

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

Jain Shrimal & Co.

CHARTERED ACCOUNTANTS
AUDITOR'S REPORT

The Members,
M/s Rishab Special Yarns Ltd.
Jaipur.

Gentlemen,

We have audited the attached Balance Sheet of RISHAB SPECIAL YARNS LIMITED, JAIPUR as at 31st March 2012, and also the Profit & Loss Account for the year ended on that date annexed thereto and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

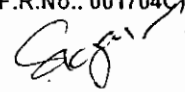
We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in the paragraph (1) above:

- (i) 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
- (ii) In our opinion proper books of account as required by law have been maintained by the company so far as appears from our examination of such books.
- (iii) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt by this report have been prepared in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) Based on representations made by all the directors of the company and the information and explanation as made available, directors of the company do not *prima facie* have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs as at 31st March, 2012 and
 - (b) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date.
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR Jain Shrimal & Co.
CHARTERED ACCOUNTANTS
(F.R.No.. 001704C)


[S.K. JAIN]
PARTNER
(M. No. 010145)

Place: Jaipur
Dated : 01.09.2012



Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

RE : RISHAB SPECIAL YARNS LIMITED, JAIPUR

ANNEXURE TO THE AUDITOR'S REPORT (Referred to in Paragraph 3 of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of the Tangible Assets.
(b) As explained to us, the Tangible Assets have been physically verified by the management during the year at regular intervals, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) *The company has decided to discontinue the manufacturing operations due to non viability and has disposed off its entire Tangible Assets except major part of Land & Building and some Furniture. Accordingly, the going concern status of the company has been affected.*
2. The Company did not have any inventory during whole of the year under audit.
3. (a) The company has not granted unsecured loans during the year.
(b) The company has taken interest-free unsecured loans, repayable on demand, from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 22765884/- and the year end balance of loans taken from such parties was Rs. 22576192/-. As the loans are interest free and repayable on demand, sub clause (f) and (g) are not applicable.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase and also for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. As explained to us, there has not been any transaction required to be entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- or more in respect of each such party.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under are not applicable.
7. As explained to us, in view of no business activities being carried on by the company, no internal audit was carried out.
8. As explained to us, there was no manufacturing activity during the year, as such the clause regarding maintenance of cost records U/s 209(1)(d) of the Companies Act, 1956 is not applicable.
9. a. The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with appropriate authorities, wherever applicable to it.
b. According to the information and explanations given to us, as at 31st March, 2012, except a sum of Rs. 14623/- in respect of Sales Tax, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears for a period exceeding six months from the date they become payable.
c. As per records of the company and in accordance with the information and explanation given to us, there are no dues of income tax, custom duty, wealth tax, which have not been deposited on account of any dispute. However, in the case of excise duty and cess the particulars on account of dispute are reported herein below



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Name of Statute	Nature of Dues	Period to which the amount relates	Amount (Rs. in Lacs)	Forum where appeal pending for adjudication
Excise & Customs	Excise Duty	2002-2003	83.36	Customs, Excise & Service Tax Appellate Tribunal
Textile Committee	Textile Committee Cess	1989-1997	8.27	Rajasthan High Court, Jodhpur

10. The accumulated losses of the company at the end of the financial year are more than 50% of its net worth and though the company has not incurred cash losses during the year under report, it has not incurred cash losses during the immediately preceding financial year also.
11. During the year the company has not availed any loan from financial institutions. There are no dues of Financial Institution, Banks & Debenture Holders.
12. The company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. During the year, the company has not done any dealing/trading in shares, securities, debentures and other investments.
15. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. During the year the company has not taken any term loan.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
18. During the year, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures.
20. During the year, the company has not raised any money by public issue.
21. In accordance with the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.



Place: Jaipur
Dated : 01.09.2012

FOR Jain Shrimal & CO.
CHARTERED ACCOUNTANTS
(F.R.No.001704C)

S.K. Jain
[S.K. JAIN]
PARTNER
(M. No. 010145)

RISHAB SPECIAL YARNS LIMITED, JAIPUR

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in `)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	35,697,500	35,697,500
Reserves and surplus	4	(54,105,176)	(53,751,417)
Non-Current Liabilities			
Long Term Borrowings	5	19,985,360	22,085,360
Long Term Provisions	6	427,681	427,681
Current Liabilities			
Short-term borrowings	7	2,590,832	446,526
Trade Payable	8	1,521,589	1,529,061
Other current liabilities	9	729,025	781,322
		6,846,811	7,216,032
ASSETS			
Non-Current Assets			
Tangible Assets	10	4,835,919	5,252,972
Long-Term Loans & Advances	11	25,500	25,500
Current Assets			
Cash and cash equivalents	12	83,886	36,299
Other Current Assets	13	1,901,506	1,901,261
TOTAL		6,846,811	7,216,032
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	2		

AUDITORS REPORT

As per our Report of even date
For Jain Shrimal & Co
Chartered Accountants
(FRNo. 001704 C)



S.K. Jain

(S.K. JAIN)
Partner

(M. No. 010145)

Chandra Mohan Khandelwal
(CHANDRA MOHAN KHANDELWAL)
DIRECTOR

Amitabh Hirawat
(AMITABH HIRAWAT)
DIRECTOR

Place : Jaipur

Dated : 01.09.2012

RISHAB SPECIAL YARNS LIMITED JAIPUR

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2012

Particulars	Note No.	(Amount in `)	
		For the year 2011-12	For the year 2010-11
REVENUE			
Other Income	14	886,000	866,000
Total		886,000	866,000
EXPENSES			
Employees Benefits Expenses	15	300,000	-
Finance Cost	16	3,695	-
Depreciation and amortization Expenses	10	417,053	417,278
Other Expenses	17	519,010	536,928
Total		1,239,758	954,206
Profit (Loss) before Exceptional items & Tax		(353,758)	(88,206)
Exceptional Items	18	-	3,430,259
Profit (Loss) before Tax		(353,758)	3,342,053
Less: Provision for Tax		-	-
Profit (Loss) After Tax		(353,758)	3,342,053
Earning per share (Basic & Diluted)		(0.10)	0.94
(Face value of Rs.10/-- each)			

AUDITORS REPORT
As per our Report of even date
For Jain Shrimal & Co
Chartered Accountants
(FRNo. 001704 C)



Place : Jaipur
Dated : 01.09.2012

S.K. Jain
(S.K. JAIN)
Partner
(M. No. 010145)

