



RSWM LIMITED

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

NOTICE

Notice is hereby given that the Fifty-Second Annual General Meeting of the members of the Company will be held on Thursday the 19th day of September, 2013 at 12:30 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, 2013 and Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.
2. To declare the Dividend on Equity Shares.
3. To appoint a Director in place of Shri Ravi Jhunjunwala, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Arun Churiwal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. Kamal Gupta, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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 members 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 charges 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:

- State Bank of Bikaner and Jaipur (SBBJ) in connection with Term Loan of ₹ 11.25 crore and ₹ 9.50 crore under Technology Upgradation Fund Scheme (TUFS).
- Union Bank of India (UBI) in connection with Term Loan of ₹ 26.74 crore and ₹ 8.62 crore in order to replace high cost debts of Axis Bank Limited.
- Bank of Baroda (BOB) in connection with Term Loan of ₹ 12.00 crore under Technology Upgradation Fund Scheme (TUFS).

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 SBBJ, UBI and BOB 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 SBBJ, UBI and BOB the documents for creating the aforesaid mortgage(s) and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution.”

8. 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 members of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation of Second Charge subject to the First Charge of the Term Lenders on all the immovable and movable properties of the Company, wheresoever situated, 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 :

- The consortium Banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Axis Bank Ltd., Union Bank of India and ICICI Bank Ltd. for granting to the Company Working Capital Facilities to the extent of ₹ 776.00 crore (Rupees Seven Hundred and Seventy Six crore only) or to any enhancements in the limits in future from time to time.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the lenders the documents for creating the aforesaid mortgage(s) and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

9. To consider and if deem fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner set out below:
The following para be added at the end of the existing Article 110.
"For the purpose of conducting of Board Meeting or that of any Committee of the Board and for the purpose of quorum of such meetings participation of Directors through video conferencing or tele conferencing or through any other electronic or other media shall also be considered as valid as permitted by applicable laws from time to time."
10. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:-
"RESOLVED THAT Shri Riju Jhunjunwala who was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956, and Article 92 of the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of ₹ 500/- (Rupees five hundred only) u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Riju Jhunjunwala for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."
11. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:-
"RESOLVED THAT Shri P. S. Dasgupta, who was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956, and Article 92 of the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of ₹ 500/- (Rupees five hundred only) u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Shri P. S. Dasgupta for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."
12. 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 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 reappointment of Shri J.C. Laddha as Executive Director of the Company with effect from the 1st January, 2013 for a period of two years on the remuneration as set out in the Explanatory Statement annexed hereto.
b) The Board of Directors of the Company be and is hereby also 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 J.C. Laddha.
ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."
13. 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 appointment of Shri Riju Jhunjunwala as Joint Managing Director of the Company, with effect from the 1st May, 2013 for a period of three years on the remuneration as set out in the Explanatory Statement annexed hereto.
b) The Board of Directors of the Company be and is hereby also 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 Riju Jhunjunwala.
ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."

By Order of the Board
For RSWM LIMITED

Surender Gupta
Company Secretary

Place: Noida
Date : 24th July, 2013

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 Nos. 7, 8, 9, 10, 11, 12 & 13 and relevant details in respect of item Nos. 3, 4, 5, 9, 10, 11, 12 & 13 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 Tuesday, the 10th September, 2013 to Thursday, the 19th September, 2013 (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 share holders who have not encashed the dividend warrants so far for the financial year ended the 31st March, 2006 and subsequent financial years are requested to make their claims to the Company.

Members may please note that the unclaimed dividends prior to year 2005-2006 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 report 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 in physical form, transferee is requested to furnish a copy of the PAN card to the Registrar & Transfer Agent for registration of transfer of shares.

