



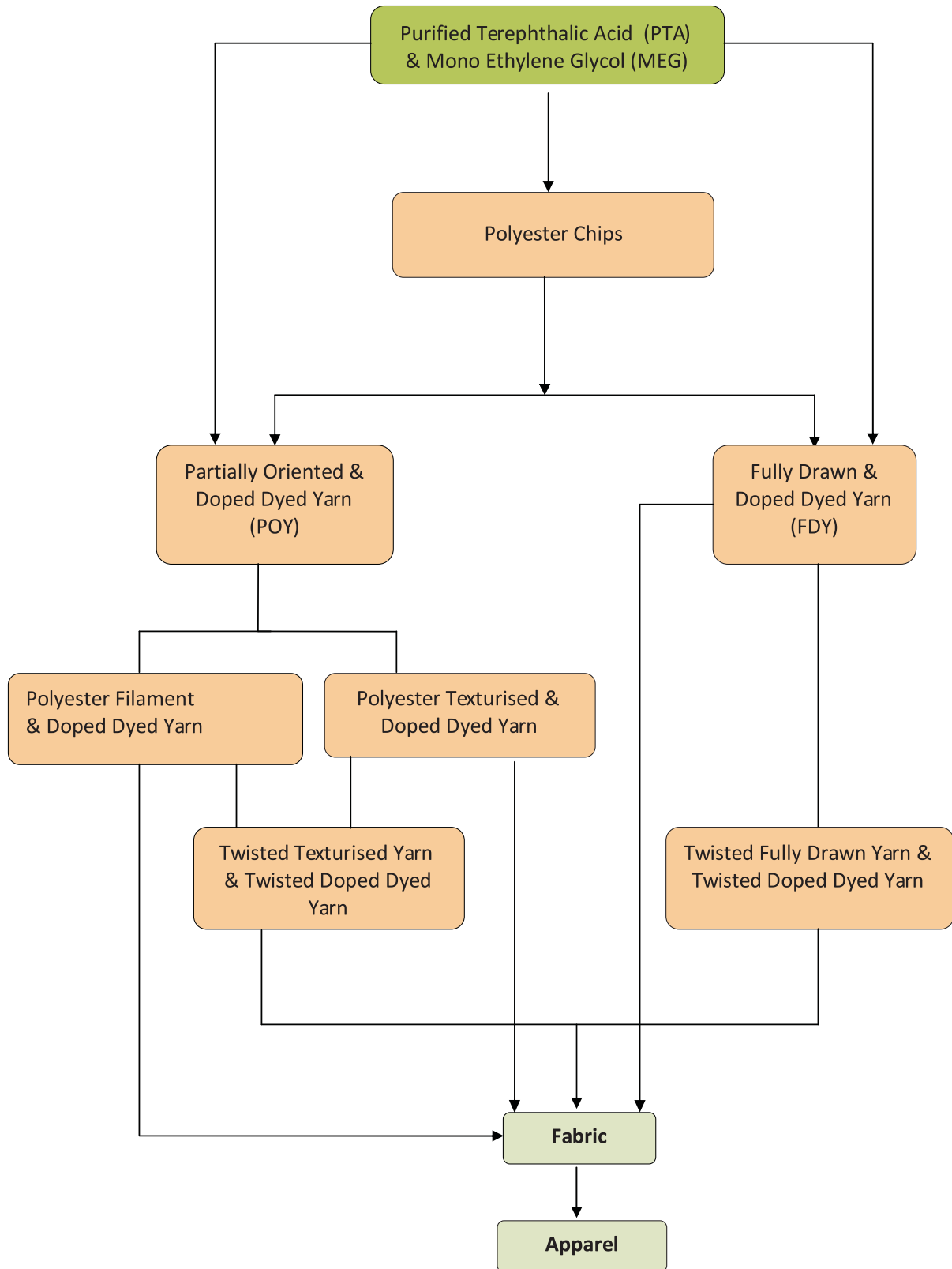
# **RAJ RAYON INDUSTRIES LIMITED**

**(Formerly known as Raj Rayon Ltd.)**

**“Spinning the Quality of Perfection”**

**21<sup>st</sup> Annual Report  
2013 - 2014**

## Product Flow Chart of Raj Rayon Industries Limited



Raw Materials Purchased  
by Company from outside

Products Manufactured  
by Company





## COMPANY INFORMATION

BOARD OF DIRECTORS	:	MRS. RAJKUMARI KANODIA	Non Executive Chairperson & Director
		MR. GOURISHANKAR PODDAR	Chairman & Managing Director (upto 18 <sup>th</sup> March, 2014)
		MR. SUMIT DALMIYA	Director (upto 30 <sup>th</sup> October, 2013)
		MR. SURESH GUPTA	Director
		MR. PRAHLAD RAI JAJODIA	Additional Director (w.e.f. 18 <sup>th</sup> March, 2014)
		MR. NAVAL BABULAL KANODIA	Additional Director (w.e.f. 28 <sup>th</sup> March, 2014)
CHIEF EXECUTIVE OFFICER	:	MR. SUSHIL KUMAR KANODIA	
COMPANY SECRETARY	:	MS. GITA YADAV	
AUDITORS	:	M/S. K.M. GARG & CO.	
REGISTERED OFFICE	:	Survey No. 177/1/3, Village – Surangi, Dist-Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA) Tel: 91- 09998802192 Fax:-91-0260-2699185 Website: www.rajrayon.com Email: mumbai@rajrayon.com/ investors@rajrayon.com	
CORPORATE OFFICE	:	5- C, 196 & 197, “AKSHAY”, Mittal Industrial Estate, Sakinaka, Andheri (East), Mumbai- 400 059, Maharashtra (INDIA) Tel: 91-22- 4034 3434 Fax: 91-22- 4034 3400 Website: www.rajrayon.com Email: mumbai@rajrayon.com/ investors@rajrayon.com	
PLANT LOCATION	:	(i) Survey No. 272/1/1, Plot No. 1, Village -Dadra, Dadra-Demani Road, Dist-Silvassa, Dadra & Nagar Haveli (U.T.) – 396 230 (INDIA) (ii) Survey No. 185/1/1, Plot No.17, Dokmandi, Village- Amli, Dist- Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA) (iii) Survey Number 177/1/3, Village – Surangi, Dist-Silvassa, Dadra & Nagar Haveli (U.T.)-396 230 (INDIA)	
REGISTRAR & SHARE TRANSFER AGENT	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 Maharashtra (INDIA)Tel:91-22-25946970-78,Fax:91-22-25946969 Email:rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	

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# RAJ RAYON INDUSTRIES LIMITED

(FORMERLY KNOWN AS RAJ RAYON LIMITED)

## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of RAJ RAYON INDUSTRIES LIMITED will be held on Tuesday, 30<sup>th</sup> September, 2014 at the registered office of the Company situated at Survey No. 177/1/3, Village – Surangi, Dist – Silvassa, Dadra & Nagar Haveli (U.T.) – 396 230, at 10:00 a.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2014, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rajkumari Kanodia (Din No: 00229331) who retires by rotation and being eligible offers herself for re-appointment.