Chandra Mohan Khandelwal
(CHANDRA MOHAN KHANDELWAL)
DIRECTOR

Amrita Bhirawat
(AMRITA BHIRAWAT)
DIRECTOR

RISHAB SPECIAL YARNS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax & Extraordinary Items	-353,758	-88,206
Adjustment for:-		
Depreciation	417,053	417,278
Operating Profit Before Working Capital Changes	<u>63,295</u>	<u>329,072</u>
Decrease (Increase) in Sundry Debtors	0	0
Decrease (Increase) in Other Current Assets	-245	-11,050
Increase (Decrease) In Other Current liabilities	-52,297	219,619
Increase (Decrease) In Trade Payable	-7,471	0
Cash Generated from Operating Activities	<u>3,282</u>	<u>537,641</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Realisation from Fixed Assets	0	4,481,000
Net Cash in the Investing Activities	<u>0</u>	<u>4,481,000</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Secured Loans	0	-250,000
Increase/(Decrease) in Unsecured Loans	44,305	-4,738,711
	<u>44,305</u>	<u>-4,988,711</u>
Net Changes in Cash and Cash Equivalents (A+B+C)	47,587	29,930
Cash and Cash Equivalents as at 1st April 2011	36,299	6,369
Cash and Cash Equivalents as at 31st March 2012	83,886	36,299



(Signature)
(CHANDRA MOHAN KHANDELWAL)
DIRECTOR

(Signature)
(AMITAB HIRAWAT)
DIRECTOR

Place: Jaipur

Dated: 01.09.2012

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

RISHAB SPECIAL YARNS LIMITED

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1 CORPORATE INFORMATION:

M/s Rishab Special Yarns Limited was incorporated under Companies Act, 1956 (No. 1 of 1956) on 17.08.1987 as a public Limited company with its registered office at 2070, Rasta Bara Gangore, Jaipur -302003, to carry on the business of manufacturing, processing, texturising, twisting, doubling, dyeing of polyester filament yarn, and all other types of yarns and fibres.

The company went public in February 1992. The basis of allotment was finalized on 10.04.1992 and company raised a total sum of Rs.290.43 lakhs through this Initial public offer. Shares of the Company are listed with The Bombay Stock Exchange Ltd., Mumbai, The Delhi Stock Exchange Association Ltd., New Delhi, Jaipur Stock Exchange Limited, Jaipur

The company has decided in its Board Meeting held on 29.10.2005 to discontinue the then existing business operation of the company. Now company is evaluating to enter new businesses viz. Granite cutting & Polishing etc and business related to production and recycling and to trade, deal in import or export of various plastic materials and to manufacture various products of aforesaid material at present location at Abu Road.

2. SIGNIFICANT ACCOUNTING POLICIES:

i. **Basis of Accounting:** The financial statements are prepared under the historical cost convention on accrual basis and are generally in accordance with the requirements of the Companies Act, 1956. The accounting policies not specifically mentioned are consistent with generally accepted accounting principles.

ii. **Revenue Recognition:** The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

iii. **Investments :** Investments are stated at cost.

iv. **Tangible Assets:** Tangible Assets are stated at cost less depreciation. Cost of acquisition, fabrication or construction is inclusive of freight, duties and other incidental expenses during construction period but excludes the modvat credit available on the capital goods.

v. **Impairment of Assets:** Impairment loss is provided when carrying amount of assets exceeds recoverable value. Excess of carrying amount over recoverable value is charged to Profit & Loss Account. Recoverable value is the higher of an asset's net selling price or its value in use.

vi. **Depreciation:** The Company is providing depreciation on straight line method as per rates given in Schedule XIV of the Companies Act, 1956 on pro rata basis for the period of use.

vii. **Valuation of Inventory:** Inventories are valued at the lower of cost and estimated realizable value. Cost of Inventories is computed on a weighted average / FIFO basis. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. However the Company did not hold any inventories during the current year.

viii. **Retirement Benefits:** Liability in respect of gratuity is calculated by management and provided in books accordingly.

ix. **Taxes on Income:** Current tax is provided after allowing exemptions and deductions under the Income Tax Act, 1961. Deferred Tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent that there is reasonable certainty of realization in future.



Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

NOTES ON ACCOUNTS

Contingent Liabilities – Not Provided for:

S. No.	Particulars	Amount (Rs. in Lacs) 31.03.2012	Amount (Rs. in Lacs) 31.03.2011
a)	In respect of Cess demanded by Textile Committee under the Textile Committee (Cess) Rules, 1975, for the period from 1989 to 1997, against which company has filed writ petition at Raj. High Court for nullifying the levy of Cess and for setting aside the demand (Rs. 400000/- deposited under protest & Rs. 426749/- retained as security against the demand by The Office of NHA/ land acquisition, Abu Road which is included in Loans & Advances)	8.27	8.27
b)	In respect of Excise Duty and Penalty demanded by Excise Department for clearances during March, 2003, against which the company has filed appeal with Hon'ble Tribunal Excise Custom & Service Tax, New Delhi (Rs. 801632/- deposited, included in Loans & Advances).	83.36	83.36

2. Figures of the previous year have been regrouped and rearranged to correspond to current year's classification.

3. **Provision for Current and Deferred Tax:** No provision for tax for the year has been made in view of losses in current year and in view of uncertainty of future business deferred tax assets has not been recognized.

4. **Due to Micro, Small & Medium Enterprises:** To the extent of information available with management, there are no SSI units to whom Company owes money for more than 30 days.

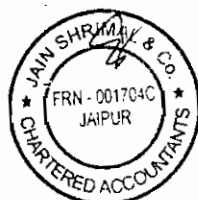
The Company has not received any communication from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

5. In the opinion of management, loans and advances and other assets are approximately of the value stated, if realized in the ordinary course of business unless otherwise stated. The provisions of all liabilities are adequate and not in excess of the amount reasonably necessary.

6. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 is not applicable.

7. **Disclosure as required by "Accounting Standard 24 : Discontinuing Operations" and "Accounting Standard 28 : Impairment of Assets"**

The company was incurring heavy losses in textile business. Under the circumstances the Board of directors in their meeting held on 29.10.2005 decided to discontinue the business operations of the company and to sell the company's machinery & equipments and surplus land to repay the liabilities of the company. The company has sold entire fixed assets except major part of land & building and some furniture & fixtures.



Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

8. Disclosure as required by Accounting Standard – 18 on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are as follows:

a. Relationship

i. Key Management Personnel & their relatives

Mr. Amitabh Hirawat – Managing Director

Mr. Nathmal Hirawat – Father of Mr. Amitabh Hirawat

Smt. Padam Devi Hirawat - Mother of Mr. Amitabh Hirawat

ii. Enterprises owned or significantly influenced by key management personnel or their relatives where transactions have taken place :

Trepechy Trading Pvt. Ltd.

Shashwin Textiles Ltd.

Trepechy Textiles Pvt. Ltd.

