

riba

TEXTILES

Annexure-VIII



23RD ANNUAL REPORT

2010-11

Twenty Third Annual Report 2010-2011

RIBA TEXTILES LIMITED

DIRECTORS

Shri Amit Garg : Managing Director
Shri Ravinder Garg : Director
Shri Nitin Garg : Whole Time Director
Shri Shailendra Sharma : Director
Shri Rakesh Handa : Director

AUDITORS

MIDHA KHURANA GUGLANI & CO.,
Chartered Accountants
1053, Sector 13, Urban Estate,
Karnal-132101

REGISTRAR & SHARE TRANSFER AGENTS

M/S BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
3rd Floor, 99 Mandangir Behind Local Shopping Centre, Near Dada
Harsukhdas Mandir, New Delhi -110062
PH: 29961280,29961281, 29961282
Fax: 29961284

SECRETARIAL AUDITORS

KJ& ASSOCIATES,
Company Secretaries
211/ 2nd Floor, Triveni Complex,
E-10-12, Jawahar Park,
Laxmi Nagar,
New Delhi- 110092

BANKER

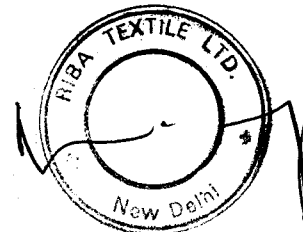
State Bank of India
Ahuja Building, GK-II,
New Delhi.

REGISTERED OFFICE

DD-14 NEHRU ENCLAVE
OPP. KALKA JI POST OFFICE
NEW DELHI

WORKS

Village Chidana,
Tehsil Gohana, Distt. Sonapat
Haryana.



AGM-2011

DATE : 30th Sept 2011
DAY : Friday
TIME : 11.00 A.M.
VENUE : DD-14, Nehru
Enclave
New Delhi

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of RIBA TEXTILES LIMITED will be held at the Registered Office of the Company at DD-14, Nehru Enclave, Opp. Kalka Ji Post Office, New Delhi- 110019 on Friday, 30.09.2011 at 11:00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account of the company for year ended on 31st March 2011, and the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Rakesh Handa who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Nitin Garg who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Midha Khurana Guglani & Co., Chartered Accountants, who retires on the conclusion of this meeting and being eligible, offers themselves for re appointment as Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxy in order to be effective must be deposited at the Registered Office of the Company not later than forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed w.e.f 24th Sep to 30th Sep 2011 (both days inclusive).
3. Please quote your folio number in all correspondence for each type of query/complaint.
4. Members are requested to forward all queries regarding Accounts at the Registered Office of the Company on or before 24th September 2011.
5. Shri. Rajesh Handa and Shri Nitin Garg, Directors retire by rotation and being eligible offer themselves for re-appointment. Shri Rakesh Handa and Shri Nitin Garg would be re-appointed as Directors liable to retire by rotation. The Information pursuant to Corporate Governance clause 49 of the Listing Agreement(s) is furnished in the statement of Corporate Governance and is a part of this Annual Report.
6. Shareholders are requested to bring their copy of the Annual Report to the meeting.
7. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members are requested to write their folio number in the attendance slip for attending the meeting.
10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to and inclusive of the date of the Annual General Meeting.
11. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrars and Transfer Agents the details as required in Form 2B.

ANNEXURE TO THE NOTICE

Details of Directors seeking re-appointment at the Annual General Meeting
(In Pursuance of Clause 49 of the Listing Agreement)

PROFILE OF SHRI RAKESH HANDA	
Name	RAKESH HANDA
Date of Birth	23.10.1960
Date of Appointment	15.11.2009
Qualification	B.A. L.L.B.
Number of Shares held	NIL
Expertise in specific functional areas	IN LEGAL MATTERS
Other Directorship(s)	N.A.
Membership of Committees in other Public Companies	N.A.
Relationships between Directors inter-se	Nil

PROFILE OF SHRI NITIN GARG	
Name	NITIN GARG
Date of Birth	07.07.1971
Date of Appointment	01.12.1994
Qualification	B.Com,
Number of Shares held	7,24,484
Expertise in specific functional areas	Diploma in Marketing
Other Directorship(s)	N.A.
Membership of Committees in other Public Companies	N.A.
Relationships between Directors inter-se	Nil

By Order of the Board of
RIBA TEXTILES LIMITED

Sd/-
RAVINDER GARG
DIRECTOR

Place : Panipat
Date : 05.08.2011

DIRECTORS REPORT

TO THE MEMBERS OF RIBA TEXTILES LIMITED.

