

**RAJAPALAYAM MILLS LIMITED**

**RAJAPALAYAM**

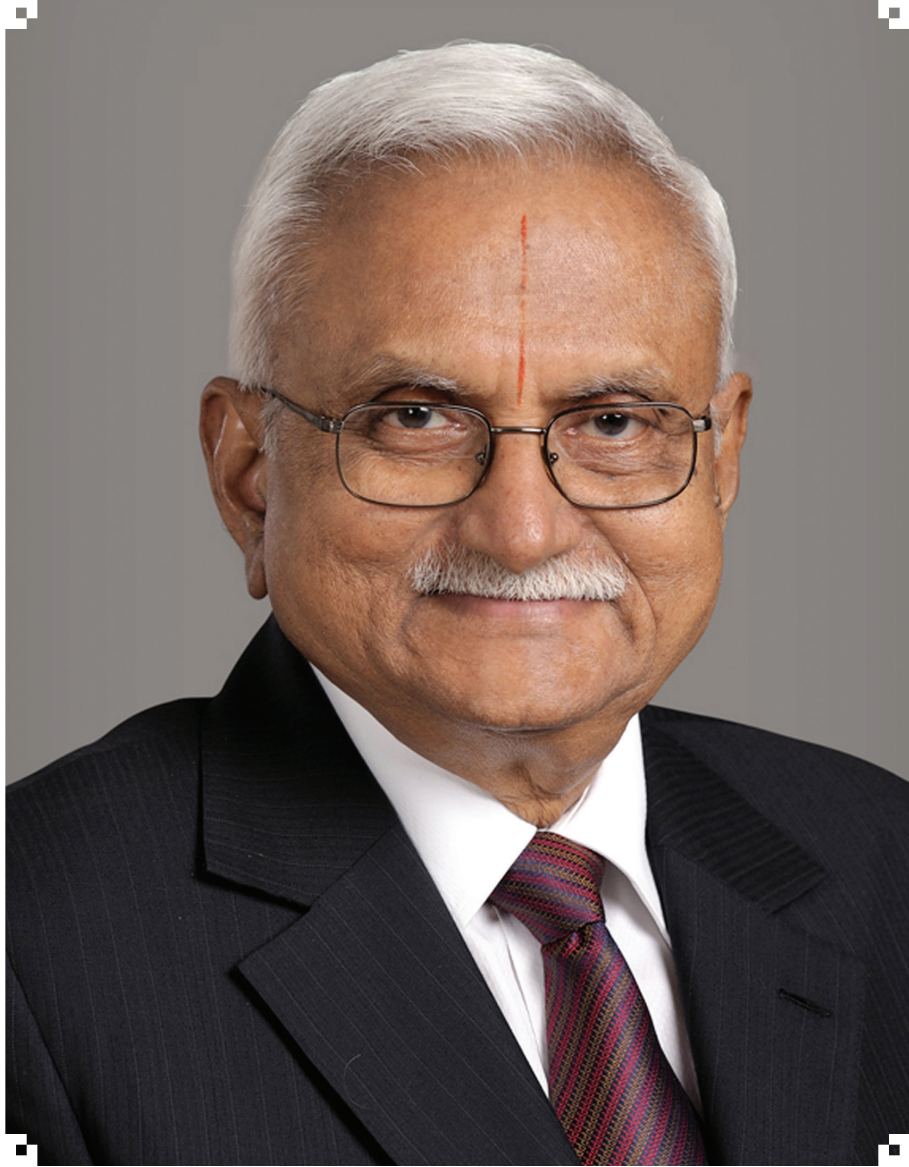


**Annual Report and Accounts for the year ended 31st March 2025**

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. P.V. NIRMALA RAJU, B.E., M.A.,  
*Managing Director*

Shri S.S. RAMACHANDRA RAJA, B.Sc.,

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

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., (Incl. Engg.)

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

Shri M. RATHINASAMY, IRS (Retd.)

Shri SIVAGURU CHELLAPPA, B.E. (Chem. Eng.), MBA

Shri N.S. KRISHNAMMA RAJA, B.E. (ECE), MBA

## Chief Financial Officer

Shri A. Arulpranavam

## Secretary

Shri K. Maheswaran

## Registered Office

Rajapalayam Mills Premises,  
Post Box No.1, P.A.C. Ramasamy Raja Salai,  
Rajapalayam - 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 / NBFC

Axis Bank Limited  
Bank of Bahrain & Kuwait  
Barclays Investments & Loan (I) Pvt. Ltd.  
Bandhan Bank Limited  
CTBC Bank Limited  
Export Import Bank of India  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited  
IDFC First Bank Limited  
IndusInd Bank Limited  
Kotak Mahindra Bank Limited  
RBL Bank Limited  
State Bank of India  
Tamilnad Mercantile Bank Limited  
TATA Capital Limited  
The Federal Bank Limited  
The Karur Vysya Bank Limited  
Yes 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,  
Lotus 370 - A,  
Alagesan Road,  
SB Mission Post,  
Coimbatore - 641 011.

## Cost Auditor

M/s. N. Sivashankaran & Co  
AP 13, (New No. 15) 6th Street,  
First Sector, K.K. Nagar,  
Chennai - 600 078.

# Ceased to be Director from the close of Business hours of August 3, 2024



---

## CONTENTS

### Separate Financial Statements

Notice to the Members .....	3
Directors' Report .....	32
Independent Auditors' Report.....	92
Balance Sheet .....	108
Statement of Profit and Loss .....	109
Statement of Changes in Equity.....	110
Statement of Cash Flows.....	112
Notes to Separate Financial Statements .....	115

### Consolidated Financial Statements

Independent Auditors' Report.....	184
Balance Sheet .....	198
Statement of Profit and Loss .....	199
Statement of Changes in Equity.....	200
Statement of Cash Flows.....	202
Notes to Consolidated Financial Statements .....	205



## NOTICE

---

### NOTICE TO THE MEMBERS

Notice is hereby given that, the 89<sup>th</sup> Annual General Meeting of the Company will be held at 11:00 A.M on Friday, the 29<sup>th</sup> August, 2025. This Annual General Meeting is being conducted through Video Conferencing / Other Audio Visual Means, 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, 2025, 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, 2025 and the same be paid to those Shareholders whose name appear in the Register of Members and Register of Beneficial Owners maintained by the Depositories as on 22<sup>nd</sup> August, 2025."
3. 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."
4. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:  
"RESOLVED THAT Shri P.V. Abinav Ramasubramaniam Raja (DIN: 07273249), who retires by rotation, be and is hereby re-appointed as Director of the Company."

### SPECIAL BUSINESS - ORDINARY RESOLUTION

5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to provisions of regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time read with provisions of Section 204 of the Companies Act, 2013 & Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any amendment, modification or variation thereof, Shri M.R.L. Narasimha, Practising Company Secretary (COP No. 799), be and is hereby appointed as the Secretarial Auditor of the Company, for a term of five (5) consecutive years from FY 2025-26 to FY 2029-30.

RESOLVED FURTHER THAT the Secretarial Auditor shall be paid for FY 2025-26 a remuneration of ₹ 85,000 (Rupees Eighty Five Thousand) plus applicable taxes and out of pocket expenses.

RESOLVED FURTHER THAT the Audit Committee be and is hereby authorised to revise the remuneration of the Secretarial Auditor as it may deems fit."



## NOTICE

---

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 ₹ 2,25,000/- (Rupees Two Lakh Twenty Five Thousand) plus applicable taxes and Out-of-pocket expenses payable to M/s. N. Sivashankaran & Co, Practising Cost Accountants (FRN: 100662), appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2025-26 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed."

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

7. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:

"RESOLVED THAT in furtherance to the Special Resolution passed at the Annual General Meeting held on 20<sup>th</sup> August, 2022 and pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded for continuing payment of remuneration to Smt. P.V. Nirmla Raju (DIN:00474960), Managing Director at 5% of the net profits of the Company for the remaining tenure of her appointment upto 31-05-2027.

RESOLVED FURTHER THAT when the Company has no profits or its profits are inadequate, in any financial year, the minimum remuneration for the remaining tenure of her appointment upto 31-05-2027 shall be continued to be paid at ₹ 240 Lakhs per annum 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;
- iii) Encashment of leave at the end of the tenure; and
- iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorized to fix the components, quantum and periodicity of the remuneration payable to the Managing Director subject to the aforementioned limits.

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."



## NOTICE

---

8. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:

"RESOLVED THAT in supersession of the resolution passed at the 83<sup>rd</sup> Annual General Meeting held on 14<sup>th</sup> August, 2019 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 (including any Committee thereof) for borrowing from time to time any sum or sums of money which together with the monies 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, free reserves and its securities premium, provided that the maximum amount of moneys so outstanding, shall not at any time exceed ₹ 850 Crores (Rupees Eight Hundred and Fifty Crores).

RESOLVED FURTHER THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authority and other applicable laws and regulations, approval of the members of the Company be and is hereby accorded to alter / amend the existing clause 11 of Articles of Association of the Company with the following, by way of substitution:

Amended Clause 11:

*"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 ₹ 850 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, that is to say reserves not set apart for any specific purpose of the Company."*

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem fit to give effect to this resolution."

By Order of the Board,  
For **RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## 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. The Company has chosen to conduct this Annual General Meeting through Video Conferencing. The Annual General Meeting would be conducted in accordance with the -
  - (i) General Circular No: 09/2024 dated 19<sup>th</sup> September, 2024, issued by Ministry of Corporate Affairs, Government of India.
  - (ii) Circular No: SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 03<sup>rd</sup> October, 2024, 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. Proxy form is not being sent to Shareholders, as the meeting is being conducted through Video Conference.
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>**
  - Reference to the link of the Company's website, providing access to the full annual report.
  - 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 Friday, the 22<sup>nd</sup> August, 2025 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 (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



## NOTICE

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 (IEPF), 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	TYPE OF DIVIDEND	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEPF FUND
31-03-2018	Dividend	10-08-2018	09-08-2025	08-09-2025
31-03-2019	Dividend	14-08-2019	13-08-2026	12-09-2026
31-03-2020	Dividend	15-09-2020	14-09-2027	14-10-2027
31-03-2021	Dividend	25-08-2021	24-08-2028	23-09-2028
31-03-2022	Dividend	20-08-2022	19-08-2029	18-09-2029
31-03-2023	Dividend	18-08-2023	17-08-2030	16-09-2030
31-03-2024	Dividend	28-08-2024	27-08-2031	26-09-2031

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 in Form No. IEPF-5 to the IEPF authorities. The procedure is available at [www.iepf.gov.in](http://www.iepf.gov.in) and the website of the Company viz, [www.rajapalayammills.co.in](http://www.rajapalayammills.co.in) and the Form is available at the website of MCA at [www.mca.gov.in](http://www.mca.gov.in)
10. Dispatching 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.



## NOTICE

---

11. The Company has fixed Friday, 22<sup>nd</sup> August, 2025 as the 'Record Date' for determining entitlement of Members to dividend for the financial year ended 31<sup>st</sup> March, 2025, if approved at the AGM.
12. As per Income Tax Act, 1961, dividend income is taxable in the hands of Shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend payable 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) with the 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** on or before 14<sup>th</sup> August, 2025. 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**. The aforesaid declarations and documents need to be submitted by the Shareholders on or before 14<sup>th</sup> August, 2025.

13. 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 SEBI (LODR) Regulations, 2015, the Company is providing Members remote e-Voting facility to exercise their right to vote at the 89<sup>th</sup> 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 remote e-Voting shall remain open from 9:00 AM on Tuesday, the 26<sup>th</sup> August, 2025 to 5:00 PM on Thursday, the 28<sup>th</sup> August, 2025. During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Friday, the 22<sup>nd</sup> August, 2025, may opt for remote e-Voting. Remote e-Voting shall not be allowed beyond 5:00 PM on Thursday, 28<sup>th</sup> August, 2025.



## NOTICE

- C. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DP). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- D. Pursuant to said SEBI Circular, Login method for e-Voting and joining the AGM through VC for Individual Shareholders holding securities in Demat mode are given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b> Depository	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> (or) visit <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a> and click on “Login” icon and select “My Easi New (Token)”.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL / NSDL, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi / Easiest, option to register is available at: <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a> (or) <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration</a></li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>



## NOTICE

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <b><a href="https://eservices.nsd.com">https://eservices.nsd.com</a></b> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting.</p> <hr/> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <b><a href="https://eservices.nsd.com">https://eservices.nsd.com</a></b>. Select "Register Online for IDeAS" Portal or click at <b><a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></b> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <b><a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></b> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder / Member" section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number holding with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting.</p>

## NOTICE



Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

- E. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at Toll free no.: 1800-21-09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at no.: 022-48867000

- F. Access through CDSL e-Voting system in case of Shareholders holding share in Physical mode and non-individual Shareholder in demat mode.

Login method for e-Voting and joining the AGM through VC for shareholders holding shares in physical form and for shareholders other than individual shareholders holding in Demat form.

1. The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com)
2. To Click on "Shareholders" tab.



## NOTICE

---

3. 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,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

For Shareholders holding shares in Physical form and Shareholders holding shares in Demat Form other than individual holders.

---

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company / DP are requested to use the first two letters of their name and the 8 digits of the Folio number in the PAN field.</p> <p>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 GANAPATHY.S with folio number 1 then enter GA00000001 in the PAN Field.</p>
-----	--

---

Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction F.</p>
--	--

---

After entering these details appropriately, click on "Submit" tab.



## NOTICE

---

- G. Shareholders holding Shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to Share your password with any other person and take utmost care to keep your password confidential.
- H. For Shareholders holding Shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- I. Click on the relevant EVSN for RAJAPALAYAM MILLS LIMITED on which you choose to vote.
- J. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- K. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- L. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- M. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- N. You can also take out print of the votes cast by clicking on "Click here to Print" option on the Voting page.
- O. If demat account holder has forgotten the login password, then Enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- P. There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- Q. Facility for Non-Individual Shareholders and Custodians - Remote Voting
- i. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.



## NOTICE

---

- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - iii. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - iv. The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
  - v. It is mandatory that scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - vi. Alternatively Non Individual Shareholders are required to send the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at **canajco@gmail.com** and to the Company at the email address viz. **investorgrievance@ramcotex.com**, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.
- R. If you have any queries or issues regarding attending the meeting and e-Voting from CDSL e-Voting system, you can write to **helpdesk.evoting@cdslindia.com** or contact at toll free number 1800-21-09911.
14. Instructions for Shareholders attending the AGM through VC & e-Voting during meeting are as under:
- A. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
  - B. The Members can join the AGM in the VC mode upto 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1,000 members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Risk Management Committee, Auditors, etc. who are allowed to attend the AGM.
  - C. Members are requested to join the AGM through Laptops / IPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.



## NOTICE

---

- D. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio / Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.
- E. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning your name, demat account number / folio number, email id, mobile number (as registered with the Depository Participant (DP) / Company) to the mail ID: **investorgrievance@ramcotex.com**. Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
- F. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number / folio number, email id, mobile number to the mail ID: **investorgrievance@ramcotex.com**. These queries will be replied by the Company suitably by email.
- G. Non-Individual members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution authorizing their representative to attend on their behalf at the meeting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to **helpdesk.evoting@cdslindia.com**.
- H. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- I. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
- J. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- K. Only those Shareholders, who are present in the AGM through VC and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- L. If any votes are cast by the Shareholders through the e-Voting available during AGM and if the some Shareholder have not participated in the meeting through VC, then the vote cast by such Shareholders may be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the meeting.
- M. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.



## NOTICE

---

15. As an on-going measure, SEBI has issued a Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17<sup>th</sup> May, 2023, for Registrars to an Issue and Share Transfer Agents, wherein the Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination of the Shareholders are prescribed. As per the aforesaid master circular the Company has sent a communication in this regard on 29<sup>th</sup> April, 2025 to all the Shareholders holding Physical Share certificates advised them to furnish the following details to the Company:

- a. PAN
- b. Nomination
- c. Contact details
- d. Bank account details
- e. Specimen signature

and also intimated that, all the eligible payments including dividend shall be processed only through electronic mode w.e.f. 01<sup>st</sup> April, 2024 and upon complying with the requirements of the above.

All Shareholders are advised to update the details as prescribed in the above said Circular with M/s. Cameo Corporate Services Limited, our Registrar to an Issue and Share Transfer Agent.

16. Process for those Shareholders whose E-mail / Mobile No. are not registered with the Company / DP.

- A. For Physical Shareholders, please submit Form ISR-1 duly filled to M/s. Cameo Corporate Services Limited, our Registrar to an Issue and Share Transfer Agent.
- B. For Individual Demat Shareholders, please update your E-Mail ID & Mobile Number with your respective DP which is mandatory while e-Voting & joining the AGM through VC through Depository.

17. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 22-08-2025 may obtain the Login ID and Password by following the procedures mentioned in Point No: 13 (D) or (F), as the case may be.

18. The voting rights of Shareholders shall be in proportion to the Shares held by them in the paid up equity Share capital of the Company as on Friday, the 22<sup>nd</sup> August, 2025.



## NOTICE

---

19. Shri R. Palaniappan, Chartered Accountant (Membership No: 205112), Partner, M/s. N.A. Jayaraman & Co., Chartered Accountants will act as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
20. The scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
21. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to BSE Limited.
22. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free No. 1800-21-09911.

By Order of the Board,  
For **RAJAPALAYAM MILLS LIMITED**,

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## NOTICE

---

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 5

Pursuant to Section 204 of the Companies Act, 2013, Shri M.R.L. Narasimha was the Secretarial Auditor of the Company from 2014-15.

As per the latest amendment of Regulation 24A of SEBI (LODR) Regulations, 2015, which came into effect on 01<sup>st</sup> April, 2025, the Company is required to appoint a peer reviewed Company Secretary in practice as Secretarial Auditor for a term of 5 consecutive years, to audit the secretarial and related records of the Company based on the recommendation of the Board.

To align the term of Shri M.R.L. Narasimha, Practising Company Secretary in line with the latest amendment stated above, it is proposed to recommend the appointment of Shri M.R.L. Narasimha, Practising Company Secretary as the Secretarial Auditor of the Company for a term of 5 consecutive years to the shareholders for their approval at the ensuing 89<sup>th</sup> Annual General Meeting.

**Term & Remuneration:** Appointment for a term of 5 consecutive years from FY 2025-26 to FY 2029-30. The Secretarial Auditor shall be paid for FY 2025-26 at a remuneration of ₹ 85,000/- plus applicable taxes and out of pocket expenses and for FY 2026-27 to 2029-30 it is proposed to authorise the Audit Committee to revise the remuneration as it deems fit.

**Profile:** Shri M.R.L. Narasimha, a Fellow Member of the Institute of Company Secretaries of India (C.P. No. 799), is a seasoned and peer reviewed Company Secretary in whole-time practice with more than 3 (Three) decades of professional experience. His distinguished career spans a broad spectrum of corporate, legal, and governance matters, serving companies across diverse industries including manufacturing, IT, pharmaceuticals, real estate, energy, and financial services.

With a deep-rooted understanding of corporate laws, regulatory compliance, and strategic advisory, Shri M.R.L. Narasimha has built a strong reputation for his commitment to ethical practices, technical accuracy and client-focused solutions.

In view of Shri M.R.L. Narasimha's extensive experience, multi-disciplinary expertise, and longstanding professional career, it is proposed to appoint him as the Secretarial Auditor of the Company for rendering secretarial and related advisory services to the Company. His appointment is expected to enhance the Company's compliance posture, governance standards, and overall regulatory alignment.

He has already given his consent to act as Secretarial Auditor and a certificate that the appointment if made, is in accordance with the prescribed conditions and he has satisfied the criteria of such appointment.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.



## NOTICE

---

### Item No. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Textile Products for the financial year 2025-26.

Shri M. Kannan, a Practising Cost Accountant, who was the Cost Auditor of the Company since the FY 2015-16, has expressed his inability to continue as Cost Auditor of the Company due to age related factors and pre-occupation.

The Company has identified M/s. N. Sivashankaran & Co, Practising Cost Accountants, (FRN: 100662) for appointment as Cost Auditors of the Company. On recommendation of the Audit Committee at its meeting held on 28<sup>th</sup> May, 2025, the Board had approved the appointment of M/s. N. Sivashankaran & Co, Practising Cost Accountants as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Textile Products at a remuneration of ₹ 2,25,000/- plus applicable taxes and out-of-pocket expenses for the financial year 2025-26.

M/s. N. Sivashankaran & Co, is a proprietary firm (FRN: 100662), launched in the year 1998 by CMA N.Sivashankaran, FCMA, (Proprietor), a seasoned finance and cost accounting professional with over three decades of progressive experience in financial management, cost audit, and consultancy services. Since then, he has been engaged in full-time practice as a Cost Accountant under the name and style of M/s. N. Sivashankaran & Co and he is completing 18 years in the field with a wide portfolio of clients. His clientele base includes MNC's, Listed Companies and Limited Companies in various sectors viz. Steel, Automobile (Auto Parts & Components), Petroleum, Chemical, FMCG, Logistics and Construction.

He is equipped with a dedicated team of professionals committed to excellence and compliance. With a deep understanding of financial operations, cost structures, regulatory compliance, and business advisory, he is poised to bring value-added services to the Company.

He has given the written consent and certificate that the appointment if made, is in accordance with the prescribed conditions and he satisfy the criteria for such appointment.

The remuneration of the cost auditor is required to be ratified by the Members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.



## NOTICE

---

### Item No. 7

Pursuant to the approval of the Shareholders dated 20-08-2022, Smt. P.V. Nirmala Raju was appointed as Managing Director of the Company for a period of five years, effective from June 1, 2022.

Remuneration as approved at the time of appointment was:

- When the Company earns profits: She shall be paid a remuneration at 5% of the Net Profits of the Company.
- When the Company has no profits or inadequate profits: She shall be paid minimum remuneration of ₹ 240 Lakhs per annum, along with applicable perquisites as prescribed under Section IV of Schedule V of the Companies Act, 2013.

As per Schedule V of the Companies Act, 2013, when a company has no profits or inadequate profits it can pay the said minimum remuneration only for a period of three years, beyond which afresh approval of the Shareholders is required to continue the payment of minimum remuneration till the completion of term of appointment.

Due to inadequate profits, the Company has been giving only minimum remuneration to the Managing Director for the last three years and to continue payment of same minimum remuneration till completion of term of appointment upto 31-05-2027, approval of the Shareholders is sought in accordance with Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. P.V. Nirmala Raju has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has gained knowledge and experience in Textile Industry for more than two decades. She has been on the Board of Rajapalayam Mills Limited since 24-04-2019. Her Skills / Expertise include Information Technology, Strategy Management, Business Management and General Administration. She has significantly contributed to the Company's strategic direction and has played an active role in its Corporate Social Responsibility (CSR) efforts. She also serves as Chairperson of Ramco Community Services, the CSR arm of the Ramco Group.

In recognition of her leadership, expertise, and continued contributions, the Nomination and Remuneration Committee, at its meeting held on 28<sup>th</sup> May, 2025, recommended the continuation of her existing remuneration as given below till the completion of term of appointment upto 31-05-2027. This recommendation was approved by the Board of Directors at its meeting held on the same day, subject to the approval of shareholders:

#### **Terms of Remuneration:**

- i. When the Company is having profit:  
5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.
- ii. When the Company is having no profit or inadequate profit:  
When the Company has no profits or its profits are inadequate, in any financial year, the minimum remuneration for the remaining tenure of her appointment upto 31-05-2027 shall be continued to be paid at ₹ 240 Lakhs per annum along with the following perquisites:



## NOTICE

- (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 or the act in force;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- (iii) Encashment of leave at the end of the tenure; and
- (iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013. In addition to the above remuneration, she will also be eligible for any fee paid for attending Meetings of the Board or 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.

It is proposed to authorise the Nomination and Remuneration Committee to fix the quantum and periodicity of the remuneration payable to the Managing Director subject to the limits mentioned in the Resolution.

The remuneration proposed to be payable to Managing Director is in accordance with Nomination and Remuneration Policy of the Company.

As the annual remuneration proposed is 5% of Net Profits in case of adequate Profits, approval is sought from the Shareholders by way of Special Resolution, as required under Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

Considering the continuity of Smt. P.V. Nirmala Raju as the Managing Director, the Directors recommend the Special Resolution for Members' approval.

None of the Directors and Key Managerial Personnel, except Smt. P.V. Nirmala Raju, whose remuneration is being fixed, Shri P.R. Venketrama Raja, Chairman and Shri P.V. Abinav Ramasubramaniam Raja, Director being relatives of Smt. Nirmala Raju, may be deemed to be concerned or interested in the Resolution.

### I. General Information:

1	Nature of Industry			Textiles
2	Date of Commencement of Business			22-12-1936
3	Financial performance based on given indicators			
	Year	Total Revenue (₹ in Crores)	Total Comprehensive income / (loss) net of Tax (₹ in Crores)	Dividend per Share (in ₹)
	2024-25	924.06	(-) 51.71	0.50
	2023-24	875.79	29.09	0.60
	2022-23	882.31	42.14	1
4	Foreign investments or collaborations, if any			NIL



## NOTICE

### II. Information about the appointee:

1	Background Details	Smt. P.V. Nirmala Raju is a Member of Promoter Group and has been on the Board of the Company since 2019. Age : 59 Years No. of Shares held in the Company : 1,75,526
2	Qualification & Experience	Smt. P.V. Nirmala Raju has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has gained knowledge and experience in Textile Industry for more than two decades. Her Skills / Expertise include Information Technology, Strategy Management, Business Management and General Administration.
3	Past Remuneration	Remuneration - ₹ 247.50 Lakhs (including contribution to Provident Fund and Superannuation Fund) Sitting Fees - ₹ 1.60 Lakhs.
4	Recognition or awards	-
5	Job profile and her suitability	She has rich experience in Textile Industry for more than two decades.
6	Remuneration proposed	When the Company is having profit: 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013. When the Company is having no profit or inadequate profit: When the Company has no profits or its profits are inadequate, in any financial year, She shall be paid remuneration of ₹ 240 Lakhs alongwith 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; iii) Encashment of leave at the end of the tenure; and iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013 She will also be entitled for sitting fees for meetings of the Board or its Committees attended by her.
7	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.



## NOTICE

8	Relationship with managerial personnel / Pecuniary relationship directly or indirectly with the Company.	She is the spouse of Shri P.R. Venketrama Raja, Chairman, and mother of Shri P.V. Abinav Ramasubramaniam Raja, Director. She has no pecuniary relationship other than the remuneration, she is entitled to receive. Her transactions with the Company are disclosed under related party transactions under Note No. 50
---	--	--

### III. Other Information:

1	Reasons of loss or inadequate profits	Due to geopolitical challenges and sluggish market conditions.
2	Steps taken or proposed to be taken for improvement	Various measures has been taken for increasing productivity and reduction of cost viz., power, labor and other fixed cost.
3	Expected increase in productivity and profits in measurable terms	The aforesaid steps taken by the Company are expected to improve the Company's performance and profitability in future.

### IV. Disclosures:

As required, the information is provided under Corporate Governance Report annexed to the Directors' Report.

The disclosure under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Standard 1.2.5 of Secretarial Standards (SS - 2), other than those already given above, with respect to fixation of remuneration to Smt. P.V. Nirmala Raju, are given below:

Name of the Director	<b>P.V. Nirmala Raju</b>
Director Identification Number (DIN)	00474960
Age	59 years
Terms and conditions of appointment	Appointed for a period of 5 consecutive years from 01 <sup>st</sup> June, 2022, not liable to retire by rotation.
Expertise in Specific functional areas	Information Technology, Strategy Management, Business Management and General Administration.
Details of remuneration last drawn during FY 2024-25	Remuneration - ₹ 247.50 Lakhs (including contribution to Provident Fund and Superannuation Fund) Sitting Fees - ₹ 1.60 Lakhs.
Date of First Appointment to the Board	24 <sup>th</sup> April, 2019
Shareholding in the Company as on date	1,75,526 Equity Shares of ₹ 10/- each.
No. of Meetings of the Board attended during the year	4 (Four)



## NOTICE

Other Directorships	<ol style="list-style-type: none"> <li>1. Sandhya Spinning Mill Limited</li> <li>2. Nirmala Shankar Farms &amp; Estates Private Limited</li> <li>3. TN Apex Skill Development Centre for Construction and Infrastructure</li> <li>4. Sound Investment and Leasing Private Limited</li> </ol>	
Memberships and Chairmanships of Committees of other Boards	Details given below	
<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Position held</b>
Rajapalayam Mills Limited	Stakeholders Relationship Committee	Member
	Corporate Social Responsibility Committee	Member

Details required under Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11<sup>th</sup> November, 2024 is given below:

S.No	Particulars	Details
1.	Name of the related party and its relationship with the listed entity including nature of its concern or interest (financial or otherwise)	<p><b>Smt. Nirmala Raju</b>  Relationship:  She is a Managing Director and member of Promoter group of Rajapalayam Mills Limited (RML).  Nature of interest:  She holds 1.90% stake in RML.</p>
2.	Name of Director(s) or Key Managerial Personnel who is related, if any.	Shri. P.R. Venketrama Raja, Shri P.V. Abinav Ramasubramainam Raja.
3.	Type, tenure, material terms and particulars	<p>To continue payment of same minimum remuneration for the remaining term of Smt. Nirmala Raju, Managing Director upto 31-05-2027, as given below:</p> <ol style="list-style-type: none"> <li>1. When the Company earns profits:  She shall be entitled for a remuneration at 5% of the Net Profits of the Company.</li> <li>2. When the Company has no profits or inadequate profits:  She shall be paid minimum remuneration of ₹ 240 lakhs per annum, along with the following perquisites:</li> </ol>



## NOTICE

S.No	Particulars	Details
		<ul style="list-style-type: none"><li>• 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;</li><li>• Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;</li><li>• Encashment of leave at the end of the tenure; and</li><li>• Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.</li></ul> <p>Payment of remuneration to Managing Director who is part of the Promoter Group is a related party transaction and it is required to be approved by the Audit Committee.</p> <p>Tenure: Upto 31-05-2027</p>
4.	Value of the transaction	Aggregate value up to ₹ 5.36 Crores.
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	0.62%
6.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:  (i) details of the source of funds in connection with the proposed transaction;  (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,	



## NOTICE

S.No	Particulars	Details
	<ul style="list-style-type: none"><li>• nature of indebtedness;</li><li>• cost of funds; and</li><li>• tenure;</li></ul> <p>(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured;</p> <p>if secured, the nature of security; and</p> <p>(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT</p>	Not Applicable
7.	Justification as to why the RPT is in the interest of the listed entity	Payment of remuneration to Smt. P.V. Nirmala Raju, Managing Director is in accordance with Nomination and Remuneration Policy which is at par Industrial Standards and hence the same is in the best interest of the Company.
8.	Any valuation or other external party report relied upon by the listed entity in relation to the transactions	Not Applicable
9.	Any other information that may be relevant	Not Applicable

### Item No. 8

The Members of the Company at their Annual General Meeting held on 14<sup>th</sup> August, 2019 have passed a Special Resolution, permitting the Board of Directors to borrow upto a limit of ₹ 750 Crores (apart from temporary loans obtained in the ordinary course of business) under Section 180 (1) (c) of the Companies Act, 2013.

In order to maintain adequate financial flexibility in servicing repayment obligations and to support the Company's operational requirements and business exigencies, the existing borrowing limits will not be sufficient to meet out the above requirement. Hence, it is proposed to enhance the borrowing limit from the existing amount of ₹ 750 Crores to ₹ 850 Crores. This will enable the Company to respond effectively to dynamic market conditions and ensure smooth functioning of its day-to-day operations.



## NOTICE

---

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors are entitled to borrow in excess of the Company's Paid-up Capital, Free Reserves and Securities premium, with the consent of the Members by way of Special Resolution.

Accordingly, approval is sought from Members by way of Special Resolution to authorise the Board of Directors to borrow such that the maximum outstanding, shall not at any time exceed ₹ 850 Crores and to amend the existing clause 11 of the Articles of Association of the Company under Section 14 of the Companies Act, 2013, to increase the borrowing limit from the existing ₹ 750 Crores to ₹ 850 Crores.

As provided under Section 180(1)(c) of the Companies Act, 2013, the limit is exclusive of loans repayable on demand or within six months from the date of the loan such as short term, cash credit, discounting of bills and other short term loans of seasonal character.

Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

By Order of the Board,  
For **RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## NOTICE

**Pursuant to Regulation 36(3) of the SEBI (LODR) and Secretarial Standards on General Meetings, details of Directors Seeking Appointment are given below:**

Name of the Director	<b>Shri P.R. Venketrama Raja</b>
Director Identification Number (DIN)	00331406
Age	66 years
Qualifications	Shri P.R. Venketrama Raja has a Bachelor's Degree in Chemical Engineering and Masters in Business Administration.
Experience	He has been on the Board of Rajapalayam Mills Limited, since 1986. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors.
Terms and conditions of appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.
Expertise in Specific functional areas	Expert in Information Technology, Strategy Management and Business Management.
Details of remuneration last drawn during FY 2024-25	Sitting Fees: ₹ 3.60 Lakhs
Details of remuneration proposed to be paid	He will be eligible for remuneration by way of Sitting Fee for attending meetings of the Board and other meetings, as determined by the Board from time to time.
Date of First Appointment to the Board	25 <sup>th</sup> April, 1986
Shareholding in the Company as on date	19,43,597 Equity Shares of ₹ 10/- each.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is the husband of Smt. P.V. Nirmala Raju, Managing Director of the Company and he is the father of Shri P.V. Abinav Ramasubramaniam Raja, Director of the Company.
No. of Meetings of the Board attended during the year	5 (Five)
Other Directorships	<ol style="list-style-type: none"><li>1. The Ramco Cements Limited</li><li>2. Ramco Systems Limited</li><li>3. Ramco Industries Limited</li><li>4. The Ramaraju Surgical Cotton Mills Limited</li><li>5. Sri Vishnu Shankar Mill Limited</li><li>6. Sandhya Spinning Mill Limited</li><li>7. Rajapalayam Textile Limited</li><li>8. Ramamandiram Agricultural Estate Private Limited</li></ol>



## NOTICE

	<p>9. Ramco Management Private Limited</p> <p>10. RCDC Securities and Investments Private Limited</p> <p>11. Ram Sandhya Farms Private Limited</p> <p>12. Nirmala Shankar Farms &amp; Estates Private Limited</p> <p>13. Sri Sandhya Farms (India) Private Limited</p> <p>14. Rajapalayam Chamber of Commerce and Industry</p> <p>15. Optiverse Enterprise Private Limited</p> <p>16. Ramco Systems Corporation, USA</p> <p>17. Ramco Systems FZ LLC, Dubai</p> <p>18. Ramco Systems Australia Pty Ltd</p> <p>19. Ramco Systems Limited, Switzerland</p> <p>20. Ramco Systems Sdn Bhd., Malaysia</p> <p>21. RSL Enterprise Solutions (Pty) Limited, South Africa</p> <p>22. PT Ramco Systems Indonesia (holding a position as Commissioner)</p> <p>23. Ramco systems (Shanghai) Co. Ltd. (holding a position as Supervisor)</p> <p>24. Ramco Software Japan Limited</p> <p>25. Sri Ramco Lanka (Private) Limited, Sri Lanka</p> <p>26. Sri Ramco Roofings Lanka Private Limited - Sri Lanka</p>
Memberships and Chairmanships of Committees of other Board	Details given below

S No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)
1.	Rajapalayam Mills Limited	Stakeholders Relationship Committee	Chairman
2.	Rajapalayam Mills Limited	Corporate Social Responsibility Committee	Chairman
3.	Rajapalayam Mills Limited	Risk Management Committee	Chairman
4.	Rajapalayam Mills Limited	Rights Issue Committee	Chairman
5.	The Ramco Cements Limited	Audit Committee	Member
6.	The Ramco Cements Limited	Stakeholders Relationship Committee	Member
7.	The Ramco Cements Limited	Corporate Social Responsibility Committee	Member
8.	The Ramco Cements Limited	Risk Management Committee	Member



## NOTICE

S No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)
9.	Ramco Industries Limited	Audit Committee	Member
10.	Ramco Industries Limited	Corporate Social Responsibility Committee	Chairman
11.	Ramco Industries Limited	Stakeholders Relationship Committee	Chairman
12.	Ramco Industries Limited	Risk Management Committee	Chairman
13.	Ramco Systems Limited	Corporate Social Responsibility Committee	Chairman
14.	Ramco Systems Limited	Stakeholders Relationship Committee	Chairman
15.	Ramco Systems Limited	Risk Management Committee	Chairman
16.	Ramco Systems Limited	Fund Raising Committee	Member
17.	The Ramaraju Surgical Cotton Mills Limited	Corporate Social Responsibility Committee	Chairman
18.	The Ramaraju Surgical Cotton Mills Limited	Stakeholders Relationship Committee	Chairman
19.	Sri Vishnu Shankar Mill Limited	Corporate Social Responsibility Committee	Chairman
20.	Sandhya Spinning Mill Limited	Corporate Social Responsibility Committee	Chairman

Name of the Director	<b>Shri P.V. Abinav Ramasubramaniam Raja</b>
Director Identification Number (DIN)	07273249
Age	31 years
Qualifications	Shri P.V. Abinav Ramasubramaniam Raja has Bachelor's degree in Science - Industrial Engineering from Northwestern University, Evanston, USA.
Experience	He has been on the Board of M/s. Rajapalayam Mills Limited, since 2017. He is holding the position of Managing Director in M/s. Ramco Industries Limited and M/s. Ramco Systems Limited.
Terms and conditions of appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.
Expertise in Specific functional areas	Industrial Engineering, Strategy Management, Business Management and Information Technology.
Details of remuneration last drawn during FY 2024-25	Sitting Fees: ₹ 2.80 Lakhs



## NOTICE

Details of remuneration proposed to be paid	He will be eligible for remuneration by way of sitting fee for attending meetings of the Board and other meetings, as determined by the Board from time to time.
Date of First Appointment to the Board	11-02-2017
Shareholding in the Company as on date	24,39,939 Equity Shares of ₹ 10/- each
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is the son of Shri P.R. Venketrama Raja, Chairman and Smt. P.V. Nirmala Raju, Managing Director of the Company.
No. of Meetings of the Board attended during the year	5 (Five)
Other Directorships	<ol style="list-style-type: none"> <li>1. Ramco Systems Limited</li> <li>2. Ramco Industries Limited</li> <li>3. L3 Enterprises Private Limited</li> <li>4. RCDC Securities and Investments Private Limited</li> <li>5. Optiverse Enterprise Private Limited</li> <li>6. Ramco Management Private Limited</li> <li>7. Ramamandiram Agricultural Estate Private Limited</li> </ol>
Memberships and Chairmanships of Committees of other Board	Details given below

S No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)
1.	Rajapalayam Mills Limited	Corporate Social Responsibility Committee	Member
2.	Rajapalayam Mills Limited	Risk Management Committee	Member
3.	Ramco Industries Limited	Corporate Social Responsibility Committee	Member
4.	Ramco Systems Limited	Stakeholders Relationship Committee	Member
5.	Ramco Systems Limited	Risk Management Committee	Member
6.	Ramco Systems Limited	Fund Raising Committee	Member



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their 89<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2025.

### 1. FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March, 2025 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit (EBITDA) of ₹ 9,881.61 Lakhs against ₹ 10,718.45 Lakhs for the previous financial year 2023-24. Summary of Separate Financial Results of the Company is furnished below:

(₹ in Lakhs)

Financial Results - Separate	Year ended 31-03-2025	Year ended 31-03-2024
Revenue	92,405.99	87,579.86
Operating Profit :		
<b>Profit before Interest, Depreciation and Tax (PBIDT)</b>	<b>9,881.61</b>	10,718.45
Less: Interest	<b>9,089.90</b>	7,403.01
<b>Profit before Depreciation and Tax (PBDT)</b>	<b>791.71</b>	3,315.44
Less: Depreciation	<b>7,534.28</b>	6,733.13
<b>Profit / (Loss) before Exceptional Items</b>	<b>(6,742.57)</b>	(3,417.69)
Exceptional Items	<b>74.19</b>	5,762.02
<b>Profit / (Loss) Before Tax</b>	<b>(6,668.38)</b>	2,344.33
Less: Tax Expenses		
Current Tax	-	-
Excess Income Tax Provision related to earlier years withdrawn	-	(0.25)
Deferred Tax Expenses / (Savings)	<b>(1,647.91)</b>	(485.72)
<b>Profit / (Loss) After Tax</b>	<b>(5,020.47)</b>	2,830.30
Other Comprehensive Income / (Loss) for the Year (Net of Tax)	<b>(150.82)</b>	78.98
<b>Total Comprehensive Income / (Loss) for the Year (TCI)</b>	<b>(5,171.29)</b>	2,909.28

### 2. SHARE CAPITAL

The Paid-up Capital of the Company is ₹ 922.02 Lakhs (PY: ₹ 922.02 Lakhs) consisting of 92,20,200 Shares of ₹ 10/- each.

### 3. DIVIDEND

Your Directors have pleasure in recommending a Dividend of ₹ 0.50 per share (PY: ₹ 0.60 per share). The total amount of Dividend outgo for the year will be ₹ 46.10 Lakhs (PY: ₹ 55.32 Lakhs).



As per Income Tax Act, 1961, the dividend will be taxable in the hands of the Shareholders and the Company will make payment of dividend after deducting applicable TDS.

The payment of Dividend is in accordance with the "Dividend Distribution Policy" of the Company. The Policy is available on the website of the Company and the same can be accessed with the following web link :

<https://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/dividend-distribution-policy.pdf>

#### **4. TAXATION**

The Company has opted to pay tax under Section 115BAA of the Income Tax Act, 1961. The Company is not liable to pay income tax and not provided any amount towards current tax provision. Deferred Tax of ₹ 1,647.91 Lakhs (PY: ₹ 485.72 Lakhs) has been withdrawn for the financial year 2024-25.

#### **5. MANAGEMENT DISCUSSION AND ANALYSIS**

##### **TRADE CONDITIONS**

##### **5.1 COTTON**

The cotton production in India during the cotton season 2023-24 was 327 Lakh bales (170 Kgs), compared to 319 Lakh bales, representing a 3% increase.

At the beginning of the cotton season 2024-25, the CAI estimated the cotton crop for the new season to be 302 Lakh bales (compared to the previous year's 327 Lakh bales). However, the actual cotton arrivals in the market reached 291 Lakh bales. The Cotton Corporation of India (CCI) covered 100 Lakhs bales during 2024-25 and further increased the MSP price per quintal of medium staple cotton and long staple cotton by 8% and 7% respectively. Despite some price correction in cotton, the fall in yarn prices was much sharper, leading to a wider disparity that affected the margins of yarn spinners across India.

International Cotton prices were traded in the range of 77.74 US cents per LB to 87.52 US cents per LB compared to domestic cotton which traded in the range of 76.80 US cents per LB to 93.32 US cents per LB.

The Company strategically shifted its focus to more value-added counts, and imported more high-quality cotton when prices were at reasonable levels. This strategy helped the company procure diversified varieties of cotton from across the globe and offer competitive prices for its yarn. In February 2024, the Government of India exempted Customs duty on the import of Extra Long Staple Cotton exceeding 32 mm, enhancing the competitiveness of Indian exporters for premium products.



## DIRECTORS' REPORT

---

### 5.2 YARN PRODUCTION

The production volume has increased to 141.01 Lakhs Kgs during the FY 2024-25 as against 128.67 Lakhs Kgs of previous year due to better capacity utilization.

### 5.3 SALE OF YARN

During FY 2024-25, the Company's sale volume was 131.80 Lakhs Kgs as against 127.24 Lakhs Kgs of previous year. The sale value of yarn has decreased to ₹ 644.61 Crores during the FY 2024-25 as compared to ₹ 656.97 Crores of previous year.