Note: Related party relationship is as identified by the company & relied upon by the Auditors.

b. Transactions carried out with related parties referred in A above, in ordinary course of business:

Nature of Transactions	RELATED PARTIES	
	Referred in a(i) above	Referred in a(ii) above
Finance		
Amount Taken	424305	-
Amount Repaid	380000	-
Outstanding		
Payable	-	-
Receivable	-	-
Unsecured Loans	19680832	2490000

FOR & ON BEHALF OF BOARD OF DIRECTORS



AMITABH HIRAWAT

MANAGING DIRECTOR

CHANDRA MOHAN KHANDELWAL

DIRECTOR

RISHAB SPECIAL YARNS LIMITED JAIPUR
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2012

NOTE 3 : SHARE CAPITAL	(Amount in `)	
Particulars	As at 31st March 2012	As at 31st March 2011
Authorised :		
60,00,000 Equity Shares of Rs 10/- each	60,000,000	60,000,000
Issued, Subscribed & Paid up:		
35,60,700 Equity Shares of Rs 10/- each fully paid up	35,607,000	35,607,000
Less: Calls Unpaid (Other than Directors)	18,500	18,500
Add: Shares Forfeited	109,000	109,000
Total	35,697,500	35,697,500

(i) The Company has only one class of Equity shares having a par value of Rs 10/-. Each holder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

(ii) Reconciliation of the number of shares outstanding

Particulars	As at 31st March 2012	As at 31st March 2011
Number of Shares outstanding at the beginning of the year	3,560,700	3,560,700
Add: Shares Issued during the year	-	-
Number of Shares outstanding at the end of the year	3,560,700	3,560,700

(iii) Shareholders holding more than 5 percent shares specifying the number of shares held

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	% of Holding	No. of Shares held	% of Holding
1. Shri Nath Mal Hirawat	305,360	8.58	305,360	8.58
2. Shri Amitabh Hirawat	324,800	9.12	324,800	9.12
3. M/s Shakti Vijay Steels Pvt. Ltd.	239,300	6.72	239,300	6.72
4. M/s Trepechy Textiles Limited	320,200	8.99	320,200	8.99
Total	1,189,660		1,189,660	

Note 4: Reserves & Surplus	(Amount in `)	
Particulars	As at 31st March 2012	As at 31 March 2011
(a) Capital Reserve	42,451,051	42,451,051
(b) General Reserve	13,951,584	13,951,584
(c) Surplus (Deficit) in Statement of Profit & Loss		
As per last Balance Sheet	(110,154,052)	(113,496,105)
Add: Net Profit(Loss) after tax transferred from Statement of Profit & Loss	(353,758)	3,342,053.00
Total	(54,105,176)	(53,751,417)



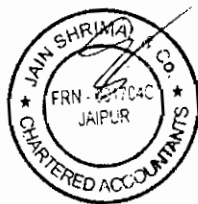
Note 5: Long Term Borrowings		(Amount in `)	
Particulars	As at 31st March 2012	As at 31st March 2011	
(UNSECURED)			
Loans from Directors	5,000,000	7,000,000	
Loans from Related Parties	14,985,360	15,085,360	
Total	19,985,360	22,085,360	
The Long Term Borrowing will be payable after 12 months.			

Note 6: Long Term Provisions		(Amount in `)	
Particulars	As at 31st March 2012	As at 31st March 2011	
Provision for Gratuity	427,681	427,681	
Total	427,681	427,681	

Note 7: Short Term Borrowings		(Amount in `)	
Particulars	As at 31st March 2012	As at 31st March 2011	
(UNSECURED)			
Loans from Directors	2,490,832	446,526	
Loans from Related Parties	100,000	-	
Total	2,590,832	446,526	

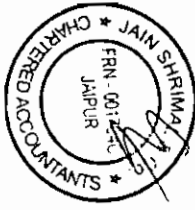
Note 8: Trade Payable		(Amount in `)	
Particulars	As at 31st March 2012	As at 31st March 2011	
For Goods	1,050,867	1,050,867	
For Services	470,723	478,194	
Total	1,521,589	1,529,061	

Note 9: Other Current Liabilities		(Amount in `)	
Particulars	As at 31st March 2012	As at 31st March 2011	
Outstanding Liabilities	5,618	5,515	
Advance Received From Tenant	-	150,000	
Statutory Liabilities	14,623	37,123	
Other Liabilities	708,784	588,684	
Total	729,025	781,322	



Note 10: TANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION				IMPAIRMENT LOSS		NET BLOCK				
	As at 01.04.2011	Additions Deductions	As at 31.03.2012	As at 01.04.2011	During the year	Deductions As at 31.03.2012	As at 01.04.2011	Additions Deduction	As at 31.03.2012	As at 31.03.2011			
Lease Hold Land	2477192.00		2477192.00	0.00	0.00	0.00	0.00	0.00	0.00	2477192.00	2477192.00		
Building	14922815.00	0.00	14922815.00	6084166.00	416471.00	0.00	6500637.00	6072062.00	0.00	6072062.00	2350116.00	2766587.00	
Furniture & Fixtures	18000.00		18000.00	6807.00	582.00	0.00	7389.00	2000.00	0.00	2000.00	8611.00	9193.00	
TOTAL	17418007.00	0.00	17418007.00	6090973.00	417053.00	0.00	6508026.00	6074062.00	0.00	6074062.00	4835919.00	5252972.00	
Previous Year	20530802	0.3112795.00	17418007.00	6459753.00	417278.00	786058.00	6090973.00	7350058.00	0.00	1275996.00	6074062.00	5252972.00	6720991.00



Note 11: Long Term Loans & Advances

(Amount in `)

Particulars	As at 31st March 2012	As at 31st March 2011
(Unsecured Considered good)		
Deposits With Govt. Deptt.	25,500	25,500
Total	25,500	25,500

Note 12: Cash and Cash Equivalents

(Amount in `)

Particulars	As at 31st March 2012	As at 31st March 2011
Cash in hand	81,653	34,454
Balance with banks in Current Accounts	2,233	1,845
Total	83,886	36,299

Note 13: Other Current Assets

(Amount in `)

Particulars	As at 31st March 2012	As at 31st March 2011
(Unsecured, considered good)		
Advances To Staff	25,888	25,888
Deposits With Govt. Deptt.	1,678,688	1,678,688
Advances recoverable in cash or in kind or for value to be received	78,745	78,500
Income Tax Refundable A. Y. 2008-09	118,185	118,185
Total	1,901,506	1,901,261

Note 14: Other Income

(Amount in `)

Particulars	For the year 2011-12	For the year 2010-11
Rental Income	886,000	866,000
Total	886,000	866,000

Note 15: Employee Benefits Expenses

(Amount in `)

Particulars	For the year 2011-12	For the year 2010-11
Salary	300,000	-
Total	300,000	-

Note 16: Finance Cost

(Amount in `)

Particulars	For the year 2011-12	For the year 2010-11
Bank Charges	565	-
Interest Paid	3,130	-
Total	3,695	-



Note17: Other Expenses

(Amount in `)