3. 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** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, **M/s. K.M. Garg & Co., Chartered Accountants (Registration No. 120712W)** be and are hereby appointed as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting, subject to ratification by the shareholders annually and the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Board of Directors in consultation with Audit Committee.”

### Special Business:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Suresh Gupta (Din No: 06596327), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30<sup>th</sup> September, 2014 and not liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and pursuant to Article 85 of the Articles of Association of the Company, Mr. Prahlad Rai Jajodia (Din No: 06846893), who was appointed as an Additional Director of the Company on 18<sup>th</sup> March, 2014 and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013. And in respect on whom the Company has pursuant to Section 160 of Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30<sup>th</sup> September, 2014 and not liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and pursuant to Article 85 of the Articles of Association of the Company, Mr. Naval Babulal Kanodia (Din No: 03063554), who was appointed as an Additional Director of the Company on 28<sup>th</sup> March, 2014 whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013. And in respect on whom the Company has pursuant to Section 160 of Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the approval of Members be and is hereby accorded for the appointment of Mr. Naval Babulal Kanodia, as a Whole-time Director of the Company for a period of three years w.e.f. 02<sup>nd</sup> June, 2014 to 31<sup>st</sup> May, 2017 on the following terms and conditions:-



- A) Salary: ₹ 3,00,000 (Rupees Three Lacs Only) per annum.
- B) Perquisites: These shall be restricted to the extent as mentioned in Schedule V of The Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration payable to Mr. Naval Babulal Kanodia shall be the minimum remuneration payable by the Company.