Due to geopolitical challenges and sluggish market demand for cotton yarn, there was severe hit in margins for Spinning Mills. This situation forced many spinning mills across India to operate at lower capacity, with many spinning mills cutting down their production due to huge losses in yarn production. However, the Company's focus on producing a flexible and wide range products helped it to protect its sales volume during this sluggish period. Further, the red sea crisis has caused significant impact on Exports resulting higher freight cost, insurance cost and shipping delays.

The Company's focus on strengthening its infrastructure to produce diverse products, including various high-quality value-added yarn and collaborating with customers to manufacturer innovative products helped it maintain capacity utilization and sales volume in export market. Sales volume of value-added yarn such as Elitwist, Gassing, High twist, Melange, Core yarn and Mercerized yarn increased to 3,255 Tonnes during the FY 2024-25, a 10% growth from 2,945 Tonnes during the previous year.

### 5.4 EXPORTS

The Company has made export of Cotton Yarn (including merchant exports) during the financial year 2024-25 with a value of ₹ 267.45 Crores compared to ₹ 279.74 Crores in the previous year. The Company's focus on Product enhancement through technology advancement, traceability of entire production process, continuous customer-centricity and production of unmatched quality helped it to maintain export volume.

Your Directors are thankful to M/s. Asahi Kasei Advance Corporation, Japan for their continued support and efforts towards promoting exports to Japan.

### 5.5 FABRIC DIVISION

The Fabric Unit is operating with 328 Looms which includes 174 Looms commissioned during September, 2023. Furthermore, it established fabric finishing capacity capable of producing 50,000 meters of finished fabrics per day.

## DIRECTORS' REPORT



In terms of production and sales, the Fabric unit manufactured 155 Lakhs Meters of Fabric (compared to 119 Lakhs Meters in the previous year) and sold 153 Lakhs Meters of Fabrics (compared to 122 Lakhs Meters in the previous year). The total revenue generated by the Fabric unit for the financial year 2024-25 amounted to ₹ 241.37 Crores (compared to ₹ 190.82 Crores in the previous year). The increase in volume can be attributed to the expansion of loom capacity. Additionally, the export turnover of Fabric for the financial year 2024-25 was ₹ 57.44 Crores (compared to ₹ 69.38 Crores in the previous year).

The quality of fabric produced by the Company has been well accepted both in domestic and export markets, leading to numerous enquiries from leading brands across the globe for the supply of processed fabric.

### 5.6 POWER COST

During the financial year 2024-25, the Company was able to consume power from its own wind farms to the extent of 50% (PY: 56%) of the total power requirement. The power cost increased during the financial year 2024-25 to ₹ 59.61 Crores, compared to ₹ 53.17 Crores in the previous year, due to increase in power consumption on account of enhanced fabric capacity and increase in the power tariff by Tamil Nadu Electricity Board (TNEB). In order to mitigate the higher power cost, the Company made arrangements with Solar Power developers for supply of 17 MW of power on long term basis at a fixed cost under group captive arrangement, which is cheaper as compared to TNEB's Rate.

### 5.7 FINANCE COST

The finance cost of the Company increased to ₹ 90.90 Crores during the financial year 2024-25 from ₹ 74.03 Crores in the previous financial year. The increase is attributed to additional borrowings for expansion and modernization programs and general trend of increasing interest rates. A similar trend was observed globally, which made the cost of foreign currency-denominated borrowings equal to working capital loans availed in Indian Rupee.

In addition to the increase in interest rates, additional working capital requirements, enhanced Fabric capacity and additional term loan borrowings had resulted in an increased outflow of finance costs during the FY 2024-25 compared to FY 2023-24.

### 5.8 DIVIDEND INCOME

During the financial year 2024-25, the Company received dividend income of ₹ 8.67 Crores (PY: ₹7.24 Crores) and the particulars of dividend received are provided under Note No. 50(a) (ix).



## DIRECTORS' REPORT

### 5.9 KEY FINANCIAL RATIOS

Pursuant to Schedule V(B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2024-25 are given below:

S. No.	Particulars	31-03-2025	31-03-2024	Variation in %	Formula adopted
1	Debtors Turnover Ratio (Days)	71	69	3	365 Days / (Net Revenue / Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	128	146	-12	365 Days / (Net Revenue / Average Inventories)
3	Interest Coverage Ratio	0.26	1.12	-77	(Profit Before Tax + Interest)/ (Interest + Interest Capitalised)
4	Current Ratio	1.15	1.04	11	Current Assets / (Total Current Liabilities - Other Financial Liabilities - Current maturities of Long Term Debt)
5	Debt - Equity Ratio	2.57	2.23	15	Total Debt / Total Equity
6	Operating Profit Margin	11%	12%	-8	EBITDA / Net Revenue
7	Net Profit Margin	-6%	3%	-	Net Profit / Net Revenue
8	Return on Net worth	-11%	6%	-	Total Comprehensive Income / Average Net worth
9	Total Debt / EBITDA	11.21	10.08	11	Total Debt / EBITDA
10	Return on Capital Employed	3%	7%	-62	(TCI + Interest)/ (Average of Equity plus Total Debt)
11	Price Earnings Ratio	N/A	29	-	Market Price per share as at 31 <sup>st</sup> March / Earning per share

Note: EBITDA denotes Profit Before Tax + Interest + Depreciation

#### Reason for variations in excess of $\pm 25\%$ :

The decline in Operating Profit is on account of sluggish market conditions in the textile industry and increase in finance cost is on account of expansion of projects which results in reduction of Interest Coverage Ratio, Return on Net worth and Return of Capital Employed.

### 6. MODERNISATION / EXPANSION

During the FY 2024-25, the Company has invested an amount of ₹ 24.78 Crores in modernizing Comber Machine, Rewinding Machine, Batch Dyeing System etc. which has been funded from internal accruals and term loan from Banks.

### 7. PROSPECTS FOR THE CURRENT YEAR

The volatility in cotton prices continues, with prices of both cotton and yarn experiencing wide fluctuations. According to data published by the Foreign Agricultural Service of USDA, world

## DIRECTORS' REPORT



cotton production for the 2025-26 season is expected to decrease by 3% on account of lower projection in production for China, India, Turkey, Egypt and Australia. However, global cotton consumption is projected to grow by 2.70% on account of larger global cotton supplies, replenishment of inventories across the textile and product supply chain, and prospects for global economic growth.

The Company is continuously monitoring various process parameters and implementing various system controls to deliver consistent quality yarn and fabric to end customers and leading brands. Strengthening its product lines with more value-added customized yarn counts such as Mercerized Yarn, Mélange Yarn, and Core Yarn will help the company mitigate the impact of falling demand for commodity counts. Over the last 5 years, the volume of value-added products has increased from 12% to 43%.

The company's modernization of spinning mills and forward integration by setting up fabric manufacturing and fabric processing facilities are expected to drive top-line growth and protect margins during the current year. The company's efforts to adopt sustainable manufacturing processes, including the reuse of water, zero-liquid-discharge systems, and bio-treatment of wastewater for recycling, ensure environmental sustainability, positioning the company among the top-rated textile companies globally. The synergies between the company's spinning and fabric capacities are expected to enable the offering of a wide range of textile products with quick turnaround times. The Company has secured "A Grade" in Social Audit Compliances and leading brands in domestic and international markets are approaching the company for sourcing yarn and fabric. The Company is confident that these measures will contribute to decent growth in its top line and sustainable profitability in the years ahead.

### 8. WINDMILL

The Company has windmills with installed capacity of 35.15 MW for its captive power consumption. During the financial year 2024-25, the wind farm generated 573 Lakhs Kwh, which is lower than 608 Lakhs Kwh generated in the previous year. This was due to low wind velocity during the current year. All the units generated by the windmills were adjusted for captive consumption at the Company's Spinning / Fabric Division. The income generated by the windmill division during the year was ₹ 43.13 Crores, as compared to ₹ 43.77 Crores in the previous year.

### 9. ASSOCIATE COMPANY

The Company has three Associate Companies: M/s. The Ramco Cements Limited, M/s. Ramco Industries Limited and M/s. Ramco Systems Limited.

As per Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's Associates' is attached in Form AOC-1 as **Annexure - I**.



## DIRECTORS' REPORT

---

### CONSOLIDATED FINANCIAL STATEMENTS

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (LODR) Regulations, 2015, Companies are required to prepare consolidated financial statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the consolidated financial statements incorporating the accounts of Associate Companies, viz. M/s. The Ramco Cements Limited, M/s. Ramco Industries Limited, M/s. Ramco Systems Limited, along with the Auditors' Report thereon, form part of this Annual Report. As per Section 136 (1) of the Companies Act, 2013, the Financial Statements including Consolidated Financial Statements are available on the Company's website at the following link: <https://www.rajapalayammills.co.in/investors/financial-report/>

The Consolidated profit of the Company amounted to ₹ 1,704.52 Lakhs for the year ended 31<sup>st</sup> March, 2025 as compared to ₹ 4,436.42 Lakhs of the previous year.

The Consolidated Total Comprehensive Income for the year under review is ₹ 1,332.14 Lakhs as compared to ₹ 6,083.37 Lakhs of the previous year.

### 10. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. The ERP System developed by Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better internal control system and to make timely decisions.

### 11. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has established a Vigil Mechanism and Whistle Blower Policy. The Policy provides a mechanism for the receipt, retention and treatment of complaints and to protect the confidentiality and anonymity of the stakeholders. The complaints can be made in writing and dropped into Whistle Blower Drop Boxes or sent through e-mail to dedicated e-mail addresses accessible only by the Corporate Ombudsman. The Policy also provides complainants with access to the Chairman of the Audit Committee. The web link for the Vigil Mechanism is disclosed in the Corporate Governance Report.

## DIRECTORS' REPORT



### 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the Shareholders through Postal Ballot process have approved the appointment of following Independent Directors for a term of 5 consecutive years from 01-04-2024 to 31-03-2029:

1. Shri M. Rathinasamy (DIN: 10391134)
2. Shri Sivaguru Chellappa (DIN: 01309727)
3. Shri N.S. Krishnamma Raja (DIN: 01655571)

In the opinion of the Board, the above Independent Directors possess integrity, expertise and experience for being appointed as an Independent Director.

According to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company, the following Directors will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment:

1. Shri P.R. Venketrama Raja (DIN: 00331406)
2. Shri P.V. Abinav Ramasubramaniam Raja (DIN: 07273249)

Shri. K.B. Nagendra Murthy (DIN: 00359864) ceased to be a Non-executive independent director of the Company upon completion of his second term of five consecutive years with effect from close of business hours on 3<sup>rd</sup> August, 2024.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, there have been no changes in the Directors or Key Managerial Personnel during the year, except as mentioned above.

The Independent Directors hold office for a fixed term of 5 years from the date of their appointment and are not liable to retire by rotation.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, stating that they meet the independence criteria provided in Section 149(6) of the Companies Act, 2013.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. The Company has formulated a Code of Conduct for the Directors and Senior Management personnel, which has been complied with.

The Audit Committee has four members, out of which three are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

The Company has a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and other employees duly approved by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, in accordance with Section 178(3) of the Companies Act, 2013.



## DIRECTORS' REPORT

---

As per Provision to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- (c) remuneration to directors, key managerial personnel and senior management involves balance between fixed and incentive pay reflecting short and long term performance objectives shall be appropriated to the working of the Company and its goals.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The web address of the Policy is <https://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/nomination-and-remuneration-policy.pdf>

As required under Regulation 25(7) of LODR, the Company has programmes for familiarisation for the Independent Directors about the nature of the industry, business model, roles, rights and responsibilities of Independent Directors and other relevant information. As required under Regulation 46(2)(i) of LODR, the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link -

<https://www.rajapalayammills.co.in/wp-content/uploads/2025/02/Familiarisation-10-02-2025.pdf>

The details of familiarization programme are explained in the Corporate Governance Report also.

### 13. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Regulation 25(4) of SEBI (LODR) Regulations, 2015, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

## DIRECTORS' REPORT



Pursuant to Schedule II, Part D of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

Pursuant to Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

As per Section 178(2) of the Companies Act, 2013, the Board of Directors have evaluated the performance of the Committees of the Board.

Pursuant to Regulation 4(2)(f)(ii)(9) of SEBI (LODR) Regulations, 2015, the Board of Directors have reviewed and observed that the evaluation frame work of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year were under review similar to their observations for the Previous year. No specific actions have been warranted based on current year observations. The Company would continue to familiarize its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

### 14. MEETINGS

During the year, five Board Meetings were held. The details of the Meetings of the Board and its various Committees held during the financial year including the number of meetings attended by each Director are given in Corporate Governance Report.

### 15. SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirms that the Company has complied with applicable Secretarial Standards.

### 16. PUBLIC DEPOSITS

Pursuant to Rule 8 (5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There was no outstanding of deposits as on 31-03-2025 (Previous year: NIL). The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.



## DIRECTORS' REPORT

---

### 17. ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

### 18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that:

- (a) the particulars of loans are provided under Note No. 50 (b) (i).
- (b) the particulars of the guarantees and investments are provided under Note No. 46 and Note No. 11 & 12 respectively of Notes forming part of financial statements. The guarantees are provided to secure the loans from Banks / Financial Institutions at a competitive pricing by the borrowers.

### 19. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organization grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of eradication of hunger, promotion of healthcare including preventive healthcare, education, restoration of buildings and sites of historical importance, ensuring environmental sustainability etc., largely in accordance with Schedule VII of the Companies Act, 2013.

The CSR obligations pursuant to Section 135(5) of the Companies Act, 2013, for the year 2024-25 was ₹ 26.27 Lakhs. As against the requirement, the Company has spent an amount of ₹ 13.49 Lakhs. Corporate Social Responsibility Committee and the Board of Directors had accorded its approval for set-off of excess amount spent under CSR activities against the future CSR obligations and pursuant to such approval the Company has set-off an amount of ₹ 12.78 Lakhs against the obligation of current year. The Company had also spent a sum of ₹ 6.37 Lakhs (PY: ₹ 4.64 Lakhs) on other social causes and projects, which do not qualify as CSR expenditure under the classifications listed out in Schedule VII of the Companies Act, 2013.

The CSR policy is available at the Company's website at the following link:

<https://www.rajapalayammills.co.in/wp-content/uploads/2022/07/corporate-social-responsibility-policy.pdf>

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - II**.



## 20. AUDITS

### STATUTORY AUDIT

M/s. N.A. Jayaraman & Co. Chartered Accountants (FRN: 001310S) and M/s. SRSV Associates, Chartered Accountants (FRN: 015041S), who have been appointed as the Statutory Auditors of the Company for second term of five consecutive years at the 86<sup>th</sup> Annual General Meeting, would be the Auditors of the Company till the conclusion of 91<sup>st</sup> Annual General Meeting to be held in the year 2027.

As required under Regulation 33(1)(d) of SEBI (LODR) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2025 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of the Companies Act, 2013.

### SECRETARIAL AUDIT

Shri M.R.L. Narasimha, a Practising Company Secretary is the Secretarial Auditor of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditor for the year ended 31<sup>st</sup> March, 2025 is attached as **Annexure - III**. The report does not contain any qualification, reservation or adverse remark.

As per Regulation 24A(1)(b) of LODR, on the basis of recommendation of Board of Directors, a listed entity shall appoint the Secretarial Auditor / Secretarial Audit Firm for a term of five consecutive years with the approval of its shareholders at the AGM. Accordingly, the Board of Directors at their meeting held on 28-05-2025 have recommended Shri. M.R.L. Narasimha, Practising Company Secretary, as the Secretarial Auditor for the Company. The matter relating to his appointment has been included in the Notice convening the 89<sup>th</sup> AGM, for Members' approval.

### COST AUDIT

As per Section 148(1) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly such records and accounts are made and maintained.

The Board of Directors had approved the appointment of M/s. N. Sivashankaran & Co., Practising Cost Accountants as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of textile products for the year 2025-26 at a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand) exclusive of GST and out-of-pocket expenses.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies



## DIRECTORS' REPORT

---

(Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2023-24 due to be filed with Ministry of Corporate Affairs by 31-08-2024, had been filed on 23-08-2024. The Cost Audit Report for the financial year 2024-25 due to be submitted by the Cost Auditor within 180 days from the closure of the financial year will be filed with the Ministry of Corporate Affairs, within 30 days thereof.

### 21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **Annexure - IV**.

### 22. ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12 of Companies (Management and Administration) Rules, 2014, the copy of the Annual Return for the year ended 31-03-2024 has been placed on the website of the Company and web link of such Annual Return is- <https://www.rajapalayammills.co.in/wp-content/uploads/2024/11/annual-return-31-03-2024.pdf>

### 23. CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015. As required under Schedule V(C) of SEBI (LODR) Regulations, 2015, a Report on Corporate Governance being followed by the Company is attached as **Annexure - V**.

As required under Schedule V(E) of SEBI (LODR) Regulations, 2015, a Certificate from the Auditors confirming compliance of conditions of Corporate Governance is also attached as **Annexure - VI** to this Report.

As required under Regulation 34(3) read with Schedule V Para C (10)(i) of SEBI (LODR) Regulations, 2015, Certificate from the Secretarial Auditor that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as Directors of Companies, is attached as **Annexure - VIA**.

During the year under review, no complaints had been received regarding sexual harassment. The relevant statutory disclosure related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are available at Point No.12(xii) of Corporate Governance Report.

### 24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in **Annexure - VII**.

## DIRECTORS' REPORT



The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this report.

However, the annual report is being sent to the Members, excluding the aforesaid Annexure. In terms of Section 136 of the Companies Act, 2013, the said Annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

### 25. INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 5,030 employees as on 31-03-2025 (PY: 4,809). Industrial relations with employees remained cordial during the year. The Company focused more on Human Resources Development activities and imparted training to develop the skill-set of the employees to enable them to face the challenges in the work environment.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 26. RELATED PARTY TRANSACTION

Prior approval / Omnibus approval is obtained from the Audit Committee for all related party transactions and the transactions are periodically placed before the Audit Committee for its approval. Transactions with the related party which are material in nature, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of SEBI (LODR) Regulations, 2015 and required to be disclosed in Form AOC-2 is attached as **Annexure VIII**. In accordance with Indian Accounting Standard - 24 (Related Party Disclosure), the details of transactions with the related parties are set out in Note No: 50 of disclosures forming part of Financial Statements.

As required under Regulation 46(2)(g) of SEBI (LODR) Regulations, 2015, The Company's Related Party Transaction Policy is disclosed in the Company's website and its web link is: <https://www.rajapalayammills.co.in/wp-content/uploads/2025/04/related-party-transaction-policy-2022.pdf>

### 27. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof. The Risk Management policy of the Company is available at the Company's website and its web link is:

<https://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/risk-management-policy.pdf>



## DIRECTORS' REPORT

### 28. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend amount remaining unclaimed/unpaid for a period of over 7 years was transferred to IEPF as detailed below:

Dividend Details	Amount Transferred (in ₹)	Date of Transfer to IEPF
Interim Dividend 2016-17	11,08,388	31-08-2024

Shares corresponding to the said dividend were transferred to IEPF, as detailed below:

No. of Shares	Date of Transfer to IEPF
1,391	10-09-2024

Year wise amount of unpaid / unclaimed dividend lying in the unpaid account and corresponding shares, which are liable to be transferred to IEPF and due dates for such transfer, are tabled below:

Year	Type of Dividend	Date of Declaration of Dividend	Last date for claiming Unpaid Dividend	Due date for transfer to IEP Fund	No. of Shares of ₹10/- each	Amount of unclaimed / unpaid Dividend as on 31-03-2025 in ₹
2017-2018	Dividend	10-08-2018	09-08-2025	08-09-2025	1,06,367	4,25,468.00
2018-2019	Dividend	14-08-2019	13-08-2026	12-09-2026	1,07,150	4,28,600.00
2019-2020	Dividend	15-09-2020	14-09-2027	14-10-2027	1,25,327	1,24,501.27*
2020-2021	Dividend	25-08-2021	24-08-2028	23-09-2028	1,38,849	68,578.65*
2021-2022	Dividend	20-08-2022	19-08-2029	18-09-2029	1,21,918	1,18,203.20*
2022-2023	Dividend	18-08-2023	17-08-2030	16-09-2030	69,594	68,113.20*
2023-2024	Dividend	28-08-2024	27-08-2031	26-09-2031	1,61,732	94,043.20*

\* Net of TDS

### 29. MATERIAL CHANGES SINCE 1<sup>ST</sup> APRIL, 2025

There have been no changes affecting the financial position of the Company between the end of the financial year (31-03-2025) and till the date of this report (28-05-2025).

### 30. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- (a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2025;
- (b) they had selected such accounting policies and applied them consistently and made



## DIRECTORS' REPORT

---

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2025 and the loss of the Company for the year ended on that date;

- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the Annual Accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On Behalf of the Board of Directors,  
For **RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## ANNEXURE I TO DIRECTORS' REPORT

### Form AOC-1

[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Associate Companies

#### PART A - SUBSIDIARY COMPANY

The Company has no Subsidiary Company.

#### PART B - ASSOCIATE COMPANY

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Particulars	2024-25		
	The Ramco Cements Limited	Ramco Industries Limited	Ramco Systems Limited
Last Audited Balance Sheet date	31-03-2025	31-03-2025	31-03-2025
Date on which the Associate was associated / acquired	01-04-2016	01-04-2016	01-04-2016
No. of Shares held as on 31 <sup>st</sup> March, 2025	3,21,69,264	1,17,93,180	7,33,531
Amount of Investment in Associate as on 31-03-2025 (₹ in Lakhs)	6,217.99	8,994.12	1,141.55
Extent of Shareholding % as on 31-03-2025	13.61%	13.59%	1.97%
Description of how there is significant influence	Note (1)	Note (1)	Note (1)
Reason why Associate is not consolidated	Not applicable	Not applicable	Not applicable
Net worth attributable to Shareholding (₹ in Lakhs)	7,44,214.00	4,23,269.00	31,948.40
Profit / (Loss) for the Year (Consolidated) (₹ in Lakhs)	25,978.00	17,368.52	(3,743.80)
a) Considered in Consolidation (₹ in Lakhs)	6,398.06	1,046.34	(73.72)
b) Not considered in Consolidation (₹ in Lakhs)	19,579.94	16,322.18	(3,670.08)

Note: 1) Significant influence exists based on combined voting rights.

2) Names of associates or joint ventures which are yet to commence operations - NIL

3) Names of associates or joint ventures which have been liquidated or sold during the year - NIL

As per our report annexed

On behalf of the Board of Directors

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam

## ANNEXURE II TO DIRECTORS' REPORT



### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy.

The objective of the CSR Policy is:

- to ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- to directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local populace.
- to generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

2. The Composition of the CSR Committee:

S.No	Name of the Director	Designation / Nature of Directorship	No.of meetings of CSR held during the year	No.of meetings of CSR attended during the year
1.	Shri P.R. Venketrama Raja	Chairman of the Committee Non-executive & Non-Independent Director	1	1
2.	Smt. P.V. Nirmala Raju	Managing Director & Non-Independent Director	1	Absent
3.	Shri P.V. Abinav Ramasubramaniam Raja	Non-executive & Non-Independent Director	1	1
5.	Shri N.S. Krishnamma Raja	Non-executive & Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

<https://www.rajapalayammills.co.in/composition-various-committees-board-directors/>

<https://www.rajapalayammills.co.in/wp-content/uploads/2022/07/corporate-social-responsibility-policy.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable



## ANNEXURE II TO DIRECTORS' REPORT

5. a. Average net profit of the company as per section 135(5) - ₹ 1,313.70 Lakhs.
- b. Two percent of average net profit of the Company as per sub-section (5) of Section 135 - ₹ 26.27 Lakhs.
- c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - NIL
- d. Amount required to be set-off for the financial year, if any - ₹ 12.78 Lakhs (Being set-off from the excess spent in FY 2021-22).
- e. Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 13.49 Lakhs.
6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 13.49 Lakhs.
- b. Amount spent in Administrative Overheads - NIL
- c. Amount spent on Impact Assessment, if applicable - Not applicable
- d. Total amount spent for the Financial Year (a + b + c) - ₹ 13.49 Lakhs
- e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13.49	NIL	NIL	NIL	NIL	NIL

- f. Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)
i.	Two per cent of average net profit of the Company as per Section 135(5)	26.27
ii.	Total Amount spent for the Financial year (including set off of ₹ 12.78 Lakhs from the excess spending of previous years, available for set off)	26.27
iii.	Excess amount spent for the Financial year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	NIL
v.	Amount available for set-off in succeeding financial years [(iii) - (iv)]	NIL

Including the excess amount spent under CSR in earlier years, the Company has an amount of ₹ 9.14 Lakhs available for set-off against future CSR obligations.



## ANNEXURE II TO DIRECTORS' REPORT

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in Lakhs)	Balance amount in unspent CSR Account under sub-section (6) of Section 135 (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
					Name of the Fund	(₹ in Lakhs)	Date of transfer	
1.	2023-24	NIL	NIL	7.31	NA	NA	NIL	NIL
2.	2022-23	NIL	NIL	11.17	NA	NA	NIL	NIL
3.	2021-22	NIL	NIL	42.88	NA	NA	NIL	NIL
Total				61.36				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created / acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration no	Name	Registered Address
NA							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) - Not applicable

The Company has complied with the provision of Section 135(5) of the Companies Act, 2013.

**SHRI P.R. VENKETRAMA RAJA**  
CHAIRMAN  
(DIN: 00331406)

**SMT. P.V. NIRMALA RAJU**  
MANAGING DIRECTOR  
(DIN:00474960)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## ANNEXURE III TO DIRECTORS' REPORT

---

### Form MR - 3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2025

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members,

**Rajapalayam Mills Limited,**

[CIN: L17111TN1936PLC002298]

Rajapalayam Mills Premises,

P.A.C. Ramasamy Raja Salai,

Post Box No.1, Rajapalayam - 626 117.

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAJAPALAYAM MILLS LIMITED** (hereinafter called "the Company") **during the financial year from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025** ("the year" / "audit period" / "period under review"). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March, 2025 but before the issue of this audit report and the information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

#### **1. I hereby report that:**

1.1. In my opinion, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2025**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as **Annexure - A**.

1.2. I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of :

- (i) The Companies Act, 2013 (the Act), and the rules made thereunder.



### ANNEXURE III TO DIRECTORS' REPORT

---

- (ii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Regulations):
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) The following laws, that are specifically applicable to the Company:
  - (a) Essential Commodities Act, 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17<sup>th</sup> April, 2003); and
  - (b) The Electricity Act, 2003.

1.3 I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India; and
- (ii) The Listing agreement entered into by the Company with BSE Limited.

1.4. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March, 2025 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.

1.5. I am informed that, during / in respect of the year:

- (i) Due to non-occurrence of certain events, the Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
  - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



## ANNEXURE III TO DIRECTORS' REPORT

---

- (b) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (ii) There was no law, other than those specified in paragraph 1.2 (v) above, that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws did not arise.

### **2. I further report that:**

2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also have two Woman Directors as on 31-03-2025. The changes in the composition of the Board of Directors, that took place during the period under review were carried out in compliance with the provisions of the Act.

2.2 Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
- (ii) Additional subjects / information / presentations and supplementary notes.

Consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

## ANNEXURE III TO DIRECTORS' REPORT

---



2.3 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters discussed during the year that were required to be captured and recorded as part of the minutes.

### 3. I further report that:

3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Coimbatore  
28<sup>th</sup> May, 2025

M.R.L. Narasimha  
Practising Company Secretary  
Membership No: F2851  
Certificate of Practice: 799  
PR No.1420/2021  
"Lotus" 370-A, Alagesan Road,  
SB Mission Post, Coimbatore - 641011  
UDIN: F002851G000463971



## ANNEXURE III TO DIRECTORS' REPORT

---

### Annexure - A to Secretarial Audit Report of even date

To,

The Members,

**Rajapalayam Mills Limited**, [CIN: L17111TN1936PLC002298]

Rajapalayam Mills Premises,

P.A.C. Ramasamy Raja Salai,

Post Box No.1, Rajapalayam - 626 117.

**My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March, 2025 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after 31<sup>st</sup> March, 2025 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore  
28<sup>th</sup> May, 2025

M.R.L. Narasimha  
Practising Company Secretary  
Membership No: F2851  
Certificate of Practice: 799  
PR No.1420/2021  
"Lotus" 370-A, Alagesan Road,  
SB Mission Post, Coimbatore - 641011  
UDIN: F002851G000463971



## ANNEXURE IV TO DIRECTORS' REPORT

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring maintenances and improvements.

- (i) the steps taken on conservation of energy; :
- a. Optimization of Non-productive loads like Compressors, Humidification plant and Waste collection systems.
  - b. Arresting Air leakages.
  - c. Optimization of speed of motors using variable frequency drives.

Impact on conservation of energy : The above has resulted in energy saving of 65,000 units per annum.

- (ii) the steps taken by the Company for utilising alternate sources of energy : The Company had entered into a group captive arrangement for purchase of 'Solar power' to the extent of 17 MW.

During the financial year 2023-24, commissioning of 9.5 MW unit was completed and the balance 7.5 MW unit was completed during the financial year 2024-25.

- (iii) the capital investment on energy conservation equipments : NIL

#### B. TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption : Installed 3 Nos of latest Rieter E86 Comber machines.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution : Cost reduction and quality improvement

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported : NIL

(b) the year of import : NIL

(c) whether the technology been fully absorbed : NA

(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof; and : NA

- (iv) the expenditure incurred on Research and Development : NA



## ANNEXURE IV TO DIRECTORS' REPORT

---

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of : ₹ 27,369.01 Lakhs  
actual inflows during the year and

The Foreign Exchange outgo during the: ₹ 26,371.22 Lakhs  
year in terms of actual outflows.

On Behalf of the Board of Directors,  
For **RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**

(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## ANNEXURE V TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

*[Pursuant to para C of Schedule V of SEBI (LODR) REGULATIONS, 2015]*

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, M/s. Rajapalayam Mills Limited is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stakeholders of the Company viz., shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company leverages the developments in the technology for better compliances and communication.

The Company lays great emphasis on team building and motivation. A contented and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

#### 2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman Shri P.R. Venketrama Raja. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Engineering, etc. The Board had 10 Directors as on 31-03-2025. Except Smt. P.V. Nirmala Raju, all other Directors are Non-Executive. As required under Regulation 17 of the SEBI (LODR) Regulations, 2015, not less than 50% of the Board consists of Independent Directors.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) SEBI (LODR) Regulations, 2015, the Board of Directors have identified the following Core Skills / Expertise / Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.



## ANNEXURE V TO DIRECTORS' REPORT

- Textile Technology
- Strategy Management
- Business Management
- Banking and Financial Management
- Project Management
- Risk Management including Foreign Exchange Management
- Industrial Relationship Management, including Environment, Health and Safety
- Legal Knowledge
- Human Resource Management
- Tax Planning and Management
- Information Technology
- General Administration
- Industrial Engineering

The skills / expertise / competencies available with the Directors have been furnished under the individual Director's profile.

### DIRECTORS' PROFILE

#### SHRI P.R. VENKETRAMA RAJA

Shri P.R. Venketrama Raja, aged 66, has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from University of Michigan, USA. He has been on the Board of M/s. Rajapalayam Mills Limited, since 1986. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors.

---

Skill / Expertise / Competency	Expert in Information Technology, Strategy Management and Business Management.
--------------------------------	--

---

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.R. Venketrama Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
The Ramco Cements Limited	Managing Director
Ramco Industries Limited	Non-Executive & Non-Independent
Ramco Systems Limited	Non-Executive & Non-Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent

## ANNEXURE V TO DIRECTORS' REPORT



### SMT. P.V. NIRMALA RAJU

Smt. P.V. Nirmala Raju, aged 59, has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has specialized knowledge and experience in Textile Industry for more than two decades. She has been on the Board of Rajapalayam Mills Limited, since April, 2019.

---

Skill / Expertise / Competency	Information Technology, Strategy Management, Business Management and General Administration.
--------------------------------	--

---

Other than M/s. Rajapalayam Mills Limited Smt. P.V. Nirmala Raju does not hold Directorship in any other listed entity.

### SHRI S.S. RAMACHANDRA RAJA

Shri S.S. Ramachandra Raja, aged 89, has a Bachelor's Degree in science and he has been on the Board of Rajapalayam Mills Limited, since 1992. He has knowledge and Experience in Textiles, Cement and Information Technology sectors.

---

Skill / Expertise / Competency	Business Management and General Administration
--------------------------------	--

---

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri S.S. Ramachandra Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
Ramco Industries Limited	Non-Executive & Non-Independent

---

### SHRI A.V. DHARMAKRISHNAN

Shri A.V. Dharmakrishnan, aged 68, a Chartered Accountant, started his career in 1982 at The Ramco Cements Limited. He is presently holding the position of Chief Executive Officer in M/s. The Ramco Cements Limited. He has been on Board of Rajapalayam Mills Limited, since 2008. He has specialized knowledge and rich experience in Finance and Taxation matters.

---

Skill / Expertise / Competency	Strategy Management, Business Management, Banking and Financial Management, Risk Management including Foreign Exchange Management, Tax Planning and Management
--------------------------------	--

---



## ANNEXURE V TO DIRECTORS' REPORT

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri A.V. Dharmakrishnan is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
Ramco Systems Limited	Non-Executive & Non-Independent

### SMT. SOUNDARA KUMAR

Smt. Soundara Kumar, aged 70, holds a Bachelor's Degree in Maths and C.A.I.I.B. She has been on the Board of M/s.Rajapalayam Mills Limited, since 2015. She has nearly 40 years of experience in Banking Sector. She had held the position of General Manager (Retail Banking), Chief General Manager (Small & Medium Enterprises) and Chief General Manager (Rural Business) in State Bank of India. She was the CEO of SBI (California) and CEO of SBI (Los Angeles) Agency during the years 2002 to 2004. She was appointed as the Managing Director of State Bank of Indore from 2008 to 2010.

Skill / Expertise / Competency	Banking and Financial Management, Risk Management including Foreign Exchange Management
--------------------------------	---

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Smt. Soundara Kumar is a Director and her category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
The Ramco Cements Limited	Non-Executive & Independent
Ramco Industries Limited	Non-Executive & Independent
Shanthi Gears Limited	Non-Executive & Independent

While she has been on the Board of Rajapalayam Mills Limited since 2015, her second term of 5 consecutive years will come to end on 26-08-2025 and she would be ceased to be a Director from the closing hours of 26-08-2025.

### SHRI P.V. ABINAV RAMASUBRAMANIAM RAJA

Shri P.V. Abinav Ramasubramaniam Raja, aged 31, has Bachelor's degree in Science - Industrial Engineering from Northwestern University, Evanston, USA. He has been on the Board of M/s. Rajapalayam Mills Limited, since 2017. He is holding the position of Managing Director in M/s. Ramco Industries Limited and M/s. Ramco Systems Limited.

Skill / Expertise / Competency	Industrial Engineering, Strategy Management, Business Management and Information Technology.
--------------------------------	--

## ANNEXURE V TO DIRECTORS' REPORT



Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.V. Abinav Ramasubramaniam Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
Ramco Industries Limited	Managing Director & Non-Independent
Ramco Systems Limited	Managing Director & Non-Independent

### SHRI P.A.S. ALAGHAR RAJA

Shri P.A.S. Alaghar Raja, aged 49, holds a Diploma in Textile Technology. He has specialized knowledge and experience in Textile Industry for nearly 2 decades. He has been on the Board of M/s.Rajapalayam Mills Limited, since 2017. He is a Whole-time Director of M/s. Tirupathi YarnTex Spinners Private Limited.

Skill / Expertise / Competency	Textiles Technology, General Administration Business Management
--------------------------------	--

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.A.S. Alaghar Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

### SHRI M. RATHINASAMY

Shri M. Rathinasamy, aged 61, has a Bachelor's Degree in Agriculture and Economics from Tamilnadu Agricultural University, Coimbatore & Masters in Public Administration from Harvard University, USA and he also Completed Graduate Program in International Taxation from Harvard University, USA. As a Member of Indian Revenue Service (IRS) - 1989 Batch, started as Assistant Commissioner of Income Tax and Completed as Chief Commissioner of Income Tax in June 2023. He served more than 3 decades in Central Board of Direct Taxes under Ministry of Finance.

He had also worked in National Bank for Agriculture & Rural Development as Assistant Development Officer and also in Department of Agriculture as Agricultural Officer, Government of Tamil Nadu.

Skill / Expertise / Competency	Strategy Management, Tax Planning and Management, Business Management and General Administration
--------------------------------	--

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri M. Rathinasamy is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2025
Kovai Medical Center and Hospital Limited	Non-Executive & Independent
Bannari Amman Sugars Limited	Non-Executive & Independent



## ANNEXURE V TO DIRECTORS' REPORT

---

### SHRI SIVAGURU CHELLAPPA

Shri Sivaguru Chellappa, aged 66, has a Bachelor's Degree in Technology (Chemical Engineering) & Master's Degree in Business Administration and he is a CFA (Chartered Financial Analyst) Charter holder.

He started his career in chemical industry as an Assistant Engineer of Kothari Industrial Corporation Limited and continued his journey in various industries viz Development Banking, Mutual Fund and Investment Management.

Having expertise in the field of financial analysis Shri Sivaguru Chellappa, brings extensive corporate, financial and strategic decision making with more than 3 decades of experience as a Chartered Financial Analyst.

He held the position(s) of Vice President & Portfolio Manager in Franklin Templeton Asset Management India Limited and Directorship in M/s. Pari Washington Company Advisors Private Limited.

---

Skill / Expertise / Competency

Business Management, Financial Management, Risk Management and General Administration.

---

Other than M/s. Rajapalayam Mills Limited Shri Sivaguru Chellappa does not hold Directorship in any other listed entity.

### SHRI N.S. KRISHNAMMA RAJA

Shri N.S. Krishnamma Raja, aged 51, has a Bachelor's Degree in Engineering - Electronics and Communication from Madurai Kamaraj University and Master's Degree in Business Administration - Finance and Entrepreneurship from Indiana University, USA

He started his career as an entrepreneur immediately after his education by bringing the unique Dry Mix Concrete technology to India. His experience spans acquisition, manufacturing, marketing, technology transfer and focus on innovation and pioneering initiatives.

He held the position of Director in various other companies engaged in the fields of BPO, Building Materials, Thermal Insulation Coatings, R&D and pipeline of innovative products.

---

Skill / Expertise / Competency

Project Management, General Administration, Business Management and Industrial Relationship Management.

---

Other than M/s. Rajapalayam Mills Limited Shri N.S. Krishnamma Raja does not hold Directorship in any other listed entity.

The Board of Directors have confirmed at their Meeting held on 28-05-2025 that all the above Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

During the year under review, no Independent Director has resigned. The tenure of Shri K.B. Nagendra Murthy (DIN: 00359864) Independent Director of the Company came to end on 03-08-2024, since he has completed his second term of 5 consecutive years.

---



## ANNEXURE V TO DIRECTORS' REPORT

All the Independent Directors have registered themselves with the Independent Directors Data Bank, as required under Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014. Out of five Independent Directors, two Independent Directors viz., Shri P.A.S. Alaghar Raja and Shri M. Rathinasamy are exempted from passing the online proficiency self-assessment test conducted by The Indian Institute of Corporate Affairs. Smt. Soundara Kumar has opted and cleared the online proficiency self-assessment test. Shri Sivaguru Chellappa and Shri N.S. Krishnama Raja are having time upto 13-02-2026 and 04-02-2026 respectively, to clear the online proficiency self-assessment test.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meetings held on					Attendance at last AGM 28-08-2024
		29-05-2024	01-08-2024	29-10-2024	12-11-2024	07-02-2025	
1.	Shri P.R. Venketrama Raja - Chairman DIN: 00331406, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
2.	Smt. P.V. Nirmala Raju - Managing Director DIN No:00474960, Directorship: P & E	Leave	Yes	Yes	Yes	Yes	Yes
3.	Shri S.S. Ramachandra Raja DIN: 00331491, Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
4.	Shri A.V. Dharmakrishnan DIN: 00693181, Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
5.	Shri K.B. Nagendra Murthy # DIN: 00359864, Directorship: NE & ID	Yes	Yes	NA	NA	NA	NA
6.	Smt. Soundara Kumar DIN: 01974515, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Leave
7.	Shri P.V. Abinav Ramasubramaniam Raja DIN: 07273249, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
8.	Shri P.A.S. Alaghar Raja DIN: 00487312, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Leave
9.	Shri M. Rathinasamy DIN: 10391134, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
10.	Shri Sivaguru Chellappa DIN: 01309727, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
11.	Shri N.S. Krishnama Raja DIN: 01655571, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Leave

P- Promoter      E - Executive      NE - Non Executive      ID - Independent

# The tenure of Shri K.B. Nagendra Murthy, Independent Director of the Company came to end on 03-08-2024, since he has completed his second term of 5 consecutive years.



## ANNEXURE V TO DIRECTORS' REPORT

### Other Directorships

The number of other Boards or Committees of the Board in which the Director is a Member or Chairperson as on 31-03-2025 are given below:

Sl. No.	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri P.R. Venketrama Raja	7	3	6
2.	Smt. P.V. Nirmala Raju	1	–	–
3.	Shri S.S. Ramachandra Raja	3	–	–
4.	Shri A.V. Dharmakrishnan	5	–	3
5.	Shri K.B. Nagendra Murthy #	1	–	1
6.	Smt. Soundara Kumar	4	–	4
7.	Shri P.V. Abinav Ramasubramaniam Raja	2	–	1
8.	Shri P.A.S. Alaghar Raja	3	–	3
9.	Shri M. Rathinasamy	2	1	3
10.	Shri Sivaguru Chellappa	–	–	–
11.	Shri N.S. Krishnamma Raja	–	–	–

# The tenure of Shri K.B. Nagendra Murthy, Independent Director of the Company came to end on 03-08-2024, since he has completed his second term of 5 consecutive years.

\* Public Limited Companies, other than M/s. Rajapalayam Mills Limited.

\*\* Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than M/s. Rajapalayam Mills Limited.

During the year, a Separate meeting of the Independent Directors was held on 28-01-2025 and all the Independent Directors were present at the meeting.

### Disclosure of relationships between Directors inter-se

Shri P.V. Abinav Ramasubramaniam Raja is son of Shri P.R. Venketrama Raja and Smt. P.V. Nirmala Raju.

### Details of familiarisation programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at

<https://www.rajapalayammills.co.in/wp-content/uploads/2025/04/Familiarisation-10-02-2025.pdf>

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

## ANNEXURE V TO DIRECTORS' REPORT



A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website, at the following link at -

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/code-of-conduct-for-board-members-and-senior-management-personnel.pdf>

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review and approve the Related Party Transactions;
- iv) To review the Annual Cost Audit Report of the Cost Auditor;
- v) To review the Annual Secretarial Audit Report of the Secretarial Auditor
- vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- vii) To generally assist the Board to discharge their functions more effectively;
- viii) To review the financial statements and any investment made by the Company.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

The composition of the Audit Committee and the details of attendance of its Members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Director	Audit Committee Meetings held on				
		29-05-2024	01-08-2024	28-10-2024	12-11-2024	07-02-2025
1.	Shri M. Rathinasamy * Chairman of the Committee	Yes	Yes	Yes	Yes	Yes
2.	Shri A.V. Dharmakrishnan	Yes	Yes	Yes	Yes	Yes
3.	Shri Sivaguru Chellappa *	Yes	Yes	Yes	Yes	Yes
4.	Shri K.B. Nagendra Murthy #	Yes	Yes	NA	NA	NA
5.	Shri N.S. Krishnamma Raja **	NA	NA	NA	NA	Yes

# The tenure of Shri K.B. Nagendra Murthy, Independent Director of the Company, came to end on 03-08-2024, since he has completed his second term of 5 consecutive years.