Particulars	For the year 2011-12		For the year 2010-11	
Administrative Expenses:				
Auditors' Remuneration				
For Audit Fees	5,618		5,515	
For Taxation Matters	8,824		14,339	
For Certification Fee	1,103	15,545		19,854
Filing Fees		26,540		2,000
Legal & Professional Expenses		113,205		194,403
Electricity & Water Charges		8,067		12,052
Travelling Expenses		37,565		71,380
Postage & Telephone Expenses		63,714		142,068
Advertisement Expenses		34,155		26,460
Printing & Stationery		33,960		44,603
Depository & Application Expenses		44,120		-
Stock Exchange Listing Fee		136,420		1,010
Miscellaneous Expenses		5,719		18,686
Sundry Balances Written off		-		4,412
		<u>519,010</u>		<u>536,928</u>

Note18: Exceptional Items

(Amount in `)

Particulars	For the year 2011-12		For the year 2010-11	
Surplus on Sale Of Land & Building	-		3,549,259	
Less: Brokerage Paid	-		119,000	3,430,259
				<u>3,430,259</u>



Place : Jaipur
Dated : 01.09.2012

AUDITORS REPORT
As per our Report of even date
For Jain Shrimal & Co
Chartered Accountants
(FRNo. 001704 C)

(S.K. JAIN)
Partner
(M. No. 010145)

CHANDRA MOHAN KHANDELWAL
DIRECTOR

AMITABH HIRAWAT
DIRECTOR

RISHAB SPECIAL YARNS LIMITED

**TWENTY FOURTH
ANNUAL REPORT
2011-2012**

BOARD OF DIRECTORS :

**SHRI AMITABH HIRAWAT
SHRI CHANDRA MOHAN KHANDELWAL
SHRI PRADEEP LOIWAL
SHRI KAMAL KISHORE KALANI**

AUDITORS :

**JAIN SHRIMAL & CO.
CHARTERED ACCOUNTANTS**

REGISTERED OFFICE :

**2070, RASTA BARA GANGORE
JAIPUR - 302 003**

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

NOTICE

NOTICE is hereby given that Twenty Fourth Annual General Meeting of the Company will be held on Friday the 28th September 2012 at 12.00 Noon at the Registered Office of the Company at 2070, Rasta Bara Gangore, Jaipur-302 003 (Rajasthan) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt audited Balance Sheet as at 31st March, 2012 and the Profit & Loss account for the year ended on that date, along with the Reports of Directors and Auditors there on.
2. To appoint a Director in place of Shri Pradeep Kumar Loiwal, who retires by rotation and is eligible for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and pass with or without modification, if any, the following Resolution as Ordinary Resolution :-

"RESOLVED THAT Shri Kamal Kishore Kalani who was appointed as Additional Director of the Company with effect from 20.07.2011 and holds office under provision of section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director and who is eligible for appointment as Director of the Company, be appointed as additional director."

5. To consider and pass with or without modifications, if any, the following Resolutions as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 100 of Companies Act, 1956, and subject to confirmation of the High Court the Share Capital of the Company, be and is hereby reduced from Rs. 3,56,07,000/-, divided into 3560700 Shares paid up @ Rs. 10/- each to Rs.35,60,700/- divided into 356070 shares of Rs. 10/- each, and such reduction be effected by canceling 90% equity shares on pro-rata basis, as the same is not represented by the available assets."

"RESOLVED FURTHER THAT the resulting amendments be made in the Articles of Association and in the Capital Clause of the Memorandum of Association and the Board of Directors of the Company be and is hereby authorized to file a petition in the High Court for obtaining an order confirming the aforesaid reduction of Share Capital."

"RESOLVED FURTHER THAT the Managing Director/any other Director of the Company, be and is hereby authorized to sign the Petition after its due verification and take all the steps as may be necessary, including appointment of Advocate to obtain confirmation order from High Court to the reduction of share capital in terms of the aforesaid resolution."

authority/ies in this regard. 6. Special Resolution According to the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 to be passed through Postal Ballot:

"RESOLVED THAT pursuant to provisions of Section 17, 192 A and other applicable provisions, if any, of the Companies Act, 1956, read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, relevant provisions of the Listing Agreement (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company, and subject to the necessary approvals, required if any, in this regard from appropriate authorities, consent of the Members of the Company be and is hereby accorded for the addition of a new sub-Clause 3 and 4 after sub-clause 2 of clause III A, as under :-

"3. To carry on either by itself or in association/joint venture with other entities, the business/activity of processing, cutting, polishing, shaping, resizing, prospecting, exploring, opening and working Mines, drill and sink shafts or wells and to pump, refine, raise, dig, quarry, make merchantable, buy, sell, import, export, and deal in, granite, marble, sand stone, diamonds, and all other precious and semi precious stones and metals and mineral products and their by-products.

4. To carry on either by itself or in association/joint venture with other entities, the business/activities related to production and recycling of, and to trade, deal in, import or export of various plastic and synthetic materials including PET, PP, HDPE, HM-HDPE, LLDPE and others and to manufacture various products of aforesaid material whether virgin or recycled."

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall include its duly authorized committee or individual Director) be and is hereby authorized to accept such terms and conditions, alterations, suggestions, stipulations, amendments or modifications as may be required by the Registrar of Companies or such other statutory

RESOLVED FURTHER THAT the existing Memorandum and Articles of Association of the Company, duly modified as aforesaid, or as suggested by any appropriate authority and accepted by "the Board", be adopted as the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded pursuant to the provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencing and carrying on all or any of the new business activity/ies as included in sub-clause 3 and 4 of the Object Clause of the Company as amended above, at such time or times as "the Board" may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, "the Board" be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to these Resolutions, take further such incidental and ancillary steps in these regards, as may be considered desirable or expedient by "the Board" in the best interest of the Company and its shareholders.

7. Special Resolution According to the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 to be passed through Postal Ballot:

"RESOLVED THAT pursuant to provisions of Sections 16, 17 & 192A of the companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011, relevant provisions of the Listing Agreement (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company, and subject to the necessary approvals, required if any, in this regard from appropriate authorities, consent of the Members of the Company be and is hereby accorded for the addition of Sub-Clause (84) in Clause III (C) of the Memorandum of Association of the Company as under:-

"84. To carry on and generate electric power either by hydro, thermal, wind, solar, gas, diesel oil and/or any other means for self consumption and to distribute, supply and sell such power either directly or through facilities of Central/State Governments or private companies or Electricity boards to industries and to Central/State Governments and other consumers of electricity.

"RESOLVED FURTHER THAT pursuant to provisions of Section 149 (2A) of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 and subject to such other approvals as may be necessary, approval of the Company be and is hereby accorded to the Board of Directors of the Company for commencing and undertaking all or any of the new businesses and activities as included in Sub-Clause (84) in Clause III (C) under Other Objects of the Memorandum of association of the Company, at such time or times as the Board may deem fit."

