

RAJAPALAYAM MILLS LIMITED

RAJAPALAIYAM



Annual Report and Accounts for the year ended 31st March 2016



Mr. P.R. Venketrama Raja, Director with Mr. Daniele, CEO of M/s. Albini, Italy during his visit to Italy.



Mr. P.R. Venketrama Raja, Director with Mr. Muharrem H. Kayhan, Chairman of M/s. Soktas, Turkey during his visit to Turkey.



Our Executives with Japanese Customers during their visit to Japan.

FOUNDER



SHRI P.A.C. RAMASAMY RAJA



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.,

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.,

Shri K.B. NAGENDRA MURTHY, M.Com, C.A.I.I.B.,

Smt. SOUNDARA KUMAR, B.Sc., C.A.I.I.B.,

Chief Financial Officer

Shri B. Gnanagurusamy

Secretary

Shri A. Arulpranavam

Registered Office

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

E-mail : rajacot@ramcotex.com

Phone No.: 04563-235666

Fax No.: 04563-236520

Website:

www.rajapalayammills.co.in

Corporate Identification Number :

L17111TN1936PLC002298

Bankers

Axis Bank Limited

Canara Bank

ICICI Bank Limited

IDBI Bank Limited

Indian Bank

Kotak Mahindra Bank Limited

Punjab and Sind Bank

Tamilnad Mercantile Bank Limited

Tata Capital Financial Services Limited

The Karur Vysya Bank Limited

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.

Secretarial Auditor

Shri M.R.L. Narasimha,
New No. 8 (Old No. 34-C),
Third Cross,
Ramalinga Nagar,
K.K. Pudur,
Coimbatore - 641 038.

Cost Auditor

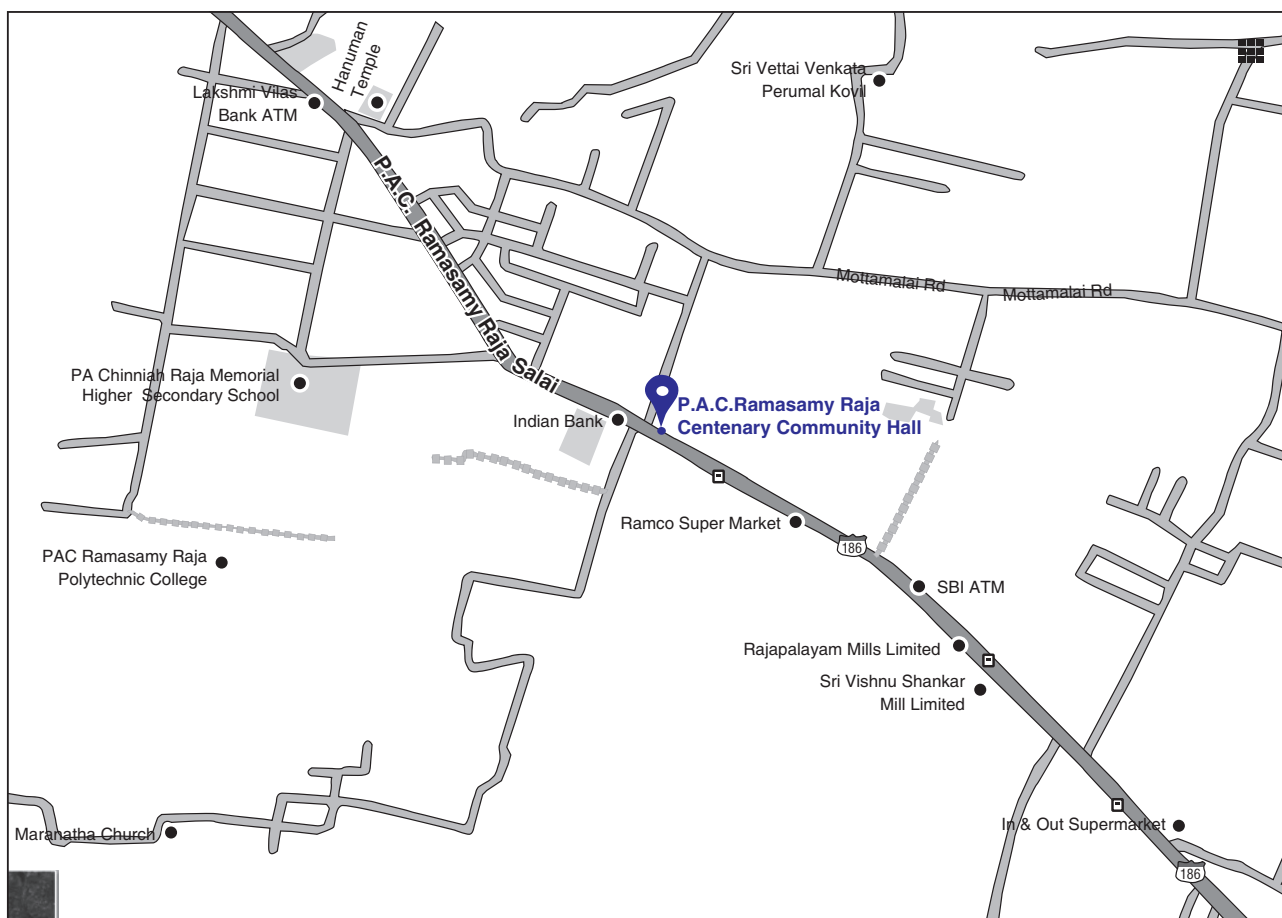
Shri M. Kannan,
IV-B Akshaya Homes,
9B-20 Tagore Nagar,
Bharathiyar 4th Street,
S S Colony,
Madurai - 625 016.



