

TWENTY THIRD ANNUAL REPORT

2010-2011
RISHAB SPECIAL YARNS LIMITED

BOARD OF DIRECTORS :

SHRI AMITABH HIRAWAT

SHRI CHANDRA MOHAN KHANDELWAL

SHRI PRADEEP LOIWAL

SHRI SUSHIL KUMAR JALAN

AUDITORS :

Mr. N.C. Dhadha & CO.

CHARTERED ACCOUNTANTS

REGISTERED OFFICE :

2070, RASTA BARA GANGORE

JAIPUR-302 003

NOTICE

NOTICE is hereby given that Twenty Third Annual General Meeting of the Company will be held on Monday the 11th July 2011 at 12.00 Noon at the Registered Office of the Company at 2070, Rasta Bara Gangore, Jaipur-302003 (Rajasthan) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Balance Sheet as at 31st March 2011 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 Chandra Mohan Khandelwal, who retires by rotation and is eligible for reappointment.
3. To appoint Director in place of Shri Sushil Kumar Jalan, who retires by rotation and is eligible for reappointment.
4. To appoint auditors and fix their remuneration.

Special BUSINESS :

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. Amitabh Hirawat, Managing Director of the Company for a period of 5 Years w.e.f. 1st February 2011 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."

Registered Office:
2070, Rasta Bara Gangore,
Jaipur-302003
Dated: 27/05/2011

(AMITABH HIRAWAT)
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES 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) of the Companies Act, 1956, in respect of the business under Item No.5 set out above is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 6th to 11th July, 2011 (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 public holidays between 11.00 a.m. and 1.00 p.m. up to the date

5. The members are requested to notify change of their addresses, if any, at the Registered Office of the Company at an early date.
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:
 1. Shri Amithbh Hirawa
 - Date of Birth : 22-10-1956
 - Date of Appointment : 29-09-2005
 - Education : B.Sc., M.A.
 - Experience : 26 Years in Textile Industry
 - Other Directorship : 5
 - Committee membership : 1
 2. Shri Chandra Mohan Khandelwal
 - Date of Birth : 14-11-1956
 - Date of Appointment : 30-09-2010
 - Education : B.Com., LL.B
 - Experience : 26 Years in Business
 - Other Directorship : 1
 - Committee membership : 3
 3. Shri. Sushil Kumar Jalan
 - Date of Birth : 24-08-1964
 - Date of Appointment : 29-09-2005
 - Education : B.Com. (Hons.) F.C.A.
 - Experience : 23 Years as practicing C.A.
 - Other Directorship : 1
 - Committee membership : 2

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No 5:**

The tenure of Managing Director is ending on 31st January 2011. 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, 2011

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

Salary and Perquisites : Mr. Amitabh Hirawat will work honorary and will not avail any Salary but certain perquisites as felt necessary shall be provided.

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

The Board recommends adoption of the resolution as proposed.

DIRECTOR'S REPORT

To
The Members of
RISHAB SPECIAL YARNS LIMITED
JAIPUR

The Board of Directors here with presents the Twenty Third Annual Report together with Audited Statement of Accounts of the Company for the year ended on 31st March 2011.

	Amount in rupees	
	2011	2010
FINANCIAL RESULTS		
Profit/(Loss) before depreciation misc. expenses w/off & taxes	3759331	(96000)
Less : Depreciation	417278	-
Less: Misc. Exp. W/off	-	-
Provision for Taxation	-	-
Profit/(Loss) after tax	3342053	(96000)
Balance Brought forward from the last year	(113496106)	(113400160)
Balance Carried to Balance Sheet	(110154053)	(113496106)

PERFORMANCE

Due to financial constraints, manufacturing activities stand discontinued. During the year under review company has earned a profit of Rs. 33.42 lakhs on sale of some land and building and as income of rent, 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. Any decision is to be taken keeping in mind the locational situations and avoid pitfalls as experienced in the past.

FUTURE PROSPECTUS:

The company is considering of reviving the activity of texturising of polyester yarn (part of its earlier business) at, a new location identified by the management and also looking for utilizing existing assets gainfully. As soon as the management is able to finalize any business plans, it shall be communicate the same to the shareholders through available channels.

CORPORATE GOVERNANCE

The company has complied with all the mandatory requirements of the Corporate Governance specified by Securities & Exchange Board of India in terms of clause 49 of the listing agreement. as required by the said clause a separate report on corporate governance forms part of the 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 carried forward losses, your directors are unable to declare any dividend.

