

## CORPORATE GOVERNANCE 2009-10

### CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is a reflection of culture, policies, relationship with stakeholders and commitment to values and is also about maximizing shareholders value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder - our customers, employees, investors, vendors-service providers-partners, state and the community at large.

Your Company always aims at ensuring unwavering focus on conducting its business in accordance with the highest ethical standards and professionalism in all areas of its business operations and sound corporate governance practices. The adoption of such corporate practices - founded on principles of transparency, strong Board oversight and high levels of integrity ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large. The Company will continue to stand by these standards. And as it grows, RSWM Ltd. (RSWM) will diligently look to adopt new and best-in-class systems and procedures for enhancing Corporate Governance Standards within the Company for increasing the stakeholder value.

In India, Corporate Governance Standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The stipulations mandated by Clause 49 became applicable to your Company in March, 2001 and have been fully complied with since then. As a Company, which believes in implementing Corporate Governance practices that go beyond meeting the letter of law, RSWM has adopted practices mandated in Clause 49 and has established procedures and systems to be fully compliant with it.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports RSWM's compliance with the Clause 49.

### BOARD OF DIRECTORS

#### COMPOSITION OF THE BOARD

As on 31<sup>st</sup> March, 2010, RSWM's Board comprises ten Directors. Eight Directors, including the Chairman-Emeritus and Chairman, are Non-Executive. Of these, Five Directors, including one Director nominated by Export Import Bank of India (Lender) are independent. Mr. A. N. Choudhary has been co-opted on the Board as an additional Director in capacity of an Independent Director with effect from 24<sup>th</sup> July, 2009.

#### NUMBER OF BOARD MEETINGS

During 2009-10, the Board of RSWM met four times on - 29<sup>th</sup> April, 2009, 30<sup>th</sup> July, 2009, 29<sup>th</sup> October, 2009 and; 28<sup>th</sup> January, 2010. The maximum time gap between any two consecutive meetings was less than four months.

#### DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

**TABLE 1**

Sl. No.	Name of Director	Position	Category	No. of meetings held in 2009-10 during tenure	No. of meetings attended	No. of outside Directorships of public companies*	No. of Outside Board-level Committees where chairperson or member #	
							Member	Chairperson
1.	Mr. L. N. Jhunjhunwala	Chairman - Emeritus	Promoter - Non-Executive	4	0	7	2	1
2.	Mr. Ravi Jhunjhunwala	Chairman	Promoter - Non-Executive	4	4	9	4	2
3.	Mr. Shekhar Agarwal	Vice Chairman	Promoter - Non -Executive	4	4	6	2	-
4.	Mr. Arun Churiwal	Managing Director	Non-Promoter - Executive	4	4	4	1	-
5.	Mr. Riju Jhunjhunwala <sup>1</sup>	Joint Managing Director	Promoter - Executive	1	0	-	-	-

Sl. No.	Name of Director	Position	Category	No. of meetings held in 2008-09 during tenure	No. of meetings attended	No. of outside Directorships of public companies*	No. of Outside Board-level Committees where chairperson or member #	
							Member	Chairperson
6.	Mr. J. C. Laddha	Executive Director	Non-Promoter - Executive	4	4	-	-	-
7.	Dr. Kamal Gupta	Director	Independent	4	4	6	8	3
8.	Mr. D. N. Davar	Director	Independent	4	4	13	7	5
9.	Mr. Sushil Jhunjhunwala <sup>2</sup>	Director	Independent	4	3	3	-	-
10.	Mr. A. N. Choudhary <sup>3</sup>	Director	Independent	3	2	2		
11.	Mr. Mukul Sarkar <sup>4</sup>	Nominee Director - Exim Bank	Independent	2	1			
12.	Mr. John Mathew <sup>4</sup>	Nominee Director - Exim Bank	Independent	2	1	2		

Notes: \* Excludes Directorships in Private limited companies, foreign companies, memberships of management committees of various chambers, bodies and Section 25 companies

# Includes Audit and Shareholders'/Investors' Grievance Committees only.

<sup>1</sup> Ceased to be Director with effect from 29<sup>th</sup> April, 2009

<sup>2</sup> Co-opted on the Board of Directors in capacity as Independent Director with effect from 29<sup>th</sup> April, 2009.

