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# **RAJ RAYON LIMITED**

**14th ANNUAL REPORT 2006-2007**



## 14TH ANNUAL REPORT 2006-2007

### COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	:	Mr. GOURISHANKAR PODDAR	Chairman & Managing Director
		Mrs. RAJKUMARI KANODIA	Director
		Mr. ASHOK TREHAN	Director- Technical
		Mr. JAGDISHCHANDRA SOMANI	Director
		Mr. VINOD KUMAR JAIN	Director
		Mr. NERAJ AGARWAL	Director up to 5 <sup>th</sup> March 2007
		Miss ANJALI AGRAWAL	Director w.e.f. 5 <sup>th</sup> March 2007
<b>CHIEF FINANCIAL OFFICER</b>	:	Mr. AJAI SINGH	
<b>COMPANY SECRETARY</b>	:	Mr. N.V.AGANDESWARAN	
<b>REGISTERED OFFICE</b>	:	5-C, 196 & 197, "AKSHAY", Mittal Ind. Estate, Sakinaka, Andheri (East), Mumbai- 400 059 Tel: 91-22- 4034 3434 Fax: 91-22- 4034 3400 Website: www.rajrayon.com Email: mumbai@rajrayon.com	

### PLANT LOCATIONS

#### POLYESTER TEXTURISED YARN (PTY) DIVISION

- (i) Survey No.272 /1/1,  
Plot No: 1, Village Dadra, Dadra- Demani Road,  
Dist.: Silvassa, Dadra & Nagar Haveli (UT)- 396 230.
- (ii) Survey No: 185/1/1, Plot No: 17, Dokmandi ,Village: AmlI,  
Dist.: Silvassa, Dadra & Nagar Haveli (UT)-396 230.
- (iii) Survey No: 259/12, Parshwanath Industrial Estate,  
Village: Dadra, Dist.: Silvassa, Dadra & Nagar Haveli(UT)-396 230.

#### PARTIALLY ORIENTED YARN (POY) / POLYESTER TEXURISED YARN (PTY) & FULLY DRAWN YARN (FDY) DIVISION

Survey No: 177/1/3 & 177/1/4,  
Village: Surangi, Dist.: Silvassa,  
Dadra & Nagar Haveli (UT) – 396 230

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# RAJ RAYON LIMITED

## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of RAJ RAYON LIMITED will be held on Friday 28<sup>th</sup> September 2007 at 1.30 P.M. at CHAKRA HOTEL, A.K. Road, Sakinaka, Andheri (East), Mumbai - 400 072, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2007, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Vinod Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s R.S. Agrawal & Associates, Chartered Accountants, Mumbai be and are hereby appointed as the Auditors of the company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors of the company."

### SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 257 and all other provisions, if any, of the Companies Act 1956, or any statutory modification(s) or re-enactment thereof, Miss Anjali Agrawal who has been appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act 1956 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the company subject to retirement by rotation under the provisions of the Articles of Association of the company."

6. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 163 and other applicable provisions if any, of the Companies Act 1956( 'the Act') and rules and regulations there under, or any statutory modification or any amendment or substitution or re-enactment thereof, the company hereby approves and ratifies the keeping of the Register of Members, the index of members, the Register and index of Debenture holders and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them be kept at the office of the

Registrars and Share Transfer Agents of the company, M/s Intime Spectrum Share Registry Ltd at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai-400 078 instead of at the Registered office of the company"

7. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED** pursuant to the provisions of Sections 198,269,309 and 310 of the Companies Act 1956 (hereinafter referred to as the " Act") read with Schedule XIII of the aforesaid Act including any statutory modification(s) and re-enactment thereof, for the time being in force THAT Mr. GOURISHANKAR PODDAR , the Chairman and Managing Director of the company be paid a Salary of Rs.1,50,000/- (Rs. one lac & fifty thousand only) per month with effect from 1<sup>st</sup> August 2007 till the remaining period of his present term of office i.e., 31<sup>st</sup> March 2009 on the following terms and Conditions:

1. Salary: Salary @ Rs.1, 50,000 /- per month.
2. Perquisites: These shall be restricted to the extent as specified in Schedule XIII of the Companies Act 1956

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Instrument appointing Proxy should, however, be deposited at the Registered Office of the company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members are requested to bring their Attendance Slip, duly filled, along with their copy of Annual Report to the Meeting. And, in case of Joint Holders, attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
4. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for the Meeting.
5. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the company on all Working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
6. Register of Members and Share transfer Books of the company shall remain closed from 21-09-2007 to 28-09-2007 for the purpose of payment of Dividend, if declared at the Meeting.