FIXED DEPOSITS

The company has not accepted any fixed deposit from the public in contravention 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. Chandra Mohan Khandelwal and Shri. Sushil Kumar Jalan, Director of the Company retire by rotation pursuant to Section 256 of the Companies Act, 1956 and eligible offer themselves for reappointment.

AUDITORS

M/s. N.C.Dhadda & Co., Chartered Accountants, Jaipur retire at the ensuing Annual General Meeting, and being eligible for re-appointment.

ENVIRONMENT

M/s. Rishab Special Yarns Ltd. is committed to minimize the environmental impact of its operations and 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 judgements 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 operations 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 the 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. 2400000/- or more per annum, if employed for whole of the year of Rs. 200000/- or more per month, if employed for part of the year.

ACKNOWLEDGEMENT

The Board gratefully acknowledges the co-operation and support given by the Auditors and Shareholders.

Jaipur

Date : 27/05/2011

For & on behalf of the Board of Directors
Managing Director

ANNEXURE-I

CORPORATE GOVERNANCE REPORT

Corporate Governance report as required by clause 49 of Listing Agreement with Stock Exchanges.

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 is on adding value to its shareholder, investors, employees, suppliers, customers and the community at large.

WHISTLE BLOWER POLICIES:

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 on the Accounting Policies and Procedures adopted for any area or item 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:

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 team of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2011.

CEO Certifications :- In terms of clause 49 of the Listing Agreement, the Certifications 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 6 Directors till 25.03.2011 and 4 Directors thereafter (One Non-Executive chairman, One Managing Director and Four Non Executive Director out of which three are independent Directors). Non Executive Chairman and one non-Executive Director has resigned from the board from 25 march 2011. None of the Directors on the Board is member of more than 10 committees and Chairman of more than 5 Committees across all the companies in which they are Directors. During the year Board Meeting were held on 1 April 2010, 30 April 2010, 15 July 2010, 31 July 2010, 20 August 2010, 30 Oct.2010, 29 January 2011 and 25 March. 2011. The Board was presented with the relevant and necessary information at it's meetings. The attendance of each Directors 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. Nathmall Hirawat	Non Executive Chairman	6	Yes	3	2	1
Sh. Amitabh Hirawat	Managing Director	8	Yes	5	1	-
Smt. Padam Devi Hirawat	Non Executive Director	6	Yes	1	-	-
Sh. Sushil Kumar Jalan	Non Executive Independent Director	5	No	1	2	-
Sh. Pradeep Loibal	Non Executive Independent Director	7	Yes	1	2	1
Sh. Chandra Mohan Khandelwal	Non Executive Independent Director	8	Yes	1	1	2

Audit Committee

The audit committee functions in accordance with the terms of reference set out under Clause 49 of the Listing Agreement. Apart from considering unaudited and/or audited financial results for the relevant quarter, half year and the year before 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	Qualification	No. of Meeting Attended
Sh. Chandra Mohan Khandelwal	Independent, Non Executive Chairman of the Committee	B.Com., LLB	5
Sh. Nathmall Hirawal	Non Executive member of the committee	9th	5
Sh. Sushil Kumar Jalan	Non Executive Member of the Committee	B.Com. (Hons.) F.C.A.	5
Sh. Pradeep kumar Loibal	Non Executive Member of the Committee	B.E.	1

During the year under review, the audit committee met 5 times and 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 30th September, 2010.

Remuneration Committee

The company had constituted a remuneration committee consisting of Shri Chandra Mohan Khandelwal, Shri Sushil Kumar Jalan and Shri Nathmal Hirawat as members of the Committee.

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 Directors. 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, 2011

Name of Directors	No. of Ordinary Shares Held
Shri Nathmal Hirawat	305360
Shri Amitabh Hirawat	324800
Smt. Padam Devi Hirawat	2000
Shri Chandra Mohan Khandelwal	47800
Shri Pradeep Loiwal	Nil
Shri Sushil Kumar Jalan	Nil

Share Holders/Investors Grievances

The share holders/investors grievance committee consist of Shri Chandra Mohan Khandelwal as Chairman and other members are Shri Nathmal Hirawat, Shri Pradeep Loiwal and Shri Amitabh Hirawat (Managing Director of the Company). The committee's objective is to attend to investors complaints pertaining to transfer/transmission of shares, non receipt of dividend and other related matters.