ANNEXURES TO NOTICE

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

ITEM NO.7

The Company had approached State Bank of Bikaner & Jaipur (SBBJ) for financial assistances in the form of Rupee Term Loans of ₹ 11.25 crore and ₹ 9.50 crore under Technology Upgradation Fund Scheme (TUFS) for installation of Effluent Treatment Plants of the Company and for the expansion in its existing unit at Mandpam respectively, Union Bank of India to replace high cost debts of ₹ 26.74 crore and ₹ 8.62 crore of Axis bank and also from Bank of Baroda for ₹ 12.00 crore for installation of equipment for replacement, value addition and balancing of production at different units. The referred financial assistances 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 moveable properties as aforesaid in favour of SBBJ, UBI and BOB 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 lender 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.

ITEM NO. 8

The Company is availing working capital facilities from the consortium of banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Axis Bank Ltd., Union Bank of India and ICICI Bank Ltd. to the extent of ₹ 776.00 crore (Rupees Seven Hundred and Seventy Six crore only).

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 creation of second charge by the Company on its fixed assets 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 these Banks 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 except Shri T.G. Regunathan, who being nominee of Export-Import Bank of India, may be deemed to be interested to the extent of working capital facilities granted by Export-Import Bank of India.

ITEM NO. 9

As per the Articles of Association of the Company, the Board shall meet together at least once in every three months so that at least four such meetings shall be held in every year for the dispatch of business and may adjourn and otherwise regulate its meeting and proceeding as it thinks fit. The Ministry of Corporate Affairs, Government of India, vide its circular no. 28/2011 dated the 20th May 2011, allowed participation by Directors in the Board /Committee meetings through electronic mode through Video-conferencing. Although the Article of Association of the Company do not restrict the conduct of meeting through electronic means, it is considered advisable to amend the Article of Association of the Company in the proper perspective. To incorporate this in the Articles, your Directors recommend amending Article no. 110 carrying the matter as mentioned in the notice. As per provisions of the Companies Act, 1956, Articles may be altered with the approval of shareholders by way of special resolution.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is any way concerned or interested in the said resolution.

ITEM NO. 10

Shri Riju Jhunjunwala was co-opted as an Additional Director of the Company with effect from the 1st May, 2013 and he ceases to hold office from the date of Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. Notice under Section 257 of the Companies Act, 1956 has been received along with a security deposit of ₹ 500/- (Rupees five hundred only) from a member of the Company signifying his intention to move the resolution as set out in Item No. 10 of this notice.

Your Directors recommend the resolution for approval.

None of the Directors of the Company, except Shri Riju Jhunjunwala himself and Shri L. N. Jhunjunwala and Shri Ravi Jhunjunwala being relatives of Shri Riju Jhunjunwala are interested in this resolution.

ITEM NO. 11

Shri P. S. Dasgupta was co-opted as an Additional Director of the Company with effect from the 24th July, 2013 and he ceases to hold office from the date of Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. Notice under Section 257 of the Companies Act, 1956 has been received along with a security deposit of ₹ 500/- (Rupees five hundred only) from a member of the Company signifying his intention to move the resolution as set out in Item No. 11 of this notice.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Shri P. S. Dasgupta is concerned or interested in this resolution.

ITEM NO.12

The term of appointment of Shri J.C. Laddha, as Executive Director expired on the 31st December, 2012. The Board of Directors in their meeting held on the 26th October, 2012 have reappointed Shri J.C. Laddha as Executive Director for a further period of two years commencing from the 1st January, 2013 in accordance with the Companies Act, 1956 and 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:

1. Salary : ₹ 4,00,000/- per month with annual increase of ₹ 50,000/- per month
2. Commission : Upto 0.75% of the net profits of the Company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.
3. Personal Pay : ₹ 1,80,500/- per month.
4. Perquisites : In addition to the salary, commission and personal pay, Shri J. C. Laddha 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 (for residence in Delhi/outside Delhi), 60% of the salary, over and above 10% payable by him, or
 - b) In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company, or
 - c) In case no accommodation is provided by the Company, a 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 shall be subject to a ceiling of 10% of the salary.
- ii) Medical Reimbursement:

Expenditure incurred for the Executive Director and his family, subject to a ceiling of salary in a year or two months salary over a period of two years.
- iii) Leave Travel Concession:

For the self and family once in a year incurred in accordance with the rules specified by the Company.
- iv) Club fees:

Fees 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 Executive Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Executive Director by way of salary, personal pay, 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.