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7. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 30<sup>th</sup> September, 2007 to those Members whose names appear on the company's Register of Members on 20-09-2007.

In respect of shares held in de-materialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on 20-09-2007.

8. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members, who hold shares in physical form, are requested to intimate the company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, under the signature of the Sole/First joint holder, the following information for being incorporated on dividend warrants:

- (i) Name of the Sole/First joint holder and the Folio Number.
- (ii) Particulars of Bank Account, viz.:
  - (a) Name of the Bank
  - (b) Name of Branch
  - (c) Complete address of the Bank with Pin Code Number
  - (d) Account type, whether Savings Account (SA) or Current Account (CA)
  - (e) Bank Account number

- (b) Members who hold Shares in dematerialised form may kindly note that their Bank account details, as furnished by their Depositories to the company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic form. **Members, who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.**

9. There was no unclaimed dividends declared up to the financial year ended 31<sup>st</sup> March, 1995; as such, company has not transferred any fund to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 (the Rules).

10. Pursuant to the provisions of Sections 205A (5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March, 1996 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below.

Financial Year ended	Date of declaration of Dividend	Last Date for claiming unpaid	Dividend Due date for transfer to IEP Fund
31.03.2003	29-8-2003	28-08-2010	28-09-2010
31.03.2004	30-9-2004	29-09-2011	29-10-2011
31.03.2005	16-8-2005	15-08-2012	15-09-2012
31-03-2006	30-9-2006	29-09-2013	29-10-2013

Shareholders, who have not so far encashed the dividend warrant(s), are requested to seek issue of duplicate warrant(s)/Demand Draft by writing to the company or Registrar & Transfer Agent immediately.

11. Members, who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names, are requested to send the share certificates to the company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, for consolidation into a single folio.
12. A member desirous of getting any information on the accounts or operations of the company is required to forward his/ her queries to the company at least seven days prior to the meeting so that the required information can be made available at the Meeting.
13. As required under clause 49 of the Listing Agreement, the brief Resume of the Directors who are either retiring by rotation or seeking fresh appointment as Director, are to be given. However, we have furnished the details of all the directors including the details of directors retiring by rotation or seeking fresh appointment in the Section Report on Corporate Governance.
14. Non-Resident Indian Members are requested to inform the company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, immediately of:
  - a) The change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.

By order of the Board of Directors

**N.V.AGANDESWARAN**  
Company Secretary

### Registered Office:

5-C, 196/197, " Akshay",  
Mittal Ind. Estate,  
Sakinaka, Andheri (East),  
Mumbai- 400 059.

Place : Mumbai,  
Date : 14<sup>th</sup> August 2007





# RAJ RAYON LIMITED

## EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT 1956

### Item No: 5

The Board of Directors of the company has appointed, pursuant to the provisions of Section 260 of the Companies Act 1956 ( the Act) and the Articles of Association of the company, Miss Anjali Agrawal as the Additional Director of the company who holds office up to the date of this Annual General Meeting.

The company has received a Notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Miss Anjali Agrawal as a Director of the company under the provisions of Section 257 of the Act

None of the Directors except Miss Anjali Agrawal is concerned or interested in the Resolution.

The members are requested to approve the same.

### Item No: 6

As per the provisions of section 163 of the Companies Act 1956, the Register of Members and other documents as envisaged in the aforesaid resolution are normally required to be kept at the Registered of the company may be kept at any other place within the city, town or village in which the Registered office is situate if such other place has been approved by a special resolution passed by the company in General Meeting and an advance notice is given to the Registrar of Companies, regarding the proposed Special Resolution to be passed at the General Meeting

As per SEBI's guidelines, the company has appointed M/s Intime Spectrum Share Registry Ltd having an office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai-400 078 as the Registrar and Share Transfer Agent to oversee the various issues relating to the transfer/ transmission etc of the company's Equity shares, and the various records, relating to the management of Equity shares of the company, are being kept at the aforesaid premises of the Registrar and Share Transfer Agents of the company.

An advance notice has been given to the Registrar of Companies, Maharashtra regarding the proposed Special Resolution to be passed at the General Meeting

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

The Members are requested to approve the same.