\* Shri M. Rathinasamy and Shri Sivaguru Chellappa are appointed as Chairman of the Committee and Member of the Committee respectively w.e.f 01-04-2024, by reconstitution of the Audit Committee.

\*\* Shri N.S. Krishnamma Raja, was appointed as Member of the Committee w.e.f 12-11-2024, by reconstitution of Audit Committee.

The Statutory Auditors, Chief Financial Officer, President and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

3/4<sup>th</sup> of the Audit Committee members are Independent Directors as against the minimum requirements of 2/3<sup>rd</sup> as stipulated in Regulation 18(1) (b) of SEBI (LODR) Regulations, 2015.



## ANNEXURE V TO DIRECTORS' REPORT

### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and functions as mandated by the Board of Directors from time to time. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the Company. The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website at the following link - <https://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/nomination-and-remuneration-policy.pdf>

The composition of the Nomination and Remuneration Committee and the details of attendance of its Members at the Nomination and Remuneration Committee Meetings are as follows:

Sl. No.	Name of the Director	NRC Meeting held on 29-05-2024
1.	Shri M. Rathinasamy * Chairman of the Committee	Yes
2.	Shri A.V. Dharmakrishnan	Yes
3.	Shri N.S. Krishnamma Raja *	Yes

\* Shri M. Rathinasamy and Shri N.S. Krishnamma Raja are appointed as Chairman and Member of the Committee respectively w.e.f 01-04-2024, by reconstitution of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Stakeholders Relationship Committee and the details of attendance of its members at the Stakeholders Relationship Committee meetings are as follows:

Sl. No.	Name of the Director	SRC Meeting held on 28-01-2025
1.	Shri P.R.Venketrama Raja, Chairman of the Committee	Yes
2.	Smt. P.V. Nirmala Raju	Leave
3.	Shri S.S. Ramachandra Raja	Yes

## ANNEXURE V TO DIRECTORS' REPORT



Sl. No.	Name of the Director	SRC Meeting held on 28-01-2025
4.	Shri N.S. Krishnamma Raja *	Yes
	Name of Non-executive Director heading the Committee	Shri P.R. Venketrama Raja
	Name and Designation of Compliance Officer	Shri K. Maheswaran, Secretary
	No. of complaints received during the year	NIL
	Number not solved to the Satisfaction of shareholders	NIL
	Number of pending complaints	NIL

\* Shri N.S. Krishnamma Raja was appointed as member of the Committee w.e.f 01-04-2024, by reconstitution of Stakeholders Relationship Committee.

### 6. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee include:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.



## ANNEXURE V TO DIRECTORS' REPORT

The Composition of Risk Management Committee and the details of the attendance of its members at Risk Management Committee Meeting are as follows:

Sl. No.	Name of the Director	RMC Meetings held on	
		01-08-2024	28-01-2025
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes	Yes
2.	Shri A.V. Dharmakrishnan	Yes	Yes
3.	Shri P.V. Abinav Ramsubramaniam Raja	Leave	Yes
4.	Shri Sivaguru Chellappa *	Yes	Yes

\* Shri Sivaguru Chellappa was appointed as member of the Committee w.e.f 01-04-2024, by reconstitution of Risk Management Committee.

The Company has a Risk Management Policy and Foreign Exchange Risk Management Policy and the same are disclosed in the Company's website at

<https://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/foreign-exchange-risk-management-policy.pdf>

### 7. PARTICULARS OF SENIOR MANAGEMENT PERSONNEL AND CHANGES SINCE CLOSE OF PREVIOUS FINANCIAL YEAR

The following are the Senior Management persons of the Company and their changes during the year.

Sl. No.	Name	Designation	Changes, if any, during the year 2024-25 (Yes/No)
1.	Shri N. Mohanarengan	President	No
2.	Shri A. Arulpranavam	CFO	No
3.	Shri K. Maheswaran	Company Secretary & Compliance Officer	No
4.	Shri K. Muruges Pillai	EVP - Fabrics	No
5.	Shri R. Parthiban	CGM - Works	No
6.	Shri A. Balamurugan	AVP - Works	No
7.	Shri P. Balaji	SGM - Works	No

## ANNEXURE V TO DIRECTORS' REPORT



### 8. REMUNERATION TO DIRECTORS

The Board has approved a Sitting Fee of ₹ 40,000/- per Meeting for attending the Board and Committees thereof. There are no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, other than those reported in related party transactions under Note No. 50.

The appointment and remuneration to Managing Director is governed by the Special Resolution passed by the Shareholders at the Annual General Meeting held on 20-08-2022 and the remuneration is equivalent to 5% of the Net Profits of the Company and in case of no profits or inadequate profits the minimum remuneration will be ₹ 240 Lakhs plus perquisites prescribed under Section IV of Schedule V to the Companies Act, 2013 and sitting fees.

The details of remuneration paid for the financial year 2024-25 are as follows:

#### A. REMUNERATION TO MANAGING DIRECTOR:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Smt. P.V. Nirmala Raju Managing Director
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	240.00
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of Profit	-
5	Sitting Fees	1.60
6	Contribution to Provident Fund	6.00
7	Contribution to Superannuation Fund	1.50
	<b>Total (A)</b>	<b>249.10</b>
	No. of Shares held by Director as on 31-03-2025	1,75,526
	Ceiling as per Act	5% of the net profits of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid minimum yearly remuneration of ₹ 240 Lakhs plus perquisites as prescribed under Section IV of Schedule V to the Companies Act, 2013. In addition the Managing Director is eligible for sitting fees.



## ANNEXURE V TO DIRECTORS' REPORT

### B. REMUNERATION TO OTHER DIRECTORS:

#### 1. Independent Directors

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors						Total Amount
	Shri M. Rathinasamy	Shri K.B. Nagendra Murthy	Smt. Soundara Kumar	Shri P.A.S. Alaghar Raja	Shri Sivaguru Chellappa	Shri N.S. Krishnamma Raja	
Fee for attending Board / Committee meetings	4.80	1.60	2.40	2.40	5.20	4.00	20.40
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>4.80</b>	<b>1.60</b>	<b>2.40</b>	<b>2.40</b>	<b>5.20</b>	<b>4.00</b>	<b>20.40</b>
<b>No. of Shares held by Director as on 31-03-2025</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>6,157</b>	<b>NIL</b>	<b>NIL</b>	

#### 2. Other Non-Executive Director

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors				Total Amount
	Shri P.R. Venketrama Raja	Shri A.V. Dharmakrishnan	Shri S.S. Ramachandra Raja	Shri P.V. Abinav Ramasubramaniam Raja	
Fee for attending Board / Committee meetings	3.60	5.20	2.40	2.80	14.00
Commission	-	-	-	-	-
Others	-	-	-	-	-
<b>Total (2)</b>	<b>3.60</b>	<b>5.20</b>	<b>2.40</b>	<b>2.80</b>	<b>14.00</b>
<b>No. of Shares held by Director as on 31-03-2025</b>	<b>19,43,597</b>	<b>1,809</b>	<b>29,460</b>	<b>24,39,939</b>	<b>-</b>
<b>Total B (1) + (2)</b>					<b>34.40</b>

Overall Ceiling as per the Act

Only sitting fees is being paid to Directors which is not included in the ceiling as per Section 197(2) of the Companies Act, 2013.

**Total Managerial Remuneration (A+B)**

**303.90**

The criteria of making payments to Non-executive Directors has been uploaded in the website of the Company and the same can be accessed through the following link:

<https://www.rajapalayammills.co.in/criteria-making-payments-non-executive-directors/>

## ANNEXURE V TO DIRECTORS' REPORT



### 9. GENERAL MEETINGS

i. Location and time, where last three AGMs held:

Year ended	Date	Time	Venue
31-03-2024	28-08-2024	11:00 A.M	Held through Video conferencing
31-03-2023	18-08-2023	11:00 A.M	
31-03-2022	20-08-2022	11:00 A.M	

ii. Details of Special Resolutions passed in the previous three Annual General Meetings

Date of the AGM	Subject Matter of the Special Resolution
28-08-2024	Re-appointment of Shri S.S. Ramachandra Raja (DIN: 00331491), who retires by rotation and to continue the Directorship of Shri S.S. Ramachandra Raja as Non-Executive Director who has attained the age of 75 years.
18-08-2023	NIL
20-08-2022	1. Re-appointment of Shri S.S. Ramachandra Raja (DIN: 00331491), who retires by rotation and to continue the Directorship of Shri S.S. Ramachandra Raja as Non-Executive Director who has attained the age of 75 years. 2. Appointment of Smt. P.V. Nirmala Raju (DIN: 00474960) as the Managing Director for a period of 5 years w.e.f. 01-06-2022

iii. No Special Resolutions were passed through Postal Ballot during the year under review.

iv. No Special Resolution is proposed to be passed through Postal Ballot.

### 10. MEANS OF COMMUNICATION

The Unaudited Quarterly and Half Yearly Financial results and Audited Annual Results are published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai edition). The results were also displayed on the Company's website at [www.rajapalayammills.co.in](http://www.rajapalayammills.co.in). All the financial results are provided to Stock Exchange.



## ANNEXURE V TO DIRECTORS' REPORT

### 11. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting	On 29-08-2025 at 11:00 AM through Video conference / Other Audio Visual Means
ii. Financial Year	1 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2025.
iii. Dividend Payment date	29-08-2025 onwards
iv. Name and address of Stock Exchange at which the Company's Shares are listed	The Company's shares are listed in BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid listing fee to the Stock Exchange for the financial year 2025-26.
v. Whether the securities are suspended from trading	No
vi. Registrar and Transfer Agents	<p>M/s. Cameo Corporate Services Limited w.e.f. 20-04-2022. Address: Ms. Sreepriya Subramanian Building, #1, Club House Road Chennai 600 002 - India. <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a></p> <p>Members may utilize the "Web-Based Query Redressal System" extended by the Registrar and Share transfer agent for redressal of their queries. Members may access the same by clicking above link.</p>
vii. Share Transfer System	<p>For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected in-house till 31-03-2019.</p> <p>Vide Press Release No: 49/2018 dated 03-12-2018 of SEBI, transmission or transposition of securities were effected in physical form till 23-01-2022.</p> <p>SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022, has mandated that the shares that are issued pursuant to investor service request shall henceforth be issued in demat mode only viz issue of duplicate share certificates, endorsement, transmission transposition, etc and hence the share certificates (wherever applicable) will be retained at Company's end.</p>

## ANNEXURE V TO DIRECTORS' REPORT



As per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 Dated May 07, 2024, a letter of confirmation will be issued to the Shareholders who raised investor service request and the same shall be valid for a period of 120 days, within which the Shareholder shall make a request to the Depository Participant for dematerialising those shares. If the Shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account (SEDA) held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

**Details of shares transferred to / released from SEDA during the FY 2024-25 are as under:**

Particulars	No. of Shares
Shares lying in SEDA as on 1 <sup>st</sup> April, 2024	NIL
Shares transferred to SEDA during FY 2024-25	760
Shares claimed back from SEDA during FY 2024-25	NIL
Shares lying in SEDA as on 31 <sup>st</sup> March, 2025	760

The Company has not transferred any shares to any other Suspense Account.

viii. Distribution of Shareholding

Enclosed as **Annexure - A**.

ix. Dematerialisation of Shares & liquidity

As on 31<sup>st</sup> March, 2025, 97.71% of the shares have been dematerialized and the rest in physical form. The equity shares of the Company are having liquidity and are traded in BSE Limited.



## ANNEXURE V TO DIRECTORS' REPORT

---

- x. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion NIL date and likely impact on equity
- 
- xi. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities
- With respect to future payment commitments foreign currencies, forward contracts are booked taking into account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any.
- 
- xii. Plant Locations
- Textile Division:
- Rajapalayam Mills (A, B and C Units)  
Post Box No.1, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.
  - Rajapalayam Spintext,  
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.
  - Rajapalayam Textiles,  
Perumalpatti Village - 627 753, Tirunelveli District, Tamil Nadu.
  - Rajapalayam Mills - D Unit  
Andalpuram, K.R. Nagar Post, Rajapalayam - 626 108, Tamil Nadu.
  - Rajapalayam Mills - Fabric Division (Unit I and Unit II),  
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.
  - Rajapalayam Mills - G Unit  
Chatrapatti Road, Pillayarkulam, Srivilliputtur - 626 137, Tamil Nadu.
- Wind Farm Division:  
Dhanakkarkulam, Irukkanthurai, Uthumalai, Aralvoimozhy, Chinnaputhur, Kolumakondan, Melkaraipatti, Muthunayakkanpatti in Tamil Nadu.
- xiii. Address of Registered Office for Correspondence for shareholder enquiries
- K. Maheswaran,  
Secretary (Compliance Officer),  
Rajapalayam Mills Limited,  
Rajapalayam Mills Premises,  
Post Box No.1, P.A.C. Ramasamy Raja Salai,  
Rajapalayam - 626 117, Tamil Nadu.  
Phone: 04563-235666; Fax : 04563-236520;  
E-mail: [rajacot@ramcotex.com](mailto:rajacot@ramcotex.com)
-

## ANNEXURE V TO DIRECTORS' REPORT



### xiv. Credit Rating

During the year, CRISIL, the Company's credit rating agency vide its letter dated 03-10-2024 had reaffirmed long term rating as "A+" with a revision of outlook from "Stable" to "Negative" and short term ratings as "A1" as follows:

Debt Instruments	Amount ₹ in Crores	Rating
Cash Credit / Letter of Credit & Bank Guarantee / Long Term Loan / Proposed Long Term Bank Loan Facility / Working Capital Demand Loan / Working Capital Term Loan	1,491.46	A+ / Negative
Foreign Exchange Forward / Short Term Loan	6.00	A1
<b>Total</b>	<b>1,497.46</b>	

On 17<sup>th</sup> April, 2025, CRISIL has downgraded the long term rating from "A+ (Negative)" to "A (Negative)" and short term rating from "A1" to "A2+".

## 12. OTHER DISCLOSURES

- i. There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large, other than transactions entered into with them in the ordinary course of its business. Related party transactions executed pursuant to requisite approvals, are reviewed on a quarterly basis.
- ii. There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- iii. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The policy is available at the following web link-  
<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/whistle-blower-policy-for-establishing-vigil-mechanism.pdf>
- iv. The Company has complied with the Mandatory requirements of Corporate Governance stipulated under SEBI (LODR) Regulations, 2015. The status of adoption of the Non-Mandatory requirements are given below:  
The Company's financial statements are with unmodified opinion for the year 2024-25.
- v. The Company has no Subsidiary. Hence, disclosure about "Material Subsidiary Policy" is not applicable.
- vi. The Related Party Transaction Policy of the Company was reviewed by the Board at its meeting held on 12-02-2025 and noted that no change/modification in the existing related party transaction policy of the Company is warranted. The said policy is disseminated in Company's website and the same can be accessed in the below link -  
<https://www.rajapalayammills.co.in/wp-content/uploads/2025/04/related-party-transaction-policy-2022.pdf>



## ANNEXURE V TO DIRECTORS' REPORT

- vii. Commodity price risks and commodity hedging activities:

For details on Commodity price risk, please refer to Board's Report.

The Company has Foreign exchange exposure for both revenue and capex items. However, the Company has in place a Board approved Foreign Exchange Risk Management Policy to deal with such exposures. The updates are provided to Audit Committee / Board on a quarterly basis.

- viii. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.
- ix. Shri M.R.L. Narasimha, Practicing Company Secretary, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority (**Annexure - VI A**)
- x. There has not been an occasion, where the Board had not accepted any recommendation of any Committees of the Board.
- xi. The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditor is ₹ 18.81 Lakhs.

No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by the Company.

- xii. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed of during the financial year	NIL
c.	Number of complaints pending as at the end of the financial year	NIL

- xiii. Loans and advances given to Firms / Companies in which Directors are interested:

(₹ in Lakhs)

Name of the Company	Amount given during the year	Amount outstanding as on 31-03-2025
The Ramaraju Surgical Cotton Mills Limited	NIL	950

13. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.
14. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 12(iv) above.



## ANNEXURE V TO DIRECTORS' REPORT

15. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of SEBI (LODR) Regulations, 2015.

As required under Regulation 46(2)(b) to (i) and (t) of SEBI (LODR) Regulations, 2015, the following information have been duly disseminated in the Company's website.

- Terms and conditions of appointment of Independent Directors
  - Composition of various committees of Board of Directors
  - Code of Conduct of Board of Directors and Senior Management Personnel
  - Details of establishment of Vigil Mechanism / Whistle Blower Policy
  - Criteria of making payments to Non-Executive Directors
  - Policy on dealing with Related Party Transactions
  - Details of familiarization Programme imparted to Independent Directors
  - Secretarial Compliance Report
16. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
17. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchange, in the prescribed format within the time period as Stipulated by the SEBI / Stock Exchanges.
18. The various disclosures made in the Directors' Report, may be considered as disclosures made under this report.
19. The Company also have the following Committees of the Board of Directors:

**i) Corporate Social Responsibility Committee**

The Composition of the Corporate Social Responsibility Committee and the details of the attendance of its members at Corporate Social Responsibility Committee meeting are as follows:

Sl. No.	Name of the Director	CSR Meeting held on 29-05-2024
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes
2.	Smt. P.V. Nirmala Raju	Leave
3.	Shri P.V.Abinav Ramasubramaniam Raja	Yes
4.	Shri N.S. Krishnamma Raja *	Yes

\* Shri N.S. Krishnamma Raja was appointed as member of the Committee w.e.f 01-04-2024, by reconstitution of Corporate Social Responsibility Committee.



## ANNEXURE V TO DIRECTORS' REPORT

### ii) Rights Issue Committee

The Composition of Rights Issue Committee and the details of the attendance of its members at Rights Issue Committee Meeting are as follows:

Sl. No.	Name of the Director	
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	No meeting of the Rights Issue Committee was held, during the financial year 2024-25.
2.	Shri A.V. Dharmakrishnan	
3.	Shri P.A.S. Alaghar Raja	

### 20. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

In accordance with the requirement of regulation 34(3) and Part F of Schedule V of SEBI (LODR), details of equity shares in the unclaimed suspense account are as follows:

Sl. No.	Details	No. of Shareholders	No. of Shares of ₹ 10/- each
(a)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	15	2,750
(b)	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	1	100
(c)	(i) number of shareholders to whom shares were transferred from suspense account during the year;	1	100
	(ii) Shares Transferred to IEPF;	–	–
(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	14	2,650
(e)	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

21. Declaration signed by the Managing Director of the Company as per Schedule V (D) of SEBI (LODR) Regulations, 2015, on compliance with the Code of Conduct is **Annexed**.

## ANNEXURE V TO DIRECTORS' REPORT

---



22. Compliance Certificate as per Regulations 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015 provided by Managing Director and Chief Financial Officer is **Annexed.**

23. Disclosure of certain types of agreements binding the Company:

No such agreements have been entered into.

On Behalf of the Board of Directors,  
For **RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025

---

## DECLARATION

As provided under Schedule V (D) of the SEBI (LODR) Regulations, 2015, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31<sup>st</sup> March, 2025.

For **RAJAPALAYAM MILLS LIMITED,**

**SMT. P.V. NIRMALA RAJU**  
**MANAGING DIRECTOR**  
(DIN: 00474960)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## ANNEXURE V TO DIRECTORS' REPORT

---

To

The Board of Directors,  
Rajapalayam Mills Limited,  
Rajapalayam.

### **CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015**

We hereby certify that -

- A. We have reviewed financial statements and the cash flow statement for the year 2024-25 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that -
1. there are no significant changes in internal control over financial reporting during the year;
  2. there are no significant changes in accounting policies during the year
  3. there are no instances of significant fraud of which we have become aware.

**A. ARULPRANAVAM**  
**CHIEF FINANCIAL OFFICER**

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025

**SMT. P.V. NIRMALA RAJU**  
**MANAGING DIRECTOR**  
(DIN: 00474960)

**ANNEXURE V TO DIRECTORS' REPORT**



**ANNEXURE - A  
Pattern of Shareholding as on 31-03-2025**

Description	Total Shareholders	%	Total Shares	%
<b>A. PROMOTERS HOLDING</b>				
1. Promoters	14	0.18	51,88,405	56.27
<b>Sub-total</b>	<b>14</b>		<b>51,88,405</b>	<b>56.27</b>
<b>B. NON - PROMOTERS HOLDING</b>				
1. Directors and their relatives	8	0.10	1,58,773	1.72
2. Bank & Financial Institutions	2	0.03	1,860	0.02
3. Body Corporate	95	1.23	1,31,171	1.42
4. Foreign Portfolio Investors (Corporate)	1	0.01	6,295	0.07
5. Foreign Portfolio Investors (Individual)	1	0.01	497	0.01
6. HUF	328	4.20	1,28,792	1.40
7. IEPF	1	0.01	2,30,587	2.50
8. Resident Individual	7,178	91.87	32,38,020	35.11
9. NRIs	171	2.19	68,952	0.75
10. Trust	1	0.01	51,200	0.56
11. Escrow Account	1	0.01	760	0.01
12. LLP	12	0.15	14,888	0.16
<b>Sub-total</b>	<b>7,799</b>	<b>99.82</b>	<b>40,31,795</b>	<b>43.73</b>
<b>Total</b>	<b>7,813</b>	<b>100.00</b>	<b>92,20,200</b>	<b>100.00</b>

**Distribution of Shareholding as on 31-03-2025**

No. of Shares held	Total Shareholders	%	Total Shares	%
Upto - 500	6,963	89.13	5,36,204	5.82
501 - 1000	374	4.79	2,81,898	3.06
1001 - 2000	198	2.53	2,85,775	3.10
2001 - 3000	96	1.23	2,41,320	2.62
3001 - 4000	41	0.52	1,42,779	1.55
4001 - 5000	26	0.33	1,18,658	1.29
5001 - 10000	62	0.79	4,27,148	4.63
10001 & above	53	0.68	71,86,418	77.93
<b>Grand Total</b>	<b>7,813</b>	<b>100.00</b>	<b>92,20,200</b>	<b>100.00</b>

**Category of Shareholding as on 31-03-2025**

Category	No. of Shareholders	No. of Equity shares held	% of total no. of shares	No. of equity shares held in dematerialized form	% of total no. of shares under dematerialized form
Dematerialized Form: (CDSL & NSDL)					
Promoter & Promoter Group	14	51,88,405	56.27	51,88,405	56.27
Public	7,799	40,31,795	43.73	38,20,709	41.44
<b>Grand Total</b>	<b>7,813</b>	<b>92,20,200</b>	<b>100.00</b>	<b>90,09,114</b>	<b>97.71</b>



## ANNEXURE VI TO DIRECTORS' REPORT

---

### INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members

Rajapalayam Mills Limited,

[CIN: L17111TN1936PLC002298]

1. This certificate is issued in accordance with our engagement letter dt 02<sup>nd</sup> May, 2025.
2. We, M/s.N.A. Jayaraman & Co and M/s. SRSV & Associates, Statutory Auditors of RAJAPALAYAM MILLS LIMITED have examined the compliance of conditions of corporate governance by RAJAPALAYAM MILLS LIMITED ('the Company') for the year ended March 31, 2025 as stipulated in Regulations 17 - 27, clause (b) to (i) and (t) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the stock exchange.

#### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### **Auditors' Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2025.
6. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" and Guidance Note on Certification of Corporate Governance" both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## ANNEXURE VI TO DIRECTORS' REPORT



### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on Use

10. This certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N.A. Jayaraman & Co.,  
Chartered Accountants  
Firm Registration No. 001310S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNQ8700

RAJAPALAYAM  
28<sup>th</sup> May, 2025

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQHA4012

CHENNAI  
28<sup>th</sup> May, 2025



## ANNEXURE VI A TO DIRECTORS' REPORT

### CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

*[In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To

The Members,  
Rajapalayam Mills Limited,  
[CIN: L17111TN1936PLC002298]  
Rajapalayam Mills Premises,  
P.A.C. Ramasamy Raja Salai,  
Post Box No.1, Rajapalayam - 626 117.

I hereby certify that, in my opinion, none of the Directors on the Board of Rajapalayam Mills Limited ("the Company") as on the 31<sup>st</sup> March, 2025, as listed below, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director's Identification Number
1.	Pusapadi Ramasubramania Raja Venketrama Raja	Chairman	00331406
2.	Poosapadi Venketrama Raja Nirmala Raju	Managing Director (KMP)	00474960
3.	Sinthalapadi Srirenga Raja Ramachandra Raja	Non Independent Director	00331491
4.	Arrakundal Velayutha Raja Dharmakrishnan	Non Independent Director	00693181
5.	Poosapadi Venketrama Raja Abinav Ramasubramaniam Raja	Non Independent Director	07273249
6.	Soundara Kumar	Independent Director	01974515
7.	Poosapadi Sankarraja Alagharaja	Independent Director	00487312
8.	Rathinasamy Muthusamy	Independent Director	10391134
9.	Sivaguru Chellappa	Independent Director	01309727
10.	Krishnamma Raja Nambur Shrikantan Raja	Independent Director	01655571



## ANNEXURE VI A TO DIRECTORS' REPORT

---

I am issuing this certificate based on the following, which to the best of my knowledge and belief were considered necessary in this regard:

1. My verification of the information relating to the directors available in the official web site of MCA;
2. My verification of the disclosures/declarations/confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

I wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the management of the Company.

Coimbatore  
28<sup>th</sup> May, 2025

M.R.L. Narasimha  
Practising Company Secretary  
Membership No: F2851  
Certificate of Practice: 799  
PR No.1420/2021  
"Lotus" 370-A, Alagesan Road,  
SB Mission Post, Coimbatore - 641011  
UDIN: F002851G000463960



## ANNEXURE VII TO DIRECTORS' REPORT

### DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. & ii. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the Financial Year 2024-25:

Name of the Director / KMP and Designation	Remuneration of Director / KMP for financial year 2024-25 (₹ in Lakhs)	% increase in remuneration in the financial year 2024-25	Ratio of remuneration of each Director / to median remuneration of employees
Shri P.R. Venketrama Raja, Chairman	3.60	-	2
Smt. P.V. Nirmala Raju, Managing Director	249.10	(1)	152
Shri S.S. Ramachandra Raja	2.40	20	2
Shri A.V. Dharmakrishnan	5.20	(24)	3
Shri K.B. Nagendra Murthy (Upto 03-08-2024)	1.60	(69)	1
Smt. Soundara Kumar	2.40	-	1
Shri P.V. Abinav Ramasubramaniam Raja	2.80	-	2
Shri P.A.S. Alaghar Raja	2.40	(14)	2
Shri M. Rathinasamy*	4.80	NA	-
Shri Sivaguru Chellappa*	5.20	NA	-
Shri N.S. Krishnamma Raja*	4.00	NA	-
Shri A. Arulpranavam, Chief Financial Officer	23.99	21	15
Shri K. Maheswaran, Company Secretary	16.41	245	10

\* They are appointed as Non-Executive Independent Directors of the Company w.e.f 01<sup>st</sup> April, 2024 only. Hence, % of increase in remuneration is Not Applicable.

Note: Non-Executive Directors are eligible only for sitting fees for attending Board / Committee Meetings and hence remuneration of Non-Executive Directors are un-comparable.

## ANNEXURE VII TO DIRECTORS' REPORT

---



- iii. The median remuneration of the employees during the financial year was ₹ 1,63,370 and the percentage of increase in the median remuneration was 13%.
- iv. There were 5,030 Permanent employees on the rolls of the Company, as on 31<sup>st</sup> March, 2025.
- v. Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year i.e. 2024-25 was 10%. There was a decrease in managerial remuneration for the same financial year by 6%.
- vi. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

On behalf of the Board of Directors,  
For **RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



## ANNEXURE VIII TO DIRECTORS' REPORT

### Form No. AOC - 2

[Pursuant to Clause (h) of Sub-Section(3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL
2. Details of material contracts or arrangement or transactions at arm's length basis -

Particulars	I	II	III	IV
Name(s) of the related party and nature of relationship	Ramco Industries Limited Relationship: M/s. Ramco Industries Limited (RIL) is a member of Promoter group of M/s. Rajapalayam Mills Limited (RML). RML is a Member of Promoter group of RIL Nature of interest: M/s. Ramco Industries Limited holds 1.73% equity shares in RML. RML holds 13.59% of equity shares in RIL.	Sandhya Spinning Mill Limited Relationship: M/s. Sandhya Spinning Mill Limited is a member of Promoter group of M/s. Rajapalayam Mills Limited (RML). Nature of interest: M/s. Sandhya Spinning Mill Limited holds 0.01% equity shares in RML.	Sri Vishnu Shankar Mill Limited Relationship: M/s. Sri Vishnu Shankar Mill Limited (SVSM) is a member of Promoter group of M/s. Rajapalayam Mills Limited (RML). RML is a Member of Promoter group of SVSM" Nature of interest: M/s. Sri Vishnu Shankar Mill Limited holds 0.40% equity shares in RML. RML holds 2.56% of equity shares in SVSM.	The Ramaraju Surgical Cotton Mills Limited Relationship: M/s. The Ramaraju Surgical Cotton Mills Limited (RSCM) is a member of Promoter group of M/s. Rajapalayam Mills Limited (RML). RML is a Member of Promoter group of RSCM Nature of interest: M/s. The Ramaraju Surgical Cotton Mills Limited holds 1.83% equity shares in RML. RML holds 0.10% of equity shares in RSCM.
Nature of contracts/arrangements/ transactions	1. Purchase of Building materials from RIL; 2. Purchase of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / availing of services; 3. Sale of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / rendering of services; 4. Any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee.	1. Purchase of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / availing of services; 2. Sale of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / rendering of services; 3. Extending Corporate Guarantees to SSML; and 4. Any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee.	1. Purchase of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / availing of services; 2. Sale of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / rendering of services; and 3. Any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee.	1. Purchase of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / availing of services; 2. Sale of Cotton, Waste Cotton, Yarn, Textile products, Store materials, Job work services, Textile machineries & other products / rendering of services; and 3. Any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee.
Duration of the contracts / arrangements / transactions	One year (for the FY 2024-25)	One year (for the FY 2024-25)	One year (for the FY 2024-25)	One year (for the FY 2024-25)
Salient terms of the contracts or arrangements or transactions including the value, if any:	Price: would be the market price prevailing on the date of the transaction. Its continuing business transactions. Aggregate value up to ₹ 150 Crores (excluding duties and taxes).	Price: would be the market price prevailing on the date of the transaction. Its continuing business transactions. Aggregate value up to ₹ 150 Crores (excluding duties and taxes).	Price: would be the market price prevailing on the date of the transaction. Its continuing business transactions. Aggregate value up to ₹ 150 Crores (excluding duties and taxes).	Price: would be the market price prevailing on the date of the transaction. Its continuing business transactions. Aggregate value up to ₹ 150 Crores (excluding duties and taxes).
Date(s) of approval by the Board, if any	12-11-2024	12-11-2024	12-11-2024	12-11-2024
Amount paid as advances, if any	NIL	NIL	NIL	NIL

On behalf of the Board of Directors,  
**For RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
(DIN: 00331406)

RAJAPALAYAM  
28<sup>th</sup> MAY, 2025



---

## SEPARATE FINANCIAL STATEMENTS



## AUDITORS' REPORT TO SHAREHOLDERS

---

### INDEPENDENT AUDITORS' REPORT

**To the Members of M/s. RAJAPALAYAM MILLS LIMITED**

**Report on the Audit of the Separate Financial Statements**

#### **Opinion**

We have audited the Separate Financial Statements of RAJAPALAYAM MILLS LIMITED ("the Company"), which comprise the Separate Balance Sheet as at March 31, 2025, and the Separate Statement of Profit and Loss, the Separate Statement of changes in Equity and the Separate Statement of cash flows for the year ended on that date, and notes to the Separate Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Separate Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Separate Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Separate Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Separate Financial Statements of the current period. These matters were addressed in the context of our audit of the Separate Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## AUDITORS' REPORT TO SHAREHOLDERS



S.No.	Key Audit Matter	Auditors' Response
1	<p><b>Recognition and measurement of deferred taxes</b></p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p><b>(Refer to Note No. 5C (iii), (iv), (v) &amp; 6(iv) to the Separate Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate Financial Statements.</p>
2	<p><b>Evaluation of uncertain Tax Position / Other contingent liabilities</b></p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims and other contingent liabilities. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p><b>(Refer to Note No. 45 to the Separate Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</p> <p>We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p> <p>We also reviewed the relevant judgments and the opinions given by the company's advisers, which were relied on by the management for such claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate Financial Statements.</p>



## AUDITORS' REPORT TO SHAREHOLDERS

S.No.	Key Audit Matter	Auditors' Response
3	<p><b>Existence and impairment of Trade Receivables</b></p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not be reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p><b>(Refer to Note no. 17 to the Separate Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We also reviewed the system of obtaining periodical confirmation from the customers, which are kept in electronic mode by the company. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate Financial Statements.</p>
4	<p><b>Evaluation of Carrying value of Non-Current Investments</b></p> <p>The Company has Non-Current Investments in listed associates and other companies, amounting to ₹ 17,543.69 lakhs as at 31<sup>st</sup> March 2025 which is 10.26% of the total value of assets of the company. The Company's investments are valued at Cost</p>	<p><b>Principal Audit Procedures</b></p> <p>We examined the policies and methodologies used by the management to estimate the carrying value of each investment.</p> <p>We evaluated the assessment techniques for forecasting the future cash flows and revenue estimates used by the management</p>

## AUDITORS' REPORT TO SHAREHOLDERS



S.No.	Key Audit Matter	Auditors' Response
	<p>less any impairment. These investments are assessed for impairment when an indicator of impairment exists. The management assess annually the existence of impairment indicators of each investment and made necessary changes in the value of such investment as on Balance Sheet date. The processes and methodologies for valuation and identification of impairment in the value of investments of unlisted companies requires application of significant judgment by the Company. The judgment has to be made with respect to the timing, quantity and estimation of future discounted cash flows of the unlisted entities. It involves significant estimates and judgment by the management because of the inherent uncertainty involved in forecasting the investee's future performance and discounting future cash flows. We consider the valuation and assessment of impairment in value of such investments to be significant to the audit, because of the materiality of the value of investments in the separate financial statements of the Company and estimates and judgments involved in assessing the various unobservable valuation inputs like estimating the future cash flows. Accordingly, the valuation and assessment of impairment value in such investments of unlisted entities is determined to be key audit matter in our audit of the separate financial statements.</p>	<p>to assess the future prospect of the investee companies.</p> <p>We examined the report furnished to us by the management for the valuation of the business to assess the investment value in Companies.</p> <p>We reviewed and compared the estimates made by the management with the externally available industry data.</p>

### **Information other than the Separate Financial Statements and Auditors' Report thereon**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, Board's Report including Annexure to Board's Report, Corporate Governance and Report on CSR activities, and Shareholders information but does not include the Separate Financial Statements and our auditors' report thereon.



## AUDITORS' REPORT TO SHAREHOLDERS

---

Our opinion on the Separate Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Separate Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Separate Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Separate Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Separate Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material



## AUDITORS' REPORT TO SHAREHOLDERS

---

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Separate Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Separate Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Separate Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Separate Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Separate Financial Statements, including the disclosures, and whether the Separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Separate Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Separate Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Separate Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## AUDITORS' REPORT TO SHAREHOLDERS

---

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Separate Balance Sheet, the Separate Statement of Profit and Loss including Other Comprehensive Income, the Separate Statement of changes in equity and the Separate statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Separate Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended.



## AUDITORS' REPORT TO SHAREHOLDERS

---

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the details of the pending litigations and its impact on the financial position in its Separate Financial Statements have been disclosed in Note No. 45 of the Disclosures forming part of the Separate Financial Statements for the year ended March 31, 2025;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules, 2014, as provide under (a) and (b) above, contain any material mis-statement.
  - v. The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act.



## AUDITORS' REPORT TO SHAREHOLDERS

---

As stated in Note No. 57 to the Separate Financial Statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act.

- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For N.A. JAYARAMAN & CO  
Chartered Accountants  
Firm Registration No. 001310S

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNM2395  
Rajapalayam  
28<sup>th</sup> May, 2025

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQGX7275  
Chennai  
28<sup>th</sup> May, 2025



## AUDITORS' REPORT TO SHAREHOLDERS

### "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of company on the Separate Financial Statements for the year ended March 31, 2025, we report the following:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, all the Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of the verification of the records of the company the title deeds of immovable properties of the Company are held in the name of the Company.  
In respect of immovable properties taken on lease and disclosed as right of use assets in the Separate Financial Statements, the lease agreements are in the name of company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 as amended and rules made there under.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
- (c) The Company has been sanctioned working capital limits in excess of Five Crores rupees from bankers on the basis of security of current assets and the quarterly statements filed with such banks are in agreement with the books of account of the Company.



## AUDITORS' REPORT TO SHAREHOLDERS

- (iii) (a) The Company has made investments in / provided guarantee / granted loans / advances in the nature of loans during the year details of which are given below: (₹ in Lakhs)

Particulars	Investments	Guarantees	Loans
Aggregate amount granted during the year			
(i) Associates	7,893.31	NIL	NIL
(ii) Other Companies	NIL	3,000.00	NIL
(iii) Others	NIL	NIL	13.00
Balance outstanding as at Balance Sheet date			
(i) Associates	16,353.66	1,282.13	NIL
(ii) Other Companies	1,190.03	16,000.00	950.00
(iii) Others	NIL	NIL	61.46

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, in respect of loans and advances in the nature of loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to information and explanations give to us, the Company has complied with the provisions of Section 185 and 186 of the Act in relation to loans, guarantees provided and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, reporting under this clause 3 (v) of the Order does not arise.
- (vi) The Central Government, under Section 148 (1) of the Companies Act, 2013 has specified maintenance of cost records and such accounts and records have been so made and maintained by the Company.
- (vii) (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues with the appropriate authorities.

## AUDITORS' REPORT TO SHAREHOLDERS



- (b) No undisputed amounts payable in respect of the above were in arrear as at March 31, 2025 for a period of more than six months from the date they become payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under Income Tax Act, 1961 as income during the year.
- (ix) (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have not been used for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the Separate Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate companies as defined in the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has raised loans during the year on the pledge of securities held in its associate companies as per details below. Further, the Company has not defaulted in repayment of such loans raised. (Refer Note No. 25 and 29).

Nature of loan taken	Name of the Lender	Amount of Loan (₹ in lakhs)	Name of the Company	Relation	Details of security pledged (No of Shares and Market Value as on 31/03/2025)
Term Loan	TATA Capital Limited	1,550.00	The Ramco Cements Limited	Associate	No. of Equity Shares: 4,00,000 Market Value: ₹ 3,587.00Lakhs
Revolving Demand Loan	Barclays Investment and Loans (India) Pvt Ltd	4,550.00	The Ramco Cements Limited	Associate	No. of Equity Shares: 11,30,000 Market Value: ₹ 10,133.28 Lakhs

- (x) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised moneys by way of initial public offer or further public offer during the year.