**RESOLVED FURTHER THAT** Board of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

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

**"RESOLVED THAT** in additions of the resolution passed by the members of the Company under Section 293 (1) (d) of the Companies Act, 1956 on 15<sup>th</sup> September, 2011, thereby limiting the borrowing powers of the Board of Directors of the Company upto ₹ 2500 crores (Rupees Two Thousand Five Hundred Crore Only), the consent of the members be and is hereby accorded pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, as it may consider fit for the business of the Company on such terms and conditions as it may deem fit and expedient in the interest of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided that the maximum amount of monies so borrowed by the Company shall (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and outstanding at any given point of time, not at any time exceed the sum of ₹ 3500 crores (Rupees Three Thousand Five Hundred Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

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

**"RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 180 (1) (a) and other applicable provisions, if any of the Companies Act, 2013, to mortgage and/or charging by the Board of Directors of the Company of all movable and immovable properties of the Company where so ever situated, present or future, and the whole of the undertaking of the Company, in favour of Bankers and or Financial Institutions or persons for securing the repayment of Term Loan, Cash Credit, advances or such other borrowing facilities for an aggregate nominal value not exceeding ₹ 3500 crores (Rupees Three Thousand Five Hundred Crores only) for the purpose of securing the said financial facilities granted/to be granted to the Company, together with interest, further interest, liquidated damages, costs, charges, expenses and other monies payable by the Company under the terms of the respective financial facilities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds matters and things and execute all documents, writings etc as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or including thereto."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), **Mr. Jayant J. Paleja, Practicing Cost Accountant, Membership No. 5846** be appointed as **Cost Auditor** by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the year 2014-2015 and issue Cost Audit Report on the same at a remuneration of ₹ 30,000/-.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to Section 203, Section 188 (1) (f) and other applicable provisions of Companies Act, 2013 read





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with Companies (Meeting of Board and its Powers) Rules, 2014, and (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the Company be and is hereby accorded for appointment of **Mr. Sushil Kumar Kanodia**, relative of Mrs. Rajkumari Kanodia, Non Executive Chairperson & Director of the Company, for holding an Office or Place of Profit in the Company as **Chief Executive Officer** and **Chief Financial Officer (CEO & CFO)** w.e.f. 05<sup>th</sup> July, 2014 on the following terms & conditions:

- Salary: up to ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousand) per month
- Perquisites: As applicable to the Senior Executives of the Company

**Provided however that the total monthly remuneration including the perquisites shall not exceed ₹ 2,50,000/- .**

**RESOLVED FURTHER THAT** Board of the Directors/Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things and execute all documents/application/forms or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and file necessary e-forms for matters connected therewith or incidental thereto."

**By order of the Board of Directors**

**Sd/-**

**Place: Mumbai**

**Date: 05<sup>th</sup> July, 2014**

**Registered Office:**

**Survey No. 177/1/3,**

**Village – Surangi, Dist – Silvassa,**

**Dadra & Nagar Haveli (U.T.) – 396 230**

**Gita Yadav**

**Company Secretary**

## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
  
Proxies, in order to be effective, must be duly filled, stamped, signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to

be transacted at the Annual General Meeting, setting out material facts, is annexed hereto.

- Profile of the Director seeking re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this Notice.
- Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- Members/Proxies/Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Annual General Meeting.
- Relevant documents referred to in the accompanying Notice are available 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.
- Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 23<sup>rd</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (both days inclusive) for the 21<sup>st</sup> Annual General Meeting of the Company.
- 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).
- Pursuant to the provisions of Section 124 (Section 205A of the erstwhile Companies Act, 1956) and Section 125 and other applicable provisions, if any, of the Companies Act, 2013, the dividends which remains unclaimed for a period of Seven years, will be transferred by the Company to the Investor Education and Protection Fund (IEPF).

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 IEPF
31-03-2007	28-09-2007	27-09-2014	27-10-2014
31-03-2010	07-08-2010	06-08-2017	06-09-2017
31-03-2011	15-09-2011	14-09-2018	14-10-2018

Members, 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 to the Company's R&TA immediately.



10. 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 R&TA for consolidation into a single folio.

