2018	17-08-2018
31-03-2012 Final Dividend	06-08-2012	05-08-2019	03-09-2019

RAJAPALAIYAM,
27th May, 2013.

By Order of the Board,
For RAJAPALAYAM MILLS LTD.,
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 62 years, holds a Bachelor Degree in Engineering. He has been on the Board of Rajapalayam Mills Ltd. since 1986 and he is an Independent Director.

He holds 24,320 Equity Shares of the Company.

He is also a Director in the following Companies:-

Sri Yennarkey Services Ltd

Sri Vidhiya Spinners Private Ltd

2. SHRI S.S. RAMACHANDRA RAJA

Shri S.S. Ramachandra Raja, aged 77 years, holds a Bachelor Degree in Science. He has been on the Board of Rajapalayam Mills Ltd. since 1992.

He holds 24,480 Equity Shares of the Company.

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

Share Transfer Committee

Investors Grievance Committee

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