<sup>3</sup> Co-opted on the Board of Directors in capacity as Independent Director with effect from 24<sup>th</sup> July, 2009.

<sup>4</sup> Mr. John Mathew was co-opted on the Board as Nominee Director of Export Import Bank of India in place of Mr. Mukul Sarkar w.e.f 9<sup>th</sup> September, 2009

The last Annual General Meeting held on 25<sup>th</sup> September, 2009 was attended by Dr. Kamal Gupta, Chairman of the Audit Committee and Mr. J. C. Laddha, Executive Director of the Company.

None of the Directors is a member of more than 10 Board-level Committees, or Chairman of more than five such Committees.

As mandated in the Clause 49, the Independent Directors on RSWM's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates which may affect independence of the Director.
- Are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company
  - Legal firm(s) and consulting firm(s) that have a material association with the Company
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company, i.e. do not own two percent or more of the block of voting shares.

#### **INFORMATION SUPPLIED TO THE BOARD**

The Board has complete access to all information with the Company. The following information is regularly provided to the Board:

- Annual operating plans & budgets and any update thereof
- Capital budgets and any updates thereof

- Quarterly results for the Company and operating divisions and business segments
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Executive Officer, Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.
- Details of investment of surplus funds available with the Company

The Board is presented with detailed notes on these matters, as part of the agenda papers of the meeting or directly tabled at the Board meetings, as and when required. The Company has established procedures to enable its Board to periodically review compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

#### **DIRECTORS WITH MATERIALLY SIGNIFICANT PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTION WITH THE COMPANY**

All Executive Directors receive salaries, allowances, perquisites and commission, while all Non-Executive Directors receive sitting fees. There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

#### **REMUNERATION OF DIRECTORS**

**TABLE 2: REMUNERATION PAID OR PAYABLE TO DIRECTORS FOR 2009-10**

(Rs.)

Name of Director	Category	Sitting fees	Salaries, allowances and perquisites#	Commission	Total
Mr. L. N. Jhunjunwala	Promoter, Non-Executive	20,000	-	-	20,000
Mr. Ravi Jhunjunwala	Promoter, Non-Executive	100,000	-	-	100,000
Mr. Riju Jhunjunwala*		-	3,45,068	5,52,622	8,97,690
Mr. Shekhar Agarwal	Promoter, Non-Executive	2,80,000	-	-	2,80,000
Mr. Arun Churiwal	Non-Promoter, Executive	-	48,70,000	69,55,412	1,18,25,412
Mr. J. C. Laddha	Non-Promoter, Executive	-	50,30,686	22,11,340	72,42,026
Dr. Kamal Gupta	Independent	4,20,000	-	-	4,20,000

(Rs.)

Name of Director	Category	Sitting fees	Salaries, allowances and perquisites#	Commission	Total
Mr. D. N. Davar	Independent	3,40,000	-	-	3,40,000
Mr. Sushil Jhunjunwala	Independent	60,000	-	-	60,000
Mr. A. N. Choudhary	Independent	60,000	-	-	60,000
Mr. Mukul Sarkar **	Independent	20,000	-	-	20,000
Mr. John Mathew**	Independent	20,000	-	-	20,000

# Includes retirement benefits

\* Ceases to be Director w.e.f 29th April 2010

\*\* Mr. John Mathew was co-opted on the Board as Nominee Director of Export Import Bank of India in place of Mr. Mukul Sarkar w.e.f 9th September, 2009

None of the Directors hold stock options.