## AUDITORS' REPORT TO SHAREHOLDERS

---

- (b) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised funds by way of preferential allotment or private placement of shares during the year.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints received by the Company during the year. Accordingly, clause 3 (xi) (c) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Separate Financial Statements, as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations given to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its Directors. Accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3 (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations provided to us during the course of our audit, the Group does not have any CICs.
-

## AUDITORS' REPORT TO SHAREHOLDERS



- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, (also refer to Note No. 55(i) to the separate financial statements) ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Separate Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of the balance sheet, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project under CSR. Accordingly, clauses 3 (xx) (a) and 3 (xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of Separate Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For N.A. JAYARAMAN & CO  
Chartered Accountants  
Firm Registration No. 001310S

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNM2395  
Rajapalayam  
28<sup>th</sup> May, 2025

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQGX7275  
Chennai  
28<sup>th</sup> May, 2025



## AUDITORS' REPORT TO SHAREHOLDERS

---

### **"Annexure B" to the Independent Auditors' Report of even date on the Separate Financial Statements prepared in accordance with Indian Accounting Standards of Rajapalayam Mills Limited**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. RAJAPALAYAM MILLS LIMITED** ("the Company") as of March 31, 2025 in conjunction with our audit of the Separate Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## AUDITORS' REPORT TO SHAREHOLDERS



### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.A. JAYARAMAN & CO  
Chartered Accountants  
Firm Registration No. 001310S

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNM2395  
Rajapalayam  
28<sup>th</sup> May, 2025

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQGX7275  
Chennai  
28<sup>th</sup> May, 2025



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

	Note No.	As at 31-03-2025	As at 31-03-2024	
<b>I ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	7	93,291.96	98,313.38	
(b) Capital Work-in-progress	8	860.12	1,490.50	
(c) Investment Property	9	6.82	7.05	
(d) Intangible Assets	10	329.53	434.86	
(e) Financial Assets				
<i>Investment in Associates</i>	11	16,353.66	8,460.35	
<i>Other Investment</i>	12	1,190.03	3,261.51	
<i>Loans</i>	13	950.00	950.00	
<i>Other Financial Assets</i>	14	4,191.13	1,448.73	
(f) Other Non-Current Assets	15	559.34	946.14	1,15,312.52
<b>(2) Current Assets</b>				
(a) Inventories	16	30,463.74	32,392.10	
(b) Financial Assets				
<i>Trade Receivables</i>	17	18,324.67	16,769.31	
<i>Cash and Cash Equivalents</i>	18	122.27	83.85	
<i>Bank Balance other than Cash and Cash Equivalents</i>	19	488.28	529.12	
<i>Other Financial Assets</i>	20	2,150.12	1,231.93	
(c) Current Tax Asset (Net)	21	186.35	164.94	
(d) Other Current Assets	22	1,442.66	3,271.74	54,442.99
<b>TOTAL ASSETS</b>		<b>1,70,910.68</b>	<b>1,69,755.51</b>	
<b>II EQUITY &amp; LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital	23	922.02	922.02	
(b) Other Equity	24	42,135.17	47,361.78	
<b>Total Equity</b>		<b>43,057.19</b>	<b>48,283.80</b>	
<b>(2) Liabilities</b>				
A) Non Current Liabilities				
(a) Financial Liabilities				
<i>(i) Borrowings</i>	25	53,070.73	49,616.32	
<i>(ii) Lease Liabilities</i>	26	480.85	489.98	
(b) Deferred Tax Liabilities (Net)	27	2,833.56	4,507.81	
(c) Other Non-Current Liabilities	28	5,135.77	57.61	54,671.72
B) Current Liabilities				
(a) Financial Liabilities				
<i>(i) Borrowings</i>	29	57,684.72	58,550.25	
<i>(ii) Lease Liabilities</i>	30	9.13	5.84	
<i>(iii) Trade Payables</i>	31			
<i>(a) Total outstanding dues of micro enterprises and small enterprises</i>		134.48	205.39	
<i>(b) Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		2,807.52	2,160.35	
<i>(iv) Other Financial Liabilities</i>	32	2,708.90	3,030.15	
(b) Provisions	33	2,987.83	2,848.01	66,799.99
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,70,910.68</b>	<b>1,69,755.51</b>	
Material Accounting Policies, Judgements and Estimates	1 - 6			
See accompanying notes to the financial statements	7 - 58			

As per our report annexed

For and on behalf of the Board of Directors

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025**



(₹ in Lakhs)

	Note No.	For the year ended 31-03-2025	For the year ended 31-03-2024
<b>INCOME</b>			
I	34	<b>89,847.79</b>	85,855.86
II	35	<b>2,558.20</b>	1,724.00
III		<b>92,405.99</b>	87,579.86
<b>IV EXPENSES</b>			
	36	<b>47,345.38</b>	45,403.57
	37	<b>2,490.63</b>	4,651.67
	38	<b>2,260.93</b>	1,006.46
	39	<b>12,245.35</b>	10,456.99
	40	<b>9,089.90</b>	7,403.01
	41	<b>7,534.28</b>	6,733.13
	42	<b>18,182.09</b>	15,342.72
		<b>99,148.56</b>	90,997.55
V		<b>(6,742.57)</b>	(3,417.69)
<b>VI Exceptional Items [Refer to Note No. 56]</b>			
		-	5,381.19
		<b>74.19</b>	380.83
		<b>74.19</b>	5,762.02
VII		<b>(6,668.38)</b>	2,344.33
<b>VIII Tax Expenses / (Savings)</b>			
	27	-	-
		-	(0.25)
		<b>(1,647.91)</b>	(485.72)
		<b>(1,647.91)</b>	(485.97)
IX		<b>(5,020.47)</b>	2,830.30
<b>X Other Comprehensive Income</b>			
<i>Item that will not be reclassified to Profit or Loss:</i>			
		<b>(93.43)</b>	(134.33)
		<b>(83.73)</b>	333.03
		-	-
		<b>(26.34)</b>	119.72
		<b>(26.34)</b>	119.72
		<b>(150.82)</b>	78.98
XI		<b>(5,171.29)</b>	2,909.28
<b>XII Earnings per Equity Share of face value of ₹ 10/- each</b>			
		<b>(54.45)</b>	30.70
	1 - 6		
	7 - 58		

As per our report annexed

For and on behalf of the Board of Directors

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

**A. Equity Share Capital [Refer to Note No. 23]** (₹ in Lakhs)

(1) For the year ended 31-03-2025	
Balance as at 01-04-2024	922.02
Changes in Equity Share Capital during the year 2024-25	-
Balance as at 31-03-2025	922.02
(2) For the year ended 31-03-2024	
Balance as at 01-04-2023	922.02
Changes in Equity Share Capital during the year 2023-24	-
Balance as at 31-03-2024	922.02

**B. Other Equity [Refer to Note No. 24]**

(1) For the year ended 31-03-2025

Particulars	Reserves and Surplus			Items of OCI		Total Other Equity
	Capital Reserve	Security Premium	General Reserve	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	
Other Equity as at 01-04-2024	3.75	11,702.02	29,500.00	6,232.41	(76.40)	47,361.78
Financial year 2024-25						
Less: Loss for the year	-	-	-	(5,020.47)	-	(5,020.47)
Less: Other Comprehensive Loss	-	-	-	(57.39)	(93.43)	(150.82)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,020.47)</b>	<b>(93.39)</b>	<b>(5,171.29)</b>
Less: Dividend Distribution to Shareholders	-	-	-	(55.32)	-	(55.32)
Less: Transfer to Retained Earnings	-	-	-	-	15.60	109.03
Add: Transfer from OCI	-	-	-	(109.03)	-	(109.03)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>3.75</b>	<b>11,702.02</b>	<b>29,500.00</b>	<b>1,047.59</b>	<b>(118.19)</b>	<b>42,135.17</b>



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

(2) For the year ended 31-03-2024

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of OCI		Total Other Equity
	Capital Reserve	Security Premium	General Reserve	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	
Other Equity as at 01-04-2023	3.75	11,702.02	27,500.00	66.24	-	44,544.70
Financial year 2023-24						
Add: Profit for the year	-	-	2,830.30	-	-	2,830.30
Add: Other Comprehensive Income / (Loss)	-	-	-	213.31	(134.33)	78.98
<b>Total Comprehensive Income</b>	-	-	-	<b>213.31</b>	<b>(134.33)</b>	<b>2,909.28</b>
Less: Dividend Distribution to Shareholders	-	-	-	-	-	(92.20)
Less: Transfer to Retained Earnings	-	-	-	(355.95)	134.33	(221.62)
Add: Transfer from OCI	-	-	-	-	-	221.62
Less: Transfer to General Reserve	-	-	-	-	-	(2,000.00)
Add: Transfer from Retained Earnings	-	-	2,000.00	-	-	2,000.00
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>3.75</b>	<b>11,702.02</b>	<b>29,500.00</b>	<b>(76.40)</b>	<b>-</b>	<b>47,361.78</b>

As per our report annexed

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**V. RAJESWARAN**  
Partner  
Membership No. 020881  
Chennai

For and on behalf of the Board of Directors

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025**

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before Exceptional items and Tax	(6,742.57)	(3,417.69)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Amortisation	7,534.28	6,733.13
Finance Costs	9,089.90	7,403.01
Interest Income	(636.03)	(564.04)
Dividend Income	(867.27)	(724.31)
Deferred Revenue / Government Grants	(207.98)	-
Rent Receipts from Investment Properties	(6.00)	(3.79)
Fair Value movement and Financial Guarantee obligation	15.84	261.38
Operating Profit before Working capital Changes	8,180.17	9,687.69
Movements in Working Capital		
Trade Receivables	(1,555.36)	(849.81)
Loans and Advances	455.95	(379.93)
Unutilised Tax Credit - Indirect Tax	1,822.68	1,357.37
Inventories	1,928.36	3,960.90
Trade Payables & Current Liabilities	753.69	1,154.27
Cash generated from Operations	11,585.49	14,930.49
Direct Taxes (Paid) / Refund received (Net)	(21.41)	(84.73)
<b>Net Cash generated from Operating Activities</b>	A 11,564.08	14,845.76
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Property, Plant and Equipment, Intangible Asset & Investment property (Including Capital work-in-progress, Capital Advance and payable for Capital Goods), (including interest capitalised for ₹ 87.20 Lakhs (PY: ₹ 1,307.57 Lakhs).	(2,422.10)	(9,816.85)
Government Grants received - related to acquisition of fixed assets	1,368.72	350.00
Inter-Corporate Loans (Given) / Received	-	1,420.00
Proceeds from Sales of Equity Shares of Associates	-	5,471.38
Proceeds from Sale of Investments	1,991.46	-
Acquisition of Preference Shares - Related Party	-	(1,540.45)
Acquisition of Equity Shares including Share Application money - Related Party	(7,893.31)	(1,511.68)
Subscribed for Equity Shares including Share Application money for purchase of solar power under Group Captive Arrangement	-	(840.89)
Proceeds from Sale of Assets	342.76	509.65
Interest Received	635.21	604.04
Dividend Received	867.27	724.31
Rent Receipts from Investment Properties	6.00	3.79
<b>Net Cash used in Investing Activities</b>	B (5,103.99)	(4,626.70)

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025**



(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	14,433.19	11,443.69
Proceeds from / (Repayment) of Loan - Related Parties	99.66	54.65
Repayment of Long Term Borrowings	(9,708.47)	(7,371.65)
Availment / (Repayment) of Short Term Borrowings (Net)	(2,136.01)	(6,909.54)
Payment of Principal portion of Lease Liabilities	(5.84)	(3.57)
Payment of Dividend including TDS on Dividend	(55.32)	(92.20)
Interest Paid	(9,089.72)	(7,350.25)
<b>Net Cash Generated / (used) from Financing Activities</b>	<b>C</b>	<b>(6,462.51)</b>
<b>Net decrease in Cash and Cash Equivalent</b>	<b>D = (A+B+C)</b>	<b>(2.42)</b>
<b>Opening balance of Cash and Cash Equivalents</b>	<b>E</b>	<b>612.97</b>
<b>Closing balance of Cash and Cash Equivalents</b>	<b>D + E</b>	<b>610.55</b>

Notes:

- (i) The cash flows from operating activities under the above statement of cash flows has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

Particulars	31-03-2025	31-03-2024
Cash and Cash Equivalents [Refer to Note No.18]	122.27	83.85
Bank Balances other than Cash and Cash Equivalents [Refer to Note No.19]	488.28	529.12
	<b>610.55</b>	<b>612.97</b>

(iv) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:

Particulars	31-03-2025	31-03-2024
Balance at the beginning of the year		
Long Term Borrowings	49,616.32	48,110.75
Short Term Borrowings	58,550.25	62,748.62
Long Term Lease Liabilities	489.98	495.82
Short Term Lease Liabilities	5.84	3.57
Interest accrued	475.39	422.63
<b>Sub-Total Balance at the beginning of the year</b>	<b>1,09,137.78</b>	<b>1,11,781.39</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025****(₹ in Lakhs)**

Particulars	31-03-2025	31-03-2024
<b>Cash flows during the year</b>		
Proceeds from Long Term Borrowings	<b>14,433.19</b>	11,443.69
Repayment of Long Term Borrowings	<b>(9,708.47)</b>	(7,371.65)
Proceeds from / (Repayment) of Loan from Related Parties, Net	<b>99.66</b>	54.65
Proceeds from / (Repayment) of Short Term Borrowings, Net	<b>(2,136.01)</b>	(6,909.54)
Payment of Principal portion of Lease Liabilities	<b>(5.84)</b>	(3.57)
Interest Paid including interest on lease liabilities	<b>(9,089.72)</b>	(7,350.25)
<b>Sub-Total Cash flows during the year</b>	<b>(6,407.19)</b>	(10,136.67)
<b>Non-cash changes</b>		
Interest accrual for the year	<b>9,089.90</b>	7,403.01
Fair Value Movement	<b>(99.49)</b>	90.05
<b>Sub-Total Non-cash changes during the year</b>	<b>8,990.41</b>	7,493.06
<b>Balance at the end of the year</b>		
Long Term Borrowings	<b>53,070.73</b>	49,616.32
Short Term Borrowings	<b>57,684.72</b>	58,550.25
Long Term Lease Liabilities	<b>480.85</b>	489.98
Short Term Lease Liabilities	<b>9.13</b>	5.84
Interest accrued	<b>475.57</b>	475.39
<b>Balance at the end of the year</b>	<b>1,11,721.00</b>	1,09,137.78

See accompanying notes to the financial statements [Refer to Note Nos. 7 - 58]

As per our report annexed

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

For and on behalf of the Board of Directors

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam**K. MAHESWARAN**  
Secretary  
Rajapalayam



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

### 1. Corporate Information

Rajapalayam Mills Limited ("the Company") is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1913. The Registered office of the Company is located at Rajapalayam Mills Premises, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu. The Company's shares are listed in BSE Limited.

The Company is engaged in manufacture of cotton yarn and fabrics. The Company is also engaged in generation of electricity from its windmills for its captive requirements.

### 2. Presentation & rounding norms

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 28-05-2025.

The financial statements are presented in Indian Rupees, which is the company's functional currency, rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the company is denoted as ₹ 0.00 Lakhs.

Previous year figures have been re-grouped / restated wherever it may be appropriate.

### 3. Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, presentation requirements of Division II of Ind AS compliant Schedule III to the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, wherever applicable.

### 4. New standard or amendments to the existing accounting standards issued and effective from 01-04-2024 onwards

#### (a) *Ind AS 117 on Insurance contracts*

The Ministry of Corporate Affairs (MCA) has notified Ind AS 117 - Insurance Contracts, replacing Ind AS 104, effective for annual reporting periods beginning on or after 1<sup>st</sup> April, 2024. The standard applies to insurance contracts and certain financial instruments that transfer significant insurance risk. Ind AS 117 specifically excludes financial guarantee contracts unless the issuer has previously asserted that such contracts are treated as insurance contracts and has applied insurance accounting. In such cases, the issuer is permitted to make an irrevocable election, on a contract-by-contract basis, to apply either Ind AS 117 or the relevant financial instruments standards viz. Ind AS 32, Ind AS 107, and Ind AS 109.

The Company does not issue insurance contracts in the ordinary course of business and has not previously treated any financial guarantee contracts as insurance contracts.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

Accordingly, financial guarantee contracts continue to be accounted for under Ind AS 109 Financial Instruments.

As a result, the adoption of Ind AS 117 has no impact on the financial statements for the year ended 31<sup>st</sup> March, 2025.

### **(b) Ind AS 116: Sale and leaseback transaction amendment**

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which introduced amendments to Ind AS 116 - Leases, effective from 1 April, 2024. These amendments specifically address the accounting for sale and leaseback transactions involving variable lease payments not based on an index or rate.

The amendment introduces paragraph 102A, which provides guidance on the subsequent accounting for lease liabilities and Right-of-Use (ROU) assets arising from such transactions. However, as the Company does not currently have any sale and leaseback transactions, this amendment does not have any impact on the company's financial statements for the year ended 31<sup>st</sup> March, 2025.

## **5. Material Accounting Policies**

### **A. Inventories**

- (i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, determined on a weighted average basis, or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost, or net realisable value whichever is lower.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower.

### **B. Statement of Cash Flows**

- (i) Cash flows from operating activities is presented using Indirect Method.
- (ii) Cash and cash equivalents for the purpose of Statement of Cash Flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short-term highly liquid investments, which are subject to insignificant risk of changes in value.
- (iii) Bank borrowings including Bank overdrafts / Cash Credit, which are repayable on demand, form an Integral part of the Company's cash management.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

### C. Income Taxes

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the tax rates (and tax laws) that have been enacted at the reporting date.
- (ii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iii) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- (iv) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (v) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vi) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised in Other Comprehensive Income.

### D. Property, plant and equipments (PPE)

- (i) PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land, which is carried at cost. The cost include directly attributable cost of bringing the asset to its working condition for the intended use and borrowing cost if capitalisation criteria are met.
- (ii) Spares, which meet the definition of PPE, are capitalised from the date when it is available for use. The company identifies the significant parts of plant and equipment separately, which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives.
- (iii) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (iv) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

- (v) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives indicated under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such components ranging from
Textile Machineries / Equipment	2 to 20 years
Wind Mills	22 to 30 years
HFO / DG Set	12 to 25 years
Electrical Machineries	3 to 25 years

- (vi) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balance transaction amount. Fair market value is determined either for the assets acquired or for asset given up, whichever is more clearly evident.
- (vii) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight-line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.
- (viii) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

### **Capital Work in progress / Capital Advances**

- (x) Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.
- (xi) Advances given towards acquisition / construction of PPE outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

## **E. Leases**

### **Company as a Lessee**

- (i) The Company recognises a right-of-use asset (RoU) and a lease liability at the lease commencement date for all leases whose non-cancellable leases is more than 12 months.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

- (ii) The RoU is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Nature of RoU	Useful life ranging from
Land	99 years
Building	20 years

- (iii) The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
- (iv) The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.
- (v) When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (vi) The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on face of the Balance sheet.
- (vii) The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Lease Improvements

- (viii) Lease improvements on a right-of-use asset (RoU) made by the Company, which enhance the value, functionality, or extend the useful life of the leased asset, shall be recognized as assets and capitalized in the same category of RoU asset under 'Property, Plant and Equipment', if capitalization criteria are met.
- (ix) Lease improvements recognized as assets shall be initially measured at cost, which includes all directly attributable costs incurred to bring the improvements to their present condition and location.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

- (x) The lease improvements on RoU assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of lease improvement or the end of the lease term.

### **Company as a Lessor**

- (xi) Operating lease receipts are recognised in the Statement of Profit and Loss on straight-line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases.

## **F. Revenue from Operations**

### **(i) Sale of Products including Scrap Sales**

Revenue from product sales including scrap sales is recognized at the point in time when the obligation of delivery of goods is fulfilled in accordance with the agreed delivery terms while control of such goods is transferred to customers. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products are excluded from Revenue from operations and recognized as Interest Receipts over the credit periods as per Ind AS 115. The Company does not have any non-cash consideration.

### **(ii) Power generated from Windmills**

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Mills. The monetary values of such power generated that are captively consumed are not recognized as revenue but have been set off against the cost of Power & Fuel.

The Value of unadjusted units available if any, at the end of financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognized and shown as income from Windmills.

## **G. Other Income**

- (i) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- (ii) Dividend income is recognised when the Company's right to receive dividend is established.
- (iii) Rental income from operating lease on investment properties is recognised on a straight-line basis over the term of the relevant lease.



## H. Employee Benefits

### Short term employee benefits

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

### Post-employment benefits

#### *Defined Contribution Plan*

- (ii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary.
- (iii) The Company contributes to Superannuation Fund at a sum equivalent to 15% of the officer's eligible basic salary as the case may be, based on the option exercised by such officers.
- (iv) Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services. There are no further obligations except for the above said contributions.

#### *Defined Benefit Plan*

- (v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund, for its employees. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. Based on the valuation by an independent external actuary, the Company makes annual contributions to the trust administered by the company as at the reporting date using Projected Unit Credit method. The funds are managed by LIC of India.
- (vi) Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

### Other long term employee benefits

- (vii) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- (viii) Voluntary Retirement Scheme (VRS) benefits are recognised as an expenses when the Company is obligated to pay them. This occurs when an employee accepts the offer of voluntary redundancy and the Company can no longer withdraw the offer. The VRS benefits are estimated based on the expected number of employees accepting the offer. Payments due more than 12 months after the reporting period are discounted to their present value.

### I. Government Grants

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other Income" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- (iii) Government grants related to acquisition of specific assets have been deducted in arriving all the carrying amount of the respective assets.
- (iv) Government grants for creation of infrastructure in the backward areas under State Industrial Promotion Scheme, it is recognized as deferred income and credited to the statement of profit and loss on a systematic basis over the useful life of the asset.
- (v) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

### J. Impairment of Non-Financial Assets

- (i) The carrying amount of assets i.e property, plant and equipment including right-of-use asset, investment properties, cash generating units and intangible assets other than inventories & deferred tax assets, are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight-line basis.

### **K. Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

### **L. Intangible Assets**

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- (ii) The cost incurred for right to un-restricted usage of power transmission system for drawal of power from State grid to its mills were capitalized as the Company is expected to yield future economic benefits.
- (iii) The useful lives of intangible assets are assessed as either finite or indefinite. Intangible Assets with finite lives are carried at cost less accumulated amortisation and impairment losses if any and are amortised over their estimated useful life based on straight-line method. The Company do not have any intangible assets with indefinite lives.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

The estimated useful lives of intangible assets with finite lives are assessed by the internal technical team as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Nature of Intangible Assets	Estimated useful life
Computer Software	6 years
Power Transmission System	5 years

- (iv) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- (v) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

### M. Investment Properties

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land, which is carried at cost.
- (iii) The Company identifies the significant parts of investment properties separately, which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice.
- (iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below, that are different from the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013:

Asset type	Useful life
Buildings under Investment properties	60 years

- (v) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

### N. Operating Segments

- (i) Operating segments are identified on the basis of nature and usage of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker. The Company's business operation comprises of two operating segments viz., Textile and Windmills.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

### O. Financial Instruments

(i) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets, which are categorised as equity instruments at FVTOCI, and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company.

(ii) *Fair Value Hedge*

Changes in the fair value of forwards contracts that are designated and qualify as fair value hedges are recognized in the income statement, together with the changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, changes in the fair value of the hedged item attributable to the hedged risk are no longer recognized in the income statement.

When a hedged item in a fair value hedge is a firm commitment (or a component thereof) to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the balance sheet, with a corresponding gain or loss recognized in Profit or Loss.

#### ***Financial Assets***

(iii) Financial assets comprise of investments in equity, loans, trade receivables, cash and cash equivalents and other financial assets.

#### **Initial recognition and measurement**

(iv) All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

(v) Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

(vi) In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred



## NOTES TO SEPARATE FINANCIAL STATEMENTS

appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

### Subsequent measurement

(vi) For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

(a) The Company's business model for managing the financial asset and,

(b) The contractual cash flow characteristics of the financial asset:

Based on the above criteria, the Company classifies its financial assets into the following categories:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans to employees and related parties, deposits, IPA receivable, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies (including compound financial instrument, which qualify as equity under Ind AS 32) other than Associate as an irrevocable option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

(vii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

(viii) The Company has accounted for its investments in associates at cost.

(ix) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that



## NOTES TO SEPARATE FINANCIAL STATEMENTS

share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of Financial Asset	Impairment testing methodology
Trade receivables	The Company uses simplified approach wherein Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

### **Financial Liabilities**

- (x) Financial liabilities comprise of Borrowings, Trade payables, Lease Liabilities and other financial liabilities.

### **Initial recognition and measurement:**

- (xi) All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.
- (xii) Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

- (xiii) In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

### **Subsequent measurement**

- (xiv) All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method except for certain items like foreign exchange forward contracts that do not qualify for hedge accounting are measured at fair through profit or loss (FVTPL).
- (xv) Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

### **P. Fair value measurement**

- (i) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (ii) All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

- (iii) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

- (iv) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

### 6. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

#### **(i) Revenue Recognition**

Significant management judgement is exercised in determining the transaction price and discounts to customer, which is based on market factors namely demand and supply. The Company offers credit period to customers and management judgment is exercised in assessing whether a contract contains a significant financing component.

#### **(ii) Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation / amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

#### **(iii) Current Taxes**

Calculations of income taxes for the current period are done based on applicable tax laws under new tax regime and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law and applicable judicial precedents.

#### **(iv) Deferred Tax Asset**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

### **(v) Provisions**

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

### **(vi) Segment Reporting**

Management's judgment is exercised to aggregate two or more business segments as single operating segment, based on economic characteristics, products, production process and types of customer, which are similar in nature.

### **(vii) Contingent Liabilities**

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### **(viii) Classification of Investment**

Management judgement is exercised in determining the following criteria while making classification of investments:

- the intention of the Company to sell the investment immediately;
- the sale is highly probable;
- it is unlikely that significant change to the sale plan will be made and;
- that plan will not be withdrawn.

Based on this judgement, the investments are classified as "Investment held for sale", if all the above criteria are met and continue to classify the investment as "Non-current investment", if the above criteria are not met.

### **(ix) Impairment of Trade receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **(x) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.



**(xi) Impairment of Investments in Associates**

Significant management judgement is exercised in determining whether the investment in associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

**(xii) Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long-term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(xiii) Determination of lease term of contracts as non-cancellable term**

Significant management judgement is exercised in determining the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised, by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

**(xiv) Fair value measurement of financial instruments / Firm Commitments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(xv) Interests in other entities**

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.



**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 7**

**PROPERTY, PLANT AND EQUIPMENT**

Particulars	Year	Gross Block			Depreciation			Net Block		
		As at the beginning of the year	Additions	Deductions / Adjustments	As at the end of the year	For the year (Refer to Note No. 41)	Deductions / Adjustments	As at the end of the year	As at the beginning of the year	
Land - Free hold	2024-25	1,309.13		0.37	1,308.76	-	-	-	1,308.76	1,309.13
	2023-24	1,316.06		6.93	1,309.13	-	-	-	1,309.13	1,316.06
Land- Right-of-Use Asset	2024-25	840.67			840.67	42.58	8.51	-	789.58	798.09
	2023-24	779.68	60.99	-	840.67	34.67	7.91	-	798.09	745.01
Own Buildings	2024-25	22,354.86	349.99	-	22,704.85	4,073.15	777.34	-	17,854.36	18,281.71
	2023-24	13,823.94	8,530.92	-	22,354.86	3,434.40	638.75	-	18,281.71	10,389.54
Buildings - Right-of-Use Asset	2024-25	684.30		-	684.30	69.80	35.24	-	579.26	614.50
	2023-24	684.30	-	-	684.30	34.47	35.33	-	614.50	649.83
Plant and Machinery	2024-25	1,21,792.38	2,411.29	893.37	1,23,310.30	51,351.30	5,883.10	410.41	66,486.31	70,441.08
	2023-24	96,521.98	25,964.81	694.41	1,21,792.38	46,651.55	5,289.31	589.56	70,441.08	49,870.43
Electrical Machinery	2024-25	9,491.06	59.95	457.67	9,093.34	3,480.54	509.98	432.11	5,534.93	6,010.52
	2023-24	6,972.37	2,556.93	38.24	9,491.06	3,077.29	439.63	36.38	6,010.52	3,895.08
Furniture & Office Equipments	2024-25	1,475.18	87.18	16.62	1,545.74	986.35	146.39	15.69	428.69	488.83
	2023-24	1,344.52	186.18	55.52	1,475.18	897.51	143.26	54.42	488.83	447.01
Vehicles	2024-25	720.89	16.97	74.48	663.38	351.37	61.49	59.55	310.07	369.52
	2023-24	655.78	104.79	39.68	720.89	316.77	60.20	25.60	369.52	339.01
Total	2024-25	1,58,668.47	2,925.38	1,442.51	1,60,151.34	60,355.09	7,422.05	917.76	93,291.96	98,313.38
	2023-24	1,22,098.63	37,404.62	834.78	1,58,668.47	54,446.66	6,614.39	705.96	98,313.38	67,651.97

Notes: (i) Borrowings cost of ₹ 87.20 Lakhs have been capitalised for current year (PY: ₹ 1,307.57 Lakhs).

(ii) All the moveable fixed assets have been pledged as security for borrowings.

(iii) The Company has opted to present the government grants related to assets as deduction from the carrying value of eligible assets in accordance with Ind AS20. During the financial year 2024-25 grant of ₹ 256.72 Lakhs has been deducted from the carrying value of assets(PY: NIL).

(iv) All the title deeds of immovable properties are held in the name of the Company.

(v) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

(vi) Deductions / Adjustments in Gross Block comprises of:

Particulars	2024-25				2023-24			
	Sale of Assets	Scrap of Assets	Government Grants	Total	Sale of Assets	Scrap of Assets	Government Grants	Total
Land - Free hold	0.37	-	-	0.37	6.93	-	-	6.93
Land - Right-of-Use Asset	-	-	-	-	-	-	-	-
Own Buildings	-	-	-	-	-	-	-	-
Plant and Machinery	594.48	42.17	256.72	893.37	676.89	17.52	-	694.41
Electrical Machinery	357.64	100.03	-	457.67	37.70	0.54	-	38.24
Furniture & Office Equipments	16.62	-	-	16.62	17.25	38.27	-	55.52
Vehicles	74.48	-	-	74.48	39.68	-	-	39.68
<b>Total</b>	<b>1,043.59</b>	<b>142.20</b>	<b>256.72</b>	<b>1,442.51</b>	<b>778.45</b>	<b>56.33</b>	<b>-</b>	<b>834.78</b>

(vii) Scrap of assets represent components of assets that were derecognised due to wear and tear and damages, since no future benefits is expected from those components and thus replaced by new components.

### NOTE NO. 8

#### CAPITAL WORK IN PROGRESS

Particulars	Year	As at the beginning of the year	Additions	Capitalised	As at the end of the year
Capital Work in Progress	2024-25	1,490.50	2,302.21	2,932.59	860.12
	2023-24	26,165.79	12,765.26	37,440.55	1,490.50

Note: (i) Refer to Note No. 55(b) for information relating to Ageing Schedule.

### NOTE NO. 9

#### INVESTMENT PROPERTY

Particulars	Year	Gross Block			Amortisation		Net Block	
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	Withdrawn during the year	As at the end of the year
Building	2024-25	15.12	-	-	15.12	8.07	0.23	6.82
	2023-24	15.12	-	-	15.12	7.83	0.24	7.05



## NOTES TO SEPARATE FINANCIAL STATEMENTS

- Notes:
- (i) The Company measured all of its Investment Properties at Cost in accordance with Ind AS 40.
- (ii) The fair valuation of these investment property are determined by an internal technical team, who are specialists in valuing these types of investment properties by using the technic of quoted prices for similar assets in active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. Since the valuation is done by internal technical team, the fair value of investment property as disclosed above is not based on valuation by a register valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. All resulting fair value estimates for investment properties as given below :

Particulars	₹ in Lakhs)	
	31-03-2025	31-03-2024
Fair value of Investment Properties	181.55	166.05

- (ii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

- (iv) Fair value hierarchy disclosures for investment properties have been provided in Note No. 52.

Particulars	₹ in Lakhs)	
	31-03-2025	31-03-2024
Rental Income from Investment Properties	6.00	3.79
Direct Operating Expenses	—	—
Profit arising from Investment Properties before Depreciation and indirect expenses	6.00	3.79
Less: Depreciation	0.23	0.24
Profit arising from Investment Properties before indirect expenses	5.77	3.55



**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 10**  
**INTANGIBLE ASSETS**

Particulars	Year	Gross Block		Amortisation		Net Block					
		As at the beginning of the year	Additions	Deductions / Adjustments	As at the end of the year	For the year (Refer to Note No. 41)	Deductions / Adjustments	As at the end of the year	As at the beginning of the year		
Computer software	2024-25	901.33	7.21	0.86	907.68	466.47	112.00	0.32	578.15	329.53	434.86
	2023-24	865.40	35.93	-	901.33	356.62	109.85	-	466.47	434.86	508.78
Power Transmission System	2024-25	67.17	-	-	67.17	67.17	-	-	67.17	-	-
	2023-24	67.17	-	-	67.17	58.52	8.65	-	67.17	-	8.65
Total - Intangible Assets	2024-25	968.50	7.21	0.86	974.85	533.64	112.00	0.32	645.32	329.53	434.86
	2023-24	932.57	35.93	-	968.50	415.14	118.50	-	533.64	434.86	517.43

Notes: (a) Deductions / adjustments represents intangible assets derecognised from the financial statements since no future economic benefit is expected.

(b) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 11

#### INVESTMENT IN ASSOCIATES

(₹ in Lakhs)

Particulars	Face Value	31-03-2025		31-03-2024	
	₹ per share	Numbers	Amount	Numbers	Amount
<b>Investment in Equity Instruments</b>					
<b>Quoted</b>					
The Ramco Cements Limited	1	3,21,69,264	<b>6,217.99</b>	3,21,69,264	6,217.99
Ramco Industries Limited	1	1,17,93,180	<b>8,994.12</b>	84,01,680	1,100.81
Ramco Systems Limited	10	7,33,531	<b>1,141.55</b>	7,33,531	1,141.55
<b>Total</b>			<b>16,353.66</b>		8,460.35
Quoted Investments - Cost			<b>16,353.66</b>		8,460.35
Market Value			<b>3,17,641.05</b>		2,79,577.37

Notes: (i) The Company has accounted for Investment in Associates at cost. Refer to Note No. 50(A) for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above associates.

(ii) The carrying amount of investment in Associates is tested for impairment in accordance with Ind AS 36. The investment in Associates are long term strategic in nature, no impairment is considered as at the reporting date, considering its long term future prospects.

### NOTE NO. 12

#### OTHER INVESTMENT (DESIGNATED AT FVTOCI)

(₹ in Lakhs)

Particulars	Face Value	31-03-2025		31-03-2024	
	₹ per share	Numbers	Amount	Numbers	Amount
<b>I. Investment in Equity Instruments</b>					
<b>1) Quoted</b>					
The Ramaraju Surgical Cotton Mills Limited	10	5,818	<b>9.43</b>	4,000	6.12
Lakshmi Engineering and Warehousing Limited (formerly known as Lakshmi Automatic Loom Works Limited)	100	250	<b>5.37</b>	250	4.83
<b>Total Quoted Investments</b>	(A)		<b>14.80</b>		10.95
<b>2) Unquoted</b>					
Sri Vishnu Shankar Mills Limited	10	38,400	19.96	38,400	64.90
Ramco Industrial and Technology Services Limited	10	50,000	6.50	50,000	3.50
Ramco Windfarms Limited	1	8,32,000	8.32	8,32,000	8.32
Miot Hospitals Limited	10	2,500	0.25	2,500	0.25
Tamilnadu Jai Bharath Mills Limited	10	1,200	0.05	1,200	0.05
Green Infra Clean Wind Generation Limited	10	59,85,000	598.50	59,85,000	598.50
Clean Max Opus Private Limited	10	11,921	541.64	11,921	541.64
<b>Total Unquoted Investments</b>	(B)		<b>1,175.22</b>		1,217.16

## NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

Particulars	Face Value ₹ per share	31-03-2025		31-03-2024	
		Numbers	Amount	Numbers	Amount
<b>II. Investment in Preference Shares, Non-Trade - Unquoted</b>					
Swiggy Limited (formerly known as Bundl Technologies Private Limited)	10	–	–	5,85,723	2,033.39
<b>Total Unquoted Investments (C)</b>		–	–		2,033.39
<b>III. Other Non-Current Investments, Non-Trade - Unquoted</b>					
Ramco Group Employees' Co-operative Stores Limited	1	500	0.01	500	0.01
Total other Investments (D)			0.01		0.01
<b>Total (A+B+C+D)</b>			<b>1,190.03</b>		<b>3,261.51</b>
Aggregate Market Value of Quoted Investments			<b>NA</b>		NA

- Notes: (i) Refer to Note No. 52 for information about fair value hierarchy under Disclosure of Fair Value Measurement.
- (ii) Market Value of quoted investments for some equity instruments were not available due to no trading activities in stock market.
- (iii) During the FY 2024-25, the Company has sold 5,85,723 nos. of Compulsarily Convertible Preference Shares (CCPS) of Swiggy Limited and the loss on sale of Investment was recognised in Other Comprehensive Income.

### NOTE NO. 13

FINANCIAL ASSETS - (NON CURRENT) LOANS AND ADVANCES (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, considered good</b>		
Loans and Advances to Related Parties [Refer to Note No.50(b)(i)]	950.00	950.00
<b>Total</b>	<b>950.00</b>	950.00

- Notes: (i) Loans are non-derivative financial assets and are carried at amortized cost, which generate fixed or variable interest income for the Company.
- (ii) Loans to Related parties had been granted towards working capital in the normal course of business.
- (iii) The Company has not granted any loan or advance in the nature of loan to promoters, directors and KMPs that are repayable on demand or without specifying any terms or period of repayment.

### NOTE NO. 14

OTHER FINANCIAL ASSETS - (NON CURRENT) (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, considered good</b>		
Security Deposits with Electricity Board / Others	954.74	1,095.02
Government Grants Receivable	3,236.39	350.00
Application Money for Securities Subscription	–	3.71
<b>Total</b>	<b>4,191.13</b>	1,448.73



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 15

OTHER NON CURRENT-ASSETS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, Considered Good</b>		
Capital Advances	461.90	877.45
Income Tax Refund Receivable	16.63	16.63
Prepaid Expenses - Non-Current	80.81	52.06
<b>Total</b>	<b>559.34</b>	<b>946.14</b>

### NOTE NO. 16

INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Finished Goods (Yarn and Fabrics)	5,868.79	5,165.43
Raw materials - Cotton, Cotton Waste & Yarn	18,846.11	18,512.19
Stores and Spares	460.49	461.84
Works-in-progress (Cotton, Yarn and Fabric)	5,288.35	8,252.64
<b>Total</b>	<b>30,463.74</b>	<b>32,392.10</b>

- Notes: (i) Raw materials includes Goods-in-transit of ₹ 1,897.30 Lakhs (As at 31-03-2024 ₹ 335.43 Lakhs).  
(ii) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.  
(iii) The mode of valuation of inventories has been stated in the Note No. 5A.

### NOTE NO. 17

TRADE RECEIVABLES (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Secured, Considered good	1,576.32	2,833.96
Unsecured, considered good	16,748.35	13,935.35
<b>Total</b>	<b>18,324.67</b>	<b>16,769.31</b>

- Notes: (i) Trade receivables are generally non-interest bearing.  
(ii) No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a Member.  
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.  
(iv) Trade Receivables aging schedule have been provided in Note No. 55 (c)

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### NOTE NO. 18

CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Cash on Hand	0.64	1.14
Balance with Bank		
In Current Account	121.63	82.71
<b>Total</b>	<b>122.27</b>	<b>83.85</b>

### NOTE NO. 19

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balances with Banks held as security against Borrowings	475.00	503.01
Earmarked balances with Banks for Unclaimed Dividend	13.28	26.11
<b>Total</b>	<b>488.28</b>	<b>529.12</b>

### NOTE NO. 20

OTHER FINANCIAL ASSETS (CURRENT) (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Government Grants Receivable	2,044.18	756.43
Insurance Claim receivable	31.84	340.29
Exchange difference on Firm Commitment	74.10	135.21
<b>Total</b>	<b>2,150.12</b>	<b>1,231.93</b>

### NOTE NO. 21

CURRENT TAX ASSETS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Advance Income Tax, Self Assessment Tax and Tax deducted at source	186.35	164.94
<b>Total</b>	<b>186.35</b>	<b>164.94</b>



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 22

#### OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, considered good</b>		
Advance to Suppliers / Others	220.93	234.49
Tax Credit and Refund due - Indirect Taxes	755.61	2,578.29
Accrued Income	62.83	109.50
Prepaid Expenses	308.44	287.14
Other Current Assets	94.85	62.32
<b>Total</b>	<b>1,442.66</b>	<b>3,271.74</b>

### NOTE NO. 23

#### EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Authorised</b>		
1,50,00,000 Equity Shares of ₹ 10/- each (PY: 1,50,00,000 Equity Shares of ₹ 10/- each)	1,500.00	1,500.00
<b>Issued, Subscribed and Fully paid-up</b>		
92,20,200 Equity Shares of ₹ 10/- each (PY: 92,20,200 Equity Shares of ₹ 10/- each)	922.02	922.02
<b>Total</b>	<b>922.02</b>	<b>922.02</b>

#### Notes:

(i) Issued, Subscribed and fully paid-up Shares includes 62,13,850 Equity Shares (PY: 62,13,850 Equity Shares) of ₹ 10/- each, which were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

(ii) Reconciliation of the number of shares outstanding:

(₹ in Lakhs)

Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	92,20,200	922.02	92,20,200	922.02
Issue of Shares during the year	-	-	-	-
Number of Shares at the end	92,20,200	922.02	92,20,200	922.02

(iii) Rights / Restrictions attached to Equity Shares:

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

(iv) List of Shareholders holding more than 5 percent in the Company: (₹ in Lakhs)

Name of the Shareholder	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	% of holding	No. of Shares	% of holding
P.R. Venketrama Raja	19,43,597	21.08%	18,36,826	19.92%
P.V. Abinav Ramasubramaniam Raja	24,39,939	26.46%	24,39,939	26.46%
Govindlal M Parikh	5,37,426	5.83%	5,37,426	5.83%

(v) Shareholders holding of Promoters:

S. No.	Name of the Promoters	As at 31-03-2025		As at 31-03-2024		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	P.R. Venketrama Raja	19,43,597	21.08%	18,36,826	19.92%	1.16%
2	P.V. Abinav Ramasubramaniam Raja	24,39,939	26.46%	24,39,939	26.46%	–
3	R. Sudarsanam	–	–	1,06,771	1.16%	(–) 1.16%
4	P.V. Nirmala Raju	1,75,526	1.90%	1,75,526	1.90%	–
5	Nalina Ramalakshmi	8,400	0.09%	8,400	0.09%	–
6	Saradha Deepa	13,699	0.15%	13,699	0.15%	–
7	B. Srisandhya Raju	20,700	0.22%	20,700	0.22%	–
8	A. Ramalakshmi	87,386	0.95%	87,386	0.95%	–
9	J. Sethulakshmi	88,352	0.96%	88,352	0.96%	–
10	Ramco Industries Limited	1,59,200	1.73%	1,59,200	1.73%	–
11	The Ramaraju Surgical Cotton Mills Limited	1,68,999	1.83%	1,68,999	1.83%	–
12	Sri Vishnu Shankar Mill Limited	37,174	0.40%	37,174	0.40%	–
13	Sandhya Spinning Mill Limited	624	0.01%	624	0.01%	–
14	Ramco Management Private Limited	2,550	0.03%	2,550	0.03%	–
15	The Ramco Cements Limited	42,259	0.46%	42,259	0.46%	–
<b>TOTAL</b>		<b>51,88,405</b>	<b>56.27%</b>	<b>51,88,405</b>	<b>56.27%</b>	



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 24

#### OTHER EQUITY

#### Capital Reserve (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	3.75	3.75
<b>Total</b>	<b>3.75</b>	<b>3.75</b>

#### Nature of Reserve

Capital Reserve represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

#### Securities Premium (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	11,702.02	11,702.02
<b>Total</b>	<b>11,702.02</b>	<b>11,702.02</b>

#### Nature of Reserve

Securities Premium was credited when shares are issued at a Premium. The Company can use this reserve to issue bonus shares, to provide for preliminary expenses, the commission paid or discount allowed and expenses related to any issue of shares of the Company.

#### General Reserve (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	29,500.00	27,500.00
Add: Amount transferred from Retained Earnings	–	2,000.00
<b>Total</b>	<b>29,500.00</b>	<b>29,500.00</b>

#### Nature of Reserve

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

#### FVTOCI Reserve (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	(76.40)	66.24
Add: Other Comprehensive Income for the year	(150.82)	78.98
<b>Sub-Total</b>	<b>(227.22)</b>	<b>145.22</b>
Transfer from Retained Earnings	109.03	(221.62)
<b>Total</b>	<b>(118.19)</b>	<b>(76.40)</b>



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### Nature of Reserve

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

Retained Earnings	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	6,232.41	5,272.69
Profit / (Loss) for the year	(5,020.47)	2,830.30
Transfer from FVTOCI Reserve	(109.03)	221.62
<b>Sub-Total</b>	<b>1,102.91</b>	<b>8,324.61</b>
Less: Appropriations		
Dividend Distribution to Shareholders	(55.32)	(92.20)
Transfer to General Reserve	-	(2,000.00)
<b>Total</b>	<b>1,047.59</b>	<b>6,232.41</b>

### Nature of Reserve

Represents that portion of the net income of the Company that has been retained by the Company.

Note: The Board of Directors have recommended the payment of Dividend ₹ 0.50 per share for the year 2024-25 (PY: ₹ 0.60 per Share). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General

<b>Total Other Equity</b>	<b>42,135.17</b>	47,361.78
---------------------------	------------------	-----------

### NOTE NO. 25

#### NON CURRENT BORROWINGS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Secured</b>		
Term Loan from Banks	51,520.73	49,616.32
Term Loan from Others	1,550.00	-
<b>Total</b>	<b>53,070.73</b>	49,616.32

Notes: (i) Term Loan from Banks are secured by pari-passu first charge on moveable Fixed Assets of the Company and pari-passu second charge on the Current Assets of the Company.

(ii) Term Loan from Others relates to borrowings from NBFC and it is secured by pledging of investment in equity shares.

(iii) The Company has used the borrowings from banks / others for the specific purpose for which it was taken as at the reporting date.

(iv) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.