Besides seeking general information like pertaining to status of Company, listing of shares of the Company, Price of the Shares quoted at Stock Exchanges, reasons of non trading of Companies Shares, position of dematerialisation of company shares, total 5 complaints were received. The complaints were resolved to the satisfaction of the share holders and no complaint was pending as on 31.03.2011.

During the year 5 meetings of share transfer committee/investor's grievance committee were held and 2800 shares of 8 share holders were transferred.

Note :- Shri Nathmal Hirawat and Smt. Padam Devi Hirawat have resigned from the Board of Directors and all Committees on 25.03.2011, Shri Pradeep Loiwal was appointed as independent non-executive member of the Audit, Share-holders Grievance and Remuneration Committee.

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	
20th AGM	27.12.2008	12 Noon	2070, Rasta Bara Gangore, Jaipur-302003	-
21st AGM	21.12.2009	12 Noon	2070, Rasta Bara Gangore, Jaipur-302003	-
22nd AGM	30.09.2010	12 Noon	2070, Rasta Bara Gangore, Jaipur-302003	-

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

Disclosures

Transactions with related parties are disclosed in detail in schedule '11' at point 09 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.

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 :

23rd Annual General Meeting:

Date & Time	:	11th July, 2011
Venue	:	2070, Rasta Bara Gangore, Jaipur-302 003.
Financial Calendar for the year 2011-2012		
Financial Year	:	1st April 2011 to 31st March, 2012
First Quarter Results	:	Second Week of August, 2011
Second Quarter Results	:	Second Week of November, 2011
Third Quarter Results	:	Second Week of February, 2012
Yearly results (unaudited)	:	Second Week of May, 2012
Date of Book Closure : (Both days inclusive)		6th July to 11th July, 2011

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 Stock Exchange, Mumbai only and not to other stock exchanges from year 2005-06 onwards.

The Company had 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.

Registrar and Transfer Agents: Presently there is in house Share Transfer system at the Registered Office 2070, Rasta Bara Gangore, Jaipur-302 003.

Share Transfer System: Share transfers are generally effected within one month of receiving the transfer application.

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

The company had stopped work at all Units due to operations becoming unviable.

Address for Correspondence :

Rishab Special yarns Limited

2070, Rasta Bara Gangore, Jaipur-302 003

Shareholders of Rishab Special Yarns Limited with more than one percent holding at 31st March, 2011 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

Distribution of Shareholding as at 31st March, 2011

Shareholding No.		No. of Shareholders		Shares Held	
From	To	Number	% of Total	No. of Shares	% of Shares
1	500	13562	98.020	1647330	46.264
501	5,000	242	1.749	303510	8.524
5001	10,000	10	0.072	75560	2.122
10,000	& above	22	0.159	1534300	43.090
TOTAL		13836	100.000	3560700	100.000

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 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

Categories of Share holders-Ordinary shares

Category	No of shares holders		Voting Strength%		No. of Ordinary Shares	
	31-03-11	31-03-10	31-03-11	31-03-10	31-03-11	31-03-10
A. Share holding of Promoters and Promoters group						
1. Indian						
(a) Individuals/Hindu undivided family	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 up to 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

Market Price Data

There was no trading of shares of the company at any stock exchange from year 2004-2005 onwards.

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, 2010 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 had complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreements, which was required to be complied with up to 31st March, 2010.

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

PLACE : JAIPUR

DATED: 27/05/2011

FOR N.C.Dhadda & 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 of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2011

PLACE : JAIPUR

DATED: 27/05/2011

Amitabh Hirawat
Managing Director

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 location 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 location 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 reviving business at a location which has become a major center for consumption of texturizing yarn and where demand is being presently met from supplies coming from Silvaasa. Alternately the company is also examining various other business opportunities, which could possibly gainfully utilize the available infrastructure of the company.

Threat : In absence of definitive introduction of GST regime the anomaly in sales tax structure may not allow the viability of yarn manufacturing business at other location.

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 be dependant on it's ability to raise finances for its future planning. We are hopeful of identifying a profitable activity to gainfully utilize available assets of the company.

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

Internal Control systems and their adequacy:- The company has adequate control system 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 forwards to utilize its assets gainfully and is examining various options to do so.

Material Development in Human Resources/Industrial front:- There is no change on the Human Resource front from last Year.

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.