**TABLE 3: EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2010**

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Mr. L. N. Jhunjunwala	Promoter, Non-Executive	1,37,112	Nil
Mr. Ravi Jhunjunwala	Promoter, Non-Executive	7,94,094	Nil
Mr. Shekhar Agarwal	Promoter, Non-Executive	Nil	Nil
Mr. Arun Churiwal	Non-Promoter, Executive	1610	Nil
Mr. J. C. Laddha	Independent Executive	Nil	Nil
Dr. Kamal Gupta	Independent	Nil	Nil
Mr. D. N. Davar	Independent	Nil	Nil
Mr. John Mathew	Independent	Nil	Nil
Mr. Sushil Jhunjunwala	Independent	Nil	Nil
Mr. A. N. Choudhary	Independent	Nil	Nil

**REMUNERATION POLICY**

The Non-Executive Directors are paid sitting fee for attending the Board meetings as well as other committee meetings. The remuneration of the Managing Director and other whole-time Directors is subject to approval of the Board and shareholders, and is in accordance with Schedule XIII of the Companies Act, 1956.

**CODE OF CONDUCT**

RSWM's Board has laid down a code of conduct for all Board members and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company [www.rswm.in](http://www.rswm.in). Board Members and designated Senior Management Officials have affirmed compliance with the Code of Conduct for the current year. It is further affirmed that access to the Audit Committee of the Company has not been denied to any personnel.

**RISK MANAGEMENT**

RSWM has a well-defined risk management framework in place. Under this framework, the Management identifies and monitors business risks on a continuous basis, and initiates appropriate risk mitigation steps as and when deemed necessary. RSWM has established procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

**BOARD-LEVEL COMMITTEES**
**AUDIT COMMITTEE**

As on 31<sup>st</sup> March, 2010, RSWM's Audit Committee comprised four members - three of whom, including the Chairman of the Committee, are independent while the fourth is a Non-Executive Promoter Director. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 292A of the Companies Act, 1956. In 2009-10, the Audit Committee met seven times on - 4<sup>th</sup> April,

2009; 29<sup>th</sup> April, 2009; 30<sup>th</sup> July, 2009; 5<sup>th</sup> October, 2009; 29<sup>th</sup> October, 2009; 28<sup>th</sup> January, 2010; and 23<sup>rd</sup> February, 2010.

**TABLE 4: DETAILS OF THE AUDIT COMMITTEE**

Name of the Member	Position	No. of Meetings held in 2009-10 during tenure	No. of Meetings Attended	Sitting fees (Rs.)
Dr. Kamal Gupta (Chairman)	Independent	7	7	1,40,000
Mr. L. N. Jhunjhunwala	Promoter, Non-Executive	7	1	20,000
Mr. D. N. Davar	Independent	7	7	1,40,000
Mr. A. N. Choudhary <sup>1</sup>	Independent	1	1	20,000

<sup>1</sup> Mr. A. N. Choudhary was inducted in Audit Committee with effect from 28th January, 2010

Mr. Surender Gupta, Company Secretary of the Company, is the Secretary to the Committee. Invitees to the Audit Committee include the Chief Executive Officer, Chief Financial Officer, the Head of Internal Audit and the representatives of the Statutory Auditors, Internal Auditors and Cost Auditors.

Dr. Kamal Gupta, Chairman of the Audit Committee, possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge. The Chairman of the Audit Committee attended the Annual General Meeting held on 25<sup>th</sup> September, 2009 to answer shareholder queries.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgement by Management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the Management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit
- Discussion with Internal Auditors any significant findings and follow up there on

- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

RSWM has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors
- Internal audit reports relating to internal control weaknesses
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results
- If applicable, on an annual basis, statement certified by the Statutory Auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties which are not in the normal course of business
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with Management's justification for the same.