### Item No: 7

Mr. Gourishankar Poddar has been the Chairman and Managing Director of the company since inception and has been appointed as Chairman and Managing Director of the company from time to time for a period not exceeding five years each. The last appointment was made with effect from 1<sup>st</sup> April 2004 which runs up to 31<sup>st</sup> March 2009.

Now, it has been proposed to increase his remuneration from the present Salary of Rs. 75000/- per month to Rs. 1, 50, 000/- per month for the remaining period of the present term, i.e., upto 31<sup>st</sup> March 2009.

Due to increased activities of the company, Mr. Gourishankar Poddar has to devote more time and energy towards the company's development. However, his salary has not been revised and has remained stagnant for a considerable period of time.

Hence it is proposed to increase the remuneration payable to the Chairman & Managing Director, commensurate with the present level of salary drawn by persons of similar stature.

Except Mr. Gourishankar Poddar, none of the directors is concerned or interested in the Resolution.

The members are requested to approve the same.

By order of the Board of Directors

**N.V.AGANDESWARAN**  
Company Secretary

### Registered Office:

5-C, 196/197, " Akshay",  
Mittal Ind. Estate,  
Sakinaka, Andheri (East),  
Mumbai- 400 059.

Place : Mumbai,  
Date : 14<sup>th</sup> August 2007



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## FINANCIAL HIGHLIGHTS

		Rs.in Lacs		
	Units	2006-07	2005-06	2004-05
<b>PROFIT &amp; LOSS ACCOUNT</b>				
<b>Net Sales</b>		<b>26529.76</b>	<b>16552.05</b>	<b>15359.67</b>
Other Income		104.20	159.13	137.47
<b>Total</b>		<b>26633.96</b>	<b>16711.18</b>	<b>15497.14</b>
Less: Expenditure		23864.33	14638.88	14193.88
<b>Profit before Interest, Depreciation &amp; Tax (PBDIT)</b>		<b>2769.63</b>	<b>2072.30</b>	<b>1303.26</b>
Less: Interest (on Term Loan)		393.98	131.21	104.92
Less: Interest (Others)		314.52	224.60	131.54
<b>Profit Before Depreciation &amp; Tax</b>		<b>2061.13</b>	<b>1716.49</b>	<b>1066.80</b>
Less: Depreciation		1137.41	612.26	440.81
<b>Profit Before Tax (PBT)</b>		<b>923.72</b>	<b>1104.23</b>	<b>625.99</b>
Less: Provision for Current Tax (Net)		20.78	98.02	49.09
<b>Profit after Current Tax</b>		<b>902.94</b>	<b>1006.21</b>	<b>576.90</b>
Less: Provision for Differed Tax		300.94	35.18	60.07
<b>Profit after Tax (PAT)</b>		<b>602.00</b>	<b>971.03</b>	<b>516.83</b>
<b>Cash Profit (PAT+Dep)</b>		<b>1739.41</b>	<b>1583.29</b>	<b>957.64</b>
<b>BALANCE SHEET</b>				
Net Fixed Assets		13936.12	9905.54	5375.10
Investments		388.09	654.75	51.01
Net Current Assets		5655.26	4575.63	2078.03
Misc. Expenditure		0.00	360.99	9.62
<b>CAPITAL EMPLOYED</b>		<b>19979.47</b>	<b>15496.91</b>	<b>7513.76</b>
Net worth represented by-				
Share Capital		1701.77	1701.77	851.77
Reserves & Surplus		7149.60	7144.89	1693.70
<b>Net Worth</b>		<b>8851.37</b>	<b>8846.66</b>	<b>2545.47</b>
<b>Loan Fund</b>				
<b>Long Term</b>		6466.66	5000.42	2519.45
<b>Others</b>		3788.30	1193.70	2027.90
<b>Total Loan Fund</b>		<b>10254.96</b>	<b>6194.12</b>	<b>4547.35</b>
<b>Differed Tax</b>		873.14	456.13	420.94
<b>Capital Employed</b>		<b>19979.47</b>	<b>15496.91</b>	<b>7513.76</b>
<b>Term Loan Repayment</b>		<b>741.37</b>	<b>410.22</b>	<b>280.76</b>
<b>Ratios &amp; Statistics</b>				
PBDIT / Net Sales	%	10.44	12.52	8.48
PAT/ Net Sales	%	2.27	5.87	3.36
Cash Profit / Net Sales	%	6.56	9.57	6.23
Interest Cover ( PBDIT / Interest)	x	3.91	5.82	5.51
DSCR	x	1.82	3.17	2.77
Debt Equity Ratio	x	0.73	0.57	0.99
Book Value	Rs	52.01	51.99	29.88
EPS	Rs	3.54	9.77	6.03



