

**RISHAB
SPECIAL
YARNS
LIMITED**

14^{teenth}
Annual Report
2001-2002

BOARD OF DIRECTORS
SHRI NATHMALL HIRAWAT
SHRI AMITABH HIRAWAT
SMT. PADAM DEVI HIRAWAT

BANKERS
STATE BANK OF BIKANER & JAIPUR
PUNJAB NATIONAL BANK

AUDITORS
M/S. R. MOHNOT & CO.
Chartered Accountants

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

NOTICE

NOTICE is hereby given that the fourteenth Annual General Meeting of the company will be held at registered office of the company at 2070, Rasta Bara Gangore, Jaipur on Saturday, the 28th day of September, 2002 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 2002.
2. To appoint a Director in place of Shri Nathmall 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.

By Order of the Board

Registered Office :
2070, Rasta Bara Gangore,
Jaipur - 302 003
Dated : 10.07.2002

(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 Wednesday, 25th September, 2002 to Saturday, 28th September, 2002 (both days inclusive).

DIRECTOR'S REPORT

To,
The members of
RISHAB SPECIAL YARNS LIMITED
JAIPUR

Your Directors have pleasure in presenting the Fourteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2002.

	Year Ended 31.03.2002 (Rs.)	Year Ended 31.03.2001 (Rs.)
FINANCIAL RESULTS		
Profit before depreciation, misc. expenses w/off & taxes	7,46,199	22,83,282
Less : Depreciation	76,09,684	78,77,115
Less : Misc. Expenses w/off	10,91,974	3,60,941
Loss on surrender of fixed assets	-	16,84,455
Provision for Taxation	-	-
Profit/ (Loss) after tax	(79,55,459)	(76,39,229)
Prior Period Adjustments (Net)	-	35,736
Balance brought forward from the last year	31,94,578	1,07,98,071
Balance Carried to Balance Sheet	<u>(47,60,881)</u>	<u>31,94,578</u>

PERFORMANCE

During the year ended on 31.03.2002, your company achieved a turnover of Rs. 2427.09 lacs. The margins continue to remain under pressure due to unhealthy and quiet often unethical competition being faced by the company. The company has continued to develop and market new products and qualities. At the same time efforts are being made to control the cost and shift to niche products commanding better price. The company closed the year with a small cash profit of Rs. 7.46. Lacs.

CORPORATE GOVERNANCE

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Directors fully support basic tenets of Corporate Governance as the prudent exercise of management rights in the best interests of all shareholders in the Company - in particular, its shareholders, creditors, the state and its employees. Directors are fully committed to implement all requirements of Clause 49 of the Listing Agreements by the financial year 2002-2003.

DIVIDEND

In view of losses, your directors are unable to declare any dividend.

FUTURE PROSPECTS

The market position continues to remain sluggish. The Company is therefore trying to develop and Market niche products which can help in improving the performance.

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

Sh. K. Chandrashekar, Executive Director of the company resigned w.e.f. 01.01.2002. The Board Expresses its sincere thanks and appreciation for the services rendered by him during his tenure as Executive Director of the Company.

AUDITORS

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

AUDITOR'S OBSERVATION

The observations of the auditors are self explanatory and have been explained in the Notes on Accounts.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period :

14th Annual Report**2001-2002**

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) The Directors have prepared the annual accounts on a going concern basis.

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.

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 Board of Directors

Place : JAIPUR
Dated : 09.07.2002

NATHMALL HIRAWAT
Chairman

ANNEXURE TO DIRECTOR'S 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 economise the use of Power and Electricity in the factory and office. The total energy consumption as per prescribed form 'A' is as under :

FROM 'A'
(See Rules 2)

Particulars with respect to conservation of energy

	31.03.2002	31.03.2001
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)	5953604	5698779
Diesel Consumed (Ltrs.)	1578281	1506537
Unit /Ltr. Of Diesel	3.77	3.78
Total cost of Diesel & Others (Rs.)	24296653	22082245
Average cost/Unit.	4.08	3.87
2. Coal : Quantity (Kg.)	451184	858388
Cost (Rs.)	905332	1786427
Average Rate	2.00	2.08
B. CONSUMPTION PER UNIT (KILOGRAM) OF PRODUCTION		
Production (Kgs.)	1927510	1698036
Electricity Units	3.09	3.35
Furnace Oil	Nil	Nil
Coal (Kg.)	0.23	0.50
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		
	31.03.2002	31.03.2001
(a) Earning	Nil	Nil
(b) Outgo	Nil	Nil