



Regd. Office : RAJAPALAYAM MILLS PREMISES, P.A.C. RAMASAMY RAJA SALAI,
Post Box No. 1, Rajapalayam, Tamilnadu, PIN : 626 117.

Chairman
Sri.P.R. Ramasubrahmanya Rajha

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rajacol@sancharnet.in

Date: 27-06-2011

The Manager – Listing
M/s. Madras Stock Exchange Ltd.,
Exchange Building,
Post Box No.183,
11, Second Line Beach,
CHENNAI-600 001.

Dear Sirs,

Sub: Shareholders' approval for the Issue of Bonus Shares

We have pleasure to Inform you that at the Extra-ordinary General Meeting held today (27-06-2011) at P.A.C.R. Centenary Community Hall, P.A.C. Ramasamy Raja Salai, Rajapalayam, the Shareholders have approved the following:

1. Increase of the Authorized Share Capital of the Company from the present level of Rs.5 Crores to Rs.15 Crores
2. Issue of Bonus Shares in the ratio of 1:1

We enclose herewith the Certified True Copy of the Resolutions approving the above for your records.

Thanking you,

Yours faithfully,

For Rajapalayam Mills Ltd

**B. Gnanagurusamy,
DGM - Accounts**

Encl: As above.

Cc: Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
21st Floor, Dalal Street,
MUMBAI – 400 001

RAJAPALAYAM MILLS LIMITED, RAJAPALAIYAM.

Minutes of the Extra Ordinary General Meeting of the Members of Rajapalayam Mills Ltd held at 09.30 A.M. on Monday the 27th June, 2011 at P.A.C. Ramasamy Raja Centenary Community Hall, P.A.C. Ramasamy Raja Salai, Rajapalaiyam.

Members attended in person	.. 25
Members attended through proxy	.. 1

Total	.. 26

Shri P.R.Ramasubrahmaneya Rajha, Chairman of the Company took the Chair to conduct the Extra-ordinary General Meeting (EGM) of the Company.

The Chairman declared that the Quorum for the Meeting was present and called the Meeting to order.

The Chairman informed the Members that the Register of Directors' Shareholdings maintained under Section 307 of the Companies Act, 1956 was kept open and available for Inspection by Members.

Then, with the consent of the Chairman and the Members present, Notice of the EGM dated 28-05-2011 alongwith the Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956 was taken as read.

The Chairman explained in detail about the proposal to issue of Bonus Shares in the ratio of 1:1 (i.e.) One Bonus Share for every Share held by the Members, by capitalization of Share Premium of the Company and to increase the Authorized Share Capital of the Company from the present level of Rs.5 Crores to Rs.15 Crores.

Chairman's
Initial



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For RAJAPALAYAM MILLS LTD.,



**(B. GNANAGURUSAMY)
DGM - Accounts**

RAJAPALAYAM MILLS LIMITED, RAJAPALAIYAM.

Attention of the Members was also drawn to the Explanatory Statement furnished in the Notice of the EGM, as required under Section 173(2) of The Companies Act, 1956.

After clarifying the points raised by some of the Members present at the Meeting, the Chairman then proceeded to transact the business as per the notice of the EGM.

The following Subjects were taken up and passed as **Ordinary Resolutions**:

Subject No 1 : TO INCREASE THE AUTHORIZED SHARE CAPITAL OF THE COMPANY

Proposed by Shri K.S. Chidambaranathan, a shareholder and seconded by Shri P.S. Kalaiappan, a shareholder, the following resolution was passed as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 94 / 97 and other applicable provisions of any of the Companies Act, 1956 -

(a) The Authorized Share Capital of the Company be Increased from Rs.5,00,00,000/- (Rupees Five Crores) to Rs.15,00,00,000/- (Rupees Fifteen Crores).

(b) Clause 5 of the Memorandum of Association of the Company be altered as follows:

"The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000/- (One Crore Fifty Lakhs) Equity Shares of Rs.10/- each".

Subject No 2 : ISSUE OF BONUS SHARES

Proposed by Shri N.K. Shrikantan Raja, a shareholder and seconded by Shri S.S. Ramachandra Raja, a shareholder, the following resolution was passed as an Ordinary Resolution:

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"RESOLVED THAT pursuant to the provisions of Section 94 / 97 and other applicable provisions if any of the Companies Act, 1956 and subject to such other approval/s, permission/s, consents from SEBI, Reserve Bank of India, Stock Exchanges, Depositories and other regulatory authorities as may be required:

- i) as recommended by the Board of Directors, a sum of Rs.3,51,25,800/- (Rupees Three crores fifty one lakhs twenty five thousand eight hundred only) from out of the amounts standing to the credit of the Share Premium Account of the Company be capitalized and the said amount be applied for paying up in full at par 35,12,580 Equity Shares of Rs.10/- each in the Capital of the Company to be allotted and distributed as **FULLY PAID BONUS SHARES** to the holders of 35,12,580 Equity Shares of the Company in proportion of one Bonus Share for every fully paid Equity Share held by such Members as on the record date to be fixed by the Board of Directors of the Company / Committee thereof for this purpose;
- ii) the Board of Directors of the Company be and is hereby authorized to accept and agree to such terms and conditions, if any required, as may be prescribed or stipulated by the authorities concerned for issue of Bonus Shares which the Board may, in its absolute discretion, think fit and proper to accept;
- iii) the Bonus Shares to be issued as Fully Paid Equity Shares as above are subject to the Memorandum and the Articles of Association of the Company and shall rank in all respects pari passu with the existing Equity Shares of the Company, provided however that such new Equity Shares shall not be entitled to participate in any dividend declared / to be declared for any year or period prior to the issue of the Bonus Shares; but shall be entitled to full Dividend for the financial year in which they are allotted;

Chairman's
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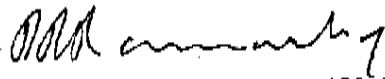
For RAJAPALAYAM MILLS LTD.,


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- iv) no Allotment Letter shall be Issued to the allottees of Bonus Shares. With regard to shares held in physical form, Certificates in respect of the new Equity Shares shall be Issued to the allottees of the bonus shares as aforesaid. With regard to the shares held in dematerialized form, the bonus shares will be credited to the respective Demat Account of the holders;
- v) allotment and Issue of new Bonus Shares to any Non-Resident Member shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999;
- vi) the said Bonus Shares shall be treated for all purposes as an Increase in nominal amount of the Capital of the Company held by each such Member and not as Income;
- vii) the Board be and is hereby authorized to apply for Listing of Bonus Shares to the Stock Exchanges where the Company's existing shares are listed and to make an application to the Depositories for crediting the Bonus Shares to the Individual Depository Accounts of the allottees;
- viii) subject to the conditions of the consent or approval of such authorities as may be required to be obtained, the Board be and is hereby authorized to settle any question or difficulty whatsoever which may arise in regard to the Issued and allotment of the aforesaid Bonus Shares.

**RAJAPALAIYAM,
27-06-2011**


**P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN.**

Chairman's
Initial

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