

RISHAB SPECIAL YARNS LIMITED

12TH ANNUAL REPORT 1999 - 2000

BOARD OF DIRECTORS

Shri Nathmall Hirawat, Chairman
Shri Amitabh Hirawat, Managing Director
Smt. Padam Devi Hirawat, Director
Shri K. Chandrashekhar, Executive Director

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-1 : E-38-39, Ambaji Industrial Area
Abu Road-307 026

Unit-2 : B-130-A, Ambaji Industrial Area
Abu Road-307 026

12TH ANNUAL REPORT**NOTICE**

NOTICE is hereby given that the Twelfth Annual General Meeting of the Company will be held at Kautilya Hall, Chankya Restaurant, M.I. Road, Jaipur on Thursday, the 30th day of November, 2000 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 year ended on 31st March, 2000.
2. To appoint a Director in place of Shri Nathnall Hirawat who retires by rotation and being eligibles, 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.

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following resolution with or without modification, as an Ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 read with the Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the company hereby accords its approval for the re-appointment of Mr. Amitabh Hirawat, Managing Director of the Company for a period of 5 years w.e.f. 1st February, 2001 and on the terms and conditions as regard to remuneration and perquisites set out in the explanatory statement and with further discretion to the Board of Directors to alter from time to time the said terms in such manner as it may deem fit in the best interest of the company with limitations in that behalf contained in Schedule XIII of the said Act."
5. To consider and if thought fit to pass the following resolution with or without modification, as an Ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 read with the Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the company hereby accords its approval for the re-appointment of Mr. K. Chandrashekar, Executive Director of the Company for a period of 5 years w.e.f. 1st April, 2000 and on the terms and conditions as regard to remuneration and perquisites set out in the explanatory statement and with further discretion to the Board of Directors to alter from time to time the said terms in such manner as it may deem fit in the best interest of the company with limitations in that behalf contained in Schedule XIII of the said Act."

By the Order of the Board

Place : Jaipur

Dated : 16.10.2000

(AMITABH HIRAWAT)

Managing Director

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 Register of the Company will remain closed from Tuesday, 28th November, 2000 to Thursday, 30th November, 2000 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4 :**

The tenure of Managing Director is ending on 31st January, 2001. The Board has considered his services very useful and his re-appointment is being recommended by the Board of Directors for a further period of 5 years w.e.f. 1st February, 2001.

Board of Directors recommends reappointment on the following terms and conditions :

- (a) Salary : Rs. 15000/- per month
- (b) Perquisites : Perquisites shall be restricted to an amount equal to his annual salary.

None of the Directors, other than Mr. Amitabh Hirawat is concerned or interested in the resolution.

The Board recommends adoption of the resolution as proposed.

Item No. 5 :

The tenure of Executive Director has expired on 31st March, 2000. The Board has considered his services very useful and has re-appointed him w.e.f. 1st April, 2000 in its meeting held on 04.03.2000. The appointment is being recommended by the Board of Directors for a further period of 5 years w.e.f. 1st April, 2000 for your approval. The above resolution is being recommended to the share holders for their approval.

The following are the terms and conditions as regards to salary and perquisites.

- (a) Salary : Rs. 25000/- per month
- (b) Perquisites : Perquisites shall be restricted to an amount equal to his annual salary.

None of the Directors, other than Mr. K. Chandrashekar is concerned or interested in the resolution.

The Board recommends adoption of the resolution as proposed.

RISHAB SPECIAL YARNS LTD.**DIRECTORS REPORT**

To,
The members of
RISHAB SPECIAL YARNS LIMITED
JAIPUR

Your Directors have pleasure in presenting the Twelfth Annual Report together with Audited Statement of Accounts of the Company for the year ended on 31st March, 2000.

	Year ended 31.03.2000 (Rs.)	Year ended 31.03.1999 (Rs.)
Profit before depreciation, misc expenses w/off & Taxes	569712	40818
Less Depreciation	7691171	7538711
Less Misc. Exp. W/off	326941	326941
Provision for Taxation	0	0
Profit/(Loss) after tax	(7448400)	(7824834)
Prior Period Adjustments	0	12418
Excess/(Short) Tax Provision of earlier years	261932	0
Balance Brought forward from the last year	18508403	26320819
Balance Carried forward to Balance Sheet	<u>10798071</u>	<u>18508403</u>

PERFORMANCE

During the year ended on 31.03.2000, your company achieved a turnover of Rs. 2320.16 lacs. The market for the Company's products have remained extremely sluggish. Recession in the economy coupled with the increase in expenditure on all inputs have affected the Company's performance. The Company closed the year with a marginal cash profit of Rs. 5.70 lacs.

DIVIDEND

In view of such circumstances, your directors are not in a position to recommend any dividend.

FUTURE PROSPECTS

The market position continues to remain extremely competitive. The Company is continuously exploring new products & markets which can help improve the profitability.

FIXED DEPOSITS

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

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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 Twelfth Annual General Meeting and have given their consent for reappointment.

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 (Particulars 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.

Y2K COMPLIANCE

The Company's computer hardware & software system had become year 2000 (Y2K) compliant as on 31st October, 1999 and the change over on 1st January, 2000 was effected smoothly.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

(NATHMALL HIRAWAT)
Chairman

Place : Jaipur
Dated : 16.10.2000

RISHAB SPECIAL YARNS LTD.**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 to economize 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

	Year ended 31.03.2000	Year ended 31.03.1999
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased Units	Nil	Nil
Total Amount	Nil	Nil
Average Rate/Unit (Rs.)	N.A.	N.A.
(b) Own Generation		
Through Diesel Generator Set (units)	5911989	7272352
Diesel Consumed (Ltrs.)	1612706	1935766
Unit/Ltr. Of Diesel	3.67	3.76
Total cost of Diesel & Others (Rs.)	18362794	18251207
Average cost/Unit.	3.11	2.51
2. Coal : Quantity (Kg.)	669210	839240
Cost (Rs.)	1759837	2092354
Average Rate	2.63	2.49
B. CONSUMPTION PER UNIT (KILOGRAM) OF PRODUCTION		
Production (Kgs.)	1747617	2425675
Electricity Units	3.38	3.00
Furnace Oil	Nil	Nil
Coal (Kg.)	0.38	0.35
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	Nil	4563980
(b) Outgo	2312585	Nil