

LIMITED REVIEW REPORT

The Board of Directors
Rajapalayam Mills Limited
Rajapalayam

1. We have reviewed the accompanying statement of Unaudited Financial results of Rajapalayam Mills Limited ("the Company") for the quarter and six months ended 30th September 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges except for the disclosures in Part II of the statement regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have neither been reviewed nor been audited by us. This Statement, which is initialled by us for identification, is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' notified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We have only traced the disclosure regarding 'Public Shareholding' and 'Promoter and Promoted Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.

For M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm registration No. 001208S



K.Srinivasan
Partner
Membership No. 021510

For Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No. 005333S



V. Jayanthi
Partner
Membership No. 028952

Rajapalayam
10-11-2014



RAJAPALAYAM MILLS LIMITED
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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER 2014

PART I

Sl. No.	Particulars	Quarter ended			Half Year ended		(Rs. in Lakhs)
		30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	Year ended (Audited) 31-03-2014
1	Income from Operations						
	a. Net Sales	10,170	8,834	10,813	19,004	20,756	43,217
	b. Other Operating Income	96	60	29	156	119	172
	Total Income from Operations	10,266	8,894	10,842	19,160	20,875	43,389
2	Expenses						
	a. Cost of Materials consumed	5,249	5,171	5,260	10,420	10,067	21,406
	b. (Increase)/Decrease in Stock & Work in progress	790	(1,195)	(269)	(405)	(495)	(641)
	c. Employees benefit expenses	1,158	1,127	1,112	2,285	2,135	4,439
	d. Power & Fuel	340	1,053	858	1,393	1,716	4,133
	e. Depreciation	412	421	730	833	1,482	2,821
	f. Other Expenses	1,150	1,082	1,206	2,232	2,238	4,938
	Total Expenses	9,099	7,659	8,897	16,758	17,143	37,096
3	Profit from Operations before Other Income, Finance cost and Exceptional Items (1-2)	1,167	1,235	1,945	2,402	3,732	6,293
4	Other Income	402	104	423	506	498	683
5	Profit from ordinary activities before Finance cost and Exceptional Items (3+4)	1,569	1,339	2,368	2,908	4,230	6,976
6	Finance Cost	683	777	728	1,460	1,485	2,850
7	Profit from ordinary activities after Finance cost but before Exceptional Items (5-6)	886	562	1,640	1,448	2,745	4,126
8	Exceptional Items (Refer to Note No.2)	-	1,019	-	1,019	-	-
9	Profit from ordinary activities before tax (7+8)	886	1,581	1,640	2,467	2,745	4,126
10	Tax Expenses						
	- Current Tax	113	331	271	444	503	792
	- Deferred Tax Liability	71	204	380	275	756	1,611
	- MAT Credit for the current year	(44)	-	(240)	(44)	(444)	(792)
	- MAT Credit related to earlier years	-	-	-	-	-	(144)
11	Net Profit from ordinary activities after tax (9-10)	746	1,046	1,229	1,792	1,930	2,659
12	Prior Period and Extraordinary Items (Net of tax expenses)	-	-	-	-	-	-
13	Net Profit for the period (11-12)	746	1,046	1,229	1,792	1,930	2,659
14	Paid-up Equity Share Capital (Face value of a Share Rs.10/-)	738	738	738	738	738	738
15	Reserves excluding Revaluation Reserves	-	-	-	19,655	17,863	17,944
16	Basic & Diluted earnings per share of Rs. 10/- each (in Rs.)	10	14	17	24	26	36



PART II

A	PARTICULARS OF SHAREHOLDING	Quarter ended			Half Year ended		Year ended (Audited)
		30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014
1	Public Shareholding - Number of shares - Percentage of shareholding	34,55,960 46.85%	34,55,960 46.85%	34,55,960 46.85%	34,55,960 46.85%	34,55,960 46.85%	34,55,960 46.85%
2	Promoters and Promoter Group Shareholding						
	a. Pledged / Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b. Non-encumbered						
	- Number of shares	39,20,200	39,20,200	39,20,200	39,20,200	39,20,200	39,20,200
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	53.15%	53.15%	53.15%	53.15%	53.15%	53.15%