FOR AND ON BEHALF OF THE BOARD

Registered Office :

2070, Rasta Bara Ganagore,

Jaipur - 302003

Dated : 01/09/2012


(AMITABH HIRAWAT)
MANAGING DIRECTOR

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

Notes :

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
The instrument appointing a proxy and the power of attorney, if any, under which it is signed, should be deposited at the registered office of the Company not less than 48 hours before the time for holding the Annual General Meeting.
2. The Explanatory Statement pursuant to Section 173 (2) read with section 192 A (2) of the Companies Act, 1956, in respect of the special business is annexed here to.
3. The Register of Members and Share Transfer books of the Company will remain closed from 24th September to 28th September, 2012 (both days inclusive)
4. All documents referred to in Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except holidays between 11.00 a.m. and 1.00 p.m. up to the date of meeting.
5. The members are requested to notify change of their addresses, if any, at the Registered Office of the Company without any delay.
6. The work of share transfer is presently done by the Company itself at its Registered Office.
- 7 As required under clause 49 (vi) of the Listing Agreement, brief resume including experience, other Directorship and Committee membership of the person proposed for reappointment as director is given below :

SHRI PRADEEP KUMAR LOIWAL

Date of Birth	:	12.06.1957
Date of Appointment	:	26.12.2005
Education	:	B.E.
Experience	:	34 Years in Business & Industry
Other Directorship	:	1
Committee membership	:	3

SHRI KAMAL KISHORE KALANI

Date of Birth	:	09-07-1962
Date of Appointment	:	20-07-2011
Education	:	B.Com., F.C.A.
Experience	:	27 Years in Profession
Other Directorship	:	Nil
Committee membership	:	1

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) READ WITH SECTION 192A OF THE COMPANIES ACT, 1956

ITEM NO. 4 :

Shri Kamal Kishore Kalani was appointed as an Additional Director of the Company w.e.f. 20.07.2011 in terms of section 260 of the Companies Act, 1956, and he holds the office as such upto the date of ensuing Annual General Meeting. The company has received a notice alongwith a deposit of Rs. 500/- as required by section 257 of Companies Act, 1956, from a member proposing him for appointment as a Director of the Company. The directors recommended appointment of Shri Kamal Kishore Kalani as a Director of the Company.

None of the Directors, is interested or concerned in the above resolution.

ITEM NO. 5 :

The Company has Authorised Capital of Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10/- each and paid up capital of Rs. 3,56,07,000/- divided into 35,60,700 equity shares of Rs. 10/- each (excluding 21800 shares forfeited). It has net debit balance of Rs. 9,62,02,469/- as on 31st March, 2011 and of Rs. 9,65,56,227/- as on 31st March 2012 in Profit & Loss Account. Due to accumulated losses the paid up Capital of the Company is not represented by the available assets of the Company.

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

Article 6 of the Article of Association of the Company provides that Company may, subject to provisions of Companies Act, 1956, reduce the Capital in any manner by passing Special Resolution. In order to represent the existing assets in true manner, the Board of Directors while considering and approving the Scheme have recommended to reduce the Capital from Rs. 3,56,07,000/- divided into 35,60,700 equity shares of Rs. 10/- each to Rs. 35,60,700/- divided into 3,56,070 equity shares of Rs. 10/- of all existing members as on 31st August, 2012 pursuant to provisions of section 100 and other provisions applicable, if any, of Companies Act, 1956. The reduction of Capital can be approved by the Members by way of Special Resolution, however, subject to sanction by Hon'ble High Court. Resultantly the net debit balance in Profit & Loss Account as on 31.03.2012 would be reduced to Rs. 78461737/-. The Scheme of proposed reduction of Capital shall be forwarded to the relevant Stock Exchange(s) for approval at least a month before it is presented to the Hon'ble High Court for its consideration. The pre and post reduction of Capital structure and shareholding pattern of the Company is as under:-

Category	Before Reduction			After Reduction		
	No. Of Shareholders	No of Shares Held	%Age of total shareholding	No. Of Shareholders	No of Shares Held	%Age of total shareholding

A. Share holding of Promoters and Promoters group

1. Indian

(a) Individuals/HUF	12	922960	25.92	12	92296	25.92
(b) Bodies corporate	4	652000	18.31	4	65200	18.31
2. Foreign Promoters	Nil	Nil	Nil	Nil	Nil	Nil
3. Person Acting in concert	Nil	Nil	Nil	Nil	Nil	Nil
Total A	16	1574960	44.23	16	157496	44.23

B. Public Share holding

1. Non-resident Indians	3	1400	0.04	3	140	0.04
2. Bodies Corporate	12	15600	0.44	12	1560	0.44
3. Individual share holders						
(a) holding nominal share capital upto Rs. 1 Lakh	13707	1752140	49.21	13707	175214	49.21
(b) holding nominal share capital in excess of Rs. 1 lakh	94	216600	6.08	94	21660	6.08
Total B	13816	1985740	55.77	13816	198574	55.77
Total A + B	13832	3560700	100.00	100.00	356070	100.00

Note:- Shares after proposed reduction are calculated and rounded off to nearest figures

The reduction of Capital as proposed shall be implemented as per directions/sanction of the Hon'ble High Court.

The Directors may be interested or concerned in the proposal to the extent equity shares are held by them.

ITEM NO. 6:

With a view to diversify the business activities the company has now identified business related to Granite cutting and polishing. The company is also evaluating production and recycling of various plastic and synthetic materials including PET, PP, HDPE, HM-HDPE, LLDPE and others and to manufacture various products of aforesaid material.

None of the Director, is concerned or interested in the resolution.

The Board recommends adoption of the resolution as proposed.

ITEM NO. 7:

The Company also intends to generate power for its captive consumption in order to minimize the cost and ensure long term competitiveness and hence the enabling provision. The Board recommends adoption of the resolution as proposed.

Note: According to Section 192 A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 20011, the Special Resolution mentioned at Point No 6 and 7 of Notice and of explanatory statement is required to be passed through Postal Ballot. Hence, the Postal Ballot is Enclosed herewith.