Pursuant to its terms of reference, the Audit Committee is empowered to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

## REMUNERATION COMMITTEE

As on 31<sup>st</sup> March, 2010, the Company's Remuneration Committee comprised three Non-Executive Directors - Dr. Kamal Gupta (Chairman), Mr. D.N. Davar and Mr. Shekhar Agarwal. The Remuneration Committee of the Company recommends to the Board the compensation terms of Executive Directors. The minutes of the Remuneration Committee meetings are noted by the Board. In 2009-10, one meeting of Remuneration Committee was held on 29<sup>th</sup> October, 2009. The details of attendance of the Remuneration Committee are given in Table 5.

**TABLE 5: DETAILS OF REMUNERATION COMMITTEE**

Name of the Member	Position	No. of Meetings held in 2009-10 during tenure	No. of Meetings Attended	Sitting fees (Rs.)
Dr. Kamal Gupta	Independent	1	1	20,000
Mr. D.N. Davar	Independent	1	1	20,000
Mr. Shekhar Agarwal	Promoter, Non-Executive	1	1	20,000
Mr. Mukul Sarkar <sup>1</sup>	Independent	-	-	-

<sup>1</sup> Mr. Mukul Sarkar ceased to be a member of Remuneration Committee with effect from 9th September, 2009 as his nomination was withdrawn from the Board of the Company by EXIM Bank.

**SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE**

As on 31<sup>st</sup> March, 2010, the Company's Shareholders'/Investors' Grievances Committee comprised of four Directors - Dr. Kamal Gupta (Chairman), Mr. Shekhar Agarwal, Mr. Arun Churiwal and Mr. D.N. Davar.

The Company Secretary, Mr. Surender Gupta is the compliance officer. During 2009-10, the Committee met four times on 4<sup>th</sup> April, 2009, 30<sup>th</sup> July, 2009, 29<sup>th</sup> October, 2009 and 28<sup>th</sup> January, 2010.

**TABLE 6: DETAILS OF SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (Rs.)
Dr. Kamal Gupta	Independent	4	4	80,000
Mr. Shekhar Agarwal	Promoter, Non-Executive	4	4	80,000
Mr. Riju Jhunjhunwala <sup>1</sup>	Promoter, Executive	1	1	-
Mr. Arun Churiwal <sup>2</sup>	Promoter, Executive	3	3	-
Mr. D.N. Davar	Independent	4	4	80,000

<sup>1</sup> Ceased to be Director with effect from 29<sup>th</sup> April, 2009.

<sup>2</sup> Mr. Arun Churiwal was inducted in Shareholders'/Investors' Grievance Committee with effect from 29<sup>th</sup> April, 2009

The Committee received 12 complaints during the financial year under review, all of which were replied / resolved to the satisfaction of the shareholders.

**TABLE 7: DETAILS OF SHAREHOLDERS'/INVESTORS' QUERIES AND GRIEVANCES RECEIVED AND ATTENDED BY THE COMPANY**

	Nature of Query/Complaint	Pending as on as 1 <sup>st</sup> April, 2009	Received during the year	Addressed during the year	Pending as on as 31 <sup>th</sup> March, 2010
1.	Transfer / Transmission / Duplicate	0	3	3	0
2.	Non-receipt of Dividend	0	8	8	0
3.	Dematerialisation/Rematerialisation of shares	0	1	1	0
4.	Complaints received from:				
	- Securities and Exchange Board of India	0	0	0	0
	- Stock Exchanges	0	0	0	0
	- Registrar of Companies/ Ministry of Corporate Affairs	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>0</b>

The Company also has a Share Transfer Committee to deal with the requests of transfer/transmission of Equity Shares, issue of duplicate share certificates and consolidation/split/replacement of share certificates etc. To expeditiously approve transfer of shares, Mr. Shekhar Agarwal, Vice Chairman and Mr. P. S. Puri, President - Corporate Finance also attend and approve the share transfer requests on fortnightly basis under the delegated authorisation of the Board of Directors.