(v) Refer to Note No. 53 for information about risk profile of borrowings under Financial Risk Management.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

(vi) The Long Term Borrowings from Banks others are repayable in quarterly installments. The year wise repayment is as follows:

Year	(₹ in Lakhs)	
	31-03-2025	31-03-2024
2025-26	–	10,130.74
2026-27	11,532.35	9,499.87
2027-28	15,042.44	9,221.12
2028-29	11,957.01	9,248.60
2029-30	6,059.32	4,664.00
2030-31	4,726.72	4,082.00
2031-32	3,752.89	2,769.99
<b>Total</b>	<b>53,070.73</b>	<b>49,616.32</b>

### NOTE NO. 26

Particulars	(₹ in Lakhs)	
	31-03-2025	31-03-2024
Lease Liabilities [Refer to Note No. 48]	480.85	489.98
<b>Total</b>	<b>480.85</b>	<b>489.98</b>

### NOTE NO. 27

Particulars	(₹ in Lakhs)					
	As at 01-04-2023	Recognised in Profit and Loss	As at 31-03-2024	Recognised in Profit and Loss	As at 31-03-2025	
Tax Impact on difference in written down value of Property, Plant & Equipment as per books and as per Income Tax Act, 1961	5,465.20	1,162.36	6,627.56	1,899.72	<b>8,527.28</b>	
Tax impact on provision for compensated absences & Bonus	(230.98)	8.89	(222.09)	(32.15)	<b>(254.24)</b>	
Tax impact on Deferred Government Grants / Revenue	–	(14.50)	(14.50)	(1,278.07)	<b>(1,292.57)</b>	
Tax Impact on lease accounting as per Ind AS 116	(5.18)	(5.60)	(10.78)	(5.01)	<b>(15.79)</b>	
Tax Impact on Fairvalue of forward contracts	13.80	51.40	65.20	(108.68)	<b>(43.48)</b>	
Tax Impact on unabsorbed Depreciation / unadjusted losses	(369.03)	(1,568.55)	(1,937.58)	(2,148.16)	<b>(4,085.74)</b>	
Others	–	–	–	(1.90)	<b>(1.90)</b>	
<b>Total</b>	<b>4,873.81</b>	<b>(366.00)</b>	<b>4,507.81</b>	<b>(1,674.25)</b>	<b>2,833.56</b>	

## NOTES TO SEPARATE FINANCIAL STATEMENTS



<b>Reconciliation of Deferred tax Liabilities (Net)</b>		<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
<b>Balance at the beginning of the year</b>	<b>4,507.81</b>	4,873.81
Deferred Tax recognised in Statement of Profit and Loss - Expense / (Gain)	<b>(1,674.25)</b>	(366.00)
<b>Balance at the end of the year</b>	<b>2,833.56</b>	4,507.81

<b>Components of Tax Expenses</b>		<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
<b>(i) Profit or Loss Section</b>		
<b>Current Tax</b>		
Current Income Tax charge	-	-
Current Tax adjustments of earlier years	-	(0.25)
<b>Deferred Tax</b>		
Relating to the origination and reversal of temporary differences	<b>(1,647.91)</b>	(485.72)
<b>Total Tax Expenses recognised in Profit or Loss section</b>	<b>(1,647.91)</b>	(485.97)
<b>(ii) Other Comprehensive Income Section</b>		
Current Tax credit on remeasurement losses on defined benefit obligations, net	<b>(26.34)</b>	119.72
<b>Total Tax Credit to OCI</b>	<b>(26.34)</b>	119.72
<b>(iii) Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)</b>	<b>(1,674.25)</b>	(366.25)

Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarised below:

<b>Particulars</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
Accounting Profit before Tax (including OCI)	<b>(6,845.54)</b>	2,543.03
Corporate Tax Rate %	<b>25.168%</b>	25.168%
<b>Computed Tax Expense</b>	<b>(1,722.89)</b>	640.03
Increase/(reduction) in taxes on account of:		
Tax adjustments of earlier years [(Refer Note (i) below)]	-	(0.25)
Non-deductible expenses	<b>(103.68)</b>	55.67
Tax Expenses related to Capital Gains	-	-
Additional allowance / deductions for tax purposes	<b>152.32</b>	(1,061.70)
<b>Tax Expenses recognised in the Statement of Profit and Loss</b>	<b>(1,674.25)</b>	(366.25)

*Note: Tax adjustments of earlier years represent amount provided for / written back based on recent assessment orders or completion of filing return of income before the due dates.*



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 28

#### OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Deferred Government Grants	5,078.75	–
Deferred Revenue	57.02	57.61
<b>Total</b>	<b>5,135.77</b>	<b>57.61</b>

Notes: i) *Deferred Government Grants comprises of fair value of Industrial Promotion Assistance (IPA) provided by Government of Tamilnadu towards creation of infrastructure facilities is recognised as "Grant Income" over the usefull life of underlying PPE.*

ii) *Deferred Revenue represents the receipt of upfront lease consideration which is recognised on operating lease basis i.e. on straight line basis over the lease term arrangement.*

### NOTE NO. 29

#### CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Secured</b>		
Loan from Banks	29,206.55	26,923.53
Loan from Others	6,000.00	1,450.00
Current Maturities of Long Term Loans	11,245.37	9,694.13
<b>Unsecured</b>		
Loan from Banks	10,530.52	19,618.26
Loans and Advances from Related Parties [Refer to Note No.50 (b) (ii)]	702.28	602.62
Current Maturities of Long Term Loans	–	261.71
<b>Total</b>	<b>57,684.72</b>	<b>58,550.25</b>

Notes: (i) *Short term Borrowings from banks (other than Current maturities of Long term Borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future.*

(ii) *Loan from Others relates to borrowings availed from NBFC and it is secured by pledging of investment in equity shares.*

(iii) *No Short term Borrowings from banks (other than Current maturities of Long term Borrowings) are secured by way of sub servient charge on the Current Assets of the Company.*

(iv) *The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.*

(v) *The Company has used the borrowings from banks for the specific purpose for which it was taken as at the reporting date.*

(vi) *Refer to Note No. 53 for information about risk profile of borrowings under Financial Risk Management.*

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### NOTE NO. 30

LEASE LIABILITIES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Lease Liabilities [Refer to Note No. 48]	9.13	5.84
<b>Total</b>	<b>9.13</b>	<b>5.84</b>

### NOTE NO. 31

TRADE PAYABLES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Dues of micro enterprises and small enterprises	134.48	205.39
Dues of creditors other than micro enterprises and small enterprises	2,807.52	2,160.35
<b>Total</b>	<b>2,942.00</b>	<b>2,365.74</b>

- Notes: (i) The disclosures as per the requirements of The Micro, Small and Medium Enterprises Development Act, 2006 are furnished in Note No. 54.
- (ii) Refer to Note No. 53 for information about risk profile of Trade payables under Financial Risk Management.
- (iii) Trade Payables aging schedule given in Note No. 55 (a).

### NOTE NO. 32

OTHER CURRENT FINANCIAL LIABILITIES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Interest Accrued	475.57	475.39
Unclaimed Dividends	13.28	26.11
PACR Memorial Fund	138.40	138.40
Advance received from Customers	103.00	103.00
Payables for Capital Goods	116.97	652.41
Statutory Liabilities Payable	1,163.37	1,056.17
Financial Guarantee Contracts	295.14	282.60
Derivatives Designated as Hedges - Foreign Exchange Forward Contract	192.55	150.87
Other payables	210.62	145.20
<b>Total</b>	<b>2,708.90</b>	<b>3,030.15</b>

- Notes: (i) Unclaimed dividends represents amount not due for transfer to Investor Education and Protection Fund.
- (ii) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 33

#### PROVISIONS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Provision for Employee Benefits	1,573.04	1,458.74
Provision for Compensated absences [Refer to Note No. 47]	364.41	329.68
Other Provision for		
- Sales and Administrative Expenses	590.55	622.99
- Electricity Charges	427.39	409.12
- Other Expenses	32.44	27.48
<b>Total</b>	<b>2,987.83</b>	<b>2,848.01</b>

Notes: (i) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.

(ii) Movement in Provisions for compensated absences.

Particulars	31-03-2025	31-03-2024
Carrying amount at the beginning of the year	329.68	282.31
Add: Current Service Cost	61.87	51.57
Add: Interest Cost	19.30	18.76
Add: Actuarial Loss	60.03	25.98
Less: Benefits paid	(106.47)	(48.94)
Carrying amount at the end of the year	364.41	329.68

### NOTE NO. 34

#### REVENUE FROM OPERATIONS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Sale of Products</b>		
Yarn	64,461.09	65,696.57
Fabrics	24,136.99	19,082.18
Waste Cotton	578.34	749.22
	<b>89,176.42</b>	<b>85,527.97</b>
<b>Other Operating Revenue</b>		
Export Incentive	201.35	50.75
Scrap Sales	18.77	79.59
Job Work Charges Received	451.25	197.55
<b>Total</b>	<b>89,847.79</b>	<b>85,855.86</b>



## NOTES TO SEPARATE FINANCIAL STATEMENTS

Notes: (i) The disaggregation of revenue as required under Ind AS 115 is given below (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Gross Revenue from Operations	93,382.32	89,851.22
Less: Rebates & Discounts	265.00	95.10
Less: GST	3,269.53	2,726.17
<b>Sub-Total</b>	<b>89,847.79</b>	<b>87,029.95</b>
Less: Revenue netted off with Trail run expenses	-	1,174.09
Revenue from Operations (net of GST)	<b>89,847.79</b>	<b>85,855.86</b>

### NOTE NO. 35

OTHER INCOME (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Interest Receipts	636.03	564.04
Rent Receipts	32.22	31.72
Dividend Income	867.27	724.31
Exchange Gain on Foreign Currency Transactions (Net)	166.38	-
Government Grants	128.67	-
Profit on Sale of Cotton	487.39	247.80
Miscellaneous Income	240.24	156.13
<b>Total</b>	<b>2,558.20</b>	<b>1,724.00</b>

### NOTE NO. 36

COST OF MATERIALS CONSUMED (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Raw materials Consumed</b>		
Cotton & Cotton Waste Consumed for Yarn Production	37,239.62	39,098.75
Yarn Consumed for Fabric Production	10,105.76	6,304.82
<b>Total</b>	<b>47,345.38</b>	<b>45,403.57</b>

### NOTE NO. 37

PURCHASES OF STOCK-IN-TRADE (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Purchases of Stock-in-Trade	2,490.63	4,651.67
<b>Total</b>	<b>2,490.63</b>	<b>4,651.67</b>



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 38

#### CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
<b>Opening stock</b>				
Finished Goods	5,165.43		6,294.03	
Work-in-Progress	8,252.64	13,418.07	7,535.91	13,829.94
Add: Value of Stock transferred from Trial Run		-		594.59
		13,418.07		14,424.53
<b>Closing Stock</b>				
Finished Goods	5,868.79		5,165.43	
Work-in-Progress	5,288.35	11,157.14	8,252.64	13,418.07
<b>Net (Increase) / Decrease in Stock</b>		<b>2,260.93</b>		<b>1,006.46</b>

### NOTE NO. 39

#### EMPLOYEE BENEFITS

(₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
<b>For Employees Other than Managing Director</b>				
Salaries, Wages and Bonus	10,032.69		8,562.76	
Contribution to Provident and Other Funds	1,163.76		1,003.85	
Staff and Labour Welfare & Training Expenses	790.34		639.68	
Voluntary Retirement Compensation	9.46	11,996.25	-	10,206.29
<b>For Managing Director</b>				
Managing Director Remuneration	240.00		240.00	
Contribution to Provident and Other Funds	7.50		7.50	
Sitting Fees	1.60	249.10	3.20	250.70
<b>Total</b>		<b>12,245.35</b>		<b>10,456.99</b>

Note: Refer to Note No.47 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.

### NOTE NO. 40

#### FINANCE COSTS

(₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
Interest on Debts and Borrowings		8,756.27		7,208.48
Interest expense on lease liabilities [Refer to Note No. 48]		24.69		24.89
Exchange differences on Foreign Currency Borrowings regarded as an adjustment to Borrowing cost		308.94		169.64
<b>Total</b>		<b>9,089.90</b>		<b>7,403.01</b>

Notes: (i) Interest on Term Loans represent interest calculated using the effective interest rate method.

(ii) The above Finance Costs is net of capitalised portion of ₹ 87.20 Lakhs (PY: ₹ 1,307.57 Lakhs) attributable to the qualifying assets / Capital work-in-progress.

(iii) Refer to Note No. 53 for information about interest rate risk exposure under Financial Risk Management.

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### NOTE NO. 41

#### DEPRECIATION AND AMORTISATION EXPENSE (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Depreciation of Plant, Property and Equipment [Refer to Note No. 7]	7,422.05	6,614.39
Depreciation on Investment Properties [Refer to Note No. 9]	0.23	0.24
Amortization of Intangible Assets [Refer to Note No. 10]	112.00	118.50
<b>Total</b>	<b>7,534.28</b>	<b>6,733.13</b>

### NOTE NO. 42

#### OTHER EXPENSES (₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
<b>Manufacturing Expenses</b>				
Power and Fuel	5,961.47		5,317.02	
Packing Materials Consumption	1,128.36		931.95	
Repairs to Buildings	316.07		242.79	
Repairs to Plant and Machinery	2,044.33		1,386.89	
Repairs - Wind Mills & Others	1,842.59		1,406.74	
Mercerising expenses - Yarn Processing	680.87		561.05	
Chemical Consumption - Fabric	1,598.93		904.77	
Job work Charges Paid	653.49	14,226.11	540.24	11,291.45
<b>Establishment Expenses</b>				
Rates and Taxes	423.37		240.38	
Insurance	486.80		431.87	
Postage and Telephone	53.24		43.23	
Printing and Stationery	38.95		36.10	
Travelling Expenses	168.43		160.53	
Vehicle Maintenance	170.07		151.52	
Exchange Loss on Foreign Currency Transactions	-		202.06	
Directors Sitting Fees to Non-Executive Directors	34.40		42.80	
Lease Rent [Refer to Note (ii) below]	46.21		55.13	
Audit Fees and Legal Expenses	39.10		34.94	
Financial Guarantee Expenses	90.00		262.50	
Provision for PACR Memorial Fund	-		5.00	
Corporate Social Responsibility Expenses	13.49		7.31	
Miscellaneous Expenses	291.04	1,855.10	237.44	1,910.81



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 42

OTHER EXPENSES - (Contd.)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024	
<b>Selling Expenses</b>			
Sales Commission	1,048.58	1,248.15	
Export Expenses	509.40	465.62	
Other Selling Expenses	542.90	2,100.88	2,140.46
<b>Total</b>	<b>18,182.09</b>	<b>15,342.72</b>	

Note: (i) The details of CSR Expenditure are disclosed in Note No. 55(j).

(ii) The disclosures pertaining to Lease Rent as required under Ind AS 116 are given in Note No. 48.

### NOTE NO. 43

AUDIT FEES AND EXPENSES (NET OF TAX CREDITS)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Statutory Auditors</b>		
Statutory Audit fee	8.00	8.00
Other Certification Work	7.37	7.76
Reimbursement of Expenses	2.74	2.19
<b>Tax Auditors</b>		
Tax Audit fee	1.25	1.25
<b>Cost Auditor</b>		
Cost Audit fee	2.25	2.25
Reimbursement of Expenses	0.03	0.03
<b>Secretarial Auditor</b>		
Secretarial Audit fee	0.85	0.85
Other Certification Work	0.19	0.75
<b>Total</b>	<b>22.68</b>	<b>23.08</b>

### NOTE NO. 44

COMMITMENTS

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2,047.20	2,834.12
(ii) Other Commitments		
Liability on Letter of Credit opened for Capital Goods	NIL	55.22
Liability on Letter of Credit opened for Cotton / Spares	NIL	NIL
(iii) Representations / Warranties / Indemnities		
Swiggy Limited (Refer Note (i) below)	2,104.74	2,104.74

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### NOTE NO. 44

#### COMMITMENTS - (Contd.)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
(iv) Export Promotion Scheme (Refer Note (ii) below)		
(a) Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and Advance License Scheme for import of raw material.	51,211.74	43,622.80
(b) Duty amount involved under EPCG Scheme	5,324.49	6,443.39
(c) Duty amount involved under Advance License Scheme	4,273.63	3,500.10

Note: (i) The Company has provided representations / warranties / indemnities to Swiggy Limited (Formerly known as Bundl Technologies Private Limited operating under the brand name "Swiggy") with aggregate indemnification liabilities of the Company not to exceed ₹ 2,104.74 lakhs. These obligations are in the connection with the Share Subscription and Purchases Agreement ("SSPA") related to sale and transfer of Company's entire shareholding of 12,15,40,789. equity share held in Lynks Logistics Limited ("Lynks") to "Swiggy", in exchange for 5,85,723 No. of Compulsory Convertible Preference Shares (CCPS) issued by Bundl to the Company.

(ii) Company is availing benefit under EPCG Scheme for import of capital goods and spare parts against obligation to export six times of the duty saved. The export obligation under the EPCG Scheme to be fulfilled on or before the financial year 2030-31. The Company is also importing cotton under Advance License Scheme against obligation to export the yarn / fabrics within 18 months from the date of license. The export obligation under the Advance License Scheme to be fulfilled on or before 30<sup>th</sup> September, 2026.

### NOTE NO. 45

#### CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Guarantees given by the bankers on behalf of company	508.23	413.43
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -		
Income Tax	NIL	NIL
Other demands	456.00	484.04

- i. Income Tax Assessment have been completed upto the Accounting Year ended 31<sup>st</sup> March, 2023 i.e. AY 2023-24.
- ii. Sales Tax / VAT Assessment has been completed upto the Accounting year 2016-17. The Assessment under CST Act was completed upto the Accounting year 2017-18.
- iii. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 456.00 Lakhs (PY: ₹ 484.04 Lakhs). In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 46

FINANCIAL GUARANTEE (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Financial Guarantee given to banks to avail loan facilities by Related parties:</b>		
Sandhya Spinning Mill Limited	16,000.00	13,000.00
<b>Financial Guarantee given to vendors for discharge of liability by Related parties:</b>		
Ramco Systems Limited	1,282.13	1,226.15

Note: a. During the year, the Company has given fresh guarantee of ₹ 30 Crores to Banks to avail loan facilities by Related parties.

b. The loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Company are furnished below:

Particulars	31-03-2025	31-03-2024
Sandhya Spinning Mill Limited	12,925.00	11,375.00

### NOTE NO. 47

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

**Defined Contribution Plan:** (₹ in Lakhs)

Particulars	2024-25	2023-24
Employer's Contribution to Provident Fund	724.86	632.09
Employer's Contribution to Superannuation Fund	83.14	72.68

### Defined Benefit Plan - Gratuity

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Company makes annual contributions to "Rajapalayam Mills Limited Employees' Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an Independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

**NOTES TO SEPARATE FINANCIAL STATEMENTS**



<b>Defined Benefit Plan (Gratuity):</b>		<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>2024-25</b>	<b>2023-24</b>	
<b>Reconciliation of Opening and Closing balances of Present Value of Obligation:</b>			
As at the beginning of the year	<b>1,672.17</b>	1,423.61	
Current Service Cost	<b>144.40</b>	122.71	
Interest Cost	<b>109.92</b>	99.74	
Actuarial Loss/ (Gain)	<b>93.79</b>	133.26	
Benefits paid	<b>(-) 194.63</b>	(-) 107.15	
As at the end of the year	<b>1,825.65</b>	1,672.17	
<b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets</b>			
As at the beginning of the year	<b>1,411.83</b>	1,284.39	
Expected return on plan assets	<b>100.89</b>	94.74	
Actuarial gain / (loss)	<b>0.36</b>	(-) 1.07	
Employer Contribution	<b>261.92</b>	140.92	
Benefits paid	<b>(-) 194.63</b>	(-) 107.15	
As at the end of the year	<b>1,580.37</b>	1,411.83	
<b>Actual Return on Plan Assets</b>			
Expected Return on Plan Assets	<b>100.89</b>	94.74	
Actuarial Gain / (Loss) on Plan Assets	<b>0.36</b>	(-) 1.07	
Actual Return on Plan Assets	<b>101.25</b>	93.67	
<b>Reconciliation of Fair Value of Assets and Obligations:</b>			
Present value of obligation	<b>1,825.65</b>	1,672.18	
Fair value of plan assets	<b>1,580.37</b>	1,411.83	
Difference, Amount recognized in Balance Sheet	<b>245.28</b>	260.35	
<b>Expenses recognized during the year:</b>			
Current Service Cost	<b>144.40</b>	122.71	
Net Interest on Obligations	<b>9.03</b>	5.01	
Expenses recognized in Statement of Profit and Loss	<b>153.43</b>	127.72	
<b>Amount recognized in the Other Comprehensive Income:</b>			
Actuarial changes arising from:			
Experience adjustments on Plan Liabilities	<b>(-) 66.95</b>	(-) 40.95	
Experience adjustments on Plan Assets	<b>0.36</b>	(-) 1.07	
Changes in financial assumptions	<b>(-) 26.83</b>	(-) 92.31	
Changes in demographic assumptions	<b>-</b>	-	
Amount recognized in OCI during the year	<b>(-) 93.43</b>	(-) 134.33	
<b>Investment Details</b>			
Funds with LIC	<b>1,576.29</b>	1,406.37	
Bank Balance	<b>4.08</b>	5.46	
<b>Total</b>	<b>1,580.37</b>	1,411.83	



## NOTES TO SEPARATE FINANCIAL STATEMENTS

Particulars	2024-25	2023-24
<b>Actuarial assumptions:</b>		
LIC 2012-14 Table applied for service mortality rate	Yes	Yes
Discount rate p.a	6.83%	6.98%
Expected rate of Return on Plan Assets p.a.	6.83%	6.98%
Rate of escalation in salary p.a	4.00%	4.00%
Rate of Employee Turnover	0.10%	0.10%

Estimate of Expected Benefit payments	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Year 1	39.89	51.89
Year 2	231.27	146.98
Year 3	224.40	118.05
Year 4	132.34	229.35
Year 5	143.65	141.89
Next 5 Years	609.32	623.39

Quantitative Sensitivity Analysis for Significant Assumptions	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
0.50% Increase in Discount Rate	152.22	134.36
0.50% Decrease in Discount Rate	176.50	155.57
0.50% Increase in Salary Growth Rate	176.85	155.89
0.50% Decrease in Salary Growth Rate	151.83	134.01

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

## NOTES TO SEPARATE FINANCIAL STATEMENTS



Defined Benefit Plan (Leave encashment plan):	(₹ in Lakhs)	
Particulars	2024-25	2023-24
<b>Reconciliation of Opening and Closing balances of Present Value of Obligation:</b>		
As at the beginning of the year	329.68	282.31
Current Service Cost	61.87	51.56
Interest Cost	19.30	18.77
Actuarial Loss	60.03	25.98
Benefits paid	(-) 106.47	(-) 48.94
As at the end of the year	364.41	329.68
<b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:</b>		
As at the beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer Contribution	106.47	48.94
Benefits paid	(-) 106.47	(-) 48.94
As at the end of the year	NIL	NIL
<b>Actual Return of plan assets:</b>		
Expected Return on Plan Assets	NIL	NIL
Actuarial Gain / (Loss) on Plan Assets	NIL	NIL
Actual Return on Plan Assets	NIL	NIL
<b>Reconciliation of Fair Value of Assets and Obligations:</b>		
Fair value of plan assets	NIL	NIL
Present value of obligation	364.41	329.69
Difference, Amount Recognized in Balance Sheet	364.41	329.69
<b>Expenses recognized during the year:</b>		
Current Service Cost	61.87	51.57
Net Interest on obligations	19.30	18.77
Actuarial Loss recognized during the year	60.03	25.98
Expenses recognized in the Statement of Profit & Loss	141.20	96.32
<b>Amount recognized in the Other Comprehensive Income:</b>		
Actuarial changes arising from:		
Experience adjustments on Plan Liabilities	NIL	NIL
Experience adjustments on Plan Assets	NIL	NIL
Changes in financial assumptions	NIL	NIL
Changes in demographic assumptions	NIL	NIL
Amount recognized in OCI during the year	NIL	NIL



## NOTES TO SEPARATE FINANCIAL STATEMENTS

Particulars	2024-25	2023-24
<b>Investment Details</b>		
Funds with LIC	NIL	NIL
Bank Balance	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<b>Actuarial assumptions:</b>		
LIC 2012-14 Table applied for service mortality rate		
Discount rate p.a	6.83%	6.98%
Expected rate of Return on Plan Assets p.a.	NIL	NIL
Rate of escalation in salary p.a	4.00%	4.00%
Rate of Employee Turnover	0.10%	0.10%

Estimate of Expected Benefit payments	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Year 1	6.12	14.66
Year 2	45.38	25.12
Year 3	49.14	24.94
Year 4	21.01	49.18
Year 5	24.36	22.99
Next 5 Years	109.31	112.43

Quantitative Sensitivity Analysis for Significant Assumptions	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
0.50% Increase in Discount Rate	65.61	57.85
0.50% Decrease in Discount Rate	75.48	66.34
0.50% Increase in Salary Growth Rate	75.61	66.46
0.50% Decrease in Salary Growth Rate	65.19	57.72

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### NOTE NO. 48

DISCLOSURES PERTAINING TO IND AS 116 - LEASES

#### COMPANY AS A LESSEE

##### Nature of leasing activities

The Company has entered into operating lease on certain assets i.e land and building. Lease rentals are determined based on agreed terms. There is escalation clause in certain lease agreements after a specified period and no restriction imposed by the lease arrangements.

##### Maturity analysis of Lease Liabilities:

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Not later than one year	33.42	33.42
One to five years	196.07	186.12
More than five years	489.90	533.25
Total Undiscounted lease liabilities as at 31 <sup>st</sup> March	719.39	752.79

Other disclosures as required by Ind AS 116:

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Depreciation charge for Right-of-use asset	43.75	40.97
Interest on lease liabilities	24.69	24.89
Expenses relating to short-term leases	46.21	55.13
Total cash outflow for leases including principal and interest	30.53	89.45
Additions to Right-of-use assets	-	60.99
Carrying amount of Right-of-use assets at 31 <sup>st</sup> March	1,368.84	1,412.59

Note: Expenses relating to Short-term lease include leases whose lease term ends within 12 months from date of initial application and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.

#### COMPANY AS A LESSOR

The Company has entered into operating leases i.e. Land & Building. The Company has not entered into any Finance leases. Future minimum rental receivable under non-cancellable operating leases as at the reporting date is given below:

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Not later than one year	1.32	1.31
One to five years	7.31	6.98
More than five years	4.67	6.32



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 49

#### EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Net profit / (loss) after tax (₹ in Lakhs) (A)	(-) 5,020.47	2,830.30
Weighted average number of Equity shares [In Lakhs] (B)	92.20	92.20
Nominal value per equity share (in ₹)	10	10
Basic & Diluted Earnings per share (A)/(B) (in ₹)	(-) 54.45	30.70

### NOTE NO. 50

#### RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31<sup>st</sup> March, 2025:

#### A) Associates

Name of the Company	Place of Business / Country of Incorporation	% of Shareholding as at	
		31-03-2025	31-03-2024
The Ramco Cements Limited	India	13.61%	13.61%
Ramco Industries Limited	India	13.59%	9.68%
Ramco Systems Limited	India	1.97%	2.07%

#### B) Key Managerial Personnel (including KMP under Companies Act, 2013)

Name	Designation
Shri P.R. Venketrama Raja	Chairman
Smt. P.V. Nirmala Raju	Managing Director
Shri S.S. Ramachandra Raja	Non-Executive Director
Shri A.V. Dharmakrishnan	Non-Executive Director
Shri K.B. Nagendra Murthy	Independent Director (upto 03-08-2024)
Smt. Soundara Kumar	Independent Director
Shri P.V. Abinav Ramasubramniam Raja	Non-Executive Director
Shri P.A.S Alaghar Raja	Independent Director
Shri M. Rathinasamy	Independent Director
Shri Sivaguru Chellappa	Independent Director
Shri N.S. Krishnamma Raja	Independent Director
Shri A. Arulpranavam	Chief Financial Officer
Shri K. Maheswaran	Secretary



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### C) Relatives of Key Managerial Personnel

Name of the Relative of KMP	Relationship
Smt. R. Sudarsanam	Mother of Shri P.R. Venketrama Raja
Smt. Nalina Ramalakshmi	Sister of Shri P.R. Venketrama Raja
Smt. Sharadha Deepa	Sister of Shri P.R. Venketrama Raja
Smt. Byraju Srisandhya Raju	Daughter of Shri P.R. Venketrama Raja

### D) Companies over which KMP / Relatives of KMP exercise significant influence or control

The Ramaraju Surgical Cotton Mills Limited	Ramco Industrial and Technology Services Limited
Sri Vishnu Shankar Mill Limited	Ramco Wind farms Limited
Thanjavur Spinning Mill Limited	Ramco Management Private Limited
Sandhya Spinning Mill Limited	RCDC Securities & Investments Private Limited
Rajapalayam Textile Limited	Sri Harini Media Limited
Lynks Logistics Limited *	

\* Ceased to be a related party w.e.f. 29-08-2023

### E) Employee Benefit Funds where control exists

Rajapalayam Mills Limited Officers' Superannuation Fund
Rajapalayam Mills Limited Employees' Gratuity Fund

### F) Other entities over which there is a significant influence

Smt. Lingammal Ramaraju Shastra Prathishta Trust	PACR Sethurammam Charity Trust
Ramco Welfare Trust	PACR Sethurammam Charities
Raja Charity Trust	PAC Ramasamy Raja Education Charity Trust
Gowri Metal Works LLP	PACR Centenary Trust
Ramco Organic Farming Centre	PACR Rotary Blood Bank



## NOTES TO SEPARATE FINANCIAL STATEMENTS

Disclosure in respect of Related Party Transactions during the year and outstanding balances including commitments as at the reporting date:

**a. Transactions during the year at Arm's length basis or its equivalent**

		(₹ in Lakhs)	
		2024-25	2023-24
<b>i. Goods Supplied / Services rendered</b>			
<b>Associates</b>			
The Ramco Cements Limited		0.10	0.09
Ramco Industries Limited		6,458.43	1,491.44
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited		2,274.75	975.76
Sri Vishnu Shankar Mill Limited		3,774.66	746.15
Sandhya Spinning Mill Limited		4,197.99	2,669.20
Rajapalayam Textile Limited		1,286.66	311.78
<b>Other entities over which there is a significant influence</b>			
Gowrihouse Metal Works LLP		0.76	NIL
<b>ii. Sale of Fixed Assets</b>			
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited		0.16	NIL
Sandhya Spinning Mill Limited		NIL	0.91
<b>Other entities over which there is a significant influence</b>			
Gowrihouse Metal Works LLP		2.00	NIL
<b>iii. Cost of Goods &amp; Services purchased / availed</b>			
<b>Associates</b>			
The Ramco Cements Limited		9.52	12.97
Ramco Industries Limited		4,073.99	3,367.84
Ramco Systems Limited		51.63	47.23
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited		1,022.23	810.74
Sri Vishnu Shankar Mill Limited		3,360.41	1,550.22
Ramco Windfarms Limited		NIL	281.05
Sandhya Spinning Mill Limited		5,902.81	6,359.54
Rajapalayam Textile Limited		716.47	516.87
Shri Harini Media Limited		NIL	1.47
<b>Other entities over which there is a significant influence</b>			
PACR Sethurammam Charity Trust		303.19	270.20
PACR Centenary Trust		12.70	9.59
Gowrihouse Metal Works LLP		0.20	0.57
Ramco Organic Farming Centre		0.11	0.30

## NOTES TO SEPARATE FINANCIAL STATEMENTS



		(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24	
<b>iv. Purchase of Fixed Assets</b>			
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
Rajapalayam Textile Limited	NIL	9.00	
<b>v. Leasing Arrangements - Rent Received</b>			
<b>Associates</b>			
Ramco Industries Limited	8.16	8.33	
Ramco Systems Limited	6.00	3.79	
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited	0.27	68.58	
Sri Vishnu Shankar Mill Limited	0.24	0.04	
Sandhya Spinning Mill Limited	14.62	14.83	
Rajapalayam Textile Limited	0.08	2.36	
<b>Other entities over which there is a significant influence</b>			
PACR Educational Charity Trust	0.35	0.35	
<b>vi. Leasing Arrangements - Rent Paid</b>			
<b>Associates</b>			
The Ramco Cements Limited	0.08	0.08	
Ramco Industries Limited	5.75	6.48	
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited	0.17	68.42	
Sri Vishnu Shankar Mill Limited	3.15	2.95	
Sandhya Spinning Mill Limited	4.87	1.55	
Rajapalayam Textile Limited	0.25	0.12	
<b>Key Managerial Personnel</b>			
Shri P.V. Abinav Ramasubramaniam Raja	7.33	7.33	
<b>Relative of Key Managerial Personnel</b>			
Smt. Sharadha Deepa	1.70	1.70	



## NOTES TO SEPARATE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24
<b>vii. Reimbursement of Expenses Paid / (Received)</b>		
<b>Associates</b>		
The Ramco Cements Limited	60.39	64.32
Ramco Industries Limited	(17.56)	(32.93)
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	(62.43)	(41.36)
Sri Vishnu Shankar Mill Limited	(33.57)	(31.29)
Sandhya Spinning Mill Limited	(50.16)	(50.00)
Rajapalayam Textile Limited	3.23	(4.67)
<b>viii. Dividend Paid</b>		
<b>Key Managerial Personnel</b>		
Shri P.R. Venketrama Raja	11.02	18.37
Smt. P.V. Nirmala Raju	1.05	1.76
Shri P.V. Abinav Ramasubramaniam Raja	14.64	24.40
Shri S.S. Ramachandra Raja	0.18	0.29
Shri A.V. Dharmakrishnan	0.01	0.02
Shri P.A.S. Alaghar Raja	0.04	0.06
Shri N.S. Krishnamma Raja	0.06	0.10
<b>Associates</b>		
The Ramco Cements Limited	0.25	0.42
Ramco Industries Limited	0.96	1.59
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	1.01	1.69
Sri Vishnu Shankar Mill Limited	0.22	0.37
Sandhya Spinning Mill Limited	0.00	0.01
Ramco Management Private Limited	0.02	0.03
<b>Relative of Key Managerial Personnel</b>		
Smt. R. Sudarsanam	0.64	1.01
Late Smt. R. Chittammal	NIL	1.03
Smt. R. Nalina Ramalakshmi	0.05	0.08
Smt. Sharadha Deepa	0.08	0.14
Smt. Byrraju Sri Sandhya Raju	0.12	0.21
Smt. A. Ramalakshmi	0.52	0.39
Smt. J. Sethulakshmi	0.53	0.40

## NOTES TO SEPARATE FINANCIAL STATEMENTS



		(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24	
<b>ix. Dividend Received</b>			
<b>Associates</b>			
The Ramco Cements Limited	804.23	640.25	
Ramco Industries Limited	63.01	84.02	
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited	NIL	0.02	
<b>x. Investment in / (Sale) of Shares</b>			
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited (Equity)	NIL	3.71	
Lynks Logistics Limited (Preference)	NIL	(80.00)	
<b>xi. Sale of Investment in Associates</b>			
<b>Relative of Key Management Personnel</b>			
Smt. Sharadha Deepa	NIL	2,490.40	
<b>xii. Purchase of Investment in Associates</b>			
<b>Associates</b>			
The Ramco Cements Limited *	7,869.98	NIL	
<b>Relative of Key Management Personnel</b>			
Smt. R. Nalina Ramalakshmi #	NIL	1,503.51	
* Purchase of Ramco Industries Limited Shares			
# Purchase of Ramco Cements Limited Shares			
<b>xiii. Interest Paid / (Received)</b>			
<b>Key Managerial Personnel</b>			
Shri P.R. Venketrama Raja	4.72	0.34	
Smt. P.V. Nirmala Raju	3.94	3.99	
Shri P.V. Abinav Ramasubramaniam Raja	0.20	0.25	
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited	(87.88)	(88.12)	
Lynks Logistics Limited	NIL	(49.67)	
Thanjavur Spinning Mill Limited	38.43	36.61	



## NOTES TO SEPARATE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24	
<b>xiv. Director's Sitting Fees</b>			
<b>Key Managerial Personnel</b>			
Shri P.R. Venketrama Raja	3.60	3.60	
Smt. P.V. Nirmala Raju	1.60	3.20	
Shri S.S. Ramachandra Raja	2.40	2.00	
Shri N.K. Ramasuwami Raja	NIL	6.40	
Shri A.V. Dharmakrishnan	5.20	6.80	
Justice Shri P.P.S. Janarthana Raja	NIL	8.00	
Shri V. Santhanaraman	NIL	2.80	
Shri K.B. Nagendra Murthy	1.60	5.20	
Smt Soundara Kumar	2.40	2.40	
Shri P.V. Abinav Ramasubramaniam Raja	2.80	2.80	
Shri P.A.S Alaghar Raja	2.40	2.80	
Shri M. Rathinasamy	4.80	NIL	
Shri N.S. Krishnamma Raja	4.00	NIL	
Shri Sivaguru Chellappa	5.20	NIL	
<b>xv. Remuneration to Key Managerial Personnel (Other than Sitting Fees)</b>			
<b>Key Managerial Personnel</b>			
Smt. P.V. Nirmala Raju, Managing Director	247.50	247.50	
Shri A. Arulpranavam, Chief Financial Officer	23.99	19.90	
Shri B. Gnanagurusamy, Chief Financial Officer (Upto 30-09-2023)	NIL	32.85	
Shri K. Maheswararan, Secretary (From 09-01-2024)	16.41	4.76	
<b>xvi. CSR / Donation given</b>			
<b>Other entities over which there is a significant influence</b>			
PACR Education Charity Trust	0.73	1.05	
<b>xvii. Contribution to Superannuation Fund / Gratuity Fund</b>			
<b>Other entities over which there is a significant influence</b>			
Rajapalayam Mills Limited Officers' Superannuation Fund	83.14	72.68	
Rajapalayam Mills Limited Employees' Gratuity Fund	246.85	262.05	
<b>xviii. Maximum amount of loans and advance / (borrowings) outstanding during the year</b>			
<b>Key Managerial Personnel</b>			
Shri P.R. Venketrama Raja	(250.00)	(144.01)	
Smt. P.V. Nirmala Raju	(85.06)	(81.52)	
Shri P.V. Abinav Ramasubramaniam Raja	(3.02)	(4.29)	
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited	950.00	950.00	
Thanjavur Spinning Mill Limited	(545.50)	(518.00)	

## NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

	2024-25	2023-24
<b>b. Outstanding balance including commitments</b>		
<b>i. Loans and advances</b>		
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	950.00	950.00
<b>ii. Borrowings:</b>		
<b>Key Managerial Personnel</b>		
Shri P.R. Venketrama Raja	154.25	0.08
Smt. P.V. Nirmala Raju	0.07	81.52
Shri P.V. Abinav Ramasubramaniam Raja	2.47	3.02
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
Thanjavur Spinning Mill Limited	545.50	518.00
<b>iii. Corporate Guarantee given to lender of Related parties</b>		
<b>Associates</b>		
Ramco Systems Limited	1,282.13	1,226.15
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
Sandhya Spinning Mill Limited	16,000.00	13,000.00
Notes: (a) These Guarantees have been given as an additional security.		
(b) The loan balance with Banks by the related parties, on the strength of the above Corporate Guarantees given by the Company are furnished below:		
Sandhya Spinning Mill Limited	12,925.00	11,375.00

(₹ in Lakhs)

<b>Particulars</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
Short - Term Benefits <sup>[1]</sup>	279.62	295.39
Defined Contribution Plan <sup>[2]</sup>	9.89	11.97
Defined Benefit Plan / Other Long-Term Benefits <sup>[3]</sup>	-	0.85
<b>Total</b>	<b>289.51</b>	<b>308.21</b>

1 It includes bonus, sitting fees, and value of perquisites.

2 It includes contribution to Provident fund and Superannuation fund.

3 As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above. However, amount paid towards compensated absence is included whenever Company makes such payment to KMPs.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 51

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2025

(₹ in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024
<b>REVENUE</b>						
External Sales / Other Operating Income	89,847.79	85,855.86	-	-	89,847.79	85,855.86
Inter Segment Sale			4,312.61	4,376.96	4,312.61	4,376.96
<b>Total</b>	<b>89,847.79</b>	85,855.86	<b>4,312.61</b>	4,376.96	<b>94,160.40</b>	90,232.82
Other Income	1,490.26	744.42	-	-	1,490.26	744.42
<b>Total Revenue</b>	<b>91,338.05</b>	86,600.28	<b>4,312.61</b>	4,376.96	<b>95,650.66</b>	90,977.24
<b>RESULT</b>						
Segment Profit / (Loss)	(916.91)	727.80	2,196.30	2,277.94	1,279.39	3,005.74
Unallocated Income	-	-	-	-	867.27	724.31
Operating Profit	-	-	-	-	2,146.66	3,730.05
Interest Expenses	-	-	-	-	9,089.90	7,403.01
Interest Income	-	-	-	-	200.67	255.27
Provision for Taxation						
Current Tax	-	-	-	-	-	-
Excess Income Tax Provision related to earlier years withdrawn	-	-	-	-	-	(0.25)
Deferred Tax	-	-	-	-	(1,647.91)	(485.72)
Profit / (Loss) from ordinary activities	-	-	-	-	(5,094.66)	(2,931.72)
Other Comprehensive Income after Tax	-	-	-	-	(150.82)	78.98
Exceptional Items	-	-	-	-	74.19	5,762.02
<b>Total Comprehensive Income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,171.29)</b>	<b>2,909.28</b>
<b>OTHER INFORMATION</b>						
Segment Assets	1,64,892.03	161,247.80	3,878.61	4,296.19	1,68,770.64	1,65,543.99
Unallocated Assets	-	-	-	-	2,140.04	4,211.52
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,70,910.68</b>	169,755.51
Segment Liabilities	8,647.86	8,249.73	-	-	8,647.86	8,249.73
Unallocated Liabilities	-	-	-	-	1,19,205.63	113,221.98
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,27,853.49</b>	121,471.71
Capital Expenditure	2,422.10	9,816.85	-	-	2,422.10	9,816.85
Unallocated Capital Expenditure					-	-
Depreciation	7,116.71	6,314.41	417.57	418.72	7,534.28	6,733.13
Unallocated Depreciation Expenditure	-	-	-	-	-	-
Non-Cash expenses other than Depreciation	-	-	-	-	-	-



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 52

#### DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>As at 31-03-2025</b>					
<b>Financial Assets</b>					
Other Investments	1,148.46	–	41.57	1,190.03	1,190.03
Loans and Advances	950.00	–	–	950.00	950.00
Trade Receivables	18,324.67	–	–	18,324.67	18,324.67
Cash and Bank Balances	610.55	–	–	610.55	610.55
Other Financial Assets	6,341.25	–	–	6,341.25	6,341.25
<b>Financial Liabilities</b>					
Borrowings	1,10,755.45	–	–	1,10,755.45	1,10,755.45
Lease Liabilities	489.98	–	–	489.98	489.98
Trade Payables	2,492.00	–	–	2,492.00	2,492.00
Other Financial Liabilities	2,708.90	–	–	2,708.90	2,708.90
<b>As at 31-03-2024</b>					
<b>Financial Assets</b>					
Other Investments	1,148.46	–	2,113.05	3,261.51	3,261.51
Loans and Advances	950.00	–	–	950.00	950.00
Trade Receivables	16,769.31	–	–	16,769.31	16,769.31
Cash and Bank Balances	612.97	–	–	612.97	612.97
Other Financial Assets	2,680.66	–	–	2,680.66	2,680.66
<b>Financial Liabilities</b>					
Borrowings	1,08,166.57	–	–	1,08,166.57	1,08,166.57
Lease Liabilities	495.82	–	–	495.82	495.82
Trade Payables	2,365.74	–	–	2,365.74	2,365.74
Other Financial Liabilities	3,030.15	–	–	3,030.15	3,030.15

#### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments and investment properties by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Instruments at FVTOCI</b>				
<b>Investments in listed equity securities</b>				
As at 31-03-2025	14.80	–	–	14.80
As at 31-03-2024	10.95	–	–	10.95
<b>Investment in unlisted securities</b>				
As at 31-03-2025	–	–	1,175.22	1,175.22
As at 31-03-2024	–	–	1,217.66	1,217.66
<b>Financial Instruments at FVTPL</b>				
Foreign exchange forward contracts				
As at 31-03-2025 (Liability)	–	192.55	–	192.55
As at 31-03-2024 (Asset)	–	135.21	–	135.21

### Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at reporting date in Stock Exchange.
Investment in Unlisted securities	Adjusted Net Assets	Net Assets value as per Balance Sheet of respective Companies as at reporting date.
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker.
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker.

### NOTE NO. 53

#### FINANCIAL RISK MANAGEMENT

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk



## NOTES TO SEPARATE FINANCIAL STATEMENTS

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

### Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

### Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

Particulars	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
<b>As at 31-03-2025</b>					
Gross carrying amount	10,387.96	3,315.96	4,481.29	139.46	18,324.67
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	-	-	-	-	-
Carrying amount of trade receivables net of impairment	10,387.96	3,315.96	4,481.29	139.46	18,324.67
<b>As at 31-03-2024</b>					
Gross carrying amount	10,503.84	1,959.89	4,199.67	105.91	16,769.31
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	-	-	-	-	-
Carrying amount of trade receivables net of impairment	10,503.84	1,959.89	4,199.67	105.91	16,769.31

### Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

### Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows.