C FOREIGN EXCHANGE EARNING AND OUTGO:

Particular	2011	2010
Earning	Nil	NIL
Outgo		
Expenditure in Foreign Currency	11687	NIL

Annexure-V

CHIEF EXECUTIVE OFFICER(CEO) CERTIFICATION

I, the undersigned, in my capacity as Chief Executive Officer of Rishab Sicial 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 31-03-2011 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 Auditor's 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 managements or an employee having significant role in the company's internal system over financial reporting.

PLACE : JAIPUR
DATED: 27/05/2011

Amitabh Hirawat
Managing Director

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 2011, 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, 2011 and
 - (b) In the case of Profit and Loss Account, of the Profit 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 N. C. DHADDA & CO.
CHARTERED ACCOUNTANTS
(Regn. No. 000986C)**

Place: Jaipur
Dated : 27.05.2011

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

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 Fixed Assets.
 (b) As explained to us, the fixed 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 fixed 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. 26158787/- and the year end balance of loans taken from such parties was Rs. 22126526/-. 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 give 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, 2011, 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 :

Name of Statute	Nature of Dues	Period to which the amount relates	Amount	Forum
Excise & Customs	Excise Duty (NCCD)	2002-2003	83.36	Customs, Excise & Service Tax Appellate Tribunal
Textile Committee	Textile Committee Cess	1989-1997	8.27	Rajasthan High Court

10. The accumulated losses of the company at the end of the financial year are more than 50% of the net worth of the company and the company has incurred cash losses during the year and also in the immediately preceding financial year.
11. During the year the company has not availed any loan from financial institutions. There are no dues of Financial Institution, Banks & Debenture Holders. The company has not issued any debentures.
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 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.

**FOR N. C. DHADDA & CO.
CHARTERED ACCOUNTANTS
(Regn. No. 000986C)**

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

**Place: Jaipur
Dated : 27.05.2011**

BALANCE SHEET AS ON 31ST MARCH, 2011

PARTICULARS	SCH.	AS AT 31-03-2011		AS AT 31-03-2010	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1		35,697,500.00		35,697,500.00
Reserve & Surplus	2		42,451,051.00		42,451,051.00
LOAN FUNDS :					
Secured Loans	3		-		250,000.00
Unsecured Loans	4		22,531,886.00		27,270,597.00
			<u>100,680,437.00</u>		<u>105,669,148.00</u>
APPLICATION OF FUNDS					
Fixed Assets	5		5,252,972.00		6,720,991.00
Investments	6		7,500.00		7,500.00
Current Assets, Loans & Advances :					
Sundry Debtors			-		-
Inventories			-		-
Loans & Advances	7	1,919,261.00		1,908,211.00	
Cash & Bank Balances	8	36,299.00		6,369.00	
		<u>1,955,560.00</u>		<u>1,914,580.00</u>	
Less : Current Liabilities and Provisions	9	<u>2,738,064.00</u>		<u>2,518,445.00</u>	
Net Current Assets			(782,504.00)		(603,865.00)
Profit & Loss Account (Debit Balance)		110,154,053.00		113,496,106.00	
Less : General Reserve		<u>13,951,584.00</u>	96,202,469.00	<u>13,951,584.00</u>	99,544,522.00
			<u>100,680,437.00</u>		<u>105,669,148.00</u>
Significant Accounting Policies and Notes on Accounts	11				

AUDITORS REPORT

As per our Report of even date
For N.C. Dhabda & Co.
Chartered Accountants

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

FOR & ON BEHALF OF BOARD OF DIRECTORS
AMITABH HIRAWAT **MANAGING DIRECTOR**

CHANDRA MOHAN KHANDELWAL

DIRECTOR

Place : Jaipur

Dated : 27.05.2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	SCH.	2010-2011		2009-2010	
		Rupees	Rupees	Rupees	Rupees
INCOME					
RENTAL INCOME			866,000.00		24,000.00
SUNDRY BALANCES W/OFF			-		8,067.00
			<u>866,000.00</u>		<u>32,067.00</u>
EXPENDITURE :					
ADMINISTRATIVE AND					
OTHER EXPENSES	10		536,928.00		128,067.00
DEPRECIATION	5		417,278.00		-
			<u>954,206.00</u>		<u>128,067.00</u>
PROFIT/LOSS BEFORE EXCEPTIONAL ITEMS & PROVISION FOR TAX			-88,206.00		-96,000.00
EXCEPTIONAL ITEMS :					
SURPLUS ON SALE OF LAND & BUILDING		3,549,259.00		-	
Less : BROKERAGE PAID		<u>119,000.00</u>	3,430,259.00	<u>-</u>	0.00
PROFIT/LOSS FOR THE YEAR BEFORE TAX			<u>3,342,053.00</u>		<u>-96,000.00</u>
LESS : PROVISION FOR TAX			0.00		0.00
			<u>3,342,053.00</u>		<u>-96,000.00</u>
BALANCE BROUGHT FORWARD FROM LAST YEAR			<u>(113,496,106.00)</u>		<u>(113,400,106.00)</u>
BALANCE CARRIED TO BALANCE SHEET			<u>(110,154,053.00)</u>		<u>(113,496,106.00)</u>