Your Directors have pleasure in presenting the 23rd Annual Report on the working of the Company together with the Audited Accounts for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
	2011	2010
Total Sale	5121.76	4890.71
Other Income	282.94	42.41
<i>Gross Receipts</i>	<i>5404.71</i>	<i>4933.12</i>
<i>Profit before Depreciation, Interest and Tax</i>	<i>538.51</i>	<i>521.09</i>
Depreciation	269.30	294.59
Interest	233.19	202.30
Profit before Tax	36.02	24.20
Provision for Taxation (Including last year tax paid)	6.30	4.29
Profit after Tax	29.72	19.91
Add: Profit brought forward from previous year	1507.07	1487.16
Balance transferred to Balance Sheet	1536.79	1507.07

OPERATIONS & FUTURE PROSPECTS

During the year under review, your company has achieved a turnover of Rs.5121.76 lacs against the last year turn over of Rs.4890.71 lacs showing a slightly growth of 0.05%. Your Directors are hopeful that in the current financial year, company will achieve higher growth accompanied with better results.

DIVIDEND

The Board of Directors of your company is of the opinion that to smoothen the liquidity position, no dividend should be recommended & resources be utilized for financing of expansion project of the company.

DIRECTORS

Shri Rakesh Handa and Shri Nitin Garg, Directors, retire by rotation and being eligible, offer themselves for re-appointment. Your Directors solicits your approval for their appointment.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance compliance duly certified by the Company's Statutory Auditors as required under clause 49 of the listing agreement forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby stated that:

1. That in the preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them constantly and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for preventing and detecting fraud and other irregularities,
4. That the directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

PARTICULARS OF EMPLOYEES

During the period under review, the company had no employee who are covered under Section 217(2 A) of the Companies Act 1956.

FIXED DEPOSIT

During the year under review, your company has not invited any deposits from the Public U/s 58 A of the Companies Act, 1956.

LISTING

The securities of the Company are listed at Bombay Stock Exchange, Mumbai. The securities of the company were delisted from Delhi, Ludhiana and Ahmedabad Stock Exchange. Listing fees for the Bombay Stock Exchange has been paid.
Scrip Code of the company is **531952**

AUDIT COMMITTEE

Pursuant to the provisions of clause 49 of the listing agreement, the Company has an Audit Committee of the Board of Directors. In beginning of the Financial Year, the Audit Committee was comprised of three Non-Executive Directors i.e. Shri Shailender Sharma, Shri Ravinder Garg and Shri Rakesh Handa out of which Shri Shailender Sharma and Shri Rakesh Handa were Independent Directors. Shri Shailendra Sharma was appointed as the Chairman of the Audit Committee. During the Financial Year 2011-12.

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, i.e.

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follow up these on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.

REMUNERATION COMMITTEE

Pursuance to clause 49 of the listing agreement, and as per the amendments introduced by Schedule XIII of the Companies Act 1956, at the beginning of Financial Year the remuneration committee of the company consisted of two Independent Non Executive Directors namely Shri Shailender Sharma and Shri Rakesh Handa, One Non-executive Director, Mr. Ravinder Garg and One Executive, Whole-time Director, Mr. Nitin Garg.
During the Financial Year, 2011.

As per the responsibilities entrusted to the remuneration committee under the notification No. GSR (36 E) DT.16/01/2002 appointment and payment of remuneration to Managing Directors and Whole Time Directors of the company having no profits or have inadequate profits is required to be approved by the remuneration committee. During the year under review Shri Shailender Sharma, was elected as Chairman of the remuneration Committee.