BY ORDER OF THE BOARD

Registered Office :
2070, Rasta Bara Gangore
Jaipur - 302003
Dated : 01/09/2012


MANAGING DIRECTOR
(AMITABH HIRAWAT)

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

DIRECTORS' REPORT

TO

The Members of
RISHAB SPECIAL YARNS LIMITED
JAIPUR

The Board of Directors here with presents the Twenty Fourth Annual Report together with Audited Statement of Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL RESULTS

	Amount in rupees	
	2012	2011
Net Sales/ Income From Operations	-	-
Other Income	886000	866000
Profit/(Loss) before depreciation, finance cost, Exceptional items & taxes.	66989	329072
Less: Finance Cost	3695	-
Profit/(Loss) before depreciation, Exceptional items & taxes.	63294	329072
Less : Depreciation	417278	417278
Profit/(Loss) before exceptional items & taxes	(353984)	(88206)
Exceptional items : Profit on sale of land & building	-	3430259
Profit/(Loss) before tax	(353984)	3342053
Provision for Taxation	-	-
Profit/ (Loss) after tax	(353984)	3342053
Balance Brought forward from the last year	(110154053)	(113496106)
Balance Carried to Balance Sheet	(110508037)	(110154053)

PERFORMANCE

Due to financial constraints, manufacturing activities stood discontinued. During the year under review company has booked a loss of Rs. 3.54 lakhs, the company has now been able to pay off all its secured lenders and can now look forward to a new beginning. The management is examining various options to gainfully utilize factory assets at Abu Road.

FUTURE PROSPECTS

Among others the Company is examining the possibility of putting up the Granite cutting and polishing unit, PET Bottle and Polypropylene Recycling and manufacturing of other plastics products. The proposed new activities shall be finalized and implemented based on final view of board and availability of funds. The Company intends to use available land & building for these activities, if finalized. Also, reviving of the activity of texturing of polyester yarn (part of existing business) is under consideration but deferred till change in indirect tax structure or GST regime, is made applicable, at a new location identified by the management. As soon as the management is able to finalize any business plans, it shall keep the valued shareholders informed through available mode of communications.

CORPORATE GOVERNANCE

The company has complied with all the mandatory requirements of the Corporate Governance specified under clause 49 of the listing agreement. As required by the said clause a separate report on corporate governance forms part of the

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

Annual Report as Annexure - I. A report from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is part of this report as Annexure - II.

MANAGEMENT DISCUSSION & ANALYSIS

This has been included as a separate Annexure - III to this Report.

DIVIDEND

In view of the current year loss and carried forward losses, your directors are unable to declare any dividend.

FIXED DEPOSITS

The company has not accepted any fixed deposit from the public within the meaning of Section 58-A of Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year.

DEPOSITORY SYSTEM

The company's shares are not tradable in electronic form. Although the company has appointed Share Transfer Agent but the formalities of dematerialisation are yet to be completed. As soon as this is done, trading of company's shares shall commence in demat form.

DIRECTORS

Shri Pradeep Kumar Loiwal and Shri Kamal Kishore Kalani, Directors of the Company retire by rotation pursuant to Section 256 of the Companies Act, 1956 and being eligible offer themselves for reappointment.

AUDITORS

The firm of auditors M/s N. C. Dhadha & Co. Jaipur was dissolved and they cease to be "Auditors of the Company. To fill the casual vacancy your Board of Directors in their meeting held on 01.09.2012 appointed M/s Jain Shrimal & Co., Chartered Accountants, Jaipur as auditors of the Company to hold office of auditors till the conclusion of next Annual General Meeting. M/s Jain Shrimal & Co., Chartered Accountants, Jaipur retire on the conclusion of the Annual General Meeting of the Company and being eligible have given their consent for re-appointment. Your Directors recommend their appointment.

ENVIRONMENT

M/s. Rishab Special Yarns Ltd. is committed to minimize the environmental impact of its operations on its products by adopting sustainable practices and continuous improvements in environmental performance.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of section 217 (2AA) of the Companies Act, 1956, your directors confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of the affairs of the company at the end of financial year and of the loss of the company for that period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts based on their decision to stop operation at its Abu Road plant.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 are set out in Annexure-IV forming part of the Report.

EMPLOYEES

None of the employees of the company is in receipt of remuneration of Rs. 60,00,000/- or more per annum, if employed for whole of the year or of Rs. 5,00,000/- or more per month, if employed for part of the year.

ACKNOWLEDGEMENT

The Board gratefully acknowledges the co-operation and support given by the Shareholders, Banks, Financial Institutions and others.

Jaipur
Date : 01/09/2012

For & on behalf of the Board of Directors


Managing Director

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

ANNEXURE - 1

CORPORATE GOVERNANCE REPORT

Corporate Governance Report as required by clause 49 of Listing Agreement..

Company's Philosophy on Corporate Governance :

Company's philosophy in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. Emphasis therefore on adding value to its shareholders, investors, employees, suppliers, customers and the community at large.

WHISTLE BLOWER POLICY:

Rishab Special Yarns Limited (RSYL) has formulated a Whistler Blower Policy. In terms of this policy, employees of RSYL are free to raise issues, if any, on breach of any law, statute or regulations by the company and report them to the Audit Committee through specified channels. This mechanism has been communicated to all employees.

Declaration for Compliance with Code of Conduct:

Pursuant to clause 49 1 (D) of the Listing Agreement with the Stock Exchanges, it is hereby declared that all Board Members and senior Management team of the Company have affirmed compliance with the company's code of conduct for the financial year ended 31st March, 2012.

CEO Certification:- In terms of clause 49 of the Listing Agreement, the Certification by the Managing Director on the financial statements and internal control relating to financial reporting has been obtained and is part of this report as Annexure - (V).

Board of Directors :

The Board of Directors consists of 4 directors (One Managing Director and Three Non Executive Directors out of which two are independent Directors). Mr. Kamal Kishore Kalani, F.C.A. has offered his candidature for joining the Board as an independent Director and Board of Directors in its meeting held on 20.07.2011 has appointed him as an independent Director in the Board and various committees of the company. Also, Mr. Sushil Kumar Jalan, independent director has resigned from the Board and Board has accepted his resignation in its meeting held on 01.08.2011. During the year Board Meetings were held on 26 May 2011, 11 July 2011, 20 July 2011, 01 August, 2011, 11 November 2011, 27 January 2012, 11 February 2012 and one resolution passed by circulation on 15 September 2011. The Board was presented with the relevant and necessary information at its meetings. The attendance of each Director at the Board Meeting during the year and at the last Annual General Meeting and Extra Ordinary General Meeting and also the other Companies and Committees where he is a director/member is tabulated below:

Name of Directors	Category	Attendance Particulars		No of other Directorship and Committee Member/Chairmanship		
		Board Meeting	Last AGM/EOGM	Other Directorship	Committee Membership	Committee Chairmanship
Sh. Amitabh Hirawat	Managing Director	6	Yes	5	1	-
Sh. Chandra Mohan Khandelwal	Non Executive Director	6	Yes	1	2	1
Sh. Pradeep Loival	Non Executive Independent Director	6	Yes	1	2	1
Sh. Sushil Kumar Jalan	Non Executive Independent Director	2	No	1	2	-
Sh. Kamal Kishore Kalani	Non Executive Independent Director	3	No	-	-	- 1

Note: Shri Sushil Kumar Jalan served upto 21-07-2011 and Shri Kamal Kishore Kalani was appointed from 20-07.2011.