Information pursuant to para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956 is enclosed as **Annexure-A**.

The reappointment of Shri J. C. Laddha as Executive 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. 12 is intended for this purpose.

None of the Directors except Shri J. C. Laddha himself is concerned or interested in this resolution.

ITEM NO. 13

The Board of Directors of the Company in their meeting held on the 1st May, 2013, appointed Shri Riju Jhunjhunwala as Joint Managing Director commencing from the 1st May, 2013. Further, the Board of directors at its meeting held on the 24th July, 2013 set out the terms and conditions of his appointment as Joint Managing Director for a period of three years commencing from the 1st May, 2013 as hereunder:

1. Salary : ₹ 2,50,000/- per month with annual increase of ₹ 30,000/- per month.
2. Commission : 0.75% of the net profits of the Company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.
3. Perquisites : In addition to salary and commission Shri Riju Jhunjhunwala 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 (for residence in Delhi/outside Delhi), 60% of the salary, over and above 10% payable by him, or
 - b) In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company, or
 - c) In case no accommodation is provided by the Company, a 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 salary.
- ii) Medical Reimbursement :

Expenditure incurred for the Joint Managing Director and his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel Concession :

For the self and family once in a year incurred in accordance with the rules specified by the Company.
- iv) Club fees :

Fees 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:

As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service.

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 Joint Managing Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Joint 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.

Information pursuant to para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956 is enclosed as **Annexure-A**.

The appointment of Shri Riju Jhunjunwala as Joint Managing Director of the Company and payment of remuneration to him requires the approval by the Company in general meeting in accordance with the relevant provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. The resolution set out in the notice is intended for this purpose. The Board recommends the resolution for approval of the members as Special Resolution.

The particulars mentioned in the resolution and the explanatory statement may be treated as abstract of terms and conditions of remuneration of Shri Riju Jhunjunwala and memorandum of interest of directors under the provisions of Section 302 of the Companies Act, 1956.

None of the directors of the Company, except Shri Riju Jhunjunwala himself and Shri L. N. Jhunjunwala and Shri Ravi Jhunjunwala being relatives of Shri Riju Jhunjunwala, may be deemed to be concerned or interested in this resolution.

Annexure - A

INFORMATION PURSUANT TO THE PARA 1(B) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 FOR ITEM NO. 12 AND 13.

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 31.03.2013	Financial Year Ended 31.03.2012	Financial Year Ended 31.03.2011
Turnover			
Export	720.19	730.35	783.62
Domestic	1,750.85	1,269.80	1,178.54
TOTAL	2,471.04	2,000.15	1,962.16
Profit before Interest & Depreciation	331.17	160.99	340.11
Less: Interest	121.29	104.04	78.74
Profit before Depreciation	209.88	56.95	261.37
Less: Depreciation	108.45	89.10	80.15
Profit/(Loss) before Tax	101.43	(32.15)	181.22
Less: Current Tax	(20.26)	(3.85)	34.40
Deferred Tax Liability	(13.30)	(6.51)	23.86
Profit/(Loss) after Tax	67.87	(21.79)	122.96

4. Export performance and net foreign exchange collaborations:

Export sales of the Company was marginally lower at ₹ 720.19 crore in 2012-13 as against ₹ 730.35 crore in 2011-12. The earning in foreign currency was ₹ 686.18 crore in 2012-13 as compared to ₹ 693.96 crore in 2011-12.

5. Foreign investments or collaborators, if any:

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

II. Information about the appointee:

Shri J.C Laddha, Executive Director

1. Background details.

Shri J.C Laddha aged 63 years holds a degree in Chartered Accountancy. He has 40 years of rich experience of Textile Industry. He was appointed as Executive Director of the Company on the 1st January, 1990.