As per our Report of even date

For N.C. Dhadha & Co.
Chartered Accountants

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

FOR & ON BEHALF OF BOARD OF DIRECTORS

AMITABH HIRAWAT

CHANDRA MOHAN KHANDELWAL

MANAGING DIRECTOR

DIRECTOR

Place : Jaipur

Dated : 27.05.2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON
31ST MARCH, 2011 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011

PARTICULARS	AS AT 31-03-2011		AS AT 31-03-2010	
		Rupees		Rupees
SHARE CAPITAL			SCHEDULE -1	
Authorised :				
60,00,000 Equity Shares of Rs. 10 each		60,000,000.00		60,000,000.00
		<u>60,000,000.00</u>		<u>60,000,000.00</u>
ISSUED, SUBSCRIBED & PAID-UP :				
35,60,700 Equity Shares of Rs. 10/- each Fully Paid Up		35,607,000.00		35,607,000.00
Less : Calls Unpaid (From Persons other than Directors)		18,500.00		18,500.00
Add : Shares Forfeited		109,000.00		109,000.00
		<u>35,697,500.00</u>		<u>35,697,500.00</u>
RESERVES & SURPLUS			SCHEDULE -2	
General Reserve				
As per last Balance Sheet	13,951,584.00		13,951,584.00	
Less: Set off against Debit Balance of Profit & Loss Account	<u>13,951,584.00</u>	-	<u>13,951,584.00</u>	-
Capital Reserve		42,451,051.00		42,451,051.00
As per last Balance Sheet				
		<u>42,451,051.00</u>		<u>42,451,051.00</u>
SECURED LOANS			SCHEDULE -3	
Kalpataru Constructions Overseas Pvt. Ltd. (Secured by hypothecation and mortgage on all the properties of the company situated at Ambaji Industrial Area, Abu Road, District Sirahi)		-		250,000.00
		<u>-</u>		<u>250,000.00</u>
UNSECURED LOANS			SCHEDULE -4	
From Directors		7,446,526.00		22,540,237.00
From Corporate Bodies		2,895,360.00		3,625,000.00
From Others		<u>12,190,000.00</u>		<u>1,105,360.00</u>
		<u>22,531,886.00</u>		<u>27,270,597.00</u>

SCHEDULE - 5

FIXED ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			NET BLOCK	
	As on 01.04.2010	Addition/ Deductions	As on 31.03.2011	Upto 01.04.2010	During the Year	Upto 31.03.2011	As on 01.04.2010	During the Year	Deductions	As on 31.03.2011	As on 31.03.2010
Lease Hold Land	2,681,315.00	(204,123.00)	2,477,192.00	-	-	-	-	-	-	2,477,192.00	2,681,315.00
Building	17,831,487.00	(2,908,672.00)	14,922,815.00	6,453,763.00	416,471.00	6,084,166.00	7,348,058.00	-	1,275,996.00	2,766,587.00	4,029,676.00
Furniture & Fixtures	18,000.00	-	18,000.00	6,000.00	807.00	6,807.00	2,000.00	-	-	9,193.00	10,000.00
Total	20,530,802.00	(3,112,795.00)	17,418,007.00	6,459,763.00	417,278.00	6,090,973.00	7,350,058.00	-	1,275,996.00	5,252,972.00	6,720,991.00
Previous Year	20,530,802.00	-	20,530,802.00	6,459,763.00	-	6,459,763.00	7,350,058.00	-	-	6,720,991.00	6,720,991.00