# RAJ RAYON LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like "plans", "expects", "will", "anticipates", "believes", "intends", "projects", "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### Overview

#### Landmark Events

The year 2006-07 was a year in which we continued to expand our activities. Conversion of 5 lines of POY out of 18 lines and installation of eight (8) texturising machines out of the proposed twelve (12) additional texturising machines with a (capacity of 14400 T.P.A. )- based on Average Denier was undertaken and completed.

Earlier, the company's shares were listed only on Bombay Stock Exchange; now your company's shares also stand listed on National Stock Exchange effective from January 4, 2007 giving the investors a wider range to deal in their shares.

This year the company has penetrated into foreign markets by exporting its products to countries like Brazil, Peru, Mexico, Egypt, Poland and several other countries.

#### Industry outlook:

The continuation of the TUF Scheme with increased budgetary support at Rs 9.1 billion in 2007-08 as against Rs 5.3 billion in 2006-07 and increased budgetary support of Rs 4.85 billion in 2007-08 as against Rs 1.9 billion in 2006-07 for promoting integrated textile parks, would boost investments. The global production of polyester continued to rise in 2006 and touched 74.7 Million Tonnes as against 71.10 Million Tonnes, in the previous year. The industry outlook, in general, is bright. Man Made Fibres (MMF) recorded an increase in production by 6.2% in 2006 over 2005. In volume terms the output moved to 41.2 Million Tonnes from 38.8 Million Tonnes in the previous year. This translates MMF Share to 55% of total fibre base as against that of 54% in the previous year. Within Man Made Fibres,

Polyester Fibre Segment has been on the rise and the trend continued in 2006 also. In the year 2006, the share of Polyester in MMF was 67%, up by 2% from that in 2005.

### Opportunities:

When the GDP growth rate of the country is ranging between 7% to 9%, there are ample opportunities available almost in all sectors including that of textile yarns. The sensitivity of the sector towards government policy is high, and the same being favourable, large scale investments in spinning weaving, garmenting, knitting and processing are taking place and are also planned upto future. The high prices for cotton, declining raw material prices of PTA & MEG, resulting in low price of Polyester, would result in higher competitiveness.

### Threats:

However, the main challenge the industry is facing is volatility in raw material prices, cheaper imports from China, inter fibre competition, lack of modernization in textile machineries, and appreciation of Rupee impacting adversely on export realisations.

### Business Review

For financial reporting, the company has defined three segments such as Polyester Yarn (Textile), Trading activities, and Others. However the key business segment of the company is manufacturing of Polyester Yarns. POY, PTY & FDY having same risk & return and as such the same has been treated as single segment "Polyester Yarn".

### Productwise Performance

Total Net sales of Polyester Yarn (Textile) were 18618.09 Lacs, Trading Activities were Rs.7911.67 Lacs and others were Rs. 104.20 Lacs.

### Risks and Concerns

While the volatile prices of raw material, cheaper imports from China etc. are the main areas of concern, the other areas of concern are higher interest rates and slow utilization of accumulated Cenvat Credit.

### Internal Controls

The company has appropriate internal control and management information systems which are focussed towards achieving efficiency in operations, optimum utilisation of resources, financial reporting, safeguarding of assets and compliance with policies, applicable laws and regulations. These systems are IT enabled which facilitate effective checks, close monitoring of all parameters, and control on a continuous basis.

The Audit Committee of Directors actively reviews the



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adequacy and effectiveness of internal control systems and suggests improvements for strengthening them from time to time.

Regular internal audits and checks by professional firms of Chartered Accountants ensure that responsibilities are shouldered effectively.

Risk assessment reports received from various departments are reviewed periodically and steps are initiated for mitigation wherever needed.

### Quality Management

With export sales, quality became the most important aspect for our company. Our products have been very well accepted in foreign as well in Indian market and day by day measures are being taken to strengthen our quality management systems at all manufacturing locations.