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### Fund Management

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

### Financial arrangements

The Company has access to the following undrawn borrowing facilities: (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Expiring within one year</b>		
Bank Overdraft and other facilities	51,800.32	29,576.49
Term Loans	1,700.00	3,737.12
<b>Expiring beyond year</b>		
Term Loans	-	-

### Maturities of Financial Liabilities

(₹ in Lakhs)

Nature of Financial Liability	< 1 Year	1 - 5 Years	> 5 years	Total
<b>As at 31-03-2025</b>				
Borrowings from Banks / Relates parties	57,684.72	49,317.84	3,752.89	1,10,755.45
Trade payables	2,942.00	-	-	2,942.00
Other Financial Liabilities (Incl. Interest)	2,708.90	-	-	2,708.90
<b>As at 31-03-2024</b>				
Borrowings from Banks / Relates parties	58,550.25	42,764.33	6,851.99	1,08,166.57
Trade payables	2,365.74	-	-	2,365.74
Other Financial Liabilities (Incl. Interest)	3,030.15	-	-	3,030.15

### Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contracts / packing credit in foreign currency which acts as natural hedge against export receivable. The Company enters the above transactions, after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company uses derivative financial instruments viz. Foreign Exchange Forward Contracts exclusively for hedging currency risks that arise from imports / exports transactions. The Company measures the risk by forecasting foreign currency cash flows and manages its currency risks by appropriately hedging the transactions. When a forward contract is entered into for the purpose of being a hedge, the Company finalizes the terms of those forward contracts to match the terms of the hedged exposure i.e. receivables / payables / Firm Commitments. All identified exposures are managed as per the policy duly approved by the Board of Directors.

## NOTES TO SEPARATE FINANCIAL STATEMENTS



The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities / Firm Commitments as at the end of reporting periods are given below:

**As at 31-03-2025**

(In Millions)

Type	Particulars	USD	Euro	CHF
	<b>Financial Assets / Firm commitments related to Financial Assets</b>			
	(a) Trade Receivables	8.76	0.97	-
<b>Hedged Items</b>	<b>Financial Liabilities / Firm Commitments related to Financial Liabilities</b>			
	(a) Buyers Credit Loan	16.15	-	-
	(b) Contracts for import of materials	6.74	-	-
	(c) Forward for Exports	4.55	4.91	-
	<b>Instruments for hedging the currency risk on Financial Assets</b>			
	(a) PCFC Loan	9.48	2.75	-
<b>Hedging Instruments (Forward contracts)</b>	<b>Instruments for hedging the currency risk on Financial Liabilities</b>			
	(a) Forward contracts for Buyers Credit Loan	16.15	-	-
	(b) Forward contract for imports	6.74	-	-
	(c) Forward Contracts for Exports	3.50	3.10	-

**As at 31-03-2024**

(In Millions)

Type	Particulars	USD	Euro	CHF
	<b>Financial Assets / Firm commitments related to Financial Assets</b>			
	(a) Trade Receivables	10.75	0.85	-
<b>Hedged Items</b>	<b>Financial Liabilities / Firm Commitments related to Financial Liabilities</b>			
	(a) Buyers Credit Loan	13.62	1.98	-
	(b) Contracts for import of materials	5.11	-	0.06
	(c) Forward for Exports	11.13	7.81	-
	<b>Instruments for hedging the currency risk on Financial Assets</b>			
	(a) PCFC Loan	5.50	-	-
<b>Hedging Instruments (Forward contracts)</b>	<b>Instruments for hedging the currency risk on Financial Liabilities</b>			
	(a) Forward contracts for Buyers Credit Loan	13.62	1.98	-
	(b) Forward contract for imports	5.11	-	0.06
	(c) Forward Contracts for Exports	16.27	8.30	-



## NOTES TO SEPARATE FINANCIAL STATEMENTS

The details of foreign currency forward contracts outstanding at the end of the reporting period is given below:

Particulars	Foreign currency (in Lakhs)		Nominal Amount (₹ in Lakhs)	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
USD / INR buy forward	228.83	187.31	19,857.79	15,653.36
USD / INR sell forward	35.00	162.67	3,066.41	13,686.74
EURO / INR buy forward	NIL	19.83	NIL	1,815.71
EURO / INR sell forward	31.02	83.00	2,901.28	7,723.39
CHF / INR buy forward	NIL	0.60	NIL	56.40

The above forward contracts are having maturity of less than 12 months.

### Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest rate risk exposure		(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024	
Variable rate borrowings	98,506.63	1,08,166.57	
Fixed rate borrowings	12,248.82	-	

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation		(₹ in Lakhs)	
Incremental Interest Cost works out to	31-03-2025	31-03-2024	
1% Increase in Interest Rate	985.07	1,081.67	

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### NOTE NO. 54

DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

The categorization of supplier as MSME registered under the Act under new definition, has been determined based on the information available with the Company as at the reporting date. The Company has also considered suppliers as MSME who possess the erstwhile MSME certificate for the period upto the reporting date, for the purpose of categorization and disclosures. The disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
(a) (i) The Principal amount remaining unpaid to any supplier at the end of the financial year included in -		
Trade Payables	134.48	205.39
Other Current Financial Liabilities	11.18	13.46
(ii) The Interest due on the above	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Act	-	-
(c) The amount of the payment made to the supplier beyond the appointed day during the financial year	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the financial year	-	-
(e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	-	-

### NOTE NO. 55

ADDITIONAL REGULATORY INFORMATION AS REQUIRED UNDER COMPANIES ACT, 2013 / INDIAN ACCOUNTING STANDARDS:

#### a) Trade Payables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 Year	1 – 2 Years	2 - 3 years	> 3 years	
<b>As at 31-03-2025</b>						
MSME	134.48					134.48
Others	2,473.43	318.92	1.13	0.03	-	2,793.51
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	14.01	14.01
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>2,607.91</b>	<b>318.92</b>	<b>1.13</b>	<b>0.03</b>	<b>14.01</b>	<b>2,942.00</b>
<b>As at 31-03-2024</b>						
MSME	205.39	-	-	-	-	205.39
Others	1,571.97	569.53	4.78	0.06	-	2,146.34
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	14.01	14.01
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>1,777.36</b>	<b>569.53</b>	<b>4.78</b>	<b>0.06</b>	<b>14.01</b>	<b>2,365.74</b>



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### b) Capital Work-in-Progress Ageing Schedule (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 – 2 Years	2 - 3 years	> 3 years	
As at 31-03-2025	678.24	181.88	–	–	860.12
As at 31-03-2024	1,479.34	11.16	–	–	1,490.50

Notes: (i) None of the capital-work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(ii) The Company do not have any projects whose activity has been suspended

(iii) The Company has no intangible assets under development.

### c) Trade Receivables Ageing Schedule (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
<b>As at 31-03-2025</b>							
Undisputed Trade receivables - considered good	16,164.77	2,054.66	0.21	0.60	0.36	104.07	18,324.67
Undisputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
<b>Total</b>	<b>16,164.77</b>	<b>2,054.66</b>	<b>0.21</b>	<b>0.60</b>	<b>0.36</b>	<b>104.07</b>	<b>18,324.67</b>
<b>As at 31-03-2024</b>							
Undisputed Trade receivables - considered good	14,531.48	2,132.00	1.40	0.48	0.02	103.93	16,769.31
Undisputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
<b>Total</b>	<b>14,531.48</b>	<b>2,132.00</b>	<b>1.40</b>	<b>0.48</b>	<b>0.02</b>	<b>103.93</b>	<b>16,769.31</b>

### d) Details of Loans Granted to Promoters, Directors, KMPs and related parties: (₹ in Lakhs)

Type of the Borrower	Amount of Loan outstanding as on 31-03-2025	% to the Total Loans and advances in the nature of Loans
The Ramaraju Surgical Cotton Mills Limited (a related party refer to Note No. 50(b)(i))	950.00	100%



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### e) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

### f) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

### g) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable.

h) The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities (intermediaries) with the understanding that the intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

### i) Key Financial Ratios

Particulars	UOM	31-03-2025	31-03-2024	Variation in %
(a) Current Ratio	In multiple	<b>1.15</b>	1.04	10.28
(b) Debt-Equity Ratio	In multiple	<b>2.57</b>	2.24	14.82
(c) Debt Service Coverage Ratio	In multiple	<b>0.61</b>	0.72	(-) 18.25
(d) Return on Equity Ratio	In %	<b>(-) 12%</b>	6%	-
(e) Inventory Turnover Ratio	In Days	<b>128</b>	146	(-) 12.63
(f) Trade receivables Turnover Ratio	In Days	<b>71</b>	70	2.56
(g) Trade payables Turnover Ratio	In Days	<b>11</b>	8	31.62
(h) Net Capital Turnover Ratio	In Days	<b>188</b>	207	(-) 9.29
(i) Net Profit Ratio	In %	<b>(-) 7%</b>	3%	-
(j) Return on Capital Employed	In %	<b>3%</b>	6%	(-) 61.69
(k) Return on Investment (Assets)	In %	<b>3%</b>	2%	-



## NOTES TO SEPARATE FINANCIAL STATEMENTS

---

Formula adopted for above Ratios:

- (a) Current Ratio = Current Assets / (Total Current Liabilities - Security Deposits payable on Demand - Current maturities of Long Term Debt)
- (b) Debt-Equity Ratio = Total Debt / Total Equity
- (c) Debt Service Coverage Ratio = (EBITDA - Current Tax) / (Principal Repayment + Gross Interest)
- (d) Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
- (e) Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
- (f) Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
- (g) Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
- (h) Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio - Trade payables turnover ratio)
- (i) Net Profit Ratio = Net Profit / Net Revenue
- (j) Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
- (k) Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

### **Reasons for Variation if more than $\pm 25\%$ :**

Wherever there is a change in value from negative to positive or vice-versa, the computation of variation will be misleading and hence not computed.

### *Return on Equity, Net Profit Ratio & Return on Investment (Assets):*

The operating margin during the financial year 2023-24 is declined on account of general slowdown in the textile industry and increase in finance cost due to expansion projects which results reduction in Return of Equity, Net Profit Ratio, Return of Capital Employed and Return of Investment Ratio.

### **Trade Payable Turnover Ratio:**

The extended payable is on account of better terms for better working capital management.

## NOTES TO SEPARATE FINANCIAL STATEMENTS



### j) Disclosures related to CSR activities

Particulars	Amount ₹ in Lakhs
Amount required to be spent by the Company during the year	26.27
Amount of expenditure incurred (including set off of ₹ 12.78 Lakhs from the excess spending of previous years, available for set off)	26.27
Shortfall at the end of the year	NIL
Total of previous years shortfall	NIL
Reason for shortfall	NA
Nature of CSR activities	Please refer to Table-A below
Details of related party transactions	Please refer to Table-B below

Note : The Company has not made any provision related to CSR activities for the financial years 2024-25 and 2023-24.

Table – A Nature of CSR activities:

Nature	Amount ₹ in Lakhs
Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare	2.71
Promotion of Education including Special Education and Livelihood Enhancement Projects	3.62
Restoration of Building and Sites of Historical Importance and Works of Art	3.66
Ensuring Environmental Sustainability	3.00
Training to promote Rural Sports, Nationally recognized Sports, Paralympic Sports and Olympic Sports [Clause (vii)]	0.50
<b>Total</b>	<b>13.49</b>

Table – B Details of related party transactions:

Name of the related party	Nature of CSR activities	Amount ₹ in Lakhs
P.A.C. Ramasamy Raja Education Charity Trust	Promotion of Education	0.72



## NOTES TO SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 56

#### EXCEPTIONAL ITEMS

##### **Profit on Sale of Property, Plant & Equipment and Investment Property:**

The Company has sold 59.89 Acres of Land located at Kariseri Village, Tamil Nadu for a sale consideration of ₹ 127.59 Lakhs after adjusting the cost of acquisition of land & land development expenses of ₹ 0.33 Lakhs, the net profit on sale of land was ₹ 127.26 Lakhs (PY: ₹ 338.27 Lakhs).

The Company has sold the old machineries for a sale consideration of ₹ 215.16 Lakhs. The WDV of old machineries was ₹ 268.23 Lakhs. The Company has incurred loss on sale of the above old machineries to the extent of ₹ 53.07 Lakhs (PY: Profit of ₹ 42.56 Lakhs).

The aggregate net profit of ₹ 74.19 Lakhs (PY: ₹ 5,762.02 Lakhs) of above transactions is shown as an Exceptional Items in the Statement of Profit and Loss under the item "Profit on Sale of Property, Plant & Equipment and Investment Property".

### NOTE NO. 57

#### EVENTS AFTER THE REPORTING PERIOD – DISTRIBUTION MADE AND PROPOSED (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Cash Dividends on Equity Shares declared and paid</b>		
Final dividend for the year ended 31 <sup>st</sup> March, 2024: ₹ 0.60 per share (for the year ended 31 <sup>st</sup> March, 2023 ₹ 1/- per share)	55.32	92.20
<b>Proposed Dividends on Equity Shares</b>		
Final dividend for the year ended 31 <sup>st</sup> March, 2025: ₹ 0.50 per share (for the year ended 31 <sup>st</sup> March, 2024 ₹ 0.60 per share)	46.10	55.32

### NOTE NO. 58

#### CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

## NOTES TO SEPARATE FINANCIAL STATEMENTS



Particulars	(₹ in Lakhs)	
	31-03-2025	31-03-2024
Long Term Borrowings	53,070.73	49,616.32
Short Term Borrowings	57,684.72	58,550.25
Less: Cash and Cash Equivalents	122.27	83.85
<b>Net Debt</b> (A)	<b>1,10,633.18</b>	1,08,082.72
Equity Share Capital	922.02	922.02
Other Equity	42,135.17	47,361.78
<b>Total Equity</b> (B)	<b>43,057.19</b>	48,283.80
Total Capital Employed (C) = (A) + (B)	<b>1,53,690.37</b>	1,56,366.52
<b>Capital Gearing Ratio</b> (A) / (C)	<b>72%</b>	69%

The increase in capital gearing ratio as at 31-03-2025 was due to availment of Long term loans / reduction working capital loan. The Capital Gearing Ratio is expected to come down in the forthcoming years, once the Fabric expansion of projects start generating revenue / profits.

There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2025 and 31-03-2024.

As per our report annexed

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

For and on behalf of the Board of Directors

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



---

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



---

## CONSOLIDATED FINANCIAL STATEMENTS



## AUDITORS' REPORT TO SHAREHOLDERS

---

### INDEPENDENT AUDITORS' REPORT

**To the Members of M/s. RAJAPALAYAM MILLS LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the Consolidated Financial Statements of RAJAPALAYAM MILLS LIMITED ("the Company") and the share of profits and total comprehensive income of its associates, comprising of the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the material accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2025, and the consolidated profit/loss, and its consolidated cash flows for the year ended and consolidated changes in the equity on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## AUDITORS' REPORT TO SHAREHOLDERS



S.No.	Key Audit Matter	Auditors' Response
1.	<p><b>Recognition and measurement of deferred taxes</b></p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p><b>Refer to Note No. 5C (iii), (iv), (v) &amp; 6(iv) to the Consolidated Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements.</p>
2.	<p><b>Evaluation of uncertain Tax Position / Other contingent liabilities</b></p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims and other contingent liabilities. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p><b>(Refer to Note No. 44 to the Consolidated Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p> <p>We also reviewed to relevant judgments and the opinions given by the company's advisers, which were relied on by the management for such claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements.</p>



## AUDITORS' REPORT TO SHAREHOLDERS

S.No.	Key Audit Matter	Auditors' Response
3.	<p><b>Existence and impairment of Trade Receivables</b></p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business, the requirements of customers and various contract terms are in place, there is a risk that the carrying values may not reflect of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p><b>(Refer to Note No. 17 to the Consolidated Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements.</p>
4.	<p><b>Evaluation of Carrying value of Non-Current Investments</b></p> <p>The Company has Non-Current Investments in listed associates and other companies, amounting to ₹ 2,05,926.00 lakhs as at 31<sup>st</sup> March 2025 which is 57.31% of the total value of assets of the company. The Company's investments are valued at Cost less any impairment. These investments are assessed for impairment when an indicator of impairment exists. The management</p>	<p><b>Principal Audit Procedures</b></p> <p>We examined the policies and methodologies used by the management to estimate the carrying value of each investment.</p> <p>We evaluated the assessment techniques for forecasting the future cash flows and revenue estimates used by the management to assess the future prospect of the investee companies.</p>

## AUDITORS' REPORT TO SHAREHOLDERS



S.No.	Key Audit Matter	Auditors' Response
	<p>assess annually the existence of impairment indicators of each investment and made necessary changes in the value of such investment as on Balance Sheet date. The processes and methodologies for valuation and identification of impairment in the value of investments of unlisted companies requires application of significant judgment by the Company. The judgment has to be made with respect to the timing, quantity and estimation of future discounted cash flows of the unlisted entities. It involves significant estimates and judgment by the management because of the inherent uncertainty involved in forecasting the investee's future performance and discounting future cash flows. We consider the valuation and assessment of impairment in value of such investments to be significant to the audit, because of the materiality of the value of investments in the consolidated financial statements of the Company and estimates and judgments involved in assessing the various unobservable valuation inputs like estimating the future cash flows. Accordingly, the valuation and assessment of impairment value in such investments of unlisted entities is determined to be key audit matter in our audit of the consolidated financial statements.</p>	<p>We examined the report furnished to us by the management for the valuation of the business to assess the investment value in Companies.</p> <p>We reviewed and compared the estimates made by the management with the externally available industry data.</p>

### **Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

The Company's management and board of directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



## AUDITORS' REPORT TO SHAREHOLDERS

---

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company including its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the Company and of its associates are responsible for assessing the ability of the Company and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Associates are responsible for overseeing the financial reporting process of each entity.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



## AUDITORS' REPORT TO SHAREHOLDERS

---

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness this assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



## AUDITORS' REPORT TO SHAREHOLDERS

---

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of company and such other entities included in the Consolidated Financial Statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The Consolidated Financial Statements include the Company's share of profit after tax of ₹ 7,592.23 Lakhs and total comprehensive income of ₹ 7,370.67 Lakhs for the year ended March 31, 2025 as considered in the Consolidated Audited Financial Statements in respect of all the three associates. The financial results / financial information of two associates have been audited by one of us along with another joint auditor and one associate has been audited by an Independent Auditor, whose reports have been furnished to us by the management and our report on the Consolidated Financial Statements in so far as it relates to the amounts that have been derived from such audited financial statements is solely based on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements/financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



## AUDITORS' REPORT TO SHAREHOLDERS

---

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its associates incorporated in India, none of the Directors of the companies and its associates incorporated in India is disqualified as on March 31, 2025 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", which is based on the auditor's reports of the company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and best of our information and according to the explanations given to us, the remuneration paid to the directors during the current year by the Company and its associates which are incorporated in India is in accordance with the provision of Section 197 (16) of the Act. The remuneration paid to any director by the Company and its associates which are incorporated in India, is not in excess of limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;



## AUDITORS' REPORT TO SHAREHOLDERS

---

In our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associates.
- ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India during the year ended March 31, 2025.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules, 2014, as provide under (a) and (b) above, contain any material mis-statement.
- v. The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act.

As stated in Note No. 57 to the Consolidated Financial Statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act.

## AUDITORS' REPORT TO SHAREHOLDERS

---



- vi. Based on our examination which included test checks and that performed by the respective auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, the company and its associates have used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company and associates as per the statutory requirements for record retention.

For N.A. JAYARAMAN & CO  
Chartered Accountants  
Firm Registration No. 001310S

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNN1611

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQGZ7564

RAJAPALAYAM  
28<sup>th</sup> May, 2025

CHENNAI  
28<sup>th</sup> May, 2025



## AUDITORS' REPORT TO SHAREHOLDERS

### "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2025, we report the following:

Clause (xxi) of The Companies (Auditor's Report) Order (CARO) report of the Company did not include any unfavourable answers or qualifications or adverse remarks. According to the information and explanations given to us, in respect of the following associate companies incorporated in India and included in the consolidated financial statements, we give below details:

S No.	Name of the Company	CIN	Nature of Relationship	Qualifications or Adverse Remarks by the Auditors	Clause Number of the CARO report which is qualified or adverse
1	The Ramco Cements Limited	L26941TN1957PLC003566	Associate	There are no qualifications / adverse remarks by the Auditors	
2	Ramco Industries Limited	L26943TN1965PLC005297	Associate	There are no qualifications / adverse remarks by the Auditors	
3	Ramco Systems Limited	L72300TN1997PLC037550	Associate	There are no qualifications / adverse remarks by the Auditors	

For N.A. JAYARAMAN & CO  
Chartered Accountants  
Firm Registration No. 001310S

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNN1611

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQGZ7564

RAJAPALAYAM  
28<sup>th</sup> May, 2025

CHENNAI  
28<sup>th</sup> May, 2025

## AUDITORS' REPORT TO SHAREHOLDERS

---



### "ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date)

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of Rajapalayam Mills Limited (The Company) as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of the Company and its associate companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Company and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to financial statements of the Company and its associates which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our



## AUDITORS' REPORT TO SHAREHOLDERS

---

audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, based on the test checks conducted by us, the Company and its associate companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over



## AUDITORS' REPORT TO SHAREHOLDERS

---

financial reporting were prima facie operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.A. JAYARAMAN & CO  
Chartered Accountants  
Firm Registration No. 001310S

For SRSV & ASSOCIATES,  
Chartered Accountants  
Firm Registration No. 015041S

T.G. HARISHA  
Partner  
Membership No. 246983  
UDIN: 25246983BMOKNN1611

V. RAJESWARAN  
Partner  
Membership No. 020881  
UDIN: 25020881BMKQGZ7564

RAJAPALAYAM  
28<sup>th</sup> May, 2025

CHENNAI  
28<sup>th</sup> May, 2025



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

	Note No.	As at 31-03-2025	As at 31-03-2024	
<b>I ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	7	93,291.96	98,313.38	
(b) Capital Work-in-progress	8	860.12	1,490.50	
(c) Investment Property	9	6.82	7.05	
(d) Intangible Assets	10	329.53	434.86	
(e) Investment in Associates	11	2,04,735.97	1,90,339.24	
(f) Financial Assets				
Other Investment	12	1,190.03	3,261.51	
Loans	13	950.00	950.00	
Other Financial Assets	14	4,191.13	1,448.73	
(g) Other Non-Current Assets	15	559.34	946.14	2,97,191.41
<b>(2) Current Assets</b>				
(a) Inventories	16	30,463.74	32,392.10	
(b) Financial Assets				
Trade Receivables	17	18,324.67	16,769.31	
Cash and Cash Equivalents	18	122.27	83.85	
Bank Balance other than Cash and Cash Equivalents	19	488.28	529.12	
Other Financial Assets	20	2,150.12	1,231.93	
(c) Current Tax Asset (Net)	21	186.35	164.94	
(d) Other Current Assets	22	1,442.66	3,271.74	54,442.99
<b>TOTAL ASSETS</b>		<b><u>3,59,292.99</u></b>	<b><u>3,51,634.40</u></b>	
<b>II EQUITY &amp; LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital	23	920.41	920.41	
(b) Other Equity	24	2,30,519.10	2,29,242.28	
<b>Total Equity</b>		<b>2,31,439.51</b>	<b>2,30,162.69</b>	
<b>(2) Liabilities</b>				
<b>A) Non Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	25	53,070.73	49,616.32	
(ii) Lease Liabilities	26	480.85	489.98	
(b) Deferred Tax Liabilities (Net)	27	2,833.56	4,507.81	
(c) Other Non-Current Liabilities	28	5,135.77	57.61	54,671.72
<b>B) Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	29	57,684.72	58,550.25	
(ii) Lease Liabilities	30	9.13	5.84	
(iii) Trade Payables	31			
(a) Total outstanding dues of micro enterprises and small enterprises		134.48	205.39	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,807.51	2,160.35	
(iv) Other Financial Liabilities	32	2,708.90	3,030.15	
(b) Provisions	33	2,987.83	2,848.01	66,799.99
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>3,59,292.99</u></b>	<b><u>3,51,634.40</u></b>	

Material Accounting Policies, Judgements and Estimates  
See accompanying notes to the financial statements

1 - 6  
7 - 57

As per our report annexed

For and on behalf of the Board of Directors

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025



(₹ in Lakhs)

	Note No.	For the year ended 31-03-2025	For the year ended 31-03-2024
<b>INCOME</b>			
I	34	89,847.79	85,855.86
II	35	1,690.96	999.74
III		<u>91,538.75</u>	<u>86,855.60</u>
<b>IV EXPENSES</b>			
	36	47,345.38	45,403.57
	37	2,490.63	4,651.67
	38	2,260.93	1,006.46
	39	12,245.35	10,456.99
	40	9,089.90	7,403.01
	41	7,534.28	6,733.13
	42	18,182.09	15,342.72
		<u>99,148.56</u>	<u>90,997.55</u>
V		(7,609.81)	(4,141.95)
<b>VI Exceptional Items [Refer to Note No. 56]</b>			
		-	2,357.34
	74.19	74.19	380.83
VII		<u>(7,535.62)</u>	<u>(1,403.78)</u>
<b>VIII Tax Expenses / (Savings)</b>			
	27	-	-
		-	(0.25)
	(1,647.91)	(1,647.91)	(485.72)
		<u>(1,647.91)</u>	<u>(485.97)</u>
IX		<u>(5,887.71)</u>	<u>(917.81)</u>
<b>X Share of Net Profit After Tax (PAT) of Associates accounted for using the equity method</b>			
		7,592.23	5,354.23
XI		<u>1,704.52</u>	<u>4,436.42</u>
<b>XII Other Comprehensive Income</b>			
Item that will not be reclassified to Profit or Loss :			
		(93.43)	(134.33)
		(83.73)	333.03
		-	-
	(26.34)	(26.34)	119.72
		(150.82)	78.98
		(221.56)	1,567.97
		<u>(372.38)</u>	<u>1,646.95</u>
XIII		<u>1,332.14</u>	<u>6,083.37</u>
<b>XIV Earnings per Equity Share of face value of ₹ 10/- each</b>			
		18.52	48.20
	1 - 6		
	7 - 57		

As per our report annexed

For and on behalf of the Board of Directors

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

**A. Equity Share Capital [Refer to Note No. 23]** (₹ in Lakhs)

(1) For the year ended 31-03-2025	
Balance as at 01-04-2024	920.41
Changes in Equity Share Capital during the year 2024-25	-
Less: Treasury Shares adjustment	-
Balance as at 31-03-2025	920.41
(2) For the year ended 31-03-2024	
Balance as at 01-04-2023	920.41
Changes in Equity Share Capital during the year 2023-24	-
Less: Treasury Shares adjustment	-
Balance as at 31-03-2024	920.41

Note: Treasury Shares adjustment computed based on holding through fellow associates.

**B. Other Equity [Refer to Note No. 24]**

**(1) For the year ended 31-03-2025**

Particulars	Reserves and Surplus			Items of OCI		Total Other Equity			
	Capital Reserve	Capital Reserve on Consolidation	Security Premium	General Reserve	Retained Earnings		FVTOCI Equity Instruments	Re-measurements of Defined Benefits Obligations	Share of OCI of Associates
Other Equity as at 01-04-2024	3.75	1,02,168.39	11,702.02	85,976.29	27,857.55	(76.40)	-	1,610.68	2,29,242.28
Financial year 2024-25									
Add: Profit for the year	-	-	-	-	1,704.52	-	-	-	1,704.52
Add: Other Comprehensive Loss	-	-	-	-	-	(57.39)	(93.43)	(221.56)	(372.38)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,704.52</b>	<b>(57.39)</b>	<b>(93.43)</b>	<b>(221.56)</b>	<b>1,332.14</b>
Less: Dividend Distribution to Shareholders	-	-	-	-	(55.32)	-	-	-	(55.32)
Less: Transfer to Retained Earnings	-	-	-	-	-	15.60	93.43	-	109.03
Add: Transfer from OCI	-	-	-	-	(109.03)	-	-	-	(109.03)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>3.75</b>	<b>1,02,168.39</b>	<b>11,702.02</b>	<b>85,976.29</b>	<b>29,397.72</b>	<b>(118.19)</b>	<b>-</b>	<b>1,389.12</b>	<b>2,30,519.10</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

**(2) For the year ended 31-03-2024**

Particulars	Reserves and Surplus				Items of OCI			Total Other Equity	
	Capital Reserve	Capital Reserve on Consolidation	Security Premium	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Obligations		Share of OCI of Associates
Other Equity as at 01-04-2023	3.75	1,03,952.21	11,702.02	83,976.29	23,507.89	66.24	-	42.71	2,23,251.11
Financial year 2023-24									
Add: Profit for the year	-	-	-	-	4,436.42	-	-	-	4,436.42
Add: Other Comprehensive Income / (Loss)	-	-	-	-	-	213.31	(134.33)	1,567.97	1,646.95
<b>Total Comprehensive Income</b>	-	-	-	-	<b>4,436.42</b>	<b>213.31</b>	<b>(134.33)</b>	<b>1,567.97</b>	<b>6,083.37</b>
Less: Dividend Distribution to Shareholders	-	-	-	-	(92.20)	-	-	-	(92.20)
Less: Transfer to Retained Earnings - sale of investments in Associates	-	(1,783.82)	-	-	1,783.82	-	-	-	-
Less: Transfer to Retained Earnings	-	-	-	-	-	(355.95)	134.33	-	(221.62)
Add: Transfer from OCI	-	-	-	-	221.62	-	-	-	221.62
Add: Transfer to General Reserve	-	-	-	-	(2,000.00)	-	-	-	(2,000.00)
Add: Transfer from Retained Earnings	-	-	-	2,000.00	-	-	-	-	2,000.00
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>3.75</b>	<b>1,02,168.39</b>	<b>11,702.02</b>	<b>85,976.29</b>	<b>27,857.55</b>	<b>(76.40)</b>	<b>-</b>	<b>1,610.68</b>	<b>2,29,242.28</b>

As per our report annexed

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 020881  
Chennai

For and on behalf of the Board of Directors

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before Exceptional items and Tax	(7,609.81)	(4,141.95)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Amortisation	7,534.28	6,733.13
Finance Costs	9,089.90	7,403.01
Interest Income	(636.03)	(564.04)
Dividend Income	(0.03)	(0.05)
Deferred Revenue / Government Grants	(207.98)	–
Rent Receipts from Investment Properties	(6.00)	(3.79)
Fair Value movement and Financial Guarantee obligation	15.84	261.38
Operating Profit before Working capital Changes	8,180.17	9,687.69
Movements in Working Capital		
Trade Receivables	(1,555.36)	(849.81)
Loans and Advances	455.95	(379.93)
Unutilised Tax Credit - Indirect Tax	1,822.68	1,357.37
Inventories	1,928.36	3,960.90
Trade Payables & Current Liabilities	753.69	1,154.27
Cash generated from Operations	11,585.49	14,930.49
Direct Taxes Paid (Net)	(21.41)	(84.73)
<b>Net Cash generated from Operating Activities</b>	A <b>11,564.08</b>	<b>14,845.76</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Property, Plant and Equipment, Intangible Asset & Investment property (Including Capital work-in-progress, Capital Advance and payable for Capital Goods), (including interest capitalised for ₹ 87.20 Lakhs (PY: ₹ 1,307.57 Lakhs).	(2,422.10)	(9,816.85)
Government Grants received - related to acquisition of fixed assets	1,368.72	350.00
Inter-Corporate Loans (Given) / Received	–	1,420.00
Proceeds from Sales of Equity Shares of Associates	–	5,471.38
Proceeds from Sale of Investments	1,991.46	–
Acquisition of Preference Shares - Related Party	–	(1,540.45)
Acquisition of Equity Shares including Share Application money - Related Party	(7,893.31)	(1,511.68)
Subscribed for Equity Shares including Share Application money for purchase of solar power under Group Captive Arrangement	–	(840.89)
Proceeds from Sale of Assets / Investment Property	342.76	509.65
Interest Received	635.21	604.04
Dividend Received	867.27	724.31
Rent Receipts from Investment Properties	6.00	3.79
<b>Net Cash used in Investing Activities</b>	B <b>(5,103.99)</b>	<b>(4,626.70)</b>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025



(₹ in Lakhs)

Particulars		31-03-2025	31-03-2024
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Long Term Borrowings		14,433.19	11,443.69
Proceeds from / (Repayment) of Loan - Related Parties		99.66	54.65
Repayment of Long Term Borrowings		(9,708.47)	(7,371.65)
Availment of Short Term Borrowings (Net)		(2,136.01)	(6,909.54)
Payment of Principal portion of Lease Liabilities		(5.84)	(3.57)
Payment of Dividend including TDS on Dividend		(55.32)	(92.20)
Interest Paid		(9,089.72)	(7,350.25)
<b>Net Cash Generated / (used) from Financing Activities</b>	C	<b>(6,462.51)</b>	<b>(10,228.87)</b>
<b>Net Increase in Cash and Cash Equivalent</b>	D = (A+B+C)	<b>(2.42)</b>	<b>(9.81)</b>
<b>Opening balance of Cash and Cash Equivalents</b>	E	<b>612.97</b>	<b>622.78</b>
<b>Closing balance of Cash and Cash Equivalents</b>	D + E	<b>610.55</b>	<b>612.97</b>

Notes:

- (i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

Particulars	31-03-2025	31-03-2024
Cash and Cash Equivalents [Refer to Note No.18]	122.27	83.85
Bank Balances other than Cash and Cash Equivalents [Refer to Note No. 19]	488.28	529.12
	<b>610.55</b>	<b>612.97</b>

- (iv) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:

Particulars	31-03-2025	31-03-2024
Balance at the beginning of the year		
Long Term Borrowings	49,616.32	48,110.75
Short Term Borrowings	58,550.25	62,748.62
Long Term Lease Liabilities	489.98	495.82
Short Term Lease Liabilities	5.84	3.57
Interest accrued	475.39	422.63
<b>Sub-Total Balance at the beginning of the year</b>	<b>1,09,137.78</b>	<b>1,11,781.39</b>



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

Particulars	(₹ in Lakhs)	
	31-03-2025	31-03-2024
Cash flows during the year		
Proceeds from Long Term Borrowings	14,433.19	11,443.69
Repayment of Long Term Borrowings	(9,708.47)	(7,371.65)
Proceeds from / (Repayment) of Loan from Related Parties, Net	99.66	54.65
Proceeds from / (Repayment) of Short Term Borrowings, Net	(2,136.01)	(6,909.54)
Payment of Principal portion of Lease Liabilities	(5.84)	(3.57)
Interest Paid including interest on lease liabilities	(9,089.72)	(7,350.25)
<b>Sub-Total Cash flows during the year</b>	<b>(6,407.19)</b>	<b>(10,136.67)</b>
Non-cash changes		
Interest accrual for the year	9,089.90	7,403.01
Fair Value Movement	(99.49)	90.05
<b>Sub-Total Non-cash changes during the year</b>	<b>8,990.41</b>	<b>7,493.06</b>
Balance at the end of the year		
Long Term Borrowings	53,070.73	49,616.32
Short Term Borrowings	57,684.72	58,550.25
Long Term Lease Liabilities	480.85	489.98
Short Term Lease Liabilities	9.13	5.84
Interest accrued	475.57	475.39
<b>Balance at the end of the year</b>	<b>1,11,721.00</b>	<b>1,09,137.78</b>

See accompanying notes to the financial statements [Refer to Note Nos. 7-57]

As per our report annexed

For and on behalf of the Board of Directors

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



## 1. Corporate Information

The Rajapalayam Mills Limited ("the Company") is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1913. The Registered office of the Company is located at Rajapalayam Mills Premises, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu. The Company's shares are listed in BSE Limited.

The Company is engaged in manufacture of cotton yarn and fabrics. The Company is also engaged in generation of electricity from its windmills for its captive requirements.

The CFS comprises the financial statements of Rajapalayam Mills Limited and its Associate Companies. The following companies are considered as Associates based on existence of significant influence over such companies:

Name of the Company	% of Holding & Voting Rights	
	2024-25	2023-24
The Ramco Cements Limited	13.61%	13.61%
Ramco Industries Limited	13.59%	9.68%
Ramco Systems Limited	1.97%	2.07%

The above Companies are incorporated in India and financial statements of the respective Companies are drawn upto the same reporting date as that of the Company (i.e) 31-03-2025.

## 2. Presentation & rounding norms

The Consolidated financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 28-05-2025.

The financial statements are presented in Indian Rupees, which is the company's functional currency, rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.

Previous year figures have been re-grouped / restated wherever it may be appropriate.

## 3. Statement of Compliance

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, presentation requirements of Division II of Ind AS compliant Schedule III to the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, wherever applicable.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

### 4. New standard or amendments to the existing accounting standards issued and effective from 01-04-2024 onwards

#### (a) Ind AS 117 on Insurance contracts

The Ministry of Corporate Affairs (MCA) has notified Ind AS 117 - Insurance Contracts, replacing Ind AS 104, effective for annual reporting periods beginning on or after 1<sup>st</sup> April, 2024. The standard applies to insurance contracts and certain financial instruments that transfer significant insurance risk. Ind AS 117 specifically excludes financial guarantee contracts unless the issuer has previously asserted that such contracts are treated as insurance contracts and has applied insurance accounting. In such cases, the issuer is permitted to make an irrevocable election, on a contract-by-contract basis, to apply either Ind AS 117 or the relevant financial instruments standards viz. Ind AS 32, Ind AS 107, and Ind AS 109.

The Company does not issue insurance contracts in the ordinary course of business and has not previously treated any financial guarantee contracts as insurance contracts. Accordingly, financial guarantee contracts continue to be accounted for under Ind AS 109 Financial Instruments.

As a result, the adoption of Ind AS 117 has no impact on the financial statements for the year ended 31<sup>st</sup> March, 2025.

#### (b) Ind AS 116: Sale and leaseback transaction amendment

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which introduced amendments to Ind AS 116 - Leases, effective from 1<sup>st</sup> April, 2024. These amendments specifically address the accounting for sale and leaseback transactions involving variable lease payments not based on an index or rate.

The amendment introduces paragraph 102A, which provides guidance on the subsequent accounting for lease liabilities and Right-of-Use (ROU) assets arising from such transactions. However, as the company does not currently have any sale and leaseback transactions, this amendment does not have any impact on the company's financial statements for the year ended 31<sup>st</sup> March, 2025.

### 5. Material Accounting Policies

#### A. Inventories

- (i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, determined on a weighted average basis, or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost, or net realisable value whichever is lower.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower.

### **B. Statement of Cash Flows**

- (i) Cash flows from operating activities is presented using Indirect Method.
- (ii) Cash and cash equivalents for the purpose of Statement of Cash Flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short-term highly liquid investments, which are subject to insignificant risk of changes in value.
- (iii) Bank overdrafts / Cash Credit, which are repayable on demand, form an Integral part of the Company's cash management.

### **C. Income Taxes**

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the tax rates (and tax laws) that have been enacted at the reporting date.
- (ii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iii) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- (iv) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (v) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vi) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised in Other Comprehensive Income.

### **D. Property, plant and equipments (PPE)**

- (i) PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land, which is carried at cost. The cost



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

include directly attributable cost of bringing the asset to its working condition for the intended use and borrowing cost if capitalisation criteria are met.

- (ii) Spares, which meet the definition of PPE, are capitalised from the date when it is available for use. The company identifies the significant parts of plant and equipment separately, which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives.
- (iii) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (iv) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.
- (v) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives indicated under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such components ranging from
Textile Machineries / Equipment	2 to 20 years
Wind Mills	22 to 30 years
HFO / DG Set	12 to 25 years
Electrical Machineries	3 to 25 years

- (vi) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balance transaction amount. Fair market value is determined either for the assets acquired or for asset given up, whichever is more clearly evident.
- (vii) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight-line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.
- (viii) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.



**Capital Work in progress / Capital Advances**

- (x) Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.
- (xi) Advances given towards acquisition / construction of PPE outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**E. Leases**

**Company as a Lessee**

- (i) The Company recognises a right-of-use asset (RoU) and a lease liability at the lease commencement date for all leases whose non-cancellable leases is more than 12 months.
- (ii) The RoU is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Nature of RoU	Useful life ranging from
Land	99 years
Building	20 years

- (iii) The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
- (iv) The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.
- (v) When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (vi) The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on face of the Balance sheet.
- (vii) The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

### Lease Improvements

- (viii) Lease improvements on a right-of-use asset (RoU) made by the Company, which enhance the value, functionality, or extend the useful life of the leased asset, shall be recognized as assets and capitalized in the same category of RoU asset under 'Property, Plant and Equipment', if capitalization criteria are met.
- (ix) Lease improvements recognized as assets shall be initially measured at cost, which includes all directly attributable costs incurred to bring the improvements to their present condition and location.
- (x) The lease improvements on RoU assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of lease improvement or the end of the lease term.

### Company as a Lessor

- (xi) Operating lease receipts are recognised in the Statement of Profit and Loss on straight-line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases.

## F. Revenue from Operations

### (i) Sale of Products including Scrap Sales

Revenue from product sales including scrap sales is recognized at the point in time when the obligation of delivery of goods is fulfilled in accordance with the agreed delivery terms while control of such goods is transferred to customers. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products are excluded from Revenue from operations and recognized as Interest Receipts over the credit periods as per Ind AS 115. The Company does not have any non-cash consideration.

### (ii) Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Mills. The monetary values of such power generated that are captively consumed are not recognized as revenue but have been set off against the cost of Power & Fuel.

The Value of unadjusted units available if any, at the end of financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognized and shown as income from Windmills.

**G. Other Income**

- (i) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- (ii) Dividend income is recognised when the Company's right to receive dividend is established.
- (iii) Rental income from operating lease on investment properties is recognised on a straight-line basis over the term of the relevant lease.

**H. Employee Benefits****Short term employee benefits**

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

**Post-employment benefits*****Defined Contribution Plan***

- (ii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary.
- (iii) The Company contributes to Superannuation Fund at a sum equivalent to 15% of the officer's eligible basic salary as the case may be, based on the option exercised by such officers.
- (iv) Contributions to Provident Fund, Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services. There are no further obligations except for the above said contributions.

***Defined Benefit Plan***

- (v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund, for its employees. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. Based on the valuation by an independent external actuary, the Company makes annual contributions



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

to the trust administered by the Company as at the reporting date using Projected Unit Credit method. The funds are managed by LIC of India.

- (vi) Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

### **Other long term employee benefits**

- (vii) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- (viii) Voluntary Retirement Scheme (VRS) benefits are recognised as an expenses when the Company is obligated to pay them. This occurs when an employee accepts the offer of voluntary redundancy and the Company can no longer withdraw the offer. The VRS benefits are estimated based on the expected number of employees accepting the offer. Payments due more than 12 months after the reporting period are discounted to their present value.

### **I. Government Grants**

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other Income" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".
- (iii) Government grants related to acquisition of specific assets have been deducted in arriving all the carrying amount of the respective assets.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

- (iv) Government grants for creation of infrastructure in the backward areas under State Industrial Promotion Scheme, it is recognized as deferred income and credited to the statement of profit and loss on a systematic basis over the useful life of the asset.
- (v) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

### **J. Impairment of Non-Financial Assets**

- (i) The carrying amount of assets i.e property, plant and equipment including right-of-use asset, investment properties, cash generating units and intangible assets other than inventories & deferred tax assets, are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.
- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight-line basis.