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

Audit Committee

The audit committee functions in accordance with the terms of reference set out under Clause 49 of the Listing Agreement and provisions of section 292 A of Companies Act, 1956. Apart from considering un-audited and/or audited financial results for the relevant quarter, half year and the year for adoption/approval by the board. The committee focuses its attention on key areas impacting the overall performance of the company, financial reporting system, internal control and procedure and ensuing compliance with regulatory guidelines. The composition of the audit committee and details of meeting attended by members thereof are as follows:

Name of Directors	Category of Directorship & Designation	Qualifications	No. of Meeting Attended
Sh. Chandra Mohan Khandelwal	Non Executive Member of the Committee	B.Com., LLB	4
Sh. Sushil kumar Jalan (up to 21.07.2011)	Independent, Non Executive Chairman of the Committee	B.Com. (Hons.) F.C.A.	2
Sh. Pradeep kumar Loibal	Non Executive Member of the Committee.	B E	4
Sh. Kamal Kishore Kalani	Independent, Non executive Chairman of the committee	B.Com., F.C.A.	2

During the year under review, the audit committee met 4 times on 14.05.2011, 11.07.2011, 11.11.2011 and 27.01.2012. Its meetings were also attended by the Managing Director and the Statutory Auditors.

The Chairman of the audit committee along with other members attended the last Annual General Meeting of the company held on 11th July 2011.

Remuneration Committee

The company had constituted a remuneration committee consisting of Shri Chandra Mohan Khandelwal, Shri Sushil Kumar Jalan and Shri Pradeep Kumar Loibal as members of the Committee. Shri Sushil Kumar Jalan resigned from the Board and all committees and his resignation was accepted by Board in its meeting held on 01st August 2011.

The Company does not pay any remuneration to the Non-Executive Directors of the Company. The Company has not issued stock options to any of its Director. The Company has not paid any remuneration to the Managing Director of the company.

Share holding of the Directors in the company as on 31st March, 2012

Name of Directors	No. of Equity Shares Held
Shri Amitabh Hirawat	324800
Shri Chandra Mohan Khandelwal	47800
Shri Pradeep Loibal	Nil
Shri Sushil Kumar Jalan	Nil
Shri Kamal Kishore Kalani	Nil

Share Holders/Investors Grievances Committee:-

The share holders/investors grievance committee comprised of Shri Chandra Mohan Khandelwal as Chairman and other members viz. Shri Pradeep Loibal and Shri Amitabh Hirawat (Managing Director of the Company). The committee's

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

objective is to attend to investor's complaints pertaining to transfer/transmission of shares, non receipt of dividend, share certificates and other related matters.

Besides seeking general information pertaining to status of Company, listing of shares of the Company, Price of the Shares quoted at Stock Exchanges, reasons of non trading of Company's Shares, position of dematerialisation of company shares, total 5 complaints were received. The complaints were resolved to the satisfaction of the shareholders and no complaint was pending as on 31.03.2012.

During the year 9 meetings of share transfer committee/investor's grievance committee were held on 01.08.2011, 25.08.2011, 29.10.2011, 17.11.2011, 31.12.2011, 27.01.2012, 29.02.2012 and 31.03.2012, and 8100 shares of 21 share holders were transferred and 100 shares of one shareholder were transmitted.

Compliance Officer

Amitabh Hirawat - Managing Director

General Body Meetings :- Details of the last three Annual General Meetings are as under :

AGM/EOGM	Date	Time	Venue	No. of Special Resolution passed
21 st AGM	21.12.2009	12 Noon	2070, Rasta Bara Gangore, Jaipur-302003	-
22 nd AGM	30.09.2010	12 Noon	2070, Rasta Bara Gangore, Jaipur-302003	-
23 rd AGM	11.07.2011	12 Noon	2070, Rasta Bara Gangore, Jaipur-302003	1 No.

The company has not passed any shareholders resolution through postal ballot during the years under reference.

Disclosures

Transactions with related parties are disclosed in note no. '2' at point 08 on "Related Party Disclosures" annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the company at large.

There were no instances of material non-compliance and no major strictures or penalties imposed on the company either by SEBI, Stock Exchange or any statutory authorities on any matter related to capital markets during the last three years. An amount of Rs. 99,270/- was paid to BSE towards reinstatement fees during the year.

Means of Communication: During the year quarterly, half yearly and yearly financial results of the company were submitted to the stock exchanges soon after the Board Meeting approved these and were also published in two newspapers-Money Makers (English) & Dainik Mahalaxmi Bhagyodaya (Hindi).

The Management's Discussion and Analysis of Operating Results and Financial Condition based on financial statements for the year forms part of the Annual Report for the year.

General Shareholders' Information:

24th Annual General Meeting

Date & Time	:	28th September, 2012 at 12 : 00 Noon
Venue	:	2070, Rasta Bara Gangore, Jaipur-302 003
Financial Calendar for the year 2012 - 2013		
Financial Year	:	1st April 2012 to 31st March, 2013
First Quarter Results	:	Second Week of August, 2012
Second Quarter Results	:	Second Week of November, 2012
Third Quarter Results	:	Second Week of February, 2013
Yearly results (un-audited)	:	Second Week of May, 2013
Date of Book Closure	:	24 th September to 28 th September, 2012 (Both days inclusive)

Rishab Special Yarns Ltd. 24th Annual Report – 2011-12

Due to heavy cash loss during the year, no dividend is proposed.

List of Stock Exchanges:

The Bombay Stock Exchange Ltd., Mumbai

The Delhi Stock Exchange Association Ltd., New Delhi

Jaipur Stock Exchange Limited, Jaipur

The company had paid Annual Listing fees of the Bombay Stock Exchange, Mumbai up to 2012-13 and to other stock exchanges upto 2004-05.

Registrar and Transfer Agents : Presently there is in house Share Transfer System at the Registered office 2070, Rasta Bara Gangore, Jaipur-302 003. The company appointed System Support Services 209, Shivai industrial Estate Near Logitech Park, 89, Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai, and is in the process of completing all requirements for enabling dematerialisation of its shares.

Share Transfer System: Share transfers are generally completed within fifteen days of receiving the valid share transfer document.

Plant Location : E-38 & 39, Ambaji Industrial Area, Abu Road

The company had stopped production of Synthetic Yarn at all Units due to operations being unviable.