DEMATERIALISATION OF SHARES

As per the circular issued by SEBI, shares of your company are under Demat mode accordingly to meet requirements. M/s BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD have been appointed as Registrar and share transfer agent (RTA) for carrying out both transfer and demat work for the company as per the SEBI direction and such Registrar & Share Transfer Agent (RTA) shall look after entire share related matters of the company. The company has entered agreement with NSDL & CSDL for demat of shares.

ISIN NO.OF THE Company is INE811H1017

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Information required to be given pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Directors) Rules 1988 and forming part of the Director's report for the year ended 31st March, 2011 are given below :

A. CONSERVATION OF ENERGY

Energy Conservation Measures Taken:

- Control on illumination lights.
- The factory building has been constructed in such a manner to allow natural lighting.
- Additional Investment and Proposals, 'if any', being implemented for reduction in consumption of energy:
- The boilers, fed on furnace oil have been replaced with the auto controlled boiler fed on rice husk/pat coke.

Impact of above measures on reduction of energy consumption and consequent impact on production of goods.

Significant:-

Cost of production has reduced and production has increased.

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

a) Specific areas in which R&D carried out by the company. None

b) Benefits derived as a result of above Nil

c) Future plan of action

The company will take R&D activities to improve quality and reduce cost by reducing wastage.

EXPENDITURE ON R&D

No separate details of such expenditure can be ascertained. Research and Development is being carried out in normal course of business.

Technology Absorption, Adaptation and Innovation:

- a) Efforts in brief made towards technology absorption, adaptation and innovation and benefits derived there from. NIL
- b) Imported Technology: No new Technology was imported during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

Details of Foreign Exchange, earnings and Outgo are given as below:-

	Year2011 (Amt. in lacs)	Year2010 (Amt. in lacs)
Foreign Exchange earning	5066.16	4887.99
Foreign Exchange outgoing	167.98	198.05

INDUSTRIAL RELATIONS

During the year under review, industrial relations in the company had been cordial at various levels & had improved significantly. Board of Directors of the company places on record that effective steps taken last year had brought in improved relationships.

AUDITORS

M/s. Midha Khurana Guglani & Co. Chartered Accountants the company's Auditors retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re appointment which, if made, will be in confirmation with the provisions of Section 224 (1B) the of Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation and thanks to the Customers, Suppliers, Bankers, Shareholders, Central and Haryana Government for their valuable co-operation and assistance. Your Directors wish to place on record their appreciation for the contribution made by the employees at all level.

For and on behalf of the Board of
RIBA TEXTILES LIMITED

Sd/-
RAVINDER GARG
Chairman

Place: PANIPAT
Date: 05.08.2011

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management discussion and analysis presents the industry Overview, opportunities and Threats, Initiatives by the Company and overall strategy of Riba Textiles Limited becoming a market driven producer/exporter of various innovative models and ranges of Textiles products. The company is very optimistic of capturing a substantial share of Export market in the midst of the threats faced due to the liberalization and increased competition from well established companies from abroad.

1. Industry Structure and Development:

Terry towel industry is the only industry with limited effect in recessionary time. The Indian terry towel industry is one of largest in the world, contributing significantly to the growth of the national economy in terms of production, revenue, exports and employment. India has become the larger player in this segment i.e. specially in Terry Towel Markets.

Moreover, the global elimination of quotas at the end of 2004 has greatly enhanced the opportunities for sourcing from India. Therefore, the orders position of the company has improved. Normally, Growth Rate is 1 to 2 percent in this segment across the world. But, India has the maximum Growth in this segment. The Textiles Industry in India provides direct employment to about 38 million people and indirect employment to about 55 millions. It is also the highest net foreign earner and accounts for nearly 30% of the country's exports.

Your company is the exporter of terry towels. To reduce any specific country risk your company operates across the globe. Since your company has a lot of seasonal products such as Beach Towel, Bath Robes etc. your company operates half of the year in U.S, Europe etc. Then shift to the opposite season market such as Australia, South Africa, Latin America etc. for balance six months. These steps also help your company to reduce any particular country risk. Your company mostly works with large chain store and 100% of our payment is on L/C based or Documents on site basis. Your company also produces for Domestic Market under own well brand name senses and hope this will grow gradually. Your company is more flexible company in design capabilities.

