

**RAJAPALAYAM MILLS LIMITED**

**RAJAPALAIYAM**

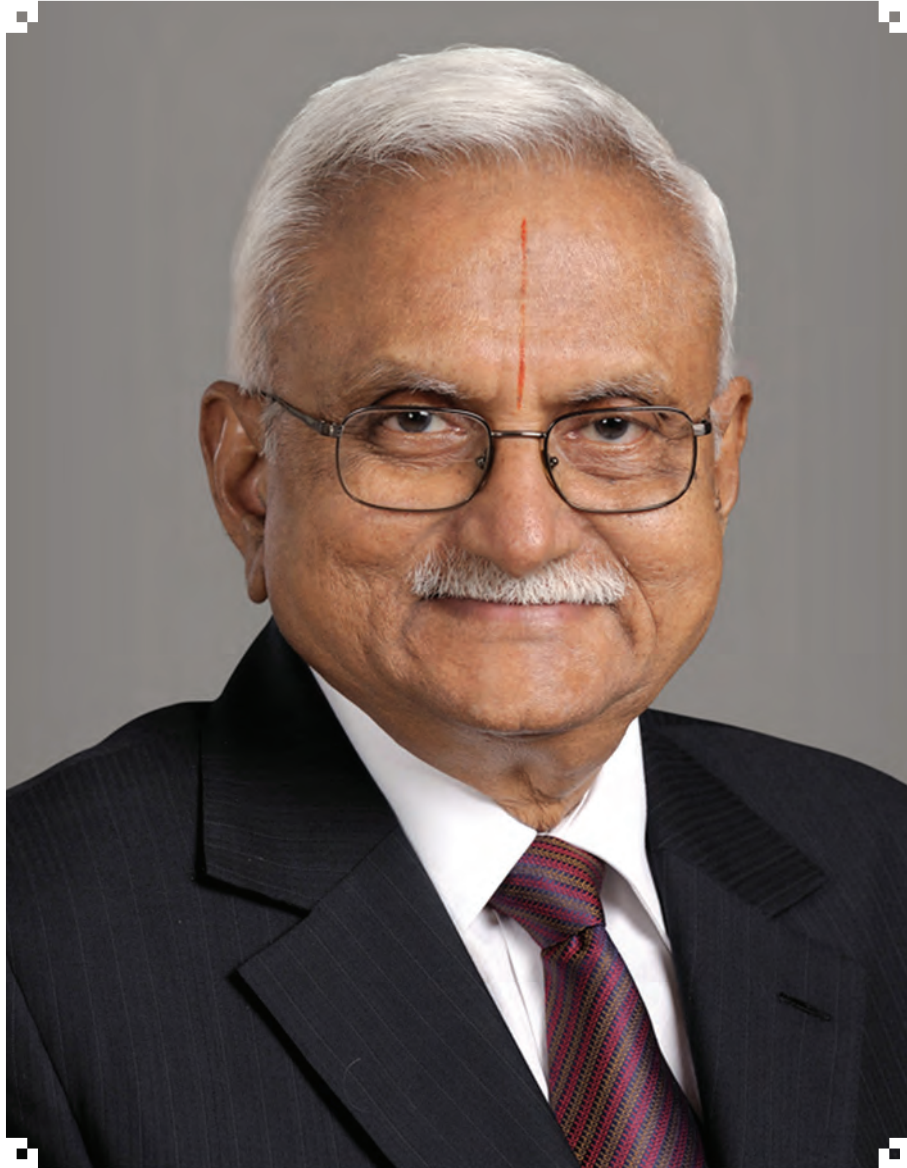


**Annual Report and Accounts for the year ended 31st March 2021**

FOUNDER



SHRI P.A.C. RAMASAMY RAJA



**"Gurubakthamani"**  
**SHRI P.R. RAMASUBRAHMANEYA RAJHA**  
Sridharmarakshakar - Ramco Group





## **Board of Directors**

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

Smt. R. SUDARSANAM  
*Managing Director*

Smt. P.V. NIRMALA RAJU, B.E., M.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. JANARTHANA RAJA, B.L.,

Shri V. SANTHANARAMAN, 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.,

Shri P.V. ABINAV RAMASUBRAMANIAM RAJA, B.Sc., (Indl. Engg.)

Shri P.A.S. ALAGHAR RAJA, D.T.T.,

### **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](http://www.rajapalayammills.co.in)

### **Corporate Identification Number**

L17111TN1936PLC002298

## **Bankers**

Axis Bank Limited

Bank of Bahrain & Kuwait

Citi Bank Limited

CTBC Bank Limited

DCB Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IDFC First Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

Tamilnad Mercantile Bank Limited

The Federal Bank Limited

## **Auditors**

M/s. N.A. Jayaraman & Co.,  
Chartered Accountants,  
9, Cedar Wood, 11, 4<sup>th</sup> Main Road,  
Raja Annamalaipuram,  
Chennai - 600 028.

M/s. SRSV & Associates,  
Chartered Accountants,  
F2, 1<sup>st</sup> Floor, B Block,  
Sivam Padmalaya,  
28/25, Neelakanta Metha Street,  
T. Nagar, Chennai - 600 017.