Address for Correspondence :

Rishab Special Yarns Limited

2070, Rasta Bara Gangore, Jaipur-302003

Shareholders of Rishab Special Yarns Limited with more than one percent holding at 31st March, 2012 are as under :

Name of Shareholders	No. of Shares	% of Total no. of Shares
Amitabh Hirawat	324800	9.12
Nathmall Hirawat	305360	8.58
Chnadra Mohna Khandelwal	47800	1.34
Amitbah Hirawat (Karta)	48000	1.35
Shashank Hirawat	46900	1.32
Arti Hirawat	39000	1.10
Aditi Hirawat	40000	1.12
Ashwin Hirawat	41100	1.15
Shakti Vijay Steels Pvt. Ltd.	239300	6.72
Trepechy Textile Ltd.	320200	8.99
Trepechy Trading Pvt. Ltd.	90000	2.53

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Distribution of Shareholding as at 31st March, 2012

Shareholding		Shareholders		Shares Held	
From	To	Number	% of Total	No. of Shares	% of Total
1	500	13562	98.020	1647330	46.264
501	5,000	242	1.749	303510	8.524
5001	10000	10	0.072	75560	2.122
10,000	& above	22	0.159	1534300	43.090
TOTAL		13836	100.00	3560700	100.00

Disclosure with respect to shares lying in suspense account:-

Particular	Shareholders	Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	37	3700
Number of shareholders who approached Company Rishab Special Yarns Limited for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	37	3700

Shareholding Pattern as on 31st March, 2012:-

Category	No of share holders		Voting Strength %		No. of Ordinary Shares	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
A. Share holding of Promoters and Promoters group						
1. Indian						
(a) Individuals/HUF	12	12	25.92	25.92	922960	922960
(b) Bodies corporate	4	4	18.31	18.31	652000	652000
2. Foreign Promoters	nil	nil	nil	nil	nil	Nil
3. Person Acting in concert	nil	nil	nil	Nil	Nil	Nil
Total A	16	16	44.23	44.23	1574960	1574960
B. Public Share holding						
1. Non-resident Indians	3	3	0.04	0.04	1400	1400
2. Bodies Corporate	12	12	0.44	0.44	15600	15600
3. Individual share holders						
(a) holding nominal share capital upto Rs. 1 Lakh	13707	13707	49.21	49.21	1752140	1752140
(b) holding nominal share capital in excess of Rs. 1 lakh	94	94	6.08	6.08	216600	216600
Total B	13816	13816	55.77	55.77	1985740	1985740
Total A + B	13832	13832	100.00	100.00	3560700	3560700

Note: Promoters have not Pledged their shares

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Market Price Data:

The Company's 200 shares were traded at Bombay Stock Exchange as on 24.11.2011 at an average rate of Rs. 10.07 per share. There was no other trading of Company's shares during the year. No trading was done in other Stock Exchanges during the year.

Annexure -II

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the shareholders of Rishab Special Yarns Limited

We have examined the compliance of conditions of Corporate Governance by Rishab Special Yarns Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreements, which were required to be complied with up to 31st March, 2012.

We further state that such compliance is neither an assurance as to the future viability of the company, nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

PLACE: JAIPUR

DATED: 01/09/2012

FOR JAIN SHRIMAL & CO.

Chartered Accountants



(S. K. Jain)

PARTNER

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of RISHAB SPECIAL YARNS LIMITED

Pursuant to clause 49 1(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all Board Members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct as applicable to them.

PLACE: JAIPUR

DATED: 01/09/2012

Amitabh Hirawat
Managing Director

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Annexure -III

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Company is today in a transformation stage where it needs to determine its future course of action. Historically the company was involved in manufacturing and processing of Polyester Filament Yarn. It was forced to stop operations due to financial losses arising from a number of factors including locational disadvantage.

Industry Structure and Development :- The industry segment in which your company was operating is primarily located in Silvaasa and Daman, Union Territories, enjoying exceptional Tax Incentives and low Power Tariff. It is difficult to overcome the inherent locational disadvantage in absence of other factors, strong enough to counter the same. Of late some yarn consuming centers have grown significantly and could be considered as possible locations due to logistical advantage.

Opportunity and Threat :-

Opportunity: The company sees a possible opportunity of entering new businesses and is examining various business opportunities like , Granite cutting and polishing, PET Bottle recycling, polypropylene recycling and manufacturing of other plastics or synthetic products to utilize the existing land and building at Abu Road, gainfully. Also, reviving of the business activity of texturing of polyester yarn (part of existing business) at a new location identified by the management which has become a major center for consumption of textured yarn and where demand is being presently met from supplies coming from Silvaasa is still under consideration but is being deferred till GST regime become applicable.

Threat: Apart from slow down in overall economy of the world in general and of India in particular entering new business at this stage is risky and in absence of definitive introduction of GST regime, the viability of yarn manufacturing business at other locations would also be difficult.

Segment-wise or product wise performance:- Due to suspension of operations there is nothing to report on segment-wise performance.

Outlook:- The outlook of the company shall depend on it's ability to raise finances for its future planning. We are hopeful of starting a profitable activity and gainfully utilize available assets of the company during the period ahead.

Risk and concerns:- The risk shall be duly evaluated before finalizing business activity.

Internal Control systems and their adequacy:- The company has adequate control systems commensurate with its size of business activity.

Discussion on financial performance with respect to operational performance: The company has now been able to pay off its secured lenders. The company has discontinued its operations and now look forward to utilize its assets gainfully and is examining various options to do so out of which Granite cutting and polishing, PET Bottle recycling, Polypropylene recycling and manufacturing of other plastics or synthetic products to utilize the existing land and building of Abu Road are under active consideration.

Material Development in Human Resources/Industrial front:- Company continues to have good record of industrial relation.

ANNEXURE - IV

STATEMENT PURSUANT TO SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) Rules, 1988.

A. CONSERVATION OF ENERGY :

As all manufacturing operations of company remain suspended, the power consumption pertains to general lighting and office requirement only.

B. TECHNOLOGY ABSORPTIONS:

Due to discontinuation of manufacturing activity, no change in technology was adopted.

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C. FOREIGN EXCHANGE EARNING AND OUTGO :

(Rupees)		
Particular	2012	2011
Earning	Nil	Nil
Outgo		
Expenditure in Foreign Currency	Nil	11687

Annexure - V

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, the undersigned, in my capacity as Chief Executive Officer of Rishab Special Yarns Limited ("the company") to the best of my knowledge and belief certify that :

(a) I have reviewed the financial statements and cash flow statement for the year ended 31-03-2012 and based on my knowledge and belief, it is stated that:

(i) These Statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) It is further stated that to the best of my knowledge and belief, there are no transactions entered in to by the company during the year, which are fraudulent. I hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the company.

(c) I am responsible for establishing and managing internal controls and evaluating the effectiveness of the same over the final reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) I have indicated, wherever applicable, to the Auditors and Audit Committee:

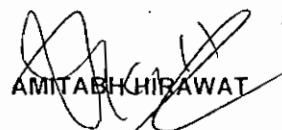
(i) Significant changes, if any, in the internal control over financial reporting during the year;

(ii) Significant changes, if any, in the accounting policies made during the year and ;

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal system over financial reporting.

PLACE : JAIPUR

DATE : 01-09-2012



AMITABH HIRAWAT

MANAGING DIRECTOR (C.E.O.)

Note: Company presently has no C.F.O.