### Environment and Safety

RRL is conscious of the need for environmentally clean and safe operations. The company policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

### Human Resources and Industrial Relations

We realize that Human Resources are the most valuable assets for our organisation and it's our people who would go on providing competitive edge for staying ahead.

Our strategy for development of Human Resources is through providing a motivating work environment, recruiting the best talents, providing challenging goals, and by creating a culture for learning and growth. Increased attention is paid on retention of its efficient, talented and hardworking employees who are rewarded appropriately.

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# RAJ RAYON LIMITED

## REPORT ON CORPORATE GOVERNANCE

(As required under clause 49 of the Listing Agreement of the Stock Exchange)

The Corporate Governance Report for the year under Review from 1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2007.

### 1. company's Philosophy on Code of Corporate Governance:

The company has ingrained the objectives of good quality Corporate Governance, which will lead to creation of value for all its stakeholders. The company adopts the best of the corporate governance practices to maintain the highest level of transparency, accountability and equity at all the levels of its operation. The company's policies are drawn keeping in mind the interest of all its stakeholders and with an ultimate objective of creation of wealth for its stakeholders.

By following the good corporate governance practices, the company ensures transparency in its policies, reporting and the decision making process. The company emphasizes on effective and efficient accounting system, internal control mechanism and planning process. The practices adopted by the company emphasis that all the resources of the company are utilized optimally and effectively so that the company grows from strength to strength and creates wealth for its stake holders.

The Board of Directors of the company has appropriate composition of Executive and Non- Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the discussions and decisions on the policy matters are taken after due deliberation and discussion and in consonance with the good corporate governance practices.

### 2. Board of Directors- Constitution and Composition:

The Board of Directors of the company consist of six Directors, four of them being Non- Executive Directors including three independent Directors. Mr. Gourishankar Poddar is the Chairman & Managing Director. Mr. Ashok Trehan is the Executive Director i.e, Director Technical. The four Non-Executive Directors are Mrs. RajKumari Kanodia, Mr. Jagdish Chandra Somani, Mr. Vinod Kumar Jain and Ms.Anjali Agrawal; and except for Mrs. RajKumari Kanodia, the other three Directors are independent Directors. The composition of the Board of Directors is well within the norms of Corporate Governance.

None of the Directors on the Board is member in more than ten committees and act as Chairman of more than five committees across all companies in which he/she is Director.

#### a) Number of Board Meetings and Attendance Record of the Directors:

During the year ended 31<sup>st</sup> March 2007 the company had twelve Board meetings. These were on 29-04-06, 29-07-06, 31-07-06, 29-08-06, 31-10-06, 2-11-06, 6-12-06, 02-01-07, 31-01-07, 20-02-07, 26-02-2007 and 5-03-07.

The composition of Directors the attendance at the Board Meetings as also number of other Directorships and Committee Memberships during the year under review and the last Annual General Meeting are given below:

Sr. No.	Name of the Director	Position	No.of Board Meetings Attended	Attendance At the Last AGM	No. of other Public company Directorships*	No. of other Committee Memberships and Chairmanships#	
						Chairman	Member
1.	Mr. Gourishankar Poddar	Chairman & M.D.	12	Yes	1	-	-
2.	Mrs. RajKumari Kanodia	Director	12	Yes	-	-	2
3.	Mr. Ashok Trehan	Director Technical	11	No	-	-	-
4.	Mr. Jagdish Chandra Somani	Director	12	Yes	-	2	-
5.	Mr. Vinod Kumar Jain	Director	12	No	-	-	2
6.	Mr. Neraj Agarwal (Up to 5-3-2007)	Director	11	Yes	-	-	-
7.	Ms. Anjali Agrawal (w.e.f.5-3-2007)	Director	1	N.A.	-	-	-

\* Directorships in private and Foreign Companies, if any, are excluded.

# Chairmanship and Memberships of Audit Committee and Shareholders'/Investors Grievance Committee



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### Directors' Profile:

Brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees are provided below:

#### a) Mr. Gourishankar Poddar, Chairman & Managing Director

Mr. Gourishankar Poddar, aged 46 years, is in the textile business for more than 26 years. He is a non-matriculate. In 1993, Mr. Poddar promoted RRL and was appointed as Managing Director w.e.f. April 1, 1994 for a term of 5 years and the term has been renewed from time to time. His current appointment expires on March 31, 2009. He was also designated as the Chairman of the Board with effect from January 15, 2001. Mr. Poddar has overall control and management of the company, subject to the supervision, control and direction of the Board of Directors.