### **K. Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### L. Intangible Assets

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- (ii) The cost incurred for right to un-restricted usage of power transmission system for drawal of power from State grid to its mills were capitalized as the Company is expected to yield future economic benefits.
- (iii) The useful lives of intangible assets are assessed as either finite or indefinite. Intangible Assets with finite lives are carried at cost less accumulated amortisation and impairment losses if any and are amortised over their estimated useful life based on straight-line method. The Company do not have any intangible assets with indefinite lives. The estimated useful lives of intangible assets with finite lives are assessed by the internal technical team as detailed below:

Nature of Intangible Assets	Estimated useful life
Computer Software	6 years
Power Transmission System	5 years

- (iv) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- (v) The useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

### M. Investment Properties

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land, which is carried at cost.
- (iii) The Company identifies the significant parts of investment properties separately, which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below, that are different from the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013:

Asset type	Useful life
Buildings under Investment properties	60 years

- (v) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

### N. Operating Segments

- (i) Operating segments are identified on the basis of nature and usage of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker. The Company's business operation comprises of two operating segments viz., Textile and Windmills.

### O. Financial Instruments

- (i) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets, which are categorised as equity instruments at FVTOCI, and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company.

#### **Financial Assets**

- (ii) Financial assets comprise of investments in equity, loans, trade receivables, cash and cash equivalents and other financial assets.

#### **Initial recognition and measurement**

- (iii) All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.
- (iv) Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).
- (v) In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Subsequent measurement

(vi) For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- (a) The Company's business model for managing the financial asset and,
- (b) The contractual cash flow characteristics of the financial asset:

Based on the above criteria, the Company classifies its financial assets into the following categories:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans to subsidiaries, associates, employees and related parties, deposits, IPA receivable, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies (including compound financial instrument, which qualify as equity under Ind AS 32) other than Associate as an irrevocable option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

(vii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

(viii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of Financial Asset	Impairment testing methodology
Trade receivables	The Company uses simplified approach wherein Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.

---

Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.
------------------------	--

---

### **Financial Liabilities**

- (ix) Financial liabilities comprise of Borrowings, Trade payables, Lease Liabilities and other financial liabilities.

### **Initial recognition and measurement:**

- (x) All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.
- (xi) Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).
- (xii) In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

### Subsequent measurement

- (xiii) All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method except for certain items like foreign exchange forward contracts that do not qualify for hedge accounting are measured at fair through profit or loss (FVTPL).
- (xiv) Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

### P. Fair value measurement

- (i) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (ii) All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
  - Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
  - Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.
  - Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.
- (iii) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- (iv) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

### 6. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

**(i) Revenue Recognition**

Significant management judgement is exercised in determining the transaction price and discounts to customer, which is based on market factors namely demand and supply. The Company offers credit period to customers and management judgment is exercised in assessing whether a contract contains a significant financing component.

**(ii) Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation / amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

**(iii) Current Taxes**

Calculations of income taxes for the current period are done based on applicable tax laws under new tax regime and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law and applicable judicial precedents.

**(iv) Deferred Tax Asset**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(v) Provisions**

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

### **(vi) Segment Reporting**

Management's judgment is exercised to aggregate two or more business segments as single operating segment, based on economic characteristics, products, production process and types of customer, which are similar in nature.

### **(vii) Contingent Liabilities**

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### **(viii) Classification of Investment**

Management judgement is exercised in determining the following criteria while making classification of investments:

- the intention of the Company to sell the investment immediately;
- the sale is highly probable;
- it is unlikely that significant change to the sale plan will be made and;
- that plan will not be withdrawn.

Based on this judgement, the investments are classified as "Investment held for sale", if all the above criteria are met and continue to classify the investment as "Non-current investment", if the above criteria are not met.

### **(ix) Impairment of Trade receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **(x) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### **(xi) Impairment of Investments in Associates**

Significant management judgement is exercised in determining whether the investment in associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

### ***(xii) Defined Benefit Plans and Other long term benefits***

The cost of the defined benefit plan and other long-term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### ***(xiii) Determination of lease term of contracts as non-cancellable term***

Significant management judgement is exercised in determining the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised, by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

### ***(xiv) Fair value measurement of financial instruments / Firm Commitments***

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### ***(xv) Interests in other entities***

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 7 PROPERTY, PLANT AND EQUIPMENT

Particulars	Year	Gross Block			Depreciation			Net Block		
		As at the beginning of the year	Additions	Deductions / Adjustments	As at the end of the year	For the year (Refer to Note No. 41)	Deductions / Adjustments	As at the end of the year	As at the beginning of the year	
Land - Free hold	2024-25	1,309.13	-	0.37	1,308.76	-	-	-	1,308.76	1,309.13
	2023-24	1,316.06	-	6.93	1,309.13	-	-	-	1,309.13	1,316.06
Land - Right-of-Use Asset	2024-25	840.67	-	-	840.67	42.58	8.51	-	51.09	798.09
	2023-24	779.68	60.99	-	840.67	34.67	7.91	-	42.58	745.01
Own Buildings	2024-25	22,354.86	349.99	-	22,704.85	4,073.15	777.34	-	4,850.49	18,281.71
	2023-24	13,823.94	8,530.92	-	22,354.86	3,434.40	638.75	-	4,073.15	10,389.54
Buildings - Right-of-Use	2024-25	684.30	-	-	684.30	69.80	35.24	-	105.04	614.50
	2023-24	684.30	-	-	684.30	34.47	35.33	-	69.80	649.83
Plant and Machinery	2024-25	1,21,792.38	2,411.29	893.37	1,23,310.30	51,351.30	5,883.10	410.41	56,823.99	70,441.08
	2023-24	96,521.98	25,964.81	694.41	1,21,792.38	46,651.55	5,289.31	589.56	51,351.30	49,870.43
Electrical Machinery	2024-25	9,491.06	59.95	457.67	9,093.34	3,480.54	509.98	432.11	3,558.41	6,010.52
	2023-24	6,972.37	2,566.93	38.24	9,491.06	3,077.29	439.63	36.38	3,480.54	3,895.08
Furniture & Office Equipments	2024-25	1,475.18	87.18	16.62	1,545.74	986.35	146.39	15.69	1,117.05	488.83
	2023-24	1,344.52	186.18	55.52	1,475.18	897.51	143.26	54.42	986.35	447.01
Vehicles	2024-25	720.89	16.97	74.48	663.38	351.37	61.49	59.55	353.31	369.52
	2023-24	655.78	104.79	39.68	720.89	316.77	60.20	25.60	351.37	339.01
<b>Total</b>	2024-25	1,58,668.47	2,925.38	1,442.51	1,60,151.34	60,355.09	7,422.05	917.76	66,859.38	98,313.38
	2023-24	1,22,098.63	37,404.62	834.78	1,58,668.47	54,446.66	6,614.39	705.96	60,355.09	67,651.97

- Notes: (i) Borrowings cost of ₹ 87.20 Lakhs have been capitalised for current year (PY: ₹ 1,307.57 Lakhs).  
(ii) All the moveable fixed assets have been pledged as security for borrowings.  
(iii) The Company has opted to present the government grants related to assets as deduction from the carrying value of eligible assets in accordance with Ind AS20. During the financial year 2024-25 grant of ₹ 256.72 Lakhs has been deducted from the carrying value of assets (PY: NIL).  
(iv) All the title deeds of immovable properties are held in the name of the Company.  
(v) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(vi) Deductions / Adjustments in Gross Block comprises of: (₹ in Lakhs)

Particulars	2024-25				2023-24			
	Sale of Assets	Scrap of Assets	Government Grants	Total	Sale of Assets	Scrap of Assets	Government Grants	Total
Land - Free hold	0.37	-	-	0.37	6.93	-	-	6.93
Land - Right-of-Use Asset	-	-	-	-	-	-	-	-
Own Buildings	-	-	-	-	-	-	-	-
Plant and Machinery	594.48	42.17	256.72	893.37	676.89	17.52	-	694.41
Electrical Machinery	357.64	100.03	-	457.67	37.70	0.54	-	38.24
Furniture & Office Equipments	16.62	-	-	16.62	17.25	38.27	-	55.52
Vehicles	74.48	-	-	74.48	39.68	-	-	39.68
<b>Total</b>	<b>1,043.59</b>	<b>142.20</b>	<b>256.72</b>	<b>1,442.51</b>	<b>778.45</b>	<b>56.33</b>	<b>-</b>	<b>834.78</b>

(vii) Scrap of assets represent components of assets that were derecognised due to wear and tear and damages, since no future benefits is expected from those components and thus replaced by new components.

### NOTE NO. 8

#### CAPITAL WORK IN PROGRESS

Particulars	Year	As at the beginning of the year	Additions	Capitalised	As at the end of the year
Capital Work in Progress	2024-25	1,490.50	2,302.21	2,932.59	860.12
	2023-24	26,165.79	12,765.26	37,440.55	1,490.50

Note: (i) Refer to Note No. 55(b) for information relating to Ageing Schedule.

### NOTE NO. 9

#### INVESTMENT PROPERTY

Particulars	Year	Gross Block			Amortisation		Net Block		
		As at the beginning of the year	Additions	Sold	As at the beginning of the year	For the year (Refer to Note No. 4f)	As at the end of the year	As at the beginning of the year	
Building	2024-25	15.12	-	-	8.07	0.23	8.30	6.82	7.05
	2023-24	15.12	-	-	7.83	0.24	8.07	7.05	7.29



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- Notes: (i) The Company measured all of its Investment Properties at Cost in accordance with Ind AS 40.
- (ii) The fair valuation of these investment property are determined by an internal technical team, who are specialists in valuing these types of investment properties by using the technic of quoted prices for similar assets in active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. Since the valuation is done by internal technical team, the fair value of investment property as disclosed above is not based on valuation by a register valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. All resulting fair value estimates for investment properties as given below :

<b>Particulars</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
Fair value of Investment Properties	<b>181.55</b>	166.05

- (iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iv) Fair value hierarchy disclosures for investment properties have been provided in Note No. 53.
- (v) Information regarding income and expenditure of Investment property.

<b>Particulars</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
Rental Income from Investment Properties	6.00	3.79
Direct Operating Expenses	—	—
Profit arising from Investment Properties before Deprecation and indirect expenses	6.00	3.79
Less: Depreciation	0.23	0.24
Profit arising from Investment Properties before indirect expenses	5.77	3.55



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 10 INTANGIBLE ASSETS

Particulars	Year	Gross Block			Amortisation			Net Block			
		As at the beginning of the year	Additions	Deductions / Adjustments	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 41)	Deductions / Adjustments	As at the end of the year	As at the beginning of the year	As at the end of the year
Computer software	2024-25	901.33	7.21	0.86	907.68	466.47	112.00	0.32	578.15	329.53	434.86
	2023-24	865.40	35.93	-	901.33	356.62	109.85	-	466.47	434.86	508.78
Power Transmission System	2024-25	67.17	-	-	67.17	67.17	-	-	67.17	-	-
	2023-24	67.17	-	-	67.17	58.52	8.65	-	67.17	-	8.65
Total - Intangible Assets	2024-25	968.50	7.21	0.86	974.85	533.64	112.00	0.32	645.32	329.53	434.86
	2023-24	932.57	35.93	-	968.50	415.14	118.50	-	533.64	434.86	517.43

Notes: (a) Deductions / adjustments represents intangible assets derecognised from the financial statements since no future economic benefit is expected.

(b) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 11

INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

(₹ in Lakhs)

Particulars	Face Value ₹ per share	31-03-2025		31-03-2024	
		Numbers	Amount	Numbers	Amount
<b>Investment in Equity Instruments</b>					
<b>Quoted</b>					
The Ramco Cements Limited	1	3,21,69,264	<b>1,75,415.21</b>	3,21,69,264	1,69,821.40
Ramco Industries Limited	1	1,17,93,180	<b>25,419.49</b>	84,01,680	16,542.85
Ramco Systems Limited	10	7,33,531	<b>3,901.27</b>	7,33,531	3,974.99
<b>Total</b>			<b>2,04,735.97</b>		1,90,339.24
Quoted Investments - Cost			<b>2,04,735.97</b>		1,90,339.24
Market Value			<b>3,17,641.05</b>		2,79,577.37

Notes: (i) The Company has accounted for Investment in Associates at cost. Refer to Note No. 50(A) for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above associates.

(ii) The carrying amount of investment in Associates is tested for impairment in accordance with Ind AS 36. The investment in Associates are long term strategic in nature, no impairment is considered as at the reporting date, considering its long term future prospects.

### NOTE NO. 12

OTHER INVESTMENT

(₹ in Lakhs)

Particulars	Face Value ₹ per share	31-03-2025		31-03-2024	
		Numbers	Amount	Numbers	Amount
<b>I. Investment in Equity Instruments</b>					
<b>1) Quoted</b>					
The Ramaraju Surgical Cotton Mills Limited	10	5,818	<b>9.43</b>	4,000	6.12
Lakshmi Engineering and Warehousing Limited (formerly known as Lakshmi Automatic Loom Works Limited)	100	250	<b>5.37</b>	250	4.83
<b>Total Quoted Investments</b>	(A)		<b>14.80</b>		10.95
<b>2) Unquoted</b>					
Sri Vishnu Shankar Mills Limited	10	38,400	<b>19.96</b>	38,400	64.90
Ramco Industrial and Technology Services Limited	10	50,000	<b>6.50</b>	50,000	3.50
Ramco Windfarms Limited	1	8,32,000	<b>8.32</b>	8,32,000	8.32
Miot Hospitals Limited	10	2,500	<b>0.25</b>	2,500	0.25
Tamilnadu Jai Bharath Mills Limited	10	1,200	<b>0.05</b>	1,200	0.05
Green Infra Clean Wind Generation Limited	10	59,85,000	<b>598.50</b>	59,85,000	598.50
Clean Max Opus Private Limited	10	11,921	<b>541.64</b>	11,921	541.64
<b>Total Unquoted Investments</b>	(B)		<b>1,175.22</b>		1,217.16

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



(₹ in Lakhs)

OTHER INVESTMENT *Continued*

Particulars	Face Value ₹ per share	31-03-2025		31-03-2024	
		Numbers	Amount	Numbers	Amount
<b>II. Investment in Preference Shares, Non-Trade - Unquoted</b>					
Swiggy Limited (formerly known as Bundl Technologies Private Limited)	10	-	-	585,723	2,033.39
<b>Total Investments in Preference Shares (C)</b>		-	-		2,033.39
<b>III. Other Non-Current Investments, Non-Trade - Unquoted</b>					
Ramco Group Employees' Co-operative Stores Limited	1	500	0.01	500	0.01
<b>Total other Investments (D)</b>			0.01		0.01
<b>Total (A+B+C+D)</b>			1,190.03		3,261.51
Aggregate Market Value of Quoted Investments			NA		NA

- Notes: (i) Refer to Note No. 52 for information about fair value hierarchy under Disclosure of Fair Value Measurement.  
(ii) Market Value of quoted investments for some equity instruments were not available due to no trading activities in stock market.  
(iii) During the FY 2024-25, the Company has sold 5,85,723 nos. of Compulsorily Convertible Preference Shares (CCPS) of Swiggy Limited and the loss on Sale of Investment was recognised in Other Comprehensive Income.

**NOTE NO. 13**

FINANCIAL ASSETS (NON-CURRENT) LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, considered good</b>		
Loans and Advances to Related Parties [Refer to Note No. 50(b)(i)]	950.00	950.00
<b>Total</b>	950.00	950.00

- Notes: (i) Loans are non-derivative financial assets and are carried at amortized cost, which generate fixed or variable interest income for the Company.  
(ii) Loans to Related parties had been granted towards working capital in the normal course of business.  
(iii) The Company has not granted any loan or advance in the nature of loan to promoters, directors and KMPs that are repayable on demand or without specifying any terms or period of repayment.

**NOTE NO. 14**

OTHER FINANCIAL ASSETS - (NON-CURRENT)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, considered good</b>		
Security Deposits with Electricity Board / Others	954.74	1,095.02
Government Grants Receivable	3,236.39	350.00
Application Money for Securities Subscription	-	3.71
<b>Total</b>	4,191.13	1,448.73



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 15

OTHER NON CURRENT-ASSETS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, Considered Good</b>		
Capital Advances	461.90	877.45
Income Tax Refund Receivable	16.63	16.63
Prepaid Expenses - Non-Current	80.81	52.06
<b>Total</b>	<b>559.34</b>	<b>946.14</b>

### NOTE NO. 16

INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Finished Goods (Yarn and Fabrics)	5,868.79	5,165.43
Raw materials - Cotton, Cotton Waste & Yarn	18,846.11	18,512.19
Stores and Spares	460.49	461.84
Works-in-progress (Cotton, Yarn and Fabric)	5,288.35	8,252.64
<b>Total</b>	<b>30,463.74</b>	<b>32,392.10</b>

- Notes: (i) Raw materials includes Goods-in-transit of ₹ 1,897.30 Lakhs (As at 31-03-2024 ₹ 335.43 Lakhs).  
(ii) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.  
(iii) The mode of valuation of inventories has been stated in the Note No. 5A.

### NOTE NO. 17

TRADE RECEIVABLES (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Secured, Considered good	1,576.32	2,833.96
Unsecured, Considered good	16,748.35	13,935.35
<b>Total</b>	<b>18,324.67</b>	<b>16,769.31</b>

Notes:

- (i) Trade receivables are generally non-interest bearing.  
(ii) No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a Member.  
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.  
(iv) Trade Receivables aging schedule have been provided in Note No. 55 (c)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



**NOTE NO. 18**

CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Cash on Hand	0.64	1.14
Balance with Bank		
In Current Account	121.63	82.71
<b>Total</b>	<b>122.27</b>	<b>83.85</b>

**NOTE NO. 19**

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balances with Banks held as security against Borrowings	475.00	503.01
Earmarked balances with Banks for Unclaimed Dividend	13.28	26.11
<b>Total</b>	<b>488.28</b>	<b>529.12</b>

**NOTE NO. 20**

OTHER FINANCIAL ASSETS (CURRENT) (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Government Grants Receivable	2,044.18	756.43
Insurance Claim Receivable	31.84	340.29
Exchange difference on Firm Commitment	74.10	135.21
<b>Total</b>	<b>2,150.12</b>	<b>1,231.93</b>

**NOTE NO. 21**

CURRENT TAX ASSETS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Advance Income Tax, Self Assessment Tax and Tax deducted at source	186.35	164.94
<b>Total</b>	<b>186.35</b>	<b>164.94</b>

**NOTE NO. 22**

OTHER CURRENT ASSETS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Unsecured, considered good</b>		
Advance to Suppliers / Others	220.93	234.49
Tax Credit and Refund due - Indirect Taxes	755.61	2,578.29
Accrued Income	62.83	109.50
Prepaid Expenses	308.44	287.14
Other Current Assets	94.85	62.32
<b>Total</b>	<b>1,442.66</b>	<b>3,271.74</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 23

#### EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Authorised</b>		
1,50,00,000 Equity Shares of ₹ 10/- each (PY: 1,50,00,000 Equity Shares of ₹ 10/- each)	1,500.00	1,500.00
<b>Issued, Subscribed and Fully paid-up</b>		
92,20,200 Equity Shares of ₹ 10/- each (PY: 92,20,200 Equity Shares of ₹ 10/- each)	920.41	920.41

#### Notes:

(i) Issued, Subscribed and fully paid-up Shares includes 62,13,850 Equity Shares (PY: 62,13,850 Equity Shares) of ₹ 10/- each, which were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

(ii) Reconciliation of the number of shares outstanding:

(₹ in Lakhs)

Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	92,20,200	922.02	92,20,200	922.02
Shares allotted pursuant to Rights Issue	-	-	-	-
Number of Shares at the end	92,20,200	922.02	92,20,200	922.02

(iii) Rights / Restrictions attached to Equity Shares:

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) List of Shareholders holding more than 5 percent in the Company:

Particulars	As at 31-03-2025		As at 31-03-2024	
	No. of Shares	% of holding	No. of Shares	% of holding
P.R. Venketrama Raja	19,43,597	21.08%	18,36,826	19.92%
P.V. Abinav Ramasubramaniam Raja	24,39,939	26.46%	24,39,939	26.46%
Govindlal M Parikh	5,37,426	5.83%	5,37,426	5.83%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



(v) Shareholders holding of Promoters:

S. No.	Name of the Promoters	As at 31-03-2025		As at 31-03-2024		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	P.R. Venketrama Raja	19,43,597	21.08%	18,36,826	19.92%	1.16%
2	P.V. Abinav Ramasubramaniam Raja	24,39,939	26.46%	24,39,939	26.46%	–
3	R. Sudarsanam	–	–	1,06,771	1.16%	(–) 1.16%
4	P.V. Nirmala Raju	1,75,526	1.90%	1,75,526	1.90%	–
5	Nalina Ramalakshmi	8,400	0.09%	8,400	0.09%	–
6	Saradha Deepa	13,699	0.15%	13,699	0.15%	–
7	B. Srisandhya Raju	20,700	0.22%	20,700	0.22%	–
8	A. Ramalakshmi	87,386	0.95%	87,386	0.95%	–
9	J. Sethulakshmi	88,352	0.96%	88,352	0.96%	–
10	Ramco Industries Limited	1,59,200	1.73%	1,59,200	1.73%	–
11	The Ramaraju Surgical Cotton Mills Limited	1,68,999	1.83%	1,68,999	1.83%	–
12	Sri Vishnu Shankar Mill Limited	37,174	0.40%	37,174	0.40%	–
13	Sandhya Spinning Mill Limited	624	0.01%	624	0.01%	–
14	Ramco Management Private Limited	2,550	0.03%	2,550	0.03%	–
15	The Ramco Cements Limited	42,259	0.46%	42,259	0.46%	–
<b>TOTAL</b>		<b>51,88,405</b>	<b>56.27%</b>	<b>51,88,405</b>	<b>56.27%</b>	

**NOTE NO. 24**

**OTHER EQUITY**

**Capital Reserve**

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	3.75	3.75
Total	3.75	3.75

**Nature of Reserve**

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 24

#### OTHER EQUITY (Contd.)

##### Capital Reserve on Consolidation

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	1,02,168.39	1,03,952.21
Less: Transfer to Retained earnings on Sale of Shares of Associates	–	(1,783.82)
<b>Total</b>	<b>1,02,168.39</b>	<b>1,02,168.39</b>

##### Nature of Reserve

Capital Reserve on Consolidation represent excess of the Parents' Share of the net fair value of the investment in Associates over the cost of the investment which is recognised directly in equity as capital reserve upon transition to Ind AS.

##### Securities Premium

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	11,702.02	11,702.02
<b>Total</b>	<b>11,702.02</b>	<b>11,702.02</b>

##### Nature of Reserve

Securities Premium was credited when shares are issued at a Premium. The Company can use this reserve to issue bonus shares, to provide for preliminary expenses and the commission paid or discount allowed on, any issue of shares of the Company.

##### General Reserve

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Balance as per Last Financial Statement	85,976.29	83,976.29
Add: Amount transferred from Retained Earnings	–	2,000.00
<b>Total</b>	<b>85,976.29</b>	<b>85,976.29</b>

##### Nature of Reserve

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



<b>FVTOCI Reserve</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>31-03-2025</b>	31-03-2024	
Balance as per Last Financial Statement	<b>1,534.28</b>	108.95	
Add: Other Comprehensive Income / (Loss) for the year	<b>(372.38)</b>	1,646.95	
<b>Sub-Total</b>	<b>1,161.90</b>	1,755.90	
Transfer from Retained Earnings	<b>109.03</b>	(221.62)	
<b>Total</b>	<b>1,270.93</b>	1,534.28	

**Nature of Reserve**

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

**Retained Earnings**

<b>Retained Earnings</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>31-03-2025</b>	31-03-2024	
Balance as per Last Financial Statement	<b>27,857.55</b>	23,507.89	
Add: Profit for the year	<b>1,704.52</b>	4,436.42	
Add: Transfer from FVTOCI Reserve	<b>(109.03)</b>	221.62	
Add: Transfer from Capital Reserve on Consolidation	–	1,783.82	
<b>Sub-Total</b>	<b>29,453.04</b>	29,949.75	
Less: Appropriations			
Dividend Distribution to Shareholders	<b>(55.32)</b>	(92.20)	
Transfer to General Reserve	–	(2,000.00)	
<b>Total</b>	<b>29,397.72</b>	27,857.55	

**Nature of Reserve**

Represents that portion of the net income of the Company that has been retained by the Company.

*Note: The Board of Directors have recommended the payment of Dividend ₹ 0.50 per share for the year 2024-25 (PY: ₹ 0.60 per share). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting.*

<b>Total Other Equity</b>	<b>2,30,519.10</b>	2,29,242.28
---------------------------	--------------------	-------------



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 25

#### NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Secured</b>		
Term Loan from Banks	51,520.73	49,616.32
Term Loan from Others	1,550.00	–
<b>Total</b>	<b>53,070.73</b>	<b>49,616.32</b>

Notes: (i) Term Loan from Banks are secured by pari-passu first charge on moveable Fixed Assets of the Company and pari-passu second charge on the Current Assets of the Company.

(ii) Term Loan from Others relates to borrowings from NBFC and it is secured by pledging of investments in equity shares.

(iii) The Company has used the borrowings from banks / others for the specific purpose for which it was taken as at the reporting date.

(iv) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.

(v) Refer to Note No. 53 for information about risk profile of borrowings under Financial Risk Management.

(vi) The Long Term Borrowings from Banks, Others are repayable in quarterly installments. The year wise repayment is as follows:

(₹ in Lakhs)

Year	31-03-2025	31-03-2024
2025-26	-	10,130.74
2026-27	11,532.35	9,499.87
2027-28	15,042.44	9,221.12
2028-29	11,957.01	9,248.60
2029-30	6,059.32	4,664.00
2030-31	4,726.72	4,082.00
2031-32	3,752.89	2,769.99
<b>Total</b>	<b>53,070.73</b>	<b>49,616.32</b>

### NOTE NO. 26

#### LEASE LIABILITIES

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Lease Liabilities [Refer to Note No. 47]	480.85	489.98
<b>Total</b>	<b>480.85</b>	<b>489.98</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 27

#### DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 01-04-2023	Recognised in Profit and Loss	As at 31-03-2024	Recognised in Profit and Loss	As at 31-03-2025
Tax Impact on difference in written down value of Property, Plant & Equipment as per books and as per Income Tax Act, 1961	5,465.20	1,162.36	6,627.56	1,899.72	<b>8,527.28</b>
Tax impact on provision for compensated absences & Bonus	(230.98)	8.89	(222.09)	(32.15)	<b>(254.24)</b>
Tax impact on Deferred Government Grants / Revenue	-	(14.50)	(14.50)	(1,278.07)	<b>(1,292.57)</b>
Tax Impact on lease accounting as per Ind AS 116	(5.18)	(5.60)	(10.78)	(5.01)	<b>(15.79)</b>
Tax Impact on Fairvalue of forward contracts	13.80	51.40	65.20	(108.68)	<b>(43.48)</b>
Tax Impact on unabsorbed Depreciation / unadjusted losses	(369.03)	(1,568.55)	(1,937.58)	(2,148.16)	<b>(4,085.74)</b>
Others	-	-	-	(1.90)	<b>(1.90)</b>
<b>Total</b>	<b>4,873.81</b>	<b>(366.00)</b>	<b>4,507.81</b>	<b>(1,674.25)</b>	<b>2,833.56s</b>

#### Reconciliation of Deferred tax Liabilities (Net)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Balance at the beginning of the year</b>	<b>4,507.81</b>	4,873.81
Deferred Tax recognised in Statement of Profit and Loss - Expense / (Gain)	<b>(1,674.25)</b>	(366.00)
<b>Balance at the end of the year</b>	<b>2,833.56</b>	4,507.81

#### Components of Tax Expenses

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>(i) Profit or Loss Section</b>		
<b>Current Tax</b>		
Current Income Tax charge	-	-
Current Tax adjustments of earlier years	-	(0.25)
<b>Deferred Tax</b>		
Relating to the origination and reversal of temporary differences	<b>(1,647.91)</b>	(485.72)
<b>Total Tax Expenses recognised in Profit or Loss section</b>	<b>(1,647.91)</b>	(485.97)
<b>(ii) Other Comprehensive Income Section</b>		
Current Tax credit on remeasurement losses on defined benefit obligations, net	<b>(26.34)</b>	119.72
Total Tax Credit to OCI	<b>(26.34)</b>	119.72
<b>(iii) Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)</b>	<b>(1,674.25)</b>	366.25



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarised below:

	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Accounting Profit before Tax (including OCI)	(7,686.44)	(1,324.80)
Corporate Tax Rate %	25.168%	25.168%
Computed Tax Expense	(1,934.52)	(333.43)
<b>Increase / (reduction) in taxes on account of:</b>		
Tax adjustments of earlier years [Refer Note below]	-	(0.25)
Non-deductible expenses	(103.68)	55.67
Tax Expenses related to Capital Gains	-	-
Tax adjustments upon consolidation between associates	211.64	973.46
Others	152.32	(1,061.70)
<b>Tax Expenses recognised in the Statement of Profit and Loss</b>	<b>(1,674.25)</b>	<b>(366.25)</b>

### NOTE NO. 28

OTHER NON-CURRENT LIABILITIES (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Deferred Government Grants	5,078.75	-
Deferred Revenue	57.02	57.61
<b>Total</b>	<b>5,135.77</b>	<b>57.61</b>

Notes: (i) Deferred Government Grants comprises of fair value of Industrial Promotion Assistance (IPA) provided by Government of Tamilnadu towards creation of infrastructure facilities is recognised as "Grant Income" over the usefull life of underlying PPE.

(ii) Deferred Revenue represents the receipt of upfront lease consideration which is recognised on operating lease basis i.e. on straight line basis over the lease term arrangement.

### NOTE NO. 29

CURRENT BORROWINGS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Secured</b>		
Loan from Banks	29,206.55	26,923.53
Loan from Others	6,000.00	1,450.00
Current Maturities of Long Term Loans	11,245.37	9,694.13
<b>Unsecured</b>		
Loan from Banks	10,530.52	19,618.26
Loans and Advances from Related Party [Refer to Note No.50(b)(ii)]	702.28	602.62
Current Maturities of Long Term Loans	-	261.71
<b>Total</b>	<b>57,684.72</b>	<b>58,550.25</b>

Notes: (i) Short term Borrowings from banks (other than Current maturities of Long term Borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future.

(ii) Loan from Others relates to borrowings availed from NBFC and it is secured by pledging of investment in equity shares.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (iii) No Short term Borrowings from banks (other than Current maturities of Long term Borrowings) are secured by way of sub servient charge on the Current Assets of the Company.
- (iv) The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.
- (v) The Company has used the borrowings from banks for the specific purpose for which it was taken as at the reporting date.
- (vi) Refer to Note No. 53 for information about risk profile of borrowings under Financial Risk Management.

### NOTE NO. 30

LEASE LIABILITIES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Lease Liabilities [Refer to Note No. 47]	9.13	5.84
<b>Total</b>	<b>9.13</b>	<b>5.84</b>

### NOTE NO. 31

TRADE PAYABLES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Dues of micro enterprises and small enterprises	134.48	205.39
Dues of creditors other than micro enterprises and small enterprises	2,807.51	2,160.35
<b>Total</b>	<b>2,941.99</b>	<b>2,365.74</b>

- Notes: (i) The disclosures as per the requirements of The Micro, Small and Medium Enterprises Development Act, 2006 are furnished in Note No. 54.
- (ii) Refer to Note No. 53 for information about risk profile of Trade payables under Financial Risk Management.
- (iii) Trade Payables aging schedule given in Note No. 55(a).

### NOTE NO. 32

OTHER CURRENT FINANCIAL LIABILITIES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Interest Accrued	475.57	475.39
Unclaimed Dividends	13.28	26.11
PACR Memorial Fund	138.40	138.40
Advance received from Customers	103.00	103.00
Payables for Capital Goods	116.97	652.41
Statutory Liabilities Payable	1,163.37	1,056.17
Financial Guarantee Contracts	295.14	282.60
Derivatives Designated as Hedges - Foreign Exchange Forward Contract	192.55	150.87
Other payables	210.62	145.20
<b>Total</b>	<b>2,708.90</b>	<b>3,030.15</b>

- Notes: (i) Unclaimed dividends represents amount not due for transfer to Investor Education and Protection Fund.
- (ii) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 33

#### PROVISIONS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Provision for Employee Benefits	1,573.04	1,458.74
Provision for Compensated absences [Refer to Note No. 46]	364.41	329.68
Other Provision for		
- Sales and Administrative Expenses	590.55	622.99
- Electricity Charges	427.39	409.12
- Other Expenses	32.44	27.48
<b>Total</b>	<b>2,987.83</b>	<b>2,848.01</b>

Notes: (i) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.

(ii) Movement in Provisions for compensated absences.

Particulars	31-03-2025	31-03-2024
Carrying amount as the beginning of the year	329.68	282.31
Add: Current Service Cost	61.87	51.57
Add: Interest Cost	19.30	18.76
Add: Actuarial Loss	60.03	25.98
Less: Benefits paid	(106.47)	(48.94)
Carrying amount as the end of the year	364.41	329.68

### NOTE NO. 34

#### REVENUE FROM OPERATIONS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Sale of Products</b>		
Yarn	64,461.09	65,696.57
Fabrics	24,136.99	19,082.18
Waste Cotton	578.34	749.22
	<b>89,176.42</b>	<b>85,527.97</b>
<b>Other Operating Revenue</b>		
Export Incentive	201.35	50.75
Scrap Sales	18.77	79.59
Job Work Charges Received	451.25	197.55
<b>Total</b>	<b>89,847.79</b>	<b>85,855.86</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes: (i) The disaggregation of revenue as required under Ind AS 115 is given below: (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Gross Revenue from Operations	93,382.32	89,851.22
Less: Rebates & Discounts	265.00	95.10
Less: GST	3,269.53	2,726.17
Sub-Total	89,847.79	87,029.95
Less: Revenue netted off with Trail run expenses	-	1,174.09
Revenue from Operations (net of GST)	89,847.79	85,855.86

### NOTE NO. 35

OTHER INCOME (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Interest Receipts	636.03	564.04
Rent Receipts	32.22	31.72
Dividend Income	0.03	0.05
Exchange Gain on Foreign Currency Transactions (Net)	166.38	-
Government Grants	128.67	-
Profit on Sale of Cotton	487.39	247.80
Miscellaneous Income	240.24	156.13
<b>Total</b>	<b>1,690.96</b>	<b>999.74</b>

### NOTE NO. 36

COST OF MATERIALS CONSUMED (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Raw materials Consumed</b>		
Cotton & Cotton Waste Consumed for Yarn Production	37,239.62	39,098.75
Yarn Consumed for Fabric Production	10,105.76	6,304.82
<b>Total</b>	<b>47,345.38</b>	<b>45,403.57</b>

### NOTE NO. 37

PURCHASES OF STOCK-IN-TRADE (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Purchases of Stock-in-Trade	2,490.63	4,651.67
<b>Total</b>	<b>2,490.63</b>	<b>4,651.67</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 38

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS (₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
<b>Opening stock</b>				
Finished Goods	5,165.43		6,294.03	
Work-in-Progress	8,252.64	13,418.07	7,535.91	13,829.94
Add: Value of Stock transferred from Trial Run		-		594.59
		<b>13,418.07</b>		<b>14,424.53</b>
<b>Closing Stock</b>				
Finished Goods	5,868.79		5,165.43	
Work-in-Progress	5,288.35	11,157.14	8,252.64	13,418.07
<b>Net (Increase) / Decrease in Stock</b>		<b>2,260.93</b>		<b>1,006.46</b>

### NOTE NO. 39

EMPLOYEE BENEFITS (₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
<b>For Employees Other than Managing Director</b>				
Salaries, Wages and Bonus	10,032.69		8,562.76	
Contribution to Provident and Other Funds	1,163.76		1,003.85	
Staff and Labour Welfare & Training Expenses	790.34		639.68	
Voluntary Retirement Compensation	9.46	11,996.25	-	10,206.29
<b>For Managing Director</b>				
Managing Director Remuneration	240.00		240.00	
Contribution to Provident and Other Funds	7.50		7.50	
Sitting Fees	1.60	249.10	3.20	250.70
<b>Total</b>		<b>12,245.35</b>		<b>10,456.99</b>

*Note: Refer to Note No.46 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.*

### NOTE NO. 40

FINANCE COSTS (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Interest on Debts and Borrowings	8,756.27	7,208.48
Interest expense on lease liabilities [Refer to Note No. 47]	24.69	24.89
Exchange differences on Foreign Currency Borrowings regarded as an adjustment to Borrowing cost	308.94	169.64
<b>Total</b>	<b>9,089.90</b>	<b>7,403.01</b>

- Notes: (i) Interest on Term Loans represent interest calculated using the effective interest rate method.  
(ii) The above Finance Costs is net of capitalised portion of ₹ 87.20 Lakhs (PY: ₹ 1,307.57 Lakhs) attributable to the qualifying assets / Capital work-in-progress.  
(iii) Refer to Note No. 53 for information about interest rate risk exposure under Financial Risk Management.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 41

DEPRECIATION AND AMORTISATION EXPENSE (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Depreciation of Plant, Property and Equipment [Refer to Note No. 7]	7,422.05	6,614.39
Depreciation on Investment Properties [Refer to Note No. 9]	0.23	0.24
Amortization of Intangible Assets [Refer to Note No. 10]	112.00	118.50
<b>Total</b>	<b>7,534.28</b>	<b>6,733.13</b>

### NOTE NO. 42

OTHER EXPENSES (₹ in Lakhs)

Particulars	31-03-2025		31-03-2024	
<b>Manufacturing Expenses</b>				
Power and Fuel	5,961.47		5,317.02	
Packing Materials Consumption	1,128.36		931.95	
Repairs to Buildings	316.07		242.79	
Repairs to Plant and Machinery	2,044.33		1,386.89	
Repairs - Wind Mills & Others	1,842.59		1,406.74	
Mercerising expenses - Yarn Processing	680.87		561.05	
Chemical Consumption - Fabric	1,598.93		904.77	
Job work Charges Paid	653.49	14,226.11	540.24	11,291.45
<b>Establishment Expenses</b>				
Rates and Taxes	423.37		240.38	
Insurance	486.80		431.87	
Postage and Telephone	53.24		43.23	
Printing and Stationery	38.95		36.10	
Travelling Expenses	168.43		160.53	
Vehicle Maintenance	170.07		151.52	
Exchange Loss on Foreign Currency Transactions	-		202.06	
Directors Sitting Fees	34.40		42.80	
Lease Rent [Refer to Note (ii) below]	46.21		55.13	
Audit Fees and Legal Expenses	39.10		34.94	
Financial Guarantee Expenses	90.00		262.50	
Provision for PACR Memorial Fund	-		5.00	
Corporate Social Responsibility Expenses	13.49		7.31	
Miscellaneous Expenses	291.04	1,855.10	237.44	1,910.81



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 42

OTHER EXPENSES - (Contd.)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024	
<b>Selling Expenses</b>			
Sales Commission	1,048.58	1,248.15	
Export Expenses	509.40	465.62	
Other Selling Expenses	542.90	426.69	2,140.46
<b>Total</b>	<b>18,182.09</b>		15,342.72

Notes: (i) The details of CSR Expenditure are disclosed in Note No. 55(j).

(ii) The disclosures pertaining to Lease Rent as required under Ind AS 116 are given in Note No. 47.

### NOTE NO. 43

AUDIT FEES AND EXPENSES (NET OF TAX CREDITS)

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Statutory Auditors</b>		
Statutory Audit fee	8.00	8.00
Other Certification Work	7.37	7.76
Reimbursement of Expenses	2.74	2.19
<b>Tax Auditors</b>		
Tax Audit fee	1.25	1.25
<b>Cost Auditor</b>		
Cost Audit fee	2.25	2.25
Reimbursement of Expenses	0.03	0.03
<b>Secretarial Auditor</b>		
Secretarial Audit fee	0.85	0.85
Other Certification Work	0.19	0.75
<b>Total</b>	<b>22.68</b>	23.08



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 44

CONTINGENT LIABILITIES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Guarantees given by the bankers on behalf of Company		
- Parent	508.23	413.43
- Parent's share in Associates	9,831.74	7,775.59
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -		
- Parent	456.00	484.04
- Parent's share in Associates	13,117.46	15,378.40

### NOTE NO. 45

FINANCIAL GUARANTEE GIVEN TO BANKS TO AVAIL LOAN FACILITIES BY RELATED PARTIES	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
<b>Financial Guarantee given to banks to avail loan facility Related parties:</b>		
Sandhya Spinning Mill Limited	16,000.00	13,000.00
<b>Financial Guarantee given to vendors for discharge of liability by Related parties:</b>		
Ramco Systems Limited	1,282.13	1,226.15

Notes: a. During the year, the Company has given fresh guarantee of ₹ 30 Crores to Banks to avail loan facilities by Related parties.

b. The loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Company are furnished below:

Particulars	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Sandhya Spinning Mill Limited	12,925.00	11,375.00

### NOTE NO. 46

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

Defined Contribution Plan:	(₹ in Lakhs)	
Particulars	2024-25	2023-24
Employer's Contribution to Provident Fund	724.86	632.09
Employer's Contribution to Superannuation Fund	83.14	72.68

#### Defined Benefit Plan - Gratuity

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Company makes annual contributions to "Rajapalayam Mills Limited Employees' Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an Independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<b>Defined Benefit Plan (Gratuity):</b>	<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>2024-25</b>	<b>2023-24</b>
<b>Reconciliation of Opening and Closing balances of Present Value of Obligation:</b>		
As at the beginning of the year	1,672.17	1,423.61
Current Service Cost	144.40	122.71
Interest Cost	109.92	99.74
Actuarial Loss / (Gain)	93.79	133.26
Benefits paid	(-) 194.63	(-) 107.15
As at the end of the year	1,825.65	1,672.17
<b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets</b>		
As at the beginning of the year	1,411.83	1,284.39
Expected return on plan assets	100.89	94.74
Actuarial Gain / (Loss)	0.36	(-) 1.07
Employer Contribution	261.92	140.92
Benefits paid	(-) 194.63	(-) 107.15
As at the end of the year	1,580.37	1,411.83
<b>Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	100.89	94.74
Actuarial Gain / (Loss) on Plan Assets	0.36	(-) 1.07
Actual Return on Plan Assets	101.25	93.67
<b>Reconciliation of Fair Value of Assets and Obligations:</b>		
Present value of obligation	1,825.65	1,672.18
Fair value of plan assets	1,580.37	1,411.83
Difference, Amount recognized in Balance Sheet	245.28	260.35
<b>Expenses recognized during the year:</b>		
Current Service Cost	144.40	122.71
Net Interest on Obligations	9.03	5.01
Expenses recognized in Statement of Profit and Loss	153.43	127.72
<b>Amount recognized in the Other Comprehensive Income:</b>		
Actuarial changes arising from:		
Experience adjustments on Plan Liabilities	(-) 66.95	(-) 40.95
Experience adjustments on Plan Assets	0.36	(-) 1.07
Changes in financial assumptions	(-) 26.83	(-) 92.31
Changes in demographic assumptions	-	-
Amount recognized in OCI during the year	(-) 93.43	(-) 134.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Investment Details</b>		
Funds with LIC	1,576.29	1,406.37
Bank Balance	4.08	5.46
<b>Total</b>	<b>1,580.37</b>	<b>1,411.83</b>
<b>Actuarial assumptions:</b>		
LIC 2012-14 Table applied for service mortality rate	Yes	Yes
Discount rate p.a.	6.83%	6.98%
Expected rate of Return on Plan Assets p.a.	6.83%	6.98%
Rate of escalation in salary p.a.	4.00%	4.00%
Rate of Employee Turnover	0.10%	0.10%

Estimate of Expected Benefit payments		(₹ in Lakhs)
Particulars	31-03-2025	31-03-2024
Year 1	39.89	51.89
Year 2	231.27	146.98
Year 3	224.40	118.05
Year 4	132.34	229.35
Year 5	143.65	141.89
Next 5 Years	609.32	623.39

Quantitative Sensitivity Analysis for Significant Assumptions		(₹ in Lakhs)
Particulars	31-03-2025	31-03-2024
0.50% Increase in Discount Rate	152.22	134.36
0.50% Decrease in Discount Rate	176.50	155.57
0.50% Increase in Salary Growth Rate	176.85	155.89
0.50% Decrease in Salary Growth Rate	151.83	134.01

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Defined Benefit Plan (Leave encashment plan):

(₹ in Lakhs)

Particulars	2024-25	2023-24
<b>Reconciliation of Opening and Closing balances of Present Value of Obligation:</b>		
As at the beginning of the year	329.68	282.31
Current Service Cost	61.87	51.56
Interest Cost	19.30	18.77
Actuarial Loss	60.03	25.98
Benefits paid	(-) 106.47	(-) 48.94
As at the end of the year	364.41	329.69

### Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:

As at the beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer Contribution	106.47	48.94
Benefits paid	(-) 106.47	(-) 48.94
As at the end of the year	NIL	NIL

### Actual Return of plan assets:

Expected Return on Plan Assets	NIL	NIL
Actuarial Gain / (Loss) on Plan Assets	NIL	NIL
Actual Return on Plan Assets	NIL	NIL

### Reconciliation of Fair Value of Assets and Obligations

Fair value of plan assets	NIL	NIL
Present value of obligation	364.41	329.69
Difference, Amount Recognized in Balance Sheet	364.41	329.69

### Expenses recognized during the year:

Current Service Cost	61.87	51.57
Net Interest on obligations	19.30	18.77
Actuarial Gain recognized during the year	60.03	25.98
Expenses recognized in the Statement of Profit & Loss	141.20	96.32

### Amount recognized in the Other Comprehensive Income:

Actuarial changes arising from:		
Experience adjustments on Plan Liabilities	NIL	NIL
Experience adjustments on Plan Assets	NIL	NIL
Changes in financial assumptions	NIL	NIL
Changes in demographic assumptions	NIL	NIL
Amount recognized in OCI during the year	NIL	NIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

Particulars	2024-25	2023-24
<b>Investment Details</b>		
Funds with LIC	NIL	NIL
Bank Balance	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

**Actuarial assumptions:**

LIC 2012-14 Table applied for service mortality rate		
Discount rate p.a	6.83%	6.98%
Expected rate of Return on Plan Assets p.a.	NIL	NIL
Rate of escalation in salary p.a	4.00%	4.00%
Rate of Employee Turnover	0.10%	0.10%

**Estimate of Expected Benefit payments**

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Year 1	6.12	14.66
Year 2	45.38	25.12
Year 3	49.14	24.94
Year 4	21.01	49.18
Year 5	24.36	22.99
Next 5 Years	109.31	112.43

**Quantitative Sensitivity Analysis for Significant Assumptions**

(₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
0.50% Increase in Discount Rate	65.61	57.85
0.50% Decrease in Discount Rate	75.48	66.34
0.50% Increase in Salary Growth Rate	75.61	66.46
0.50% Decrease in Salary Growth Rate	65.19	57.72

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 47

DISCLOSURES PERTAINING TO IND AS 116 - LEASES

#### COMPANY AS A LESSEE

##### Nature of leasing activities

The Company has entered into operating lease on certain assets i.e land and building. Lease rentals are determined based on agreed terms. There is escalation clause in certain lease agreements after a specified period and no restriction imposed by the lease arrangements.