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
	Rupees	Rupees
INVESTMENTS		SCHEDULE- 6
National Saving Certificates (Pledged with Sales Tax Authorities)	7,500.00	7,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
LOANS AND ADVANCES		SCHEDULE -7
(Recoverable in cash or in kind or for value to be received)		
Advances	104,388.00	93,338.00
Income Tax Refundable A.Y. 2008-09	118,185.00	118,185.00
Deposit with Government Authorities	1,696,688.00	1,696,688.00
	<u>1,919,261.00</u>	<u>1,908,211.00</u>
CASH & BANK BALANCES		SCHEDULE -8
Cash in hand	34,454.00	5,384.00
Balances with Scheduled Banks in Current Accounts	1,845.00	985.00
	<u>36,299.00</u>	<u>6,369.00</u>
CURRENT LIABILITIES AND PROVISIONS		SCHEDULE -9
Current Liabilities		
Sundry Creditors	2,123,260.00	2,076,141.00
Security Deposits from Tenant	150,000.00	-
Other Liabilities	37,123.00	14,623.00
Provisions		
Provision for Gratuity	427,681.00	427,681.00
	<u>2,738,064.00</u>	<u>2,518,445.00</u>
ADMINISTRATIVE AND OTHER EXPENSES		SCHEDULE -10
Stock Exchange Listing Fees	44,603.00	20,487.00
Postage, Telephone and Telex Expenses	142,068.00	13,108.00
Advertisement and Publicity	26,460.00	18,090.00
Electricity and Water Charges	12,052.00	21,312.00
Auditors Remuneration :		
For Audit Fees	5,515.00	5,515.00
For Taxation Matters	14,339.00	4,412.00
Printing and Stationery Expenses	12,850.00	3,750.00
Legal & Professional Fees	194,403.00	24,412.00
Penalty to RIICO	-	12,150.00
Filing Fee	2,000.00	4,000.00
Travelling Conveyance Expenses	71,380.00	-
Computer Repairs	1,010.00	-
Misc. Expenses	5,836.00	831.00
Sundry Balances Written Off	4,412.00	-
	<u>536,928.00</u>	<u>128,067.00</u>

SIGNIFICANT ACCOUNTING POLICIES**SCHEDULE : 11**

- 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. **Fixed Assets** : Fixed 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 to the extent that carrying amount of assets exceeds their recoverable amount. Recoverable amount 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 the 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.

NOTES ON ACCOUNTS

1. Contingent Liabilities – Not Presented for :

S. No.	Particulars	Amount (Rs. in Lacs) 31.03.2011	Amount (Rs. in Lacs) 31.03.2010
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 of Raj. High Court for holding 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 NHAI land acquisition, Abu Road which is included in Loans & Advances)	8.27	8.27
b)	In respect of Excise Duty (NCCD) 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 have been rounded off to the nearest rupee.
3. Figures of the previous year have been regrouped and rearranged to correspond to current year's classification.
4. Provision for Current and Deferred Tax No provision for tax for the year has been made in view of availability of brought forward losses for set off against current year's income and in view of uncertainty of future business deferred tax assets has not been recognized.
5. **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.

6. 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 and otherwise stated. The provisions of all liabilities are adequate and not in excess of the amount reasonably necessary.
7. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956.

A. Licensed Capacity (No. of Spindles)	31.03.2011	31.03.2010
Texturising Yarn	1296	1296
Twisting Yarn	2848	2848
Installed Capacity (No. of Spindles)		
Texturising Yarn	NIL	NIL
Twisting Yarn	NIL	NIL
B. Production, Turnover and Stocks (Yarn)	NIL	NIL
C. Raw Materials Consumed	NIL	NIL
D. C.I.F. Value of Imports	NIL	NIL
E. F.O.B. Value of Exports	NIL	NIL
F. Expenditure in foreign currency	11687	NIL

8. **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.

9. **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
Smt. Padam Devi 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.

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	396114	7950
Amount Repaid	3299825	1136500
Outstanding		
Payable	-	-
Receivable	-	-
Unsecured Loans	19636526	2490000

10. Earning Per Share (Accounting Standard - 20)

	31.03.2011	31.03.2010
Profit/(Loss) after tax as per Profit & Loss A/c	3342053	(96000)
Weighted Average number of Equity Shares Outstanding (Nos.)	3560700	3560700
Basic and Diluted Earning Per Share	0.94	(0.03)
Face Value of Shares	10.00	10.00

1. BALANCE SHEET ABSTRACT & COMPANIES GENERAL BUSINESS PROFILE

I) Registration Details :