**MANAGEMENT****MANAGEMENT DISCUSSION AND ANALYSIS**

This Annual Report has a detailed chapter on Management Discussion and Analysis.

**DISCLOSURES BY MANAGEMENT TO THE BOARD**

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

**DETAILS OF RELATED PARTY TRANSACTIONS**

As required by the Accounting Standard AS-18, the details of related party transactions are given in Schedule 16 to the Annual Accounts.

### **INITIATIVES ON PREVENTION OF INSIDER TRADING PRACTICES**

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management staff and relevant business associates. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of RSWM, and cautions them on consequences of violations.

### **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

### **DETAILS OF NON-COMPLIANCE BY THE COMPANY IN LAST THREE YEARS**

RSWM has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

### **CEO/ CFO CERTIFICATION**

The CEO and CFO certification of the Financial Statements for the year form part of this Annual Report.

## **SHAREHOLDERS**

### **APPOINTMENT OR RE-APPOINTMENTS OF DIRECTORS**

Seven of the Directors of your Company retire by rotation. Of these Directors, at least one-third retires every year and if eligible, present themselves for re-appointment. This year, Mr. Ravi Jhunjhunwala, Mr. Shekhar Agarwal and Dr. Kamal Gupta are retiring by rotation and being eligible, offer themselves for re-appointment in the Annual General Meeting. Their brief resumes are given below:

#### **MR. RAVI JHUNJHUNWALA (54)**

Mr. Ravi Jhunjhunwala is a non-executive promoter Director of the Company. Mr. Jhunjhunwala holds a degree in B.Com (Hons.) and is also an MBA. He joined the Board of the Company on 18<sup>th</sup> May, 1979. Mr. Jhunjhunwala is an industrialist with diversified business experience.

#### **MR. SHEKHAR AGARWAL (57)**

Mr. Shekhar Agarwal is a Non-Executive Promoter Director of the Company. Mr. Agarwal is a B.Tech (Mech) from Indian Institute of Technology, Kanpur and has done his Masters in Science from University of Chicago. He joined the Board of the Company on 13<sup>th</sup> February, 1984. He has an experience of more than 25 years in the Textile Industry.

#### **DR. KAMAL GUPTA (64)**

Dr. Kamal Gupta is an independent Director of the Company and joined the Board on 26<sup>th</sup> December, 1987. Dr. Gupta is an FCA, FICWA and Ph.D. He has expertise in the areas of finance, accounting and corporate laws and was formerly a Technical Director of Institute of Chartered Accountants of India.

**TABLE 8: DETAILS OF OTHER DIRECTORSHIP HELD IN OTHER COMPANIES**

<b>Director's name</b>	<b>Name of the company in which Directorship held</b>	<b>Committee Chairmanship</b>	<b>Committee Membership</b>
Mr. Ravi Jhunjhunwala	HEG Limited		Shareholders'/ Investors Grievance Committee
	Malana Power Company Limited	Audit Committee	
	Maral Overseas Limited		
	Bhilwara Spinners Limited		
	AD Hydro Power Limited	Audit Committee	
	Cheslind Textiles Limited		
	India Glycols Limited		
	Indo Canadian Consultancy Services Ltd.		
	BSL Limited		Shareholders'/ Investors' Grievance Committee

Director's name	Name of the company in which Directorship held	Committee Chairmanship	Committee Membership
Mr. Shekhar Agarwal	HEG Limited		
	Maral Overseas Limited		Shareholders' / Investors' Grievance Committee
	Bhilwara Technical Textiles Limited		
	Essay Marketing Company Limited		
	BSL Limited		
Dr. Kamal Gupta	Apptex Manpower Development Services Limited		
	HEG Limited		(i) Audit Committee (ii) Shareholders'/ Investors' Grievance Committee
	Maral Overseas Limited	(i) Audit Committee (ii) Shareholders'/ Investors' Grievance Committee	
	Malana Power Company Limited		Audit Committee
	PNB Gilts Limited	Audit Committee	
	AD Hydro Power Limited		Audit Committee
	Cambridge Solutions Limited		Audit Committee

### MEANS OF COMMUNICATION

The results of the Company are published in at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website [www.rswm.in](http://www.rswm.in). Further, the Company has also been complying with SEBI regulations for filing of its financial results under the EDIFAR system. These are available on the SEBI web-site [www.sebidifar.nic.in](http://www.sebidifar.nic.in).