11. Further, Members are requested to inform immediately about any change in their address to Company's R&TA at the address mentioned below so as to enable the Company to dispatch dividend warrants and any further communication at their correct addresses:

**LINK INTIME INDIA PRIVATE LIMITE**

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West), Mumbai – 400 07

Ph: 91-22-25946970-78 Fax: 91-22-25946969

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

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 by the Management at the meeting.

13. Investors may address their queries/communication at [investors@rajrayon.com](mailto:investors@rajrayon.com).

14. Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies of the Annual Report to the meeting.

15. To promote and support **"Green Initiative"**, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Company's R&TA – Link Intime Private Limited giving reference of their Folio Number.

**16. Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their rights to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

(i) The voting period begins on (23<sup>rd</sup> September, 2014, 9:00 am) and ends on (25<sup>th</sup> September, 2014, 6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2014,

may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(iii) Click on "Shareholders" tab.

(iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.



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Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **RAJ RAYON INDUSTRIES LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Mr. Virendra Bhatt, Practicing Company Secretary (Membership No. 1157) Address: 602/Tardeo Air Conditioned Market, Tardeo Main Road, Tardeo, Mumbai Central- 400034 has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xx) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(xxi) The Result shall be declared at the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website **www.rajrayonindustries.com** and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the BSE & NSE.

(xxii) Note for Institutional Shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **https://www.evotingindia.co.in** and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.co.in** under help section or write an email to **helpdesk.evoting@cdslindia.com**.



**ANNEXURE TO NOTICE****Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:****Item No. 4**

Mr. Suresh Gupta was appointed as an Additional Director of the Company by Board of Director of the Company in terms of Section 260 of Companies Act, 1956 read with Article 85 of the Article of Association of the Company w.e.f. 27<sup>th</sup> May, 2013 and was regularised as Independent Director in Annual General Meeting held on 30<sup>th</sup> September, 2013. Mr. Suresh Gupta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956.

In terms of Section 149 and Section 152 and any other applicable provisions of the Companies Act, 2013, Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Due notice under Section 160 of Companies Act, 2013 along with a deposit of ₹ 1,00,000/- has been received proposing the candidature of Mr. Suresh Gupta as an Independent Director of the Company. Therefore the resolution seeks approval of members for the appointment of Mr. Suresh Gupta as an Independent Director of the Company for a term upto five consecutive years commencing from 30<sup>th</sup> September, 2014.

He is a commerce graduate and has good experience and exposure in textile sector. He is Chairman of Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Allotment Committee

The Directors recommended the resolution at item no. 4 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives other than Mr. Suresh Gupta is in any way concerned or interested in the Resolution.

**Item No. 5**

Mr. Prahlad Rai Jajodia was appointed as an Additional Director of the Company by the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 read with Article 85 of Articles of Association of the Company w.e.f. 18<sup>th</sup> March, 2014 who vacates his office at this Annual General Meeting. Due notice under Section 160 of Companies Act, 2013 along with a deposit of ₹ 1,00,000/- has been received proposing the candidature of Mr. Prahlad Rai Jajodia as an Independent Director of the Company. He holds nil shares in the Company.

In terms of Section 149, Section 152 and any other applicable provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Therefore the resolution seeks approval of members for the appointment of

Mr. Prahlad Rai Jajodia as an Independent Director of the Company for a term upto five consecutive years commencing from 30<sup>th</sup> September, 2014.

Mr. Prahlad Rai Jajodia is HSC and has good experience and exposure in textile sector. He is Member of Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Allotment Committee.

The Directors recommended the resolution at item no. 5 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives other than Mr. Prahlad Rai Jajodia is in any way concerned or interested in the Resolution.

**Item No. 6**

Mr. Naval Babulal Kanodia was appointed as an Additional Director of the Company by the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 read with Article 85 of Articles of Association of the Company w.e.f. 28<sup>th</sup> March, 2014 who vacates his office at this Annual General Meeting. Due notices under Section 160 of Companies Act, 2013 along with a deposit of ₹ 1,00,000/- has been received proposing the candidature of Mr. Naval Babulal Kanodia as a Director of the Company. If appointed, his office shall be liable to determination by retirement by rotation. He holds nil shares in the Company.