Since his appointment as Executive Director, he has successfully overseen completion of re-structuring of the operations of the Company, modernization, expansion and up-gradation of production processes etc. He has also led the company grow inorganically by various acquisitions.

2. **Past Remuneration.**

A comparison of past remuneration and the proposed remuneration is given below:

	Previous Remuneration (1st January, 2010 to 31st December, 2012) (in ₹)	Proposed Remuneration (1st January, 2013 to 31st December, 2014) (in ₹)
Salary per month	₹ 2,35,000 per month with an annual increase of ₹ 40,000/-	₹ 4,00,000/- per month with an annual increase of ₹ 50,000/-
Commission	Upto 0.75% of the net profits of the Company as computed in the manner laid down in section 309(5) of the Companies Act, 1956	Upto 0.75% of the net profits of the Company as computed in the manner laid down in section 309(5) of the Companies Act, 1956
Personal pay	₹ 1,69,500 per month	₹ 1,80,500/- per month

All other terms of appointment remain unchanged as stated above in this explanatory statement

3. **Recognition or awards.**

Shri J.C Laddha has represented Company in various Business Associations.

4. **Job profile and his suitability.**

Being the Executive Director, he is overall in-charge of the operations of the Company subject to superintendence, control and direction of the Board of Directors and accordingly, the day to day management and administration is vested in Executive Director.

Taking into account Shri J. C. Laddha's qualifications and prior experience, industry comparison with similarly situated managerial personnel and the responsibilities placed on him as Executive Director of the Company and in view of his contribution to the Company since his appointment, the Board considers the remuneration paid/proposed to be paid to him to be in the best interests of the Company. The Board is confident that Shri J.C Laddha's management capabilities will enable the Company progress further.

5. **Remuneration proposed.**

Remuneration proposed is as set out above in the item No.12 of the explanatory statement. The remuneration to Shri J.C Laddha has the approval of the Board and Remuneration Committee. The terms of remuneration up to period ended the 31st December, 2012 are same as already approved by the Shareholders at their meeting held on the 16th September, 2010. The proposed remuneration for the period commencing from the 1st January, 2013 upto the 31st December, 2014 is subject to Shareholders' approval by way of Special Resolution and the same has already been approved by Remuneration Committee and Board of Directors at their respective meetings held on the 26th October, 2012.

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 nearly ₹ 23.15 Crore as on the 31st March, 2013, and is presently listed on two stock exchanges with approx., 12,500 shareholders. It is in the business of Manufacturing, Yarn and Fabric. Considering the size of the Company, the profile of Shri J.C Laddha, 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 services as Executive Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Shri J.C Laddha himself is interested.

Shri Riju Jhunjunwala

1. **Background details**

Shri Riju Jhunjunwala aged 34 years holds a degree in Business Management Studies. He is an industrialist with diversified business experience. He was appointed as Joint Managing Director of the Company on the 1st May, 2013.

He is Managing Director of Bhilwara Energy Limited and Non-Executive Director on the Boards of HEG Limited, BSL Limited, Bhilwara Infotechnology Limited, Bhilwara Technical Textiles Limited, Cheslind Textiles Limited, LNJ Bhilwara Textile and Anusandhan Vikas Kendra, besides other Private Companies. He is also on Board committees of various Companies.

2. **Past Remuneration**

He was appointed as Joint Managing Director with effect from the 1st May, 2013.

3. Recognition or awards

Shri Riju Jhunjunwala has represented Company in various Business Associations. He has also been member of Young Business Committee at the Confederation of Indian Industry.

4. Job profile and his suitability

Being the Joint Managing Director, he is overall in-charge of the affairs of the Company subject to superintendence, control and direction of the Board of Directors and accordingly, the day to day management and administration is vested in Joint Managing Director.

