

RAJAPALAYAM MILLS LIMITED

RAJAPALAIYAM



Annual Report and Accounts for the year ended 31st March 2014



Our Chairman and Mr. S. Saravanan, GM-Works, Rajapalayam Textiles participating in the Pooja at the inauguration of newly constructed Temple of Lord Sri Vishnu Ganapathy in our Rajapalayam Textiles, Perumalpatti.

Our Chairman with Mr. Tetsuo Kato, President of M/s. K. Spinning Plan Company Limited, Japan at the inauguration of newly constructed Temple of Lord Sri Vishnu Ganapathy in our Rajapalayam Textiles, Perumalpatti.



Our Chairman inaugurating the newly installed Open End Spinning Machine imported from China at Rajapalayam Mills, Rajapalayam.

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

Justice Shri P.P.S. JANARDHANA RAJA, B.L.,

Shri V. SANTHANA RAMAN, B.Com, C.A.I.I.B.,

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.

Corporate Identification Number :
L17111TN1936PLC002298

E-mail : rajacot@ramcotex.com

Phone No.: 04563-235666

Fax No.: 04563-236520

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.

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NOTICE

NOTICE TO THE MEMBERS

Notice is hereby given that the 78th Annual General Meeting of the Company will be held at 10.00 A.M. on Monday, the 4th August, 2014 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 and Cash Flow Statement for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year 2013-2014.
3. a) To appoint a Director in the place of Shri. P.R. Venketrama Raja, who retires by rotation and is eligible for re-appointment.
b) To appoint a Director in the place of Shri. A.V. Dharmakrishnan, 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 78th Annual General Meeting till the conclusion of the 81st Annual General Meeting.

RESOLVED FURTHER that each of the Auditors shall be paid for the financial year 2014-2015 a remuneration of Rs.1,75,000/- (Rupees One Lakh Seventy Five Thousand Only) per year, exclusive of out-of-pocket expenses and for the financial years 2015-2016 and 2016-2017, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee".

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered substituting the following in place of the existing Clause 16A in the Articles of Association of the Company".

"16A. The Board of Directors may from time to time appoint one of them as Chairman of the Board. The Chairman, if present shall preside at the meetings of the Board and of the General Body. The Chairman shall be liable to retire by rotation and shall be taken into



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account in determining the retirement of directors by rotation. He shall ipso facto and immediately cease to be the Chairman if he ceases to hold office of the Director for any reason".

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

"RESOLVED that pursuant to Sections 196, 197 and 203 and any other applicable provisions and the Rules thereunder, read with Schedule V of the Companies Act, 2013 and on the terms and conditions of the appointment as contained in the draft agreement, approval of the Company be and is hereby accorded to the appointment of Smt. R. Sudarsanam (DIN 00433926) as Managing Director of the Company for a period of 3 years with effect from 01-04-2014, at a remuneration equivalent to 5% of the net profits of the Company.

RESOLVED FURTHER that the Nomination and Remuneration Committee be and is hereby authorised to fix the quantum and periodicity of the remuneration payable to the Managing Director subject however the annual remuneration does not exceed 5% of the net profits of the Company in an accounting year.

RESOLVED FURTHER that in any financial year, where the Company has no profits or inadequate profits, the Managing Director shall be paid the remuneration as approved by the Nomination and Remuneration Committee which shall not exceed the maximum remuneration as permissible under Section II in Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that consequent to the above, the previous tenure of the Managing Director which was effective from 01-07-2012 to 30-6-2017, as per the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 20-7-2011 be deemed as expired on 31-03-2014".

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

"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Dr. K.T. Krishnan (DIN 00707574), Director of the Company whose period of office is liable to retire by rotation and who is retiring at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved."

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

"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri N.K. Ramasuwami Raja (DIN 00432698), Director of the Company whose period of office is liable to retire by



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rotation and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved."

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

"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Justice Shri P.P.S. Janardhana Raja (DIN 06702871), Director of the Company who has been appointed as Additional Director and holds office until this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved."

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

"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri. V. Santhana Raman (DIN 00212334), Director of the Company who has been appointed as Additional Director and holds office until this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved."

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

"RESOLVED that subject to the approval of the Financial Institutions / Banks, in supersession of the resolution passed at the Annual General Meeting held on 4th August, 2010 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the maximum amount of moneys so outstanding, shall not at any time exceed Rs.500 Crores (Rupees Five Hundred Crores Only)."

By Order of the Board,
For RAJAPALAYAM MILLS LIMITED,

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN

RAJAPALAYAM,
25th May, 2014.



NOTICE

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts related to each item of Special Business 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. 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. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable;
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 30-07-2014 to 04-08-2014 (both days inclusive);
4. A Dividend of Rs.2.50 per share has been recommended by the Board of Directors for the year ended 31-03-2014 and subject to the approval of the Shareholders at the ensuing Annual General Meeting, is proposed to be paid in respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 04-08-2014 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 29-07-2014. The dividend is proposed to be paid on and from the date of Annual General Meeting;
5. 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;
6. Under the provisions of Section 124 (5) of the Companies Act, 2013, 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. 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: