



RSWM Limited

Regd. Office: Kharigram P.O. Gulabpura – 311 021
District Bhilwara (Rajasthan)

NOTICE

Notice is hereby given that the Fifty-First Annual General Meeting of the members of the Company will be held on Tuesday the 18th day of September, 2012 at 2.00 P.M. at the Registered Office of the Company at Kharigram, P.O. Gulabpura-311 021, District Bhilwara, Rajasthan to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March, 2012 and the Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri L. N. Jhunjhunwala, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Shekhar Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri D. N. Davar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

Special Business

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT

- a) pursuant to the provisions of Sections 198, 269, 309, 316 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII and subject to such approvals as may be necessary, approval of the members be and is hereby accorded to the re-appointment of Shri Arun Churiwal, as Managing Director of the Company with effect from the 17th March, 2012 on the remuneration as set out in the Explanatory Statement annexed hereto for a period upto 16th March, 2015.
- b) the Board of Directors of the Company be and is hereby authorised to :
 - i) agree to such increase or decrease or variations, modifications or amendments in the terms of remuneration set out in Explanatory Statement annexed hereto as considered reasonable by the Board and acceptable to

Shri Arun Churiwal subject to such approval(s) as may be necessary.

- ii) take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this Resolution.”

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creation of such mortgage(s) and charge(s) in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on the assets of the Company, both present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of:

- Oriental Bank of Commerce (OBC) in connection with Term Loan of ₹ 59.50 crores under Technology Upgradation Fund Scheme (TUFS).
- Dena Bank in connection with Term Loan of ₹ 40.25 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to OBC and Dena Bank under the Loan Agreements entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with OBC and Dena Bank the documents for creating the aforesaid mortgage(s) and/or charge(s) and to do all such acts and things as may be necessary for giving effect to the above Resolution.”

By order of the Board
For RSWM Limited

Place : Noida
Date : 9th July, 2012

Surender Gupta
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under item No. 6 & 7 and relevant details in respect of item Nos. 2, 3, 4 & 6 pursuant to clause 49 of the Listing Agreement are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 14th September, 2012 to Tuesday, the 18th September, 2012 (both days inclusive).
4. Members are requested to:
 - (i) Quote their Folio number/client ID in all correspondence with the Company.
 - (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and Change of Address. Members holding shares in electronic form should send their requests regarding the same to their respective Depository Participants.
5. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account such as Client ID and DPID numbers for identification.
6. Members seeking any information/clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the registered office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/clarification ready.
7. In accordance with the provisions of Section 205A of the Companies Act, 1956, the dividend remaining unpaid/unclaimed for 7 years is required to be transferred to the Investor Education and Protection Fund. Accordingly, the shareholders who have not encashed the dividend warrants so far for the financial year ended the 31st March, 2005 and subsequent financial years are requested to make their claims to the Company.

Members may please note that the unclaimed dividends prior to year 2004-2005 have already been transferred to appropriate authorities.
8. Members holding shares in physical form are requested to furnish their email ID through e-mail at rswm.investor@lnjbhilwara.com and/or send letter to us quoting their Folio No. and e-mail ID to enable us to serve any document, notice, communication, annual reports etc. through e-mail. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. We request the members to continue to support the Green Initiative introduced by MCA and make it a success.
9. The Annual Report of the Company will also be available on the website of the Company, www.rswm.in. Documents in physical form shall be sent to members upon request.
10. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
11. In case of transfer of Shares, transferee is requested to furnish a copy of the of PAN card to the Registrar & Transfer Agent for registration of transfer of shares in physical form.

ANNEXURES TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 6

The term of appointment of Shri Arun Churiwal, Managing Director expired on the 16th March, 2012. The Board of Directors in their meeting held on the 4th February, 2012 have re-appointed Shri Arun Churiwal as Managing Director for a further period of three years commencing from the 17th March, 2012 in accordance with the provisions of the Companies Act, 1956 read with Schedule XIII thereto. The terms of remuneration have also been approved by the Remuneration Committee of the Board of Directors as per the requirement of the Companies Act, 1956 read with

Schedule XIII. The terms and conditions of his appointment are as under:

Salary : ₹2,50,000/- per month with annual increase of ₹40,000/- per month.

Commission : Not more than 1% of the net profits of the Company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

Perquisites : In addition to salary and commission, Shri Arun Churiwal shall be entitled to the following perquisites.

Category 'A'

i) Housing:

- a) The expenditure incurred by the Company on hiring unfurnished accommodation for him shall be subject to a ceiling, namely 60% of the basic salary, over and above 10% payable by him, or
- b) In case the accommodation is owned by the Company 10% of the basic salary shall be deducted by the Company, or
- c) In case no accommodation is provided by the Company, house rent allowance subject to a ceiling laid down in (a) above shall be paid.

The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income Tax Rules, 1962 and will be subject to a ceiling of 10% of the basic salary.

ii) Medical Reimbursement:

Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's basic salary in a year or three months basic salary over a period of three years.

iii) Leave Travel Concession:

For the self and family once in a year in accordance with the rules specified by the Company.

iv) Club Fee(s):

Fee for clubs subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.

v) Personal Accident Insurance:

Of an amount, the annual premium of which not to exceed ₹10,000/-.

For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

Category 'B'

i) Provident Fund:

Company's contribution to Provident Fund shall be as per the scheme of the Company.

ii) Superannuation/Annuity Funds:

Company's contribution to Superannuation/Annuity fund shall be in accordance with the scheme of the Company.

iii) Gratuity:

Payable as per the rules of the Company.

Category C

i) Car:

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.

ii) Telephone:

Telephone at residence. Personal long distance calls shall be billed by the Company.

Minimum Remuneration

Notwithstanding anything to the contrary hereinabove contained, where, in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Managing Director by way of salary, perquisites and allowances not exceeding the sum specified in Para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956.

The re-appointment of Shri Arun Churiwal as Managing Director of the Company and payment of remuneration to him requires the approval by the Company in general meeting by special resolution in accordance with the relevant provisions of the Companies Act, 1956 read with Para 1(B) of Section II of Part II of the Schedule XIII to the said Act. The Resolution set out in the notice at Item no. 6 is intended for this purpose.

None of the Directors except Shri Arun Churiwal himself is in anyway interested or concerned in the Resolution.

INFORMATION PURSUANT TO THE PARA 1(B) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956

I. General Information

1. Nature of Industry:

The Company is in the business of manufacturing textiles, primarily it is in the business of Yarn, Fabric and Denim.

2. Date or expected date of commercial production:

Subsequent to the incorporation of the Company on the 17th October, 1960, the Company obtained certificate of commencement of business on the 28th December, 1960.

3. Financial performance based on given indicators:

The financial performance of the Company during the previous three financial years is as under:

(₹ crore)

| | Financial Year Ended 31.03.2012 | Financial Year Ended 31.03.2011 | Financial Year Ended 31.03.2010 |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Turnover | | | |
| Export | 730.35 | 783.62 | 566.70 |
| Domestic | 1269.80 | 1178.54 | 971.79 |
| Total | 2000.15 | 1962.16 | 1538.49 |
| Profit before Interest & Depreciation | 160.99 | 340.11 | 193.26 |
| Less: Interest | 104.04 | 78.74 | 56.82 |
| Profit before Depreciation | 56.95 | 261.37 | 136.44 |
| Less: Depreciation | 89.10 | 80.15 | 87.64 |
| Profit/(Loss) before Tax | (32.15) | 181.22 | 48.51 |
| Less: Current Tax | (3.85) | 34.40 | 10.02 |
| Deferred Tax Liability | (6.51) | 23.86 | 2.46 |
| Profit/(Loss) after Tax | (21.79) | 122.96 | 36.03 |

4. Export performance and net foreign exchange collaborations:

Export sales of the Company has decreased to ₹ 730.35 crore in 2011-12 from ₹ 783.62 crore in 2010-11. The earning in foreign currency was ₹ 693.96 crore in 2011-12 as compared to ₹ 748.46 crore in 2010-11.

5. Foreign investments or collaborators, if any:

During this financial year, there is no foreign investment or collaboration.

II. Information about the appointee(s):

Shri Arun Churiwal, Managing Director

1. Background details:

Shri Arun Churiwal aged 62 years holds a degree in B.A (Hons) from Calcutta University. He is an Industrialist with a rich business experience and expertise in textile industry. He was appointed as Managing Director of the Company on the 17th March, 2009.

He is also Chairman and Managing Director of BSL Limited. He is also Non-Executive Director of LNJ Financial Services Limited, LA OPALA RG Limited besides other Private Limited Companies. He is also member on the Board Committees of various companies.