Taking into account Shri Riju Jhunjunwala's qualifications and prior experience, industry comparison with similarly situated managerial personnel and the responsibilities placed on him as Joint Managing Director of the Company, and in view of his contribution in his previous stint as Joint Managing Director of the Company during 2003 to 2009, the Board considered his appointment to be in the best interest of the Company. The Board is confident that Shri Riju Jhunjunwala's management capabilities will enable the Company progress further.

5. Remuneration proposed

Remuneration proposed is as set out above in the item no. 13 of the explanatory statement. The remuneration to Shri Riju Jhunjunwala has the approval of the Board and Remuneration Committee. The terms of remuneration up to period ended the 30th April, 2016 are subject to the approval of the shareholders. The proposed remuneration for the period commencing from the 1st May, 2013 upto the 30th April, 2016 is subject to Shareholders' approval by way of Special Resolution and the same has already been approved by Remuneration Committee and Board of Directors at their respective meetings held on the 24th July, 2013.

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 nearly ₹ 23.15 Crore as on the 31st March, 2013, and is presently listed on two stock exchanges with approx., 12,500 shareholders. It is in the business of Manufacturing, Yarn and Fabric. Considering the size of the Company, the profile of Shri Riju Jhunjunwala, 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 services as Joint Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Shri Riju Jhunjunwala himself and Shri L. N. Jhunjunwala and Shri Ravi Jhunjunwala being relatives of Shri Riju Jhunjunwala are interested.

III. Other Information:

1. Reason for loss or inadequate profits.

The Company earned net profit to the tune of ₹67.87 crores during the financial year ended the 31st March, 2013 as per the annual accounts approved by the Board of Directors at its meeting held on the 1st May, 2013. However, the Company incurred a loss of ₹21.79 crores during the year ended the 31st March, 2012. This information as per Schedule XIII to the Companies Act, 1956 is given as the reappointment/appointment of Shri J. C. Laddha and Shri Riju Jhunjunwala was made before the approval of Annual Accounts for the year ended the 31st March, 2013 by the Board of Directors.

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. At the same time the Company is aiming on cost reduction measures in order to reduce costs and improve profitability.

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

In view of the above steps taken by the Company along with the other measures, the Company has recovered from the loss incurred in the financial year 2011-12 which was a bad year for the textile industry and has earned net profit of ₹ 67.87 crore during the financial year 2012-13.