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Map Showing location of venue of 80th Annual General Meeting
Venue Address: P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu



Land Mark: Near Indian Bank, P.A.C.R. Polytechnic College Branch

Distance from Rajapalayam Bus Stand : 3.5 KM; Distance from Rajapalayam Railway Station : 3.9 KM



NOTICE

NOTICE TO THE MEMBERS

Notice is hereby given that the 80th Annual General Meeting of the Company will be held at 10.00 A.M. on Wednesday, the 10th August, 2016 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 consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that the Directors' Report and the Company's Statement of Profit & Loss for the year ended 31st March 2016, Balance sheet as at that date and Cash Flow Statement for the year ended on that date and the Auditors' Report thereon be and are hereby considered and adopted."
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Shri P.R. Venketrama Raja (DIN: 00331406), who retires by rotation, be and is hereby elected as Director of the Company."
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that Shri A.V. Dharmakrishnan (DIN: 00693181), who retires by rotation, be and is hereby elected as Director of the Company."
4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED that in terms of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, holding Firm Registration No: 001208S and M/s. Ramakrishna Raja and Co., Chartered Accountants, holding Firm Registration No: 005333S, as Auditors of the Company for the third consecutive year, viz. from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of their term of three consecutive years as approved at the Annual General Meeting held on 04-08-2014, be and is hereby ratified."

SPECIAL BUSINESS

5. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:
"RESOLVED that pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, 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 01-04-2017, 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 components, quantum and periodicity of the remuneration payable to the Managing Director subject however that the annual remuneration does not exceed 5% of the net profits of the Company in any financial year.



NOTICE

RESOLVED FURTHER that where in any financial year during the currency of her tenure, the Company has no profits or inadequate profits, the Managing Director shall be paid remuneration as approved by the Nomination and Remuneration Committee which shall be the double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 along with the following perquisites:

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- (iii) Encashment of leave at the end of the tenure and other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that the remuneration aforesaid shall be exclusive of any fee paid for attending Meetings of the Board or any Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013."

6. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Smt. Soundara Kumar (DIN: 01974515), appointed as an Additional Director of the Company on 27-08-2015 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Smt. Soundara Kumar, for the office of Director, be and is hereby appointed as a Director of the Company, under Independent Director category for a period of 5 consecutive years from the date of her appointment, viz. 27-08-2015."

7. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.85,000/- exclusive of Service Tax and out-of-pocket expenses payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors for the financial year 2016-17 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed."

By Order of the Board,
For RAJAPALAYAM MILLS LIMITED,

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

RAJAPALAYAM,
28th May, 2016.



NOTICE

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
2. **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
3. 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.
4. The cut-off date will be 4th August, 2016 for determining the eligibility to vote by remote e-Voting or in the General Meeting.
5. Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over 7 years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company (www.rajapalayammills.co.in), as also on the website of the Ministry of Corporate Affairs (MCA). The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection 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:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2009 Final Dividend	06-08-2009	05-08-2016	03-09-2016
31-03-2010 Dividend	04-08-2010	03-08-2017	01-09-2017
31-03-2011 Dividend	20-07-2011	19-07-2018	17-08-2018
31-03-2012 Dividend	06-08-2012	05-08-2019	03-09-2019
31-03-2013 Interim Dividend Final Dividend	22-02-2013 01-08-2013	21-02-2020 31-07-2020	21-03-2020 29-08-2020



NOTICE

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2014 Interim Dividend Final Dividend	03-02-2014 04-08-2014	02-02-2021 03-08-2021	03-03-2021 01-09-2021
31-03-2015 Dividend	12-08-2015	11-08-2022	09-09-2022
31-03-2016 Interim Dividend	16-03-2016	15-03-2023	13-04-2023

6. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2015-16 are being sent to all the members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.rajapalayammills.co.in for their download.
7. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-mail IDs recorded are requested to register their E-mail address and changes therein with the Company in respect of physical Shares and with Depository Participants in respect of dematerialised Shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company / Depository Participants.
8. A Route map with prominent Landmark for easy location of the venue of the meeting is given with this notice as per the requirement of Clause No. 1.2.4 of the Secretarial Standard - 2 on "General Meetings".
9. Voting through electronic means
 - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"], the Company is providing Members remote e-Voting facility to exercise their right to vote at the 80th Annual General Meeting (AGM) and the business may be transacted through such voting, through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
 - B. The facility for voting, either through electronic voting system or ballot shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting.



NOTICE

- C. The members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-Voting are as under:

- i) To log on to the e-Voting website **www.evotingindia.com**
- ii) To Click on Shareholders tab.
- iii) Now enter your User ID as given below:
 - For CDSL: 16 Digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding Shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Captcha Code as displayed and Click on Login.
- v) **PASSWORD**
 - If you are holding Shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
 - If you are first time user, follow the steps given below:
 - (a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders).

Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio No. / Client ID in the PAN field.

In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is R.Murugan with folio number 1 then enter RM00000001 in the PAN Field.
 - (b) Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the company records.

If both of the above details are not recorded with the depository or Company, please enter the User ID [mentioned in (iii) above] in the Dividend Bank details field.