##### Maturity analysis of Lease Liabilities: (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Not later than one year	33.42	33.42
One to five years	196.07	186.12
More than five years	489.90	533.25
Total Undiscounted lease liabilities as at 31 <sup>st</sup> March	719.39	752.79

##### Other disclosures as required by Ind AS 116: (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
Depreciation charge for Right-of-use asset	43.75	40.97
Interest on lease liabilities	24.69	24.89
Expenses relating to short-term leases	46.21	55.13
Total cash outflow for leases including principal and interest	30.53	89.45
Additions to Right-of-use assets	-	60.99
Carrying amount of Right-of-use assets at 31 <sup>st</sup> March	1,368.84	1,412.59

Note: Expenses relating to Short-term lease include leases whose lease term ends within 12 months from date of initial application and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.

#### COMPANY AS A LESSOR

The Company has entered into operating leases i.e. Land & Building. The Company has not entered into any Finance leases. Future minimum rental receivable under non-cancellable operating leases as at the reporting date is given below:

Particulars	31-03-2025	31-03-2024
Not later than one year	1.32	1.31
One to five years	7.31	6.98
More than five years	4.67	6.32

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



**NOTE NO. 48**

**DISCLOSURE OF INTERESTS IN ASSOCIATES UNDER EQUITY METHOD**

Name of the Company	Principal Place of Business / Country on Incorporation	Principal activities of Business
The Ramco Cements Limited (TRCL)	India	Manufacture of Cement and Cementitious materials
Ramco Industries Limited (RIL)	India	Manufacture of Building materials
Ramco Systems Limited (RSL)	India	Software development

Name of the Company	% Shareholding as at	
	31-03-2025	31-03-2024
The Ramco Cements Limited	13.61%	13.61%
Ramco Industries Limited	13.59%	9.68%
Ramco Systems Limited	1.97%	2.07%

**Summarised financial information for Associates:**

The summarized consolidated financial statements of the material associates are as below: (₹ in Lakhs)

Balance Sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
<b>As at 31-03-2025</b>						
The Ramco Cements Limited	14,03,591.00	5,544.00	2,23,815.00	4,57,420.00	4,31,316.00	7,44,214.00
Ramco Industries Limited	63,359.07	3,28,218.24	86,690.01	13,683.41	41,315.07	4,23,268.84
Ramco Systems Limited	44,824.60	179.20	21,874.60	8,297.50	26,632.50	31,948.40
<b>As at 31-03-2024</b>						
The Ramco Cements Limited	13,79,046.00	23,231.00	2,24,996.00	5,05,981.00	3,97,143.00	7,24,149.00
Ramco Industries Limited	66,462.89	3,09,115.98	80,061.10	7,158.81	42,391.52	4,06,089.64
Ramco Systems Limited	46,993.00	171.30	19,638.20	9,271.70	26,027.20	31,503.60

Note: The above financial information is amended to determine the share of interest in associates. (₹ in Lakhs)

Profit and Loss	TRCL		RIL		RSL	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Total Revenue	8,55,957.00	9,41,527.00	1,67,417.00	1,51,562.41	59,686.70	52,989.30
Profit before tax	31,931.00	54,166.00	14,178.00	10,851.24	(2,654.20)	(24,378.50)
Tax expenses / (savings)	5,117.00	14,813.00	4,813.00	3,554.46	774.70	(205.40)
Profit after Tax	26,814.00	39,353.00	9,365.00	7,296.78	(3,428.90)	(24,173.10)
Share of profit in Associate	143.00	(3,704.00)	8,726.00	3,274.64	7.90	5.90
Other Comprehensive Income	(979.00)	6,425.00	(722.00)	7,176.95	(322.80)	550.70
Total Comprehensive Income	25,978.00	42,074.00	17,369.00	17,748.37	(3,743.80)	(23,616.50)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Fair Value of Investments (₹ in Lakhs)

Name of the Associates	31-03-2025	31-03-2024
The Ramco Cements Limited	2,88,477.87	2,60,747.97
Ramco Industries Limited	26,730.42	16,887.38
Ramco Systems Limited	2,432.76	1,942.02

### Share of Contingent Liabilities in respect of associates (₹ in Lakhs)

Name of the Associates	31-03-2025	31-03-2024
The Ramco Cements Limited	21,240.69	21,514.81
Ramco Industries Limited	719.50	668.00
Ramco Systems Limited	134.60	183.55

### Reconciliation to the carrying amount of investment in associates: (₹ in Lakhs)

Profit and Loss	TRCL		RIL		RSL	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Entity's TCI	25,978.00	42,074.00	17,368.52	17,748.37	(3,743.80)	(23,616.50)
Entity's Adjusted TCI	39,665.00	41,048.00	8,215.15	8,373.76	(3,747.50)	(23,619.90)
Effective shareholding %	16.13%	15.62%	12.74%	11.88%	1.97%	2.07%
Associates share of profit / OCI	6,398.06	6,416.52	1,046.34	994.83	(73.72)	(489.15)
Less: Unrealised profit on inter-company transactions (net of tax)	-	-	-	-	-	-
Amount recognized in P & L	6,398.06	6,416.52	1,046.34	994.83	(73.72)	(489.15)

### Reconciliation

Opening Carrying amount	1,69,821.40	1,65,651.19	16,542.85	15,632.04	3,974.99	4,464.14
Less: Adjustment on Deemed Disposal						
Add: Acquisition / (Sold) during the year	-	(1,606.07)	7,893.31	-	-	-
Add: Associate's share of Profit / OCI	6,398.06	6,416.52	1,046.34	994.83	(73.72)	(489.15)
Less: Dividend received	(804.25)	(640.24)	(63.01)	(84.02)	-	-
Net Carrying amount	1,75,415.21	1,69,821.40	25,419.49	16,542.85	3,901.27	3,974.99

- 1) Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealized profits.
- 2) Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



**NOTE NO. 49**

**EARNINGS PER SHARE**

(₹ in Lakhs)

Particulars		31-03-2025	31-03-2024
Net profit / (loss) after tax (₹ in Lakhs)	(A)	1,704.52	436.42
Weighted average number of Equity shares after deducting treasury shares [In Lakhs]	(B)	92.04	92.04
Nominal value per equity share (in ₹)		10	10
Basic & Diluted Earnings per share (A) / (B) (in ₹)		18.52	48.20

**NOTE NO. 50**

**RELATED PARTY TRANSACTIONS**

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31<sup>st</sup> March 2025:

**A) Associates**

Name of the Company	Place of Business / Country of Incorporation	% of Shareholding as at	
		31-03-2025	31-03-2024
The Ramco Cements Limited	India	13.61%	13.61%
Ramco Industries Limited	India	13.59%	9.68%
Ramco Systems Limited	India	1.97%	2.07%

**B) Key Managerial Personnel (including KMP under the Companies Act, 2013)**

Name	Designation
Shri P.R. Venketrama Raja	Chairman
Smt. P.V. Nirmala Raju	Managing Director
Shri S.S. Ramachandra Raja	Non-Executive Director
Shri A.V. Dharmakrishnan	Non-Executive Director
Shri K.B. Nagendra Murthy	Independent Director (upto 03-08-2024)
Smt. Soundara Kumar	Independent Director
Shri P.V. Abinav Ramasubramniam Raja	Non-Executive Director
Shri P.A.S Alaghar Raja	Independent Director
Shri M. Rathinasamy	Independent Director
Shri Sivaguru Chellappa	Independent Director
Shri N.S. Krishnamma Raja	Independent Director
Shri A. Arulpranavam	Chief Financial Officer
Shri K. Maheswaran	Secretary



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### C) Relatives of Key Managerial Personnel

Name of the Relative of KMP	Relationship
Smt. R. Sudarsanam	Mother of Shri P.R. Venketrama Raja
Smt. Nalina Ramalakshmi	Sister of Shri P.R. Venketrama Raja
Smt. Sharadha Deepa	Sister of Shri P.R. Venketrama Raja
Smt. Byrraju Sri Sandhya Raju	Daughter of Shri P.R. Venketrama Raja

### D) Companies over which KMP / Relatives of KMP exercise significant influence or control

The Ramaraju Surgical Cotton Mills Limited	Ramco Industrial and Technology Services Limited
Sri Vishnu Shankar Mill Limited	Ramco Wind farms Limited
Thanjavur Spinning Mill Limited	Ramco Management Private Limited
Sandhya Spinning Mill Limited	RCDC Securities & Investments Private Limited
Rajapalayam Textile Limited	Sri Harini Media Limited
Lynks Logistics Limited *	

\* Ceased to be a related party w.e.f. 29-08-2023

### E) Employee Benefit Funds where control exists

Rajapalayam Mills Limited Officers' Superannuation Fund
Rajapalayam Mills Limited Employees' Gratuity Fund

### F) Other entities over which there is a significant influence

Smt. Lingammal Ramaraju Shastra Prathishta Trust	PACR Sethurammammal Charity Trust
Ramco Welfare Trust	PACR Sethurammammal Charities
Raja Charity Trust	PAC Ramasamy Raja Education Charity Trust
Gowri Metal Works LLP	PACR Centenary Trust
Ramco Organic Farming Centre	PACR Rotary Blood Bank

Disclosure in respect of Related Party Transactions during the year and outstanding balances including commitments as at the reporting date:

#### a. Transactions during the year at Arm's length basis or its equivalent (₹ in Lakhs)

Name of the Related party	2024-25	2023-24
<b>i. Good Supplied / Services rendered</b>		
<b>Associates</b>		
The Ramco Cements Limited	0.10	0.09
Ramco Industries Limited	6,458.43	1,491.44
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	2,274.75	975.76
Sri Vishnu Shankar Mill Limited	3,774.66	746.15
Sandhya Spinning Mill Limited	4,197.99	2,669.20
Rajapalayam Textile Limited	1,286.66	311.78
<b>Other entities over which there is a significant influence</b>		
Gowrihouse Metal Works LLP	0.76	NIL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



	(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24
<b>ii. Sale of Fixed Assets</b>		
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	0.16	NIL
Sandhya Spinning Mill Limited	NIL	0.91
<b>Other entities over which there is a significant influence</b>		
Gowrihouse Metal Works LLP	2.00	NIL
<b>iii. Cost of Goods &amp; Services purchased / availed</b>		
<b>Associates</b>		
The Ramco Cements Limited	9.52	12.97
Ramco Industries Limited	4,073.99	3,367.84
Ramco Systems Limited	51.63	47.23
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	1,022.23	810.74
Sri Vishnu Shankar Mill Limited	3,360.41	1,550.22
Ramco Windfarms Limited	NIL	281.05
Sandhya Spinning Mill Limited	5,902.81	6,359.54
Rajapalayam Textile Limited	716.47	516.87
Shri Harini Media Limited	NIL	1.47
<b>Other entities over which there is a significant influence</b>		
PACR Sethurammam Charity Trust	303.19	270.20
PACR Centenary Trust	12.70	9.59
Gowrihouse Metal Works LLP	0.20	0.57
Ramco Organic Farming Centre	0.11	0.30
<b>iv. Purchase of Fixed Assets</b>		
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
Rajapalayam Textile Limited	NIL	9.00



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24
<b>v. Leasing arrangement - Rent Received</b>		
<b>Associates</b>		
Ramco Industries Limited	8.16	8.33
Ramco Systems Limited	6.00	3.79
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	0.27	68.58
Sri Vishnu Shankar Mill Limited	0.24	0.04
Sandhya Spinning Mill Limited	14.62	14.83
Rajapalayam Textile Limited	0.08	2.36
<b>Other entities over which there is a significant influence</b>		
PACR Educational Charity Trust	0.35	0.35
<b>vi. Leasing Arrangements - Rent Paid</b>		
<b>Associates</b>		
The Ramco Cements Limited	0.08	0.08
Ramco Industries Limited	5.75	6.48
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	0.17	68.42
Sri Vishnu Shankar Mill Limited	3.15	2.95
Sandhya Spinning Mill Limited	4.87	1.55
Rajapalayam Textile Limited	0.25	0.12
<b>Key Managerial Personnel</b>		
Shri P.V. Abinav Ramasubramaniam Raja	7.33	7.33
<b>Relative of Key Managerial Personnel</b>		
Smt. Sharadha Deepa	1.70	1.70
<b>vii. Reimbursement of Expenses Paid / (Received)</b>		
<b>Associates</b>		
The Ramco Cements Limited	60.39	64.32
Ramco Industries Limited	(17.56)	(32.93)
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	(62.43)	(41.36)
Sri Vishnu Shankar Mill Limited	(33.57)	(31.29)
Sandhya Spinning Mill Limited	(50.16)	(50.00)
Rajapalayam Textile Limited	3.23	(4.67)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



	(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24
<b>viii. Dividend Paid</b>		
<b>Key Managerial Personnel</b>		
Shri P.R. Venketrama Raja	11.02	18.37
Smt. P.V. Nirmala Raju	1.05	1.76
Shri P.V. Abinav Ramasubramaniam Raja	14.64	24.40
Shri S.S. Ramachandra Raja	0.18	0.29
Shri A.V. Dharmakrishnan	0.01	0.02
Shri P.A.S. Alaghar Raja	0.04	0.06
Shri N.S. Krishnamma Raja	0.06	0.10
<b>Associates</b>		
The Ramco Cements Limited	0.25	0.42
Ramco Industries Limited	0.96	1.59
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	1.01	1.69
Sri Vishnu Shankar Mill Limited	0.22	0.37
Sandhya Spinning Mill Limited	0.00	0.01
Ramco Management Private Limited	0.02	0.03
<b>Relative of Key Management Personnel</b>		
Smt. R. Sudarsanam	0.64	1.01
Late Smt. R. Chittammal	NIL	1.03
Smt. R. Nalina Ramalakshmi	0.05	0.08
Smt. S. Sharadha Deepa	0.08	0.14
Smt. Byrraju Sri Sandhya Raju	0.12	0.21
Smt. A. Ramalakshmi	0.52	0.39
Smt. J. Sethulakshmi	0.53	0.40
<b>ix. Dividend Received</b>		
<b>Associates</b>		
The Ramco Cements Limited	804.23	640.25
Ramco Industries Limited	63.01	84.02
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
The Ramaraju Surgical Cotton Mills Limited	NIL	0.02



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Name of the Related party	2024-25	2023-24	
<b>x. Investment in / (Sale) Shares during the year</b>			
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited (Equity)	NIL	3.71	
Lynks Logistics Limited (Preference)	NIL	(80.00)	
<b>xi. Sale of Investment in Associates</b>			
<b>Relative of Key Management Personnel</b>			
Smt. Sharadha Deepa	NIL	2,490.40	
<b>xii. Purchased of Investment in Associates</b>			
<b>Associates</b>			
The Ramco Cements Limited *	7,869.98	NIL	
<b>Relative of Key Management Personnel</b>			
Smt. R. Nalina Ramalakshmi #	NIL	1,503.51	
* Purchase of Ramco Industries Limited Shares			
# Purchase of Ramco Cements Limited Shares			
<b>xiii. Interest Paid / (Received)</b>			
<b>Key Managerial Personnel</b>			
Shri P.R. Venketrama Raja	4.72	0.34	
Smt. P.V. Nirmala Raju	3.94	3.99	
Shri P.V. Abinav Ramasubramaniam Raja	0.20	0.25	
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>			
The Ramaraju Surgical Cotton Mills Limited	(87.88)	(88.12)	
Lynks Logistics Limited	NIL	(49.67)	
Thanjavur Spinning Mill Limited	38.43	36.61	
<b>xiv. Directors' Sitting Fees</b>			
<b>Key Managerial Personnel</b>			
Shri P.R. Venketrama Raja	3.60	3.60	
Smt. P.V. Nirmala Raju	1.60	3.20	
Shri S.S. Ramachandra Raja	2.40	2.00	
Shri N.K. Ramasuwami Raja	NIL	6.40	
Shri A.V. Dharmakrishnan	5.20	6.80	
Justice Shri P.P.S. Janarthana Raja	NIL	8.00	
Shri V. Santhanaraman	NIL	2.80	
Shri K.B. Nagendra Murthy	1.60	5.20	
Smt Soundara Kumar	2.40	2.40	
Shri P.V. Abinav Ramasubramaniam Raja	2.80	2.80	
Shri P.A.S Alaghar Raja	2.40	2.80	
Shri M. Rathinasamy	4.80	NIL	
Shri N.S. Krishnamma Raja	4.00	NIL	
Shri Sivaguru Chellappa	5.20	NIL	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



(₹ in Lakhs)

Name of the Related party		2024-25	2023-24
<b>xv. Remuneration to Key Management Personnel (Other than Sitting Fees)</b>			
	<b>Key Managerial Personnel</b>		
	Smt. P.V. Nirmala Raju, Managing Director	247.50	247.50
	Shri A. Arulpranavam, Chief Financial Officer	23.99	19.90
	Shri B. Gnanagurusamy, Chief Financial Officer (Upto 30-09-2023)	NIL	32.85
	Shri K. Maheswararan, Secretary (From 09-01-2024)	16.41	4.76
<b>xvi. CSR / Donation given</b>			
	<b>Other entities over which there is a significant influence</b>		
	PACR Education Charity Trust	0.73	1.05
<b>xvii. Contribution to Superannuation Fund / Gratuity Fund</b>			
	<b>Other entities over which there is a significant influence</b>		
	Rajapalayam Mills Limited Officers' Superannuation Fund	83.14	72.68
	Rajapalayam Mills Limited Employees' Gratuity Fund	246.85	262.05
<b>xviii. Maximum amount of loans and advance / (borrowings) outstanding during the year</b>			
	<b>Key Managerial Personnel</b>		
	Shri P.R. Venketrama Raja	(250.00)	(144.01)
	Smt. P.V. Nirmala Raju	(85.06)	(81.52)
	Shri P.V. Abinav Ramasubramaniam Raja	(3.02)	(4.29)
	<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
	The Ramaraju Surgical Cotton Mills Limited	950.00	950.00
	Thanjavur Spinning Mill Limited	(545.50)	(518.00)
<b>b. Outstanding balance including commitments</b>			
	<b>i. Loans and advances</b>		
	<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
	The Ramaraju Surgical Cotton Mills Limited	950.00	950.00
	<b>ii. Borrowings:</b>		
	<b>Key Managerial Personnel</b>		
	Shri P.R. Venketrama Raja	154.25	0.08
	Smt. P.V. Nirmala Raju	0.07	81.52
	Shri P.V. Abinav Ramasubramaniam Raja	2.47	3.02
	<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
	Thanjavur Spinning Mill Limited	545.50	518.00



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
Name of the Related party	31-03-2025	31-03-2024
<b>iii. Corporate Guarantee given to lender of Related parties</b>		
<b>Associates</b>		
Ramco Systems Limited	1,282.13	1,226.15
<b>Companies over which KMP / Relative of KMP exercise significant Influence</b>		
Sandhya Spinning Mill Limited	16,000.00	13,000.00

Notes: (a) These Guarantees have been given as an additional security.

(b) The loan balance with Banks by the related parties, on the strength of the above Corporate Guarantees given by the Company are furnished below:

Sandhya Spinning Mill Limited	12,925.00	11,375.00
-------------------------------	-----------	-----------

**c. Disclosure of Key Management Personnel compensation in total and for each of the following categories:**

	(₹ in Lakhs)	
Particulars	31-03-2025	31-03-2024
Short - Term Benefits <sup>[1]</sup>	279.62	295.39
Defined Contribution Plan <sup>[2]</sup>	9.89	11.97
Defined Benefit Plan / Other Long-Term Benefits <sup>[3]</sup>	–	0.85
<b>Total</b>	<b>289.51</b>	<b>308.21</b>

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund.
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above. However, amount paid towards compensated absence is included whenever Company makes such payment to KMPs.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



**NOTE NO. 51**

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2025

(₹ in Lakhs)

Particulars	Textiles		Windmill Power		Total	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024
<b>REVENUE</b>						
External Sales / Other Operating Income	<b>89,847.79</b>	85,855.86	–	–	<b>89,847.79</b>	<b>85,855.86</b>
Inter Segment Sale			<b>4,312.61</b>	4,376.96	<b>4,312.61</b>	4,376.96
Total	<b>89,847.79</b>	85,855.86	<b>4,312.61</b>	4,376.96	<b>94,160.40</b>	90,232.82
Other Income	<b>1,490.26</b>	744.43	–	–	1,490.26	744.43
<b>Total Revenue</b>	<b>91,338.05</b>	86,600.29	<b>4,312.61</b>	4,376.96	<b>95,650.66</b>	90,977.25
<b>RESULT</b>						
Segment profit / (Loss)	<b>(916.91)</b>	727.80	<b>2,196.30</b>	2,277.94	<b>1,279.39</b>	3,005.74
Unallocated Income	–	–	–	–	<b>0.03</b>	0.04
Unallocated Expenses	–	–	–	–	–	–
Operating Profit	–	–	–	–	<b>1,279.42</b>	3,005.78
Interest Expenses	–	–	–	–	<b>9,089.90</b>	7,403.00
Interest Income	–	–	–	–	<b>200.67</b>	255.27
Provision for Taxation						
Current Tax					–	–
Excess Income Tax Provision related to earlier years withdrawn	–	–	–	–	–	(0.25)
Deferred Tax	–	–	–	–	<b>(1,647.91)</b>	(485.72)
Loss from ordinary activities	–	–	–	–	<b>(5,961.90)</b>	(3,655.98)
Other Comprehensive Income after Tax	–	–	–	–	<b>(150.82)</b>	78.98
Exceptional Items	–	–	–	–	<b>74.19</b>	2,738.17
Share of TCI from Associates	–	–	–	–	<b>7,370.67</b>	6,922.20
<b>Total Comprehensive Income</b>	–	–	–	–	<b>1,332.14</b>	6,083.37
<b>OTHER INFORMATION</b>						
Segment Assets	<b>1,64,892.03</b>	161,247.80	<b>3,878.61</b>	4,296.19	<b>1,68,770.64</b>	1,65,543.99
Unallocated Assets	–	–	–	–	<b>1,90,522.35</b>	1,86,090.41
Total Assets	–	–	–	–	<b>3,59,292.99</b>	3,51,634.40
Segment Liabilities	<b>8,647.86</b>	8,249.73	–	–	<b>8,647.86</b>	8,249.73
Unallocated Liabilities	–	–	–	–	<b>1,19,205.62</b>	1,13,221.98
Total Liabilities	–	–	–	–	<b>1,27,853.48</b>	1,21,471.71
Capital Expenditure	<b>2,422.10</b>	9,816.85	–	–	<b>2,422.10</b>	9,816.85
Unallocated Capital Expenditure	–	–	–	–	–	–
Depreciation	<b>7,116.71</b>	6,314.41	<b>417.57</b>	418.72	<b>7,534.28</b>	6,733.13
Unallocated Depreciation Expenditure	–	–	–	–	–	–
Non-Cash expenses other than Depreciation	–	–	–	–	–	–



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 52

#### DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>As at 31-03-2025</b>					
<b>Financial Assets</b>					
Other Investments	1,148.46	–	41.57	1,190.03	1,190.03
Loans and Advances	950.00	–	–	950.00	950.00
Trade Receivables	18,324.67	–	–	18,324.67	18,324.67
Cash and Bank Balances	610.55	–	–	610.55	610.55
Other Financial Assets	6,341.25	–	–	6,341.25	6,341.25
<b>Financial Liabilities</b>					
Borrowings	1,10,755.45	–	–	1,10,755.45	1,10,755.45
Lease Liabilities	489.98	–	–	489.98	489.98
Trade Payables	2,941.99	–	–	2,941.99	2,941.99
Other Financial Liabilities	2,708.90	–	–	2,708.90	2,708.90
<b>As at 31-03-2024</b>					
<b>Financial Assets</b>					
Other Investments	1,148.46	–	2,113.05	3,261.51	3,261.51
Loans and Advances	950.00	–	–	950.00	950.00
Trade Receivables	16,769.31	–	–	16,769.31	16,769.31
Cash and Bank Balances	612.97	–	–	612.97	612.97
Other Financial Assets	2,680.66	–	–	2,680.66	2,680.66
<b>Financial Liabilities</b>					
Borrowings	1,08,166.57	–	–	1,08,166.57	1,08,166.57
Lease Liabilities	495.82	–	–	495.82	495.82
Trade Payables	2,365.74	–	–	2,365.74	2,365.74
Other Financial Liabilities	3,030.15	–	–	3,030.15	3,030.15

#### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments and investment properties by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The details of financial instruments that are measured at fair value on recurring basis are given below: (₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Instruments at FVTOCI</b>				
<b>Investments in listed equity securities</b>				
As at 31-03-2025	14.80	-	-	14.80
As at 31-03-2024	10.95	-	-	10.95
<b>Investment in unlisted securities</b>				
As at 31-03-2025	-	-	1,175.22	1,175.22
As at 31-03-2024	-	-	1,217.66	1,217.66
<b>Financial Instruments at FVTPL</b>				
Foreign exchange forward contracts				
As at 31-03-2025 (Liability)	-	192.55	-	192.55
As at 31-03-2024 (Assets)	-	135.21	-	135.21

### Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at reporting date in Stock Exchange.
Investment in Unlisted securities	Adjusted Net Assets	Net Assets value as per Balance Sheet of respective Companies as at reporting date.
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker.
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker.

### NOTE NO. 53

#### FINANCIAL RISK MANAGEMENT

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

#### The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

### Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

### Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the Company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

Particulars	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
<b>As at 31-03-2025</b>					
Gross carrying amount	10,387.96	3,315.96	4,481.29	139.46	18,324.67
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	–	–	–	–	–
Carrying amount of trade receivables net of impairment	10,387.96	3,315.96	4,481.29	139.46	18,324.67
<b>As at 31-03-2024</b>					
Gross carrying amount	10,503.84	1,959.89	4,199.67	105.91	16,769.31
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	–	–	–	–	–
Carrying amount of trade receivables net of impairment	10,503.84	1,959.89	4,199.67	105.91	16,769.31

### Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

### Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



### Fund Management

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

### Financial arrangements

The Company has access to the following undrawn borrowing facilities: (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Expiring within one year</b>		
Bank Overdraft and other facilities	51,800.32	29,576.49
Term Loans	1,700.00	3,737.12
<b>Expiring beyond year</b>		
Term Loans	-	-

### Maturities of Financial Liabilities (₹ in Lakhs)

Nature of Financial Liability	< 1 Year	1 - 5 Years	> 5 years	Total
<b>As at 31-03-2025</b>				
Borrowings from Banks	57,684.52	49,317.84	3,752.89	1,10,755.45
Trade payables	2,941.99	-	-	2,941.99
Other Financial Liabilities (Incl. Interest)	2,708.90	-	-	2,708.90
<b>As at 31-03-2024</b>				
Borrowings from Banks	58,550.25	42,764.33	6,851.99	1,08,166.57
Trade payables	2,365.74	-	-	2,365.74
Other Financial Liabilities (Incl. Interest)	3,030.15	-	-	3,030.15

### Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contracts / packing credit in foreign currency which acts as natural hedge against export receivable. The Company enters the above transactions, after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company uses derivative financial instruments viz. Foreign Exchange Forward Contracts exclusively for hedging currency risks that arise from imports / exports transactions. The Company measures the risk by forecasting foreign currency cash flows and manages its currency risks by appropriately hedging the transactions. When a forward contract is entered into for the purpose of being a hedge, the Company finalizes the terms of those forward contracts to match the terms of the hedged exposure i.e. receivables / payables / Firm Commitments. All identified exposures are managed as per the policy duly approved by the Board of Directors.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities / Firm Commitments as at the end of reporting periods are given below:

**As at 31-03-2025** **(In Millions)**

Type	Particulars	USD	Euro	CHF
	<b>Financial Assets / Firm commitments related to Financial Assets</b>			
	(a) Trade Receivables	8.76	0.97	-
<b>Hedged Items</b>	<b>Financial Liabilities / Firm Commitments related to Financial Liabilities</b>			
	(a) Buyers Credit Loan	16.15	-	-
	(b) Contracts for import of materials	6.74	-	-
	(c) Forward for Exports	4.55	4.91	-
<b>Hedging Instruments (Forward contracts)</b>	<b>Instruments for hedging the currency risk on Financial Assets</b>			
	(a) PCFC Loan	9.48	2.75	-
	<b>Instruments for hedging the currency risk on Financial Liabilities</b>			
	(a) Forward contracts for Buyers Credit Loan	16.15	-	-
	(b) Forward contract for imports	6.74	-	-
	(c) Forward Contracts for Exports	3.50	3.10	-

**As at 31-03-2024** **(In Millions)**

Type	Particulars	USD	Euro	CHF
	<b>Financial Assets / Firm commitments related to Financial Assets</b>			
	(a) Trade Receivables	10.75	0.85	-
<b>Hedged Items</b>	<b>Financial Liabilities / Firm Commitments related to Financial Liabilities</b>			
	(a) Buyers Credit Loan	13.62	1.98	-
	(b) Contracts for import of materials	5.11	-	0.06
	(c) Forward for Exports	11.13	7.81	-
<b>Hedging Instruments (Forward contracts)</b>	<b>Instruments for hedging the currency risk on Financial Assets</b>			
	(a) PCFC Loan	5.50	-	-
	<b>Instruments for hedging the currency risk on Financial Liabilities</b>			
	(a) Forward contracts for Buyers Credit Loan	13.62	1.98	-
	(b) Forward contract for imports	5.11	-	0.06
	(c) Forward Contracts for Exports	16.27	8.30	-

The details of foreign currency forward contracts outstanding at the end of the reporting period is given below:

Particulars	Foreign currency (in Lakhs)		Nominal Amount (₹ in Lakhs)	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
USD / INR buy forward	228.83	187.31	19,857.79	15,653.36
USD / INR sell forward	35.00	162.67	3,066.41	13,686.74
EURO / INR buy forward	NIL	19.83	NIL	1,815.71
EURO / INR sell forward	31.02	83.00	2,901.28	7,723.39
CHF / INR buy forward	NIL	0.60	NIL	56.40

The above forward contracts are having maturity of less than 12 months.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



### Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

<b>Interest rate risk exposure</b>		<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>31-03-2025</b>	31-03-2024	
Variable rate borrowings	<b>98,506.63</b>	1,08,166.57	
Fixed rate borrowings	<b>12,248.82</b>	-	

The Company does not have any interest rate swap contracts.

<b>Sensitivity on Interest rate fluctuation</b>		<b>(₹ in Lakhs)</b>	
<b>Incremental Interest Cost works out to</b>	<b>31-03-2025</b>	31-03-2024	
1% Increase in Interest Rate	<b>985.07</b>	1,081.67	

### NOTE NO. 54

DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

The categorization of supplier as MSME registered under the Act under new definition, has been determined based on the information available with the Company as at the reporting date. The Company has also considered suppliers as MSME who possess the erstwhile MSME certificate for the period upto the reporting date, for the purpose of categorization and disclosures. The disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006:

<b>Particulars</b>		<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>31-03-2025</b>	31-03-2024	
(a) (i) The Principal amount remaining unpaid to any supplier at the end of the financial year included in -			
Trade Payables	<b>134.48</b>	205.39	
Other Current Financial Liabilities	<b>11.18</b>	13.46	
(ii) The Interest due on the above	-	-	
(b) The amount of interest paid by the buyer in terms of Section 16 of the Act	-	-	
(c) The amount of the payment made to the supplier beyond the appointed day during the financial year	-	-	
(d) The amount of interest accrued and remaining unpaid at the end of the financial year	-	-	
(e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	-	-	



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 55

ADDITIONAL REGULATORY INFORMATION AS REQUIRED UNDER COMPANIES ACT, 2013 / INDIAN ACCOUNTING STANDARDS:

#### a) Trade Payables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 Year	1 – 2 Years	2 - 3 years	> 3 years	
<b>As at 31-03-2025</b>						
MSME	134.48	–	–	–	–	134.48
Others	2,473.42	318.92	1.13	0.03	–	2,793.50
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	14.01	14.01
Unbilled dues	–	–	–	–	–	–
<b>Total</b>	<b>2,607.88</b>	<b>318.92</b>	<b>1.13</b>	<b>0.03</b>	<b>14.01</b>	<b>2,941.99</b>
<b>As at 31-03-2024</b>						
MSME	205.39	–	–	–	–	205.39
Others	1,571.97	569.53	4.78	0.06	–	2,146.34
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	14.01	14.01
Unbilled dues	–	–	–	–	–	–
<b>Total</b>	<b>1,777.36</b>	<b>569.53</b>	<b>4.78</b>	<b>0.06</b>	<b>14.01</b>	<b>2,365.74</b>

#### b) Capital Work-in-Progress Ageing Schedule

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 – 2 Years	2 - 3 years	> 3 years	
As at 31-03-2025	678.24	181.88	–	–	860.12
As at 31-03-2024	1,479.34	11.16	–	–	1,490.50

Notes: (i) None of the capital-work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(ii) The Company did not have any projects whose activity has been suspended.

(iii) The Company has no intangible assets under development.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### c) Trade Receivables Ageing Schedule (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
<b>As at 31-03-2025</b>							
Undisputed Trade receivables - considered good	16,164.77	2,054.66	0.21	0.60	0.36	104.07	18,324.67
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>16,164.77</b>	<b>2,054.66</b>	<b>0.21</b>	<b>0.60</b>	<b>0.36</b>	<b>104.07</b>	<b>18,324.67</b>
<b>As at 31-03-2024</b>							
Undisputed Trade receivables - considered good	14,531.48	2,132.00	1.40	0.48	0.02	103.93	16,769.31
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>14,531.48</b>	<b>2,132.00</b>	<b>1.40</b>	<b>0.48</b>	<b>0.02</b>	<b>103.93</b>	<b>16,769.31</b>

### d) Details of Loans Granted to Promoters, Directors, KMPs and related parties: (₹ in Lakhs)

Type of the Borrower	Amount of Loan outstanding as on 31-03-2025	% to the Total Loans and advances in the nature of Loans
The Ramaraju Surgical Cotton Mills Limited (a related party refer to Note No. 50(b)(i))	950.00	100%

### e) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

### f) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### g) Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable.

### h) h)The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities (intermediaries) with the understanding that the intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

### i) Disclosures related to CSR activities

Particulars	Amount ₹ in Lakhs
Amount required to be spent by the company during the year	26.27
Amount of expenditure incurred (including set off of ₹ 12.78 Lakhs from the excess spending of previous years, available for set off)	26.27
Shortfall at the end of the year	NIL
Total of previous years shortfall	NIL
Reason for shortfall	NA
Nature of CSR activities	Please refer to Table-A below
Details of related party transactions	Please refer to Table-B below

Note : The Company has not made any provision related to CSR activities for the financial years 2024-25 and 2023-24.

Table - A Nature of CSR activities:

Nature	Amount ₹ in Lakhs
Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare	2.71
Promotion of Education including Special Education and Livelihood Enhancement Projects	3.62
Restoration of Building and Sites of Historical Importance and Works of Art	3.66
Ensuring Environmental Sustainability	3.00
Training to promote Rural Sports, Nationally recognized Sports, Paralympic Sports and Olympic Sports [Clause (vii)]	0.50
<b>Total</b>	<b>13.49</b>

Table - B Details of related party transactions:

Name of the related party	Nature of CSR activities	Amount ₹ in Lakhs
P.A.C. Ramasamy Raja Education Charity Trust	Promotion of Education	1.05



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 56

#### EXCEPTIONAL ITEMS

##### Profit on Sale of Property, Plant & Equipment and Investment Property:

The Company has sold 59.89 Acres of Land located at Kariseri Village, Tamil Nadu for a sale consideration of ₹ 127.59 Lakhs after adjusting the cost of acquisition of land & land development expenses of ₹ 0.33 Lakhs, the net profit on sale of land was ₹ 127.26 Lakhs (PY: ₹ 338.27 Lakhs).

The Company has sold the old machineries for a sale consideration of ₹ 215.16 Lakhs. The WDV of old machineries was ₹ 268.23 Lakhs. The Company has incurred loss on sale of the above old machineries to the extent of ₹ 53.07 Lakhs (PY: Profit of ₹ 42.56 Lakhs).

The aggregate net profit of ₹ 74.19 Lakhs (PY: ₹ 5,762.02 Lakhs) of above transactions is shown as an Exceptional Items in the Statement of Profit and Loss under the item "Profit on Sale of Property, Plant & Equipment and Investment Property".

### NOTE NO. 57

#### EVENTS AFTER THE REPORTING PERIOD - DISTRIBUTION MADE AND PROPOSED (₹ in Lakhs)

Particulars	31-03-2025	31-03-2024
<b>Cash Dividends on Equity Shares declared and paid</b>		
Final dividend for the year ended 31 <sup>st</sup> March 2024: ₹ 0.60 per share (for the year ended 31 <sup>st</sup> March, 2023 ₹ 1/- per share)	55.32	92.20
<b>Proposed Dividends on Equity Shares</b>		
Final dividend for the year ended 31 <sup>st</sup> March, 2025: ₹ 0.50 per share (for the year ended 31 <sup>st</sup> March, 2024 ₹ 0.60 per share)	46.10	55.32

As per our report annexed

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**V. RAJESWARAN**  
Partner  
Membership No. 018697  
Chennai

For and on behalf of the Board of Directors

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam



**ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS ASSOCIATES FOR THE YEAR 2024-25**

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated net assets	₹ in Lakhs	As % of Consolidated profit / (loss)	₹ in Lakhs	As % of Consolidated OCI	₹ in Lakhs	As % of Consolidated TCI	₹ in Lakhs
<b>Parent</b>								
Rajapalayam Mills Limited	18.60%	43,055.58	(345.42%)	(5,887.71)	40.50%	(150.82)	(453.29%)	(6,038.53)
<b>Associates (Investments as per the Equity Method)</b>								
<b>Indian</b>								
The Ramco Cements Limited	73.11%	1,69,197.62	384.24%	6,549.52	40.67%	(151.46)	480.28%	6,398.06
Ramco Industries Limited	7.10%	16,426.52	65.13%	1110.09	17.12%	(63.75)	78.55%	1046.34
Ramco Systems Limited	1.19%	2,759.79	(3.95%)	(67.38)	1.71%	(6.35)	(5.53%)	(73.73)

As per our report annexed

**For N.A. JAYARAMAN & CO.**  
Chartered Accountants  
Firm Registration No. 001310S

**For SRSV & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015041S

**T.G. HARISHA**  
Partner  
Membership No. 246983  
Rajapalayam  
28<sup>th</sup> May, 2025

**V. RAJESWARAN**  
Partner  
Membership No. 020881  
Chennai

**A. ARULPRANAVAM**  
Chief Financial Officer  
Rajapalayam

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)  
Rajapalayam

**Smt. P.V. NIRMALA RAJU**  
Managing Director  
(DIN: 00474960)  
Rajapalayam

**K. MAHESWARAN**  
Secretary  
Rajapalayam

For and on behalf of the Board of Directors





---

## NOTES



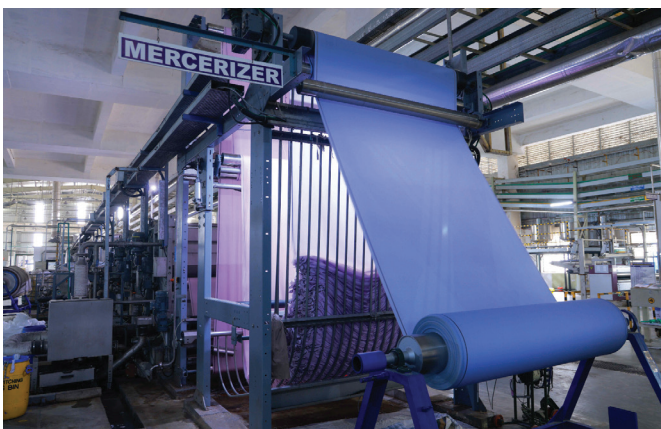
Customers from Japan visiting our Spinning Unit at Perumalpatti.



Smt. P.V. Nirmala Raju, Managing Director distributing service award to Shri A.Sankaranarayanan, Spinning Sider for completion of 35 years of service in our Mills.



Our Chairman Shri P.R. Venketrama Raja and Shri N. Mohanarengan, President with Customers during their visit to Portugal.



A view of new Fabric Mercerizer Machine installed at our Fabric Division.



A view of new Sanforizer machine installed at our Fabric Division.