2. Past Remuneration:

The Board of Directors in their meeting held on the 4th February, 2012 re-appointed Shri Arun Churiwal as Managing Director of the Company for a period of three years w.e.f the 17th March, 2012 in accordance with the provisions of the Companies Act, 1956 and Schedule XIII thereto. The terms of remuneration have also been approved by the Remuneration Committee of the Board as per the requirement of the Companies Act, 1956. The terms and conditions of his appointment have been stated above in this explanatory statement. A comparison of past remuneration and the proposed remuneration is given below:

| Remuneration | Past Remuneration (17 th March 2011 to 16 th March 2012) (In ₹) | Proposed Remuneration (17 th March 2012 to 16 th March 2013) (In ₹) |
|--|---|---|
| Basic Salary | 25,80,000 | 30,00,000 |
| Allowances, Perquisites & Retiral Benefits | 10,15,382* | 35,31,231 |
| Commission | Not more than 1% of the net profits of the Company .* | Not more than 1% of the net profits of the Company |

* Restricted in view of losses incurred

3. Recognition or awards:

Shri Arun Churiwal has represented the Company in various business associations. He is the past president of Merchant Chamber of Commerce, Kolkata and Mewar Chamber of Commerce, Bhilwara. He is also the past Chairman of Indian Woolen Mills Federation Mumbai.

4. Job profile and his suitability:

Shri Arun Churiwal has been acting as Managing Director of the Company w.e.f 17th March 2009. Shri Arun Churiwal had a long Association with the Company and has a valuable contribution towards the considerable growth of the Company. He holds a degree in B.A(Hons) from Calcutta University and is an industrialist with rich business experience and expertise in textile industry for over 33 years. It is expected that with re-appointment of Shri Arun Churiwal as Managing Director, the Company would further benefit from his rich experience and knowledge in the field of textile. Taking into account the qualification and long experience of Shri Arun Churiwal, the Board considers it appropriate to appoint him as Managing Director on the terms and conditions as set out in the above explanatory statement.

5. Remuneration proposed:

Remuneration is as set out above in the explanatory statement. The remuneration to the Managing Director has the approval of the Board and Remuneration Committee.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)

The Company has a paid up share capital of ₹ 23.15 crores, and is presently listed on two stock exchanges with approx. 14,000 shareholders. It is in the business of Manufacturing Yarn, Fabric, and Denim. Considering the size of the Company, the profile of Shri Arun Churiwal, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Excepting the payment of remuneration for his service as Managing Director, as approved and detailed hereinabove, he has no other direct or indirect pecuniary relationship with the Company.

None of the Directors of the Company is interested in his re-appointment as Managing Director.

III. Other Information:

1. Reasons for loss or inadequate profits:

The Company earned Profit/(Loss) before Tax of ₹(32.15) crore for the financial year ended the 31st March, 2012, as compared to Profit before Tax of ₹181.22 crore for the financial year ended 31st March, 2011. The Company does not have profits for the year ended 31st March, 2012 in terms of Section 198 read with Section 309 of the Companies Act, 1956.

The main reasons for the Loss for the year ended 31st March, 2012 are appreciation of INR, lesser margin on account of low realization and higher input cost of raw materials and also due to impact of high volatility in cotton prices.

2. Steps taken or proposed to be taken for improvement:

The Company has recently completed expansion and modernization programmes. The Company is focusing on the marketing and value addition to achieve the optimum benefits in its operations. Company has implemented various corrective steps and cost reduction measures so as to improve its operational efficiencies. The Company is hopeful that the remedial measures will yield good returns in future.

The operations of the Company have shown good recovery in the last quarter of the financial year, thereby reducing the overall losses.

3. Expected increase in productivity and profits in measurable terms:

The Company has taken initiatives to improve the profitability of the Company and will continue in its endeavour to improve performance. Although certain constraints can be addressed only over a period of time, the management expects a reasonable improvement in operations in future years.

Item No.7

The Company had approached Oriental Bank of Commerce (OBC) and Dena Bank for financial assistance in the form of Rupee Term Loan of ₹59.50 crores and ₹40.25 crores respectively, under Technology Upgradation Fund Scheme (TUFS) for part financing the expansion project of the Company and to take over the high cost loan of Bank of Maharashtra. The referred financial assistance(s) from the lenders are to be secured by mortgage/charge of the assets of the Company, both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter-alia that the Board of Directors of the Company shall not, without the consent of members of the Company in general meeting sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of OBC and Dena Bank may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copies of sanction letters received from the lenders and copies of relevant documents/correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the resolution for approval.

None of the Directors is concerned or interested in the resolution.