### GENERAL BODY MEETINGS

**TABLE 9: THE DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS**

Year	Date	Time	Location	Special resolution(s) passed
2006-07	27 <sup>th</sup> September, 2007	11:30 A. M.	Kharigram, P. O. Gulabpura District Bhilwara, Rajasthan	2
2007-08	26 <sup>th</sup> September, 2008	1:30 P. M.	Kharigram, P. O. Gulabpura District Bhilwara, Rajasthan	5
2008-09	25 <sup>th</sup> September, 2009	1:30 P. M.	Kharigram, P. O. Gulabpura District Bhilwara, Rajasthan	-

The following Special Resolutions were taken up in the last three AGMs, and were passed with requisite majority.

#### 2006-2007:

- Re-appointment of M/s S. Bhargava Associates and M/s A. L. Chechani & Co. as Statutory Auditors
- Approval for alteration in the Articles of Association of the Company.

#### 2007-2008:

- Re-appointment of M/s S. Bhargava Associates and M/s A. L. Chechani & Co. as Statutory Auditors
- Approval for the payment of remuneration to Mr. Shekhar Agarwal, Vice Chairman and Managing Director of the Company.
- Approval for the payment of remuneration to Mr. Riju Jhunjunwala, Joint Managing Director of the Company.
- Approval for the reappointment of Mr. Riju Jhunjunwala as Joint Managing Director of the Company.

- Approval for the reimbursement of the medical expenses of Mr. L.N. Jhunjhunwala, Chairman - Emeritus of the Company

**2008-2009:**

- No Special Resolution was taken up in the AGM.

**POSTAL BALLOT**

No resolution were passed by Postal Ballot in year under review.

**COMPLIANCE WITH CLAUSE 49**

**MANDATORY REQUIREMENTS**

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

**ADOPTION OF NON-MANDATORY REQUIREMENTS**

Although it is not mandatory, the Board of RSWM has constituted a Remuneration Committee. Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'. Also, the Company's Financial Statements are free from any qualifications by the Auditors.

**ADDITIONAL SHAREHOLDER INFORMATION**

**ANNUAL GENERAL MEETING (AGM)**

Date : 16<sup>th</sup> September, 2010  
 Day : Thursday  
 Time : 11.30 A.M.  
 Venue : Kharigram, P. O. Gulabpura, Bhilwara District, Rajasthan- 311021

**FINANCIAL RESULTS 2009**

Financial year: 1<sup>st</sup> April to 31<sup>st</sup> March, 2010

For the year ended 31<sup>st</sup> March, 2010, results were announced on:

- 30<sup>th</sup> July, 2009 : First quarter
- 29<sup>th</sup> October, 2009 : Second quarter and Half year
- 28<sup>th</sup> January, 2010 : Third quarter and 9 months
- 29<sup>th</sup> April, 2010 : Fourth quarter and Annual.

For the year ending 31<sup>st</sup> March, 2011, results will be announced by

- Last week of July, 2010 : First quarter
- Last week of October, 2010 : Second quarter and Half year
- Last week of January, 2011 : Third quarter and 9 months
- Last week of April, 2011 : Fourth quarter and Annual

**BOOK CLOSURE**

The dates of book closure are from 9<sup>th</sup> September, 2010 (Thursday) to 16<sup>th</sup> September, 2010 (Thursday) (Both days inclusive)