## **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 4<sup>th</sup> Street,  
S.S. Colony,  
Madurai - 625 016.



---

## CONTENTS

### Separate Financial Statements

Notice to the Members .....	3
Directors' Report .....	21
Business Responsibility Report .....	76
Independent Auditors' Report .....	89
Balance Sheet .....	102
Statement of Profit and Loss .....	103
Statement of Changes in Equity .....	104
Statement of Cash Flow .....	105
Notes to Separate Financial Statements .....	107

### Consolidated Financial Statements

Independent Auditors' Report .....	170
Balance Sheet .....	180
Statement of Profit and Loss .....	181
Statement of Changes in Equity .....	182
Statement of Cash Flow .....	183
Notes to Consolidated Financial Statements .....	185

## NOTICE



### NOTICE TO THE MEMBERS

Notice is hereby given that the 85<sup>th</sup> Annual General Meeting of the Company will be held at 10.00 A.M. on Wednesday, the 25<sup>th</sup> August, 2021. This Annual General Meeting is being conducted through Video Conferencing / Other Audio Visual Means (VC), the details of which are provided in the Notes to this Notice. The following are the businesses that would be transacted at this Annual General Meeting.

### ORDINARY BUSINESS - ORDINARY RESOLUTION

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:  
"RESOLVED that the Company's Separate and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021 and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:  
"RESOLVED that a Dividend of ₹ 0.50 per Share be and is hereby declared for the year ended 31<sup>st</sup> March, 2021 and the same be paid to those Shareholders whose name appear in the Register of Members and Register of Depositories as on 19<sup>th</sup> August, 2021."
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:  
"RESOLVED that Smt. P.V. Nirmala Raju (DIN: 00474960), who retires by rotation, be and is hereby re-appointed as Director of the Company."
4. 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 re-appointed as Director of the Company."

### SPECIAL BUSINESS - SPECIAL RESOLUTION

5. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:  
"RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Shri P.A.S. Alaghar Raja (DIN 00487312), Independent Director of the Company, whose term ends on 10-02-2022 be re-appointed as Independent Director for another term of 5 years starting from 11-02-2022 to 10-02-2027."



## NOTICE

---

### **SPECIAL BUSINESS - ORDINARY RESOLUTION**

6. 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 ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes 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 2021-22 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. VENKETRAMA RAJA**  
**CHAIRMAN**

RAJAPALAIYAM,  
28<sup>th</sup> May, 2021.

### **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. The Company has chosen to conduct this Annual General Meeting through Video Conferencing, in view of continuing COVID-19 pandemic. The Annual General Meeting would be conducted in accordance with the -
  - (i) General Circular No: 02/2021 dated 13<sup>th</sup> January, 2021 issued by Ministry of Corporate Affairs, Government of India;
  - (ii) Circular No: SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 issued by Securities and Exchange Board of India (SEBI); and
  - (iii) Such other instructions that may be issued by Statutory Authorities.
3. The Company would be providing the Central Depository Services (India) Limited's (CDSL) system for the members to cast their vote through remote e-Voting and participate in the Annual General Meeting through Video Conference.
4. Proxies are not being sent to shareholders, as the meeting is being conducted through Video Conference.





## NOTICE

5. The Company is also releasing a Public Notice by way of advertisement being published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai editions), containing the following information:
- Convening of Annual General Meeting through Video Conference in compliance with applicable provisions of the Act.
  - Date and Time of the Annual General Meeting.
  - Availability of Notice of the Meeting on the website of the Company and the stock exchange, viz. BSE Limited, where the Company's shares are listed and at **<http://www.evotingindia.com>**.
  - Requesting the members who have not registered their E-Mail addresses with the Company, to get the same registered with the Company.
6. The cut-off date will be Thursday the 19<sup>th</sup> August, 2021 for determining the eligibility to vote by remote e-Voting or in the Annual General Meeting.
7. Pursuant to Rule 8 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company (**[www.rajapalayammills.co.in](http://www.rajapalayammills.co.in)**), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over seven years will be transferred to the Investor Education and 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
31-03-2014 Final Dividend	04-08-2014	03-08-2021	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
31-03-2017 Dividend	10-08-2017	09-08-2024	07-09-2024
31-03-2018 Dividend	10-08-2018	09-08-2025	07-09-2025
31-03-2019 Dividend	14-08-2019	13-08-2026	11-09-2026
31-03-2020 Dividend	15-09-2020	14-09-2027	13-10-2027



## NOTICE

---

8. In accordance with Section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over seven years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
9. In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application. The procedure is available at **[www.iepf.gov.in](http://www.iepf.gov.in)**.
10. Despatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the members and to all other persons so entitled. The Annual Report will also be made available on the Company's Website - **[www.rajapalayammills.co.in](http://www.rajapalayammills.co.in)** and at the websites of the BSE Limited, where the Company's shares are listed.
11. The Company has fixed Thursday, 19<sup>th</sup> August, 2021 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended March 31, 2021, if approved at the AGM.
12. As per Income Tax Act, 1961, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **[investorgrievance@ramcotex.com](mailto:investorgrievance@ramcotex.com)** on or before 10<sup>th</sup> August, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to **[investorgrievance@ramcotex.com](mailto:investorgrievance@ramcotex.com)**. The aforesaid declarations and documents need to be submitted by the shareholders on or before 10<sup>th</sup> August, 2021.