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 Ravi Jhunjhunwala	Shri Arun Churiwal	Dr. Kamal Gupta	Shri P. S. Dasgupta	Shri J.C. Laddha	Shri Riju Jhunjhunwala
Category	Promoter- Non Executive	Promoter-Executive	Independent- Non Executive	Independent- Non Executive	Non-Promoter – Executive	Promoter-Executive
Interse relationship	Father of Shri Riju Jhunjhunwala	N.A.	N.A.	N.A.	N.A.	Son of Shri Ravi Jhunjhunwala
Date of Birth	28 th October, 1955	15 th May, 1950	12 th February, 1946	30 th June, 1955	12 th December, 1949	13 th January, 1979
Date of Appointment	18 th May, 1979	23 rd October, 2003	26 th December, 1987	24 th July, 2013	1 st January, 1990	1 st May, 2013
Qualification	B.Com. (Hons.) MBA	B.A. (Hons)	FCA, FICWA, Ph.D	B. A. (Hons.), LL.B., Post Graduate Diploma – Corporate Laws & Labour Laws.	B.Com. FCA	Graduate in Business Management Studies
Expertise in specific functional areas	Industrialist with diversified business experience	Rich Experience of Textile Industry	Consultant in the areas of Finance, Accounting and Corporate Laws, Former Technical Director of The Institute of Chartered Accountants of India.	Renowned International Corporate lawyer and represents a leading law firm in Delhi.	Possesses rich experience in Textile Industry.	Industrialist with diversified business experience.
List of other Public Companies in which Directorships held	1. AD Hydro Power Limited 2. Bhilwara Energy Limited 3. Bhilwara Green Energy Limited 4. BSL Limited 5. Cheslind Textiles Limited 6. HEG Limited 7. India Glycols Limited 8. Indo Canadian Consultancy Services Limited 9. JK Lakshmi Cement Limited 10. Malana Power Company Limited 11. Maral Overseas Limited 12. NJC Hydro Power Limited	1. BSL Limited 2. La Opala RG Limited 3. LNJ Financial Services Limited	1. AD Hydro Power Limited 2. Bhilwara Energy Limited 3. HEG Limited 4. Malana Power Company Limited 5. Maral Overseas Limited 6. PNB Gilts Limited	1. Asian Hotels (North) Limited 2. Bhilwara Technical Textiles Limited 3. Cummins India Limited 4. Ester Industries Limited 5. Interstar Financial Services Limited 6. Maral Overseas Limited 7. Otis Elevator Co. India Limited 8. Timken India Limited 9. Tricone Projects India Limited	None	1. Bhilwara Energy Limited 2. Bhilwara Green Energy Limited 3. Bhilwara Infotechnology Limited 4. Bhilwara Technical Textiles Limited 5. Chango Yangthang Hydro Power Limited 6. Cheslind Textiles Limited 7. HEG Limited 8. LNJ Power Ventures Limited 9. NJC Hydro Power Limited None
Chairman/Member of the Committee of the Board of Directors of the Company	None	1. Shareholders' / Investors' Grievance Committee – Member	1. Audit Committee- Chairman 2. Shareholders' / Investors' Grievance Committee – Chairman	None	None	None
a) Audit Committee	1. AD Hydro Power Limited - Chairman 2. Malana Power Company Limited – Chairman	None	1. AD Hydro Power Limited – Member 2. HEG Limited – Member 3. Malana Power Company Limited – Member 4. Maral Overseas Limited – Chairman 5. PNB Gilts Limited – Chairman	1. Bhilwara Technical Textiles Limited - Member 2. Cummins India Limited - Member 3. Maral Overseas Limited - Member 4. Otis Elevator Co. Limited - Member 5. Timken India Limited - Chairman 6. Tricone Projects India Limited – Member	None	1. Bhilwara Technical Textiles Limited – Member 2. Bhilwara Green Energy Limited - Member 3. Chango Yangthang Hydro Power Limited – Member 4. Cheslind Textiles Limited – Member 5. NJC Hydro Power Limited – Member
b) Shareholders' / Investors' Grievances Committee	1. HEG Limited – Member 2. BSL Limited – Member	BSL Ltd.-Member	1. HEG Limited – Member 2. Maral Overseas Limited – Chairman 3. PNB Gilts Limited – Member	1. Bhilwara Technical Textiles Limited – Chairman 2. Cummins India Limited - Member 3. Otis Elevator Co. Limited – Member	None	1. Bhilwara Technical Textiles Limited – Member
No. of Equity Shares held in Company	8,09,094	1,610	Nil	Nil	Nil	1,75,000

PROXY FORM



RSWM LIMITED

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

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

I/We..... of being a member/members of RSWM Limited, hereby appoint of or failing him/her of as my/our proxy in my/our absence to attend and vote on my/our behalf at the 52nd Annual General Meeting of the Company to be held on Thursday the 19th September, 2013 at 12.30 P.M. at the Registered Office of the Company at Kharigram P.O. Gulabpura – 311 021, District Bhilwara (Rajasthan) of the Company and/or at any adjournment thereof.

Signed this day of 2013.

Signature

Please affix
15 Paise
Revenue
Stamp here

NOTE: The Proxy Form, duly completed, must reach the Registered Office of the Company, not less than forty-eight hours before the time of holding this Meeting.

ATTENDANCE SLIP



RSWM LIMITED

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

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 52nd Annual General Meeting of the Company to be held on Thursday the 19th September, 2013 at 12.30 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