2. Opportunities and threats Opportunities

- i) With the closure of many textiles mills in USA and Europe due to strict pollution control regulations, the demand is likely to increase substantially.
- ii) With the lifting of quota regime w.e.f. 1st Jan 2005 as per WTO agreement the exports of the company have increased. The expansion project has successfully been implemented and further expansion has started.
- iii) The company is having maximum overseas customers at present.

Threats

- i) With the lifting of quota, the competition has increased from China and other towel exporting countries.

3. Initiatives taken by the Company

The company has successfully executed its expansion plan to enhance its capacity by 850 MTS annual, the commercial production of which has commenced in May 2005 and expansion to enhance its capacity from 1850 MTS PA to 3230 MTS PA has completed in December 2006. Further enhance its capacity from 3230 MTS PA to 3500 MTS PA is under process which will be completed very soon. It would help to achieve the economies of scale resulting into higher productivity and reduced cost of production. A major cost reduction has been achieved with the installation of Pat coke/ rice husk fired boiler and lying of main electricity line from the direct feeder.

4. Financial Performance

During the year under review your company had achieved a turn over of Rs 51.22 crores against the last year turnover of Rs 48.91 crores. Your Company has earned a net profit of Rs. 36.02 Lacs as against a profit of Rs 24.20 Lacs during the last year due to high depreciation in Rupee value & recession period. In view of further expansion of the unit, improving financial results and positive outlook for the near future, your directors are hopeful that in current year better financial results would follow.

5. Risks and concerns

With the dismantling of quota regime, China is also entering in the terry towels segment, which would increase the competition in the International market. However your company is exporting high value dyed yarn jacquard terry towels which are not likely to be affected in the near future.

6. Internal Control Systems and their adequacy

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

There is an Internal Audit Committee with clearly laid down powers and responsibilities that are entrusted to them to ensure that the Internal Audit Department works independently. This department maintains various manuals which contain various controls and checklists that are to be carried out before execution of any activity.

Internal checks are exercised so that the various procedures are laid at the time of delegation of authorities and other procedures are strictly followed. The delegation clearly indicates the powers along with the monetary limits, wherever necessary, that can be exercised by various levels of the Managers in the Company.

Similarly, the Company has well defined manuals for all the functional areas, viz., Production, Sales, Administration, Personnel, etc. These manuals contain elaborate procedures and checklist for the related activities. Necessary controls and checks are exercised by strictly adhering to the various procedures and checklist prescribed in the Manuals. Also these are updated from time to time on ongoing basis, keeping in view the latest developments in different areas. Proper controls and checks are exercised by the company by following the procedures prescribed in the various manuals.

7. Material Developments in Human Resources/ industrial relations front, including number of people employed

The company believes that employees are the real strength of organization. Employee involvement continued to receive the focus it deserves. The Company has identified Human Resources Development as a major strategic initiative since it believes that people's contribution will be the main engine for growth. Current efforts include building skills, attracting and retaining talent and nurturing and developing leadership potential.

Industrial relations during the year remained cordial and initiative were taken to enhance productivity of employees. The company is gearing itself to take on the challenges in the business environment and march towards achieving its mission with success. At present company is employing man power of around 470 peoples including technical, non technical, managerial and non- managerial, casual and contract labour.

8. Cautionary Statement

The Management Discussion and Analysis statement of the Annual Report has been included in adherence of the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India. Statement in the Management Discussion and Analysis describing the Company's objectives, projects, estimates, expectations may be 'forward - looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference of the Company's operation include economic conditions affecting demand.

AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of M/s Riba Textiles Limited as at 31.03.2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. 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.
2. We conducted our audit in accordance with 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 mis-statement. An audit includes examining, on the 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 managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 order.
4. Further to our comments in the Annexure referred to in para 3 and, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit:
 - b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement and dealt with by this report are in agreement with the Books of Accounts.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement and dealt with by this report, comply with the accounting standards referred to in section 211 (3c) of the companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31,2011 from being appointed as a director in terms of section 274(1) (g) of Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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.