**DIVIDEND DATES**

A dividend of Rs.2.50 per share on 2,31,48,689 equity shares of Rs. 10/- each and a Dividend Rs. 15/- per share payable proportionately on 16,66,600 Redeemable Preference Shares of Rs.150/- each for the period from 1<sup>st</sup> April 2009 to 30<sup>th</sup> June 2009; on 13,33,300 Redeemable Preference Shares of Rs.150/- each for the period from 1<sup>st</sup> July 2009 to 30<sup>th</sup> September 2009; on 10,00,000 Redeemable Preference Shares of Rs.150/- each for the period from 1<sup>st</sup> October 2009 to 30<sup>th</sup> December 2009; on 6,66,700 Redeemable Preference Shares of Rs.150/- each for the period from 31<sup>st</sup> December 2009 to 30<sup>th</sup> March 2010; on 3,33,400 Redeemable Preference Shares of Rs.150/- each for the day of 31<sup>st</sup> March 2010, have been recommended by the Board. Subject to approval of the shareholders at the AGM, this will be paid within 30 days from 16<sup>th</sup> September, 2010.

**LISTING AND STOCK CODES**

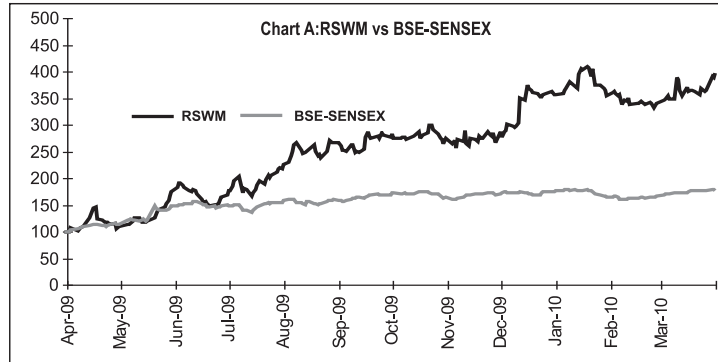
The Company's Equity shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Listing fee as prescribed has been paid to the BSE and NSE up to 31<sup>st</sup> March, 2011. The stock codes of the Company at BSE and NSE are given in Table 1:

**TABLE 1: STOCK CODES OF THE COMPANY**

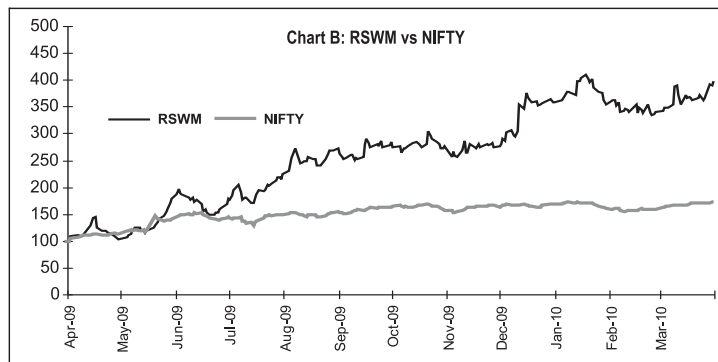
Stock exchanges	Stock codes
BSE	500350
NSE	RSWM

**STOCK DATA****TABLE 2: SHARE PRICES OF RSWM AT BSE/NSE IN 2009-10**

	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Mar-10	116.65	97.00	11,36,881	116.45	97.00	9,83,391
Feb-10	106.30	95.00	2,34,781	106.30	95.05	1,31,143
Jan-10	120.25	100.05	4,65,081	120.00	96.00	6,47,972
Dec-09	109.90	78.05	19,11,805	109.90	78.10	21,70,093
Nov-09	84.90	72.00	5,36,226	83.90	70.05	1,64,255
Oct-09	87.90	74.00	2,11,502	89.00	73.00	2,47,611
Sep-09	83.95	70.10	1,70,744	85.00	69.65	2,39,248
Aug-09	79.50	63.50	3,19,990	79.75	62.00	3,20,937
Jul-09	66.25	47.50	3,43,880	66.10	47.30	2,67,445
Jun-09	56.40	41.05	2,22,246	57.80	40.85	1,47,816
May-09	51.20	31.10	2,09,198	52.40	30.25	68,845
Apr-09	42.95	26.60	2,63,714	42.70	25.00	2,62,851

**Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2009-10**

Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2009-10 i.e. 1st April, 2009

**Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2009-10**

Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2009-10 i.e. 1st April, 2009

**SHAREHOLDING PATTERN****TABLE 3: SHAREHOLDING PATTERN BY OWNERSHIP AS ON 31 MARCH 2010**

Categories	No. of shares	Percentage
Promoters, Directors, relatives and associates	1,14,29,804	49.38
Foreign institutional investors/mutual funds	2,29,454	0.99
Public financial institutions/State Financial Corporation	17,55,624	7.59
Mutual funds (Indian )	21,155	0.09
Nationalised and other banks	12,276	0.05
NRIs/ OCBs (Other than Promoters)	15,93,575	6.88
Public	81,06,801	35.02
<b>Total</b>	<b>2,31,48,689</b>	<b>100.00</b>

**TABLE 4: SHAREHOLDING PATTERN BY SIZE-CLASS AS ON 31 MARCH 2010**

Categories	No. of Shareholders	No. of Shares held	Percentage
1-1000	12,945	20,08,467	8.68
1001-5000	553	12,19,463	5.27
5001-10000	86	6,50,417	2.81
10001 and above	112	1,92,70,342	83.24
<b>Total</b>	<b>13,696</b>	<b>2,31,48,689</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES**

As on 31<sup>st</sup> March, 2010, 2,18,40,809 Equity Shares representing 94.35 percent of the total equity capital were held in dematerialised form. Trading in shares of the Company is permitted in dematerialised form only.

The ISIN number for RSWM's equity shares on NSDL and CDSL is INE611A01016.

**SHARE TRANSFER SYSTEM**

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order in all respects. 65,406 Equity shares were transferred during the year 2009-10.

**DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS**

RSWM has not obtained any public funding in the last three years.

**OUTSTANDING WARRANTS AND THEIR IMPLICATIONS ON EQUITY**

The Company has no outstanding warrants/convertible instruments.

**PLANT LOCATIONS:**

- 1 Kharigram, P.O. Gulabpura - 311 021, Distt. Bhilwara, Rajasthan
- 2 Mayur Nagar, Lodha, P.O. Banswara - 327 001, Distt. Banswara, Rajasthan
- 3 Mandpam, Bhilwara - 311 001, Distt. Bhilwara, Rajasthan
- 4 Rishabhdev - 313 802, Distt. Udaipur, Rajasthan
- 5 Ringas - 332 404, Distt. Sikar, Rajasthan
- 6 LNJ Nagar, Mordji, P.O. Banswara - 327 001, Distt. Banswara, Rajasthan

**INVESTOR CORRESPONDENCE**

Investor correspondence should be addressed to:

**Registrar & Share Transfer Agent:**

MCS Limited  
 F-65, First Floor, Okhla Industrial Area, Phase I, New Delhi – 110 020  
 Phone Nos. : 011-4140 6149-52  
 Fax No. : 011-4170 9881  
 E-mail : admin@mcsdel.com

**Company Secretary**

RSWM Limited  
 Bhilwara Towers, A-12, Sector 1, Noida - 201 301, Uttar Pradesh  
 Phone Nos. : 0120-2541810, 4390000  
 Fax Nos. : 0120-2531648, 4390300  
 E-mail : rswm.investor@lnjbhilwara.com

**Registered Office**

Kharigram, P.O. Gulabpura, District Bhilwara,  
 Rajasthan – 311 021, INDIA

Place : Noida  
 Dated : 29<sup>th</sup> April, 2010

**Arun Churiwal**  
 Managing Director