

# RISHAB SPECIAL YARNS LIMITED

MD	✓			BKC	✓
CS	✓			DPY	NP
RO	✓			DIV	NP
TRA	NA			AC	✓
AGM	✓	✓		SH	✓
YE	✓	✓	✓		✓

## 10TH ANNUAL REPORT 1997-98

Report  junction.com

### BOARD OF DIRECTORS

Shri Nathmall Hirawat, *Chairman*  
 Shri Amitabh Hirawat, *Managing Director*  
 Smt. Padam Devi Hirawat, *Director*  
 Shri K. Chandrashekar, *Executive Director*  
 Shri Anil Sharma, *Nominee Director, RIICO*  
 Shri M.P. Swami, *Nominee Director, R.F.C*

### COMPANY SECRETARY

Shri N.K. Modi

### AUDITORS

**M/s R. Mohnot & Co.**  
 Chartered Accountants

### BANKERS

State Bank of Bikaner & Jaipur  
 Punjab National Bank

### REGISTERED OFFICE

2070, Rasta Bara Gangore,  
 JAIPUR-302 003

### WORKS

**Unit-I :** E-38-39, Ambaji Industrial Area,  
 Abu Road-307 026

**Unit-II :** B-130A, Ambaji Industrial Area,  
 Abu Road-307 026

**10th ANNUAL REPORT****NOTICE**

**NOTICE** is hereby given that the Tenth Annual General Meeting of the company will be held at Kautilya Hall, Chanakya Restaurant, M.I. Road, Jaipur on Friday, the 26th day of June, 1998, at 12.00 Noon to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt Audited Statement of Accounts together with report of Directors and auditors for the period of fifteen months from 01.01.97 to 31.03.1998.
2. To appoint a Director in place of Sh. Nathmal Hirawat who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

**Registered Office :**

2070, Rasta Bara Gangore,  
JAIPUR- 302003.

By Order of the Board

**N.K.MODI**

Company Secretary

Dated : 30/05/98

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies in order to be effective must be received at the Registered Office of the company not less than 48 hours before the meeting.
2. Members are requested to notify immediately any change in their address to the company.
3. The Register of Members and Share Transfer Registers of the company will remain closed from Monday 22nd June, 1998 to Friday 26th June, 1998 (both days inclusive).

**RISHAB SPECIAL YARNS LTD.****DIRECTORS REPORT**

To,  
The Members of  
RISHAB SPECIAL YARNS LTD.

Your Directors have pleasure in presenting the Tenth Annual Report together with Audited Statement of Accounts of the company for the period of fifteen months from 01.01.1997 to 31.03.1998 :-

	<b>Fifteen Months ended 31.03.98 (Rs.)</b>	<b>Eighteen Months ended 31.12.96 (Rs.)</b>
<b>Financial Results</b>		
Profit before depreciation & Taxes	1,22,35,128	1,81,52,909
Less Depreciation	76,33,792	74,65,142
Provision for Taxation	13,04,000	Nil
Profit after Tax	32,97,336	1,06,87,767
Add Balance Brought forward from the previous year	2,50,23,483	1,68,35,716
	<b><u>2,83,20,819</u></b>	<b><u>2,75,23,483</u></b>
<b>Appropriations</b>		
(a) Debenture Redemption Reserve	20,00,000	25,00,000
(b) Balance surplus carried over to Balance Sheet	2,63,20,819	2,50,23,483
	<b><u>2,83,20,819</u></b>	<b><u>2,75,23,483</u></b>

**PERFORMANCE**

During the fifteen months ending on 31.3.98 your company achieved a turnover of Rs.4002.70 lacs (previous year 18 months turnover Rs.5252.88 lacs) and cash profit of the company was Rs.117.13 lacs (previous year 18 months cash profit 186.10 lacs). The production of the company for the current fifteen months was 3367 M.T. as compared to 3255 MT in the previous eighteen months.

In line with generally grim scenario of manufacturing Industry in the country, your company also had to face tough market conditions specially in last six months of the accounting year. Despite the same, it has come up with reasonable performance.

**DIVIDEND**

In order to preserve the resources for future growth and to ensure its impeccable record of timely payments to institutions and other creditors, your directors have not recommended any dividend.

**10th ANNUAL REPORT****FUTURE PROSPECTS**

Your company plans to establish one more unit at Silvassa, in union Territory of Dadra and Nagar Haveli for production of texturised yarn. The same is to be financed by IDBI. IDBI has sanctioned a loan of Rs. 700 lacs and the total project cost is Rs. 1125.00 lacs. Company has already acquired land at Silvassa.

As the present market conditions are not encouraging, the company has not yet started the civil works. As soon as the market situation improves the company plans to start work at Silvassa.

**FIXED DEPOSITS**

The company has not accepted any fixed deposit in contravention of section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposit), Rules, 1975.

**DIRECTORS**

Sh. Nathmall Hirawat, Director of the company retires by rotation pursuant to section 256 of the Companies Act, 1956 and being eligible, offers himself for reappointment.