The Board of Directors at its meeting held on 30<sup>th</sup> May, 2014 subject to members approval in general meeting has appointed Mr. Naval Babulal Kanodia as Whole time Director of the Company for a period of five years commencing from 02<sup>nd</sup> June, 2014 to 31<sup>st</sup> May, 2019 at a remuneration of ₹ 3,00,000 p.a. and perquisites as per Schedule V of Companies Act, 2013, further in Board of Directors meeting held on 05<sup>th</sup> July, 2014 the said period has been revised for three years to be in compliance with Schedule V of Companies Act, 2013.

Mr. Naval Babulal Kanodia is HSC and has good experience and exposure in textile sector. He has extreme experience and exposure in textile sector. He is Member of Allotment Committee.

The resolution seeks the approval of the members in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made thereunder for his appointment as Whole time Director.

The Directors recommended the resolution at item no. 6 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives other than Mr. Naval Babulal Kanodia in any way concerned or interested in the Resolution.



## RAJ RAYON INDUSTRIES LIMITED (FORMERLY KNOWN AS RAJ RAYON LIMITED)

### Item No: 7

Section 293(1) (d) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a Public Company can borrow money in excess of the aggregate of the paid-up capital and free reserves of the Company only with the approval of members. The members had on 15<sup>th</sup> September, 2011 in their Annual General Meeting accorded their consent for a maximum limit of ₹ 2500 crores for borrowing in excess of the paid-up capital and free reserves of the Company.

Keeping in view the long term requirements of the Company, this limit is sought to be increased to ₹ 3500 crores, as per Section 180 (1) (c) of the Companies Act, 2013 the resolution requires approval of Shareholders by passing Special Resolution.

The Directors recommended the resolution at item no. 7 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested in the proposed Special Resolution.

### Item No: 8

As stated in the explanatory statement at item no. 7 of this notice, the Company's activities and operations are increasing; thereby necessitating increase in its borrowing limits as stated in the resolution at item no. 7.

Your Directors consider that it would be expedient to have approval of the members for creating securities in favour of Secured Lenders as mortgage/charge in the event of your Company availing financial facilities of a secured nature.

Section 180 (1) (a) of the Companies Act, 2013 inter alia provides that the Board of Directors of a company shall not, without the consent of the Company in general meeting by Special Resolution sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertakings.

The borrowings of the Company may, where necessary, be secured by way of charge/mortgage/ extension of mortgage on the Company's assets/undertaking (s) in favour of Secured Lenders. As the documents to be executed between the Security Lenders and the company may contain the power to take over the management of the undertaking(s) of the Company in certain events, which may be regarded as disposal of undertaking (s) under Section 180 (1) (a) of the Act and therefore it is necessary to pass a resolution to enable the Board to create charges/ mortgages for amounts not exceeding in aggregate to ₹ 3500 crores (Rupees Three Thousand Five Hundred Crores) only.

The Directors recommended the resolution at item no. 8 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested in the proposed Special Resolution.

### Item No. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Jayant J. Paleja, Practicing Cost Accountant, as Cost Auditor of the Company to conduct Cost Audit for the year 2014-2015 at a remuneration of ₹ 30,000/-.

As per the provisions of Section 148 of Companies Act, 2014 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

The Directors recommended the resolution at item no. 9 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested in the proposed Ordinary Resolution.

### Item No. 10

Mr. Sushil Kumar Kanodia, relative of Mrs. Rajkumari Kanodia, Non Executive Chairperson & Director of the Company; who was working as Chief Executive Officer (CEO) of the Company pursuant to Section 314 (1B) of the Companies Act, 1956 for a period of 5 years w.e.f. 01<sup>st</sup> October, 2009. By seeing his 25 years of experience in textile industries and his expertise in finance, the Board of Directors has appointed him as Chief Executive Officer and Chief Financial Officer (CEO & CFO) of the Company as per Section 203 (Appointment of Key Managerial Personnel) and Section 188 (1) (f) (Office or Place of Profit) of Companies Act, 2013 and other applicable provisions of Companies Act, 2013 at a remuneration not exceeding ₹ 2,50,000 per month.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rules 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. Name of the related party: Mr. Sushil Kumar Kanodia
2. Name of Director or key managerial personnel who is related: Mrs. Rajkumari Kanodia
3. Name of relationship: Spouse
4. Monetary value: Remuneration not exceeding ₹ 2,50,000 per month
5. Nature, term and particulars of the arrangement: Appointed as Chief Executive Officer & Chief Financial