Under the leadership of Mr. Poddar, RRL has set-up four full-fledged manufacturing units, one at Village Amli, two at Village Dadra, Silvassa with a total production capacity of 21,700 T.P.A. of PTY and the fourth manufacturing unit at Village Surangi, Silvassa with a production capacity of 60,000 T.P.A. of POY.

#### Mr. Poddar's achievements include:

- Conferred the "Gold Medal For Excellence" by National Integration & Economic Council. Award named as Rajiv Gandhi Shiromani Award presented by H.E. Shri Syed Sibtey Razi, Governor of Jharkhand. Further, Mr. Poddar has also received the following awards:
- International Gold Star Millennium Award
- Indira Gandhi Sadbhavana Award

Mr. Gourishankar Poddar is on Board of Sunstar Mercantile company Ltd but he is not member of the committees of the Board of any other company. He is the promoter of RRL and holds 40,000 shares in the company as on 31<sup>st</sup> March, 2007

#### b) Mrs. Rajkumari Kanodia

Mrs. Raj Kumari Kanodia, aged 48 years, is one of our main promoters. Mrs. Kanodia, an H.S.C, has experience in the textile field for about 13 years. She was appointed director of the company on 28<sup>th</sup> February'2003. She is a member of the Audit Committee and Shareholders'/Investors' Grievances and Share Transfer Committee of our Board. She is neither director nor member of the committees of the Board of any other company. She is the promoter of RRL and holds 467500 Equity Shares in the company as on 31<sup>st</sup> March 2007.

#### c) Mr. Ashok Trehan, Director (Technical)

Mr. Ashok Trehan, aged 52 years, is B.Tech (Textile) from Technological Institute of Textiles, Bhiwani. He has

been appointed as Director (Technical) on a whole time basis with effect from January 31, 2005. Mr. Trehan has more than 29 years of experience in textile industries. He has experience in the field of production, product development, modification of equipment and execution of new projects. He has worked with companies like P.T. Indorama (Indonesia), Parasrampuriah Synthetics, Haryana Petro Chemical Limited and Shree Synthetics. He has handled POY & DTY project of Indorama (Indonesia). He has also handled POY & Poly Yarn projects of Haryana Petro Chemical Limited.

Mr. Ashok Trehan was appointed as whole-time Director of the company under the provisions of Section 269 of the Companies Act, read with Schedule XIII thereof, and his appointment has been approved by the Central Government (Ministry of company Affairs, Government of India) vide Letter No. 1/176/2005-CL.VII dated 12th August, 2005. He is neither director nor member of the committees of the Board of any other company. He holds nil shares in the company as on 31<sup>st</sup> March, 2007.

#### d) Mr. Jagdish Chandra Somani

Mr. Jagdish Chandra Somani, aged 61 years, and an M.Com, is working as Vice President - Marketing of Orient Syntex (APM Industries Limited). He is having experience of 35 years in the Textile Industry. He was appointed as additional Director of the company on 07th January, 1998 and confirmed as Director in AGM held on 30th September'1998. He is Chairman of Audit Committee and Shareholders'/Investors Grievances and Share Transfer Committee of our Board. He is neither director nor member of the committees of the Board of any other company. He holds nil shares in the company as on 31<sup>st</sup> March, 2007.

#### e) Mr. Vinod Kumar Jain

Mr. Vinod Kumar Jain, aged 40 years, is B.E. (Textiles) by qualification. He is a member of the Audit Committee and Shareholders'/Investors Grievances and Share Transfer Committee of our Board. He was appointed as additional director of our company on 30th October, 2004 and confirmed as Director in AGM held on 16th August, 2005. He is neither director nor member of the committees of the Board of any other company. He holds nil shares in the company as on 31<sup>st</sup> March, 2007.

#### f) Mr. Neraj Agarwal – up to 5<sup>th</sup> March 2007

Mr. Neraj Agarwal, aged 27 years, is P.G.D.B.M in Finance from Indian Institute of Science & Management, Ranchi. He was appointed as additional Director of the company on 25th November 2005. He was neither director nor member of the committees of the Board of any other company. He was holding nil shares in the company till his resignation with effect from 5-3-2007

#### g) Ms. Anjali Agrawal- w.e.f. 5<sup>th</sup> March 2007:

Ms. Anjali Agrawal, aged 23 years, is a B. E. in Information