**AUDITORS**

M/s R. Mohnot & Co., Chartered Accountants, Jaipur retire at the ensuing Tenth Annual General Meeting and have given their consent for reappointment.

**NOTE ON REMARKS OF AUDITORS**

Gratuity payable will be accounted as and when payment are made and as such liability has not been considered.

**PARTICULARS OF EMPLOYEES**

There were no employees in receipt of remuneration in excess of limits specified under section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. :**

A statement containing the information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I forming part of this report.

**ACKNOWLEDGEMENTS**

The Board gratefully acknowledges the co-operation and support given by the Financial Institutions, Company's Bankers, Shareholders and Employees.

For and on behalf of Board of Directors

Place : JAIPUR  
Dated : 30.5.1998

**NATHMALL HIRAWAT**  
Chairman

## ANNEXURE TO DIRECTORS REPORT

Statement containing particulars to Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988.

**A. CONSERVATION OF ENERGY**

The company is making continuous efforts to conserve energy wherever practicable and also to economise the use of Power and Electricity in the factory and office. The total energy consumption as per prescribed form 'A' is as under :

**Form 'A'**  
(See Rule 2)

**Particulars with respect to conservation of energy****A. POWER AND FUEL CONSUMPTION**

1. Electricity	<b>Fifteen months ended 31.03.98</b>	<b>Eighteen months ended 31.12.96</b>
(a) Purchased Units	2,00,698	42,36,299
Total Amount	6,26,197	1,20,83,784
Average Rate/Unit (Rs.)	3.12	2.85
(b) <b>Own Generation</b>		
Through Diesel Generator (units)	92,85,484	47,20,190
Diesel Consumed (Ltrs.)	24,30,755	13,84,220
Unit/Ltr. of Diesel	3.82	3.41
Total cost of Diesel & Others(Rs.)	2,18,04,575	105,42,620
Average cost/Unit	2.35	2.23
2. Coal: Quantity (Kg)	12,40,607	19,44,364
Cost (Rs.)	34,49,946	52,06,536
Average Rate	2.78	2.68

**B. CONSUMPTION PER UNIT (KILOGRAM) OF PRODUCTION**

Production (Kgs.)	33,67,413	32,54,587
Electricity (Units)	2.82	2.75
Furnance Oil	Nil	Nil
Coal (Kg)	0.37	0.59
Others	Nil	Nil

**C. TECHNOLOGY ABSORPTION**

Company is in constant touch with the Machinery Suppliers and Technical Institutions regarding the possibility of any change/modifications etc. to achieve better working & quality.

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(a) Earning	18,66,914	Nil
(b) Outgo	13,63,630	72,877

**10th ANNUAL REPORT****AUDITOR'S REPORT**

To The Members of  
Rishab Special Yarns Limited,  
JAIPUR.

We have audited the attached Balance Sheet of Rishab Special Yarns Limited as at 31st March, 1998 and Profit and Loss Account for the period of fifteen months from 01.01.97 to 31.03.98 annexed thereto and report that:

- (1) As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose on the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- (2) Further to our comments in the annexure referred to in the paragraph(1) above :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion proper books of Accounts as required by the law have been maintained by the company so far as appears from our examination of such books.
  - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and subject to Note 1(viii) of Notes to Accounts (non provision of accrued gratuity) give a true and fair view :
    - (a) In case of Balance Sheet of the State of Affairs of the Company as at 31st March, 1998 and
    - (b) In the case of profit and Loss Account, of the profit for the period of fifteen months ended on that date.

For **R.MOHNOT & CO.**

Chartered Accountants

PLACE : JAIPUR

DATED : 30.5.98

**(NARENDER MITTAL)**

PARTNER.

**ANNEXURE TO AUDITORS REPORT**

(REFERRED TO IN PARARAPH 1 OF OUR REPORT OF EVEN DATE)

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. As informed to us, the fixed assets have been physically verified by the management during the period and no material discrepancies were noticed on such verification.
2. None of the fixed assets of the company have been revalued during the period.
3. As explained to us, physical verification of stocks of finished and semi-finished goods, raw materials, stores, spares and consumables has been conducted by the management at reasonable intervals during the period.
4. In our opinion and according to explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between physical stocks and book records were not material and these have been properly dealt with in the books of accounts.
6. In our opinion, the valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. In respect of unsecured loans obtained by the company from companies, firms or other parties listed in the register maintained u/s 301 and 370(1-B) of the Companies Act, 1956, the rate of interest and the terms and conditions are prima facie not prejudicial to the interest of the company.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and to companies under the same management as defined under section 370(1-B) of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
9. The company has given interest free advances in the nature of loans to its employees which are generally being repaid regularly.
10. In our opinion and according to the information and explanations given to us the company has adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. The transactions of purchase of goods and materials and sale of goods, material and services made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials and services or the prices at which transaction for similar goods or materials have been made with other parties.