By order of the Board
For RSWM Limited

Place: Noida
Date : 9th July, 2012

Surender Gupta
Company Secretary

Details of the Directors Seeking appointment/re-appointment in forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreements)

| | | | | |
|--|--|---|--|--|
| Name of Director | Shri Arun Churiwal | Shri L. N. Jhunjhunwala | Shri Shekhar Agarwal | Shri D. N. Davar |
| Category | Promoter Executive | Promoter - Non Executive | Promoter - Non Executive | Independent - Non Executive |
| Interse relationship | N.A. | Father in Law of Shri Shekhar Agarwal | Son in Law of Shri L. N. Jhunjhunwala | N.A. |
| Date of Birth | 15 th May, 1950 | 17 th October, 1928 | 9 th October, 1952 | 8 th August, 1934 |
| Date of Appointment | 23 rd October, 2003 | 17 th October, 1960 | 13 th February, 1984 | 10 th November, 2004 |
| Qualification | B.A. (Hons) | B.A. Maths. (Hons)-Gold Medalist, Calcutta University | B.Tech (M.E), M.Sc (Chicago) | B.Com(Hons), M.A-Economics, CAIIB, Fellow of the Economic Development Institute of the World Bank |
| Expertise in specific functional areas | Rich Experience of Textile Industry | Renowned industrialist with wide experience and diversified business interest | Industrialist with rich experience of Textile Industry | Consultant in the areas of finance, accounting and corporate laws. Part time consultant to World Bank, UNIDO and Kreditanstalt fur, Weideraufbau(KFW), Former Executive Chairman of IFCI |
| List of other Public Companies in which Directorships held | 1. BSL Ltd. 2. LNJ Financial Services Ltd. 3. La Opala RG Ltd. | 1. AD Hydro Power Ltd. 2. HEG Ltd. 3. Indo Canadian Consultancy Services Ltd. 4. LNJ Financial Services Ltd. 5. Malana Power Company Ltd. 6. Maral Overseas Ltd. | 1. Bhilwara Technical Textiles Ltd. 2. BSL Ltd. 3. Essay Marketing Company Ltd. 4. HEG Ltd. 5. Maral Overseas Ltd. | 1. Adayar Gate Hotel Ltd. 2. Ansal Properties & Infrastructure Ltd. 3. Cimmco Ltd. 4. HEG Ltd. 5. Hero Fincorp Ltd. 6. Indo-Continental Hotels & Resorts Ltd. 7. Landmark Property Development Co. Ltd. 8. Maral Overseas Ltd. 9. OCL India Ltd. 10. Parsvnath Hotels Ltd. 11. Parsvnath SEZ Ltd. 12. Sandhar Technologies Ltd. 13. Titagarh Wagons Ltd. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Nil | Audit Committee - Member | Shareholders' / Investors' Grievances Committee- Member | 1. Audit Committee- Member 2. Shareholders'/ Investors' Grievance Committee – Member |
| Chairman/Member of the Committees of Directors of other Companies : | | | | |
| a) Audit Committee | Nil | Maral Overseas Ltd – Member | 1. BSL Ltd. – Member 2. HEG Ltd. – Member | 1. Ansal Properties & Infrastructure Ltd. – Chairman 2. CIMMCO Ltd. – Member 3. HEG Ltd. – Chairman 4. Hero Fincorp Ltd. – Chairman 5. Maral Overseas Ltd. – Member 6. OCL India Ltd. – Chairman 7. Titagarh Wagons Ltd. - Chairman |
| b) Shareholders'/ Investors' Grievances Committee | BSL Ltd.-Member | HEG Ltd. – Chairman | Maral Overseas Ltd. – Member | Maral Overseas Ltd. – Member |
| No. of Equity Shares held in Company | 1,610 | 1,37,112 | Nil | Nil |



RSWM Limited

Regd. Office: Kharigram P. O. Gulabpura - 311 021, District Bhilwara, Rajasthan

PROXY FORM

DP Id*

Folio No

Client Id*

No. of Share(s) held

I/We of being a member/members of RSWM Limited, hereby appoint of failing him/her of or failing him of as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 51st Annual General Meeting of the Company to be held on Tuesday, the 18th of September, 2012 at 2.00 P.M. and at any adjournment thereof.

As WITNESS my/our hand/hands this day of 2012.

Signed by the said

Please affix
Re. 0.15
Revenue
Stamp here

Note: The Proxy must be deposited at the Registered Office of the Company at Kharigram, P.O. Gulabpura - 311 021, District Bhilwara, Rajasthan not less than forty eight hours before the time of holding the meeting.

* Applicable for investors holding Shares in electronic form



RSWM Limited

Regd. Office: Kharigram P. O. Gulabpura - 311 021, District Bhilwara, Rajasthan

ATTENDANCE SLIP

DP ID/CL ID/Folio No No. of Shares held

Full name of shareholder

Full name of Proxy / Representative

I hereby record my presence at the 51st Annual General Meeting of the Company being held on Tuesday, the 18th of September, 2012 at 2.00 P.M. at the Registered Office of the Company at Kharigram, P.O. Gulabpura - 311 021, District Bhilwara, Rajasthan.

Signature of the Shareholder / Proxy / Representative*

Note: Please fill in this attendance slip and hand over at the entrance of the meeting hall.

* Strike out whichever is not applicable