B	INVESTORS COMPLAINTS	Quarter Ended 30-09-2014
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed off during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended (Audited)
	30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014
1. Segment Revenue (Net Sales / Operating Income)						
a) Textiles	10,266	8,894	10,842	19,160	20,875	43,389
b) Wind Mills	1,399	976	997	2,375	2,209	3,155
	11,665	9,870	11,839	21,535	23,084	46,544
Less: Inter Segment Revenue	1,399	976	997	2,375	2,209	3,155
Net Sales/Income From Operations	10,266	8,894	10,842	19,160	20,875	43,389
2. Segment Results						
Profit/(Loss) Before Finance Cost & Tax						
a) Textiles	152	623	1,480	775	2,597	4,817
b) Wind Mills	1,023	621	496	1,644	1,141	1,526
c) Unallocated /Exceptional Items (Refer to Note No.2)	394	1,114	392	1,508	492	633
	1,569	2,358	2,368	3,927	4,230	6,976
Less:						
Finance Cost - Unallocable Expenditure	683	777	728	1,460	1,485	2,850
Total Profit Before Tax	886	1,581	1,640	2,467	2,745	4,126
3. Capital Employed (Segment Assets (-) Segment Liabilities)						
a) Textiles	37,491	39,171	36,953	37,491	36,953	42,973
b) Wind Mills	7,042	7,138	7,570	7,042	7,570	6,548
c) Others	232	232	246	232	246	232
d) Unallocated /Exceptional Items	(24,372)	(26,934)	(26,168)	(24,372)	(26,168)	(31,071)
Total	20,393	19,607	18,601	20,393	18,601	18,682



STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs)

Particulars	As at	As at	As at
	30-09-2014 (Un-Audited)	30-09-2013 (Un-Audited)	31-03-2014 (Audited)
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	738	738	738
(b) Reserves and Surplus	19,655	17,863	17,944
	20,393	18,601	18,682
(2) Non Current Liabilities			
(a) Long Term Borrowings	12,173	16,359	13,520
(b) Deferred Tax Liabilities (Net)	5,705	4,616	5,472
(c) Long Term Provisions	184	574	154
	18,062	21,549	19,146
(3) Current Liabilities			
(a) Short Term Borrowings	10,955	6,760	15,583
(b) Trade Payables	1,284	440	2,895
(c) Other Current Liabilities	6,114	6,111	5,646
(d) Short Term Provisions	2,092	1,680	1,642
	20,445	14,991	25,766
TOTAL EQUITY AND LIABILITIES	58,900	55,141	63,594
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	30,029	33,050	32,321
(b) Non-current investments	7,751	4,111	4,116
(c) Long Term Loans and Advances	1,448	1,843	3,747
(d) Other Non Current Assets	2,337	1,800	2,293
	41,565	40,804	42,477
(2) Current Assets			
(a) Inventories	8,701	6,877	12,842
(b) Trade Receivables	4,222	3,869	4,076
(c) Cash and cash equivalents	627	387	685
(d) Short Term Loan and Advances	2,343	2,106	2,377
(e) Other Current Assets	1,442	1,098	1,137
	17,335	14,337	21,117
TOTAL ASSETS	58,900	55,141	63,594

Notes:

- The above un-audited results were reviewed by the Audit Committee and were taken on record at the Meeting of the Board of Directors held on 10-11-2014. The Statutory Auditors of the Company have carried out a Limited review of the aforesaid results.
- The Exceptional Item for the Half Year ended 30-09-2014 of Rs. 1,019 Lakhs represents Profit on Sale of Assets of Rajapalayam Mills Subramaniapuram Unit.
- Till 31-03-2014, the Company had followed Straight Line / Written down value method of depreciation for various categories of Fixed Assets in accordance with rate specified under Schedule XIV of the Companies Act, 1956. Pursuant to implementation of Schedule II of the Companies Act, 2013 with effect from 01-04-2014, the Company has calculated the depreciation on all the assets under Straight Line Method. Accordingly-
 - The value of assets whose useful life is exhausted as on 01-04-2014, calculated under the new Act, amounting to Rs. 122 Lakhs, for the half year ended 30th September 2014, have been adjusted to General Reserve net of deferred tax of Rs. 41.47 Lakhs.
 - The depreciation for the Half year ended 30-09-2014 is lower by Rs. 370 Lakhs when compared to the calculation of depreciation under the Companies Act, 1956.
- The carrying amount of rawmaterial stock as on 30-09-2014 has been written down to net realisable value (Mark to Market Loss) due to decline in market price of such materials. Consequently an amount of Rs. 287 Lakhs has been debited to the cost of materials consumed for the quarter / half year ended 30-09-2014.
- The Previous period figures have been re-grouped / re-stated wherever necessary.

RAJAPALAIYAM,
10TH NOVEMBER, 2014



For RAJAPALAYAM MILLS LIMITED,

P.R. Ramasubrahmaneya Rajha
P.R. RAMASUBRAHMANEYA RAJHA,
CHAIRMAN