 - i) In the case of Balance Sheet, of the State of the affairs of the Company, as on 31.03.2011.
 - ii) In the case of the Profit and Loss Account, of the profit of the company for the year ended on 31.03.2011.
 - iii) In the case of the Cash Flow Statement, of the profit of the company for the year ended on 31.03.2011.

Place: Panipat
Date: 05.08.2011

For Midha Khurana Guglani & Co.
Chartered Accountants

Sd/
Partner
(R.K.Midha)

Annexure referred to in paragraph (3) of our report of even date:

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and the nature of its business.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory except for work in progress, which has been determined on the physical verification at the year end. No material discrepancies in inventory were noticed on physical verification.
3. As informed to us, the company has neither granted nor taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Accordingly, the issue of continuing failure to correct major weakness in internal control in these areas does not apply.
5. According to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301 and exceed the value of Rupees 5.00 lacs in respect of any one party in the financial year.
6. The company has not accepted any deposits from the public within the meaning of section 58A of the companies Act, 1956 and the rules made thereunder.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the companies Act, 1956, in respect to the company's products.
9. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including, investor education and protection Fund, Employees State Insurance, Income-tax, Sales-Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Sales Tax, Custom duty and Excise duty outstanding as at 31st March'2011 for a period of more than Six Months from the date they became payable.
10. According to the records of the company, there are no dues outstanding of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Cess on account of any dispute.
11. The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current preceding financial year.
12. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to bank during the year.

13. According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund, nidhi/mutual benefit fund and societies.
15. In respect of dealing/trading in securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. No securities have been held by the company, at the year-end.
16. Based on the audit procedure applied by us & according to the information & explanations provided by the management, the term loans taken by the company during the year have been applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us, the company has not given any guarantee for loans taken, by others.
18. We have been informed by the management that the funds raised on short-term basis have not been used for long-term investment and vice versa.
19. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the companies Act, 1956.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedure performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Panipat
Date: 05.08.2011

For Midha Khurana Guglani & Co.
Chartered Accountants

Sd/
Partner
(R.K.Midha)

Balance Sheet as at 31 March 2011

(All amounts in Indian Rupees)

Particulars	Schedule	As at 31.03.2011	As at 31.03.2010
<u>SOURCES OF FUNDS</u>			
Shareholders' funds			
Share capital	1	89,946,010	89,946,010
Reserves & Surplus	2	245,323,525	242,352,042
Loan funds			
Secured Loans	3	205,460,597	205,992,519
Unsecured Loans	4	13,726,216	5,018,671
Total		554,456,348	543,309,242
<u>APPLICATION OF FUNDS</u>			
Fixed assets			
Gross block	5	489,608,064	493,288,942
Less: Depreciation		208,532,217	181,601,832
Net block		281,075,847	311,687,110
Investments	6	250,000	250,000
Current assets, loans and advances			
Inventory	7	201,858,550	151,583,210
Sundry Debtors	8	73,865,968	86,818,366
Cash and Bank Balances	9	3,536,150	5,664,189
Loans and Advances	10	23,472,468	16,026,140
		302,733,136	260,091,905
Less: Current Liabilities and Provisions			
Current Liabilities	11	28,587,635	27,394,901
Provisions	12	1,015,000	1,324,872
Net Current Assets		273,130,500	231,372,132
Total		544,456,348	543,309,242
Notes to Accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

For and on behalf of the Board of Directors

For Midha Khurana Guglani & Co.
Chartered Accountants

Sd/
Managing Director
(Amit Garg)

Sd/-
Director
(Nitin Garg)

Sd/-
(Partner)
(R.K.Midha)
M.No.:- 017912

Place: Panipat
Date : 05.08.2011

Profit and Loss Account for the year ended 31 March, 2011

(All amounts in Indian Rupees)