Registration No.	4067
State Code	17
Balance Sheet Date	31.03.2011

II) Capital raised during the year (Amount in Rs. Thousand) :

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand) :

Total Liabilities	100680
Total Assets	100680

Sources of Funds

Paid-up Capital	35697
Reserve & Surplus	42451
Secured Loans	0
Unsecured Loans	22532

Application of Funds

Net Fixed Assets	5253
Investments	8
Net Current Assets	-783
Deferred Tax Assets	0
Misc. Expenditure	0
Accumulated Losses	96202

IV) Performance of company (Amount in Rs. Thousand) :

Turnover / Gross Income	866
Total Expenditure	954
Exceptional Items	3430
Profit/Loss Before Tax	3342
Profit/Loss After Tax	3342
Earning Per Share in Rs.	0.94
Dividend	Nil

V) Generic Names of three principal Products/Services of Company (as per monetary terms) :

Item Code No. (ITC Code)	540232
Product Description	Synthetic Filament Yarn Texturised

Place : Jaipur

Date : 27.05.2011

FOR & ON BEHALF OF BOARD OF DIRECTORS
AMITABH HIRAWAT **MANAGING DIRECTOR**

CHANDRA MOHAN KHANDELWAL

DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2011	31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax & Extraordinary Items	-88,206.00	-96,000.00
Adjustment for:-		
Depreciation	417,278.00	0.00
Operating Profit Before Working Capital Changes	329,072.00	-96,000.00
Decrease (Increase) in Sundry Debtors	0.00	25,052.00
Decrease (Increase) in Loans & Advances	-11,050.00	451,922.00
Increase (Decrease)InCurrent Liabilities	219,619.00	-107,606.00
Cash Generated from Operations	537,641.00	273,368.00
Net Cash from Operating Activities	537,641.00	273,368.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Realisation from Fixed Assets	4,481,000.00	0.00
Net Cash from Investing Activities	4,481,000.00	0.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Secured Loans	(250,000.00)	(4,750,000.00)
Increase/(Decrease) in Unsecured Loans	(4,738,711.00)	4,472,510.00
	(4,988,711.00)	(277,490.00)
Net Changes in Cash and Cash Equivalents (A+B+C)	29,930.00	-4,122.00
Cash and Cash Equivalents as at 1st April 2010 (Opening Balance)	6,369.00	10,491.00
Cash and Cash Equivalents as at 31st March 2011(Closing Balance)	36,299.00	6,369.00

As per our Report of even date

FOR & ON BEHALF OF BOARD OF DIRECTORS

For N.C. Dhadda & Co.
Chartered Accountants

AMITABH HIRAWAT

MANAGING DIRECTOR

(S.K. JAIN)

CHANDRA MOHAN KHANDLWAL

DIRECTOR

Partner

(M. No. 010145)

Place : Jaipur

Dated : 27.05.2011

----- FEAR HERE -----

RISHAB SPECIAL YARNS LIMITED
JAIPUR

L.F. No.

No. of Shares held

ATTENDANCE CARD

We hereby record my/our presence at the twenty second Annual General Meeting of the Company held at 2070, Rasta Bara Gangore, Jaipur-302 003 on Monday, 11th July, 2011 at 12.00 Noon.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)
SIGNATURE OF THE SHAREHOLDER
NAME OF THE PROXY (IN BLOCK LETTERS)
SIGNATURE OF THE PROXY

NOTES :

- You are requested to sign and hand this over at the entrance.
- If You intend to appoint a proxy to attend the meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company at 2070, Rasta Bara Gangore, Jaipur-302 003, not less than 48 hours before the time of holding the meeting.
- If you are attending the meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you/your proxy for reference at the meeting.

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Jaipur - 302003

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2070, Rasta Bara Gangore,
Jaipur - 302 003.

----- TEAR HERE -----
RISHAB SPECIAL YARNS LIMITED
JAIPUR

L.F. No.
No. of Shares held

FORM OF PROXY

I/We of in the district of being a member/members of the above named Company hereby appoint of in the 11th day of July 2011 and at any adjournment thereof. Signed on the day of 2011

Signature	
-----------	--

NOTES :

1. The Proxy must be deposited at the Registered Office of the Company at 2070, Rasta Bara Gangore, Jaipur - 302 003 not less than 48 hours before the time for holding the meeting.
2. This form is to be used in favour of / Against the resolution. Unless otherwise directed, the Proxy will vote as he thinks fit.
*Strike out whichever is not applicable.