Particulars	Schedules	Year ended 31.03.2011	Year ended 31.03.2010
INCOME			
Sale of Goods	13	512,176,387	489,071,136
Other Income	14	28,294,322	4,241,234
Increase in inventory	15	31,318,960	44,417,055
		571,789,669	537,729,425
EXPENDITURE			
Raw material consumed	16	311,382,788	281,756,438
Manufacturing Expenses	17	154,734,054	155,180,049
Personnel Expenses	18	20,093,398	16,528,387
Administration & Selling Expenses	19	31,728,451	32,155,043
Depreciation	5	26,930,385	29,458,920
Financial Expenses	20	23,318,894	20,230,487
		568,187,970	535,309,324
Profit / (Loss) for the year before Tax		3,601,699	2,420,101
Less:- Income Tax Paid for last year		15,216	429,281
Less:- Provision for Income Tax		615,000	
Profit After Tax		2,971,483	1,990,820
Profit from earlier years		150,707,260	148,716,440
Balance transferred to Balance Sheet		153,678,743	150,707,260
Notes to Accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account.

As per our report of even date.

For and on behalf of the Board of Directors

For Midha Khurana Guglani & Co.

Chartered Accountants

Sd/
Managing Director
(Amit Garg)

Sd/-
Director
(Nitin Garg)

Sd/-
(Partner)
(R.K.Midha)
M.No.:- 017912

Place: Panipat

Date : 05.08.2011

	As at March 31, 2011	As at March 31, 2010
Schedule 1 : Share capital		
Authorized		
1500000 Equity shares of Rs.10/- each	150,000,000	150,000,000
100000 Non Redeemable Preference Shares Rs. 10/- each	1,000,000	1,000,000
	<hr/>	<hr/>
Issued, Subscribed 9652870 Equity Shares of Rs. 10/- each	96,528,700	96,528,700
	<hr/>	<hr/>
Paid up Capital		
(8994601 Equity Shares of Rs. 10/- each)	89,946,010	89,946,010
Total	89,946,010	89,946,010
	<hr/>	<hr/>
Schedule 2 : Reserves & Surplus		
Share Premium	77,861,602	77,861,602
Share Forfeiture	13,783,180	13,783,180
Profit & Loss	153,678,743	150,707,260
Total	245,323,525	242,352,042
	<hr/>	<hr/>
Schedule 3 : Secured Loan		
Term Loans		
HDFC Bank Auto Loan	440,003	830,362
ICICI Bank Auto Loan	0	176,740
Term Loan - I (State Bank Of India)	0	3,820,310
Term Loan -II (State Bank Of India)	48,665,008	62,023,762
Term Loan -III (State Bank Of India)	1,351,168	4,204,189
	<hr/>	<hr/>
Working Capital Loan		
Export Packing Credit State Bank Of India	140,920,828	120,954,605
Current Account State Bank Of India SLC CC	14,083,590	13,982,551
Total	205,460,597	205,992,519
	<hr/>	<hr/>
<p>1) Term loan-II of State Bank of India is secured against exclusive charge on plant and machinery under the project and fixed assets of the company.</p> <p>2) Term loan-III of State Bank of India is secured against exclusive charge on plant and machinery under the project.</p> <p>3) EPC and Stand by line of credit account of bank are secured against hypothecation of company's entire stocks of raw material, stocks in process, finished goods and other stores.</p> <p>4) Auto loan are secured by way of a charge created on the underlying vehicle.</p>		
Schedule 4 : Unsecured Loans		
Promoters, Directors and Others	13,726,216	5,018,671
	<hr/>	<hr/>

limited

March
31, 2010

000,000
000,000

528,700

9,946,010

9,946,010

7,861,602

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0,707,260

2,352,042

830,362

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3,820,310

52,023,762

4,204,189

20,954,605

13,982,551

05,992,519

the project

the project.

stocks of

5,018,671

Schedule:5

Fixed Assets

Riba Textiles Limited

DEPRECIATION CHART AS PER COMPANIES ACT

(Amount in Rs.)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2010	Additions during the year	Sale/Adj. during the year	As at March 31, 2011	As at April 1, 2010	For The Year	Sale/Adj. during the year	As at March 31, 2011	As at March 31, 2010
Land	2,084,130			2,084,130	-	-	-	2,084,130	2,084,130
Building	23,459,952			23,459,952	6,757,651	783,562	-	15,918,739	16,702,301
Plant & Machinery	456,767,925	3,953,387	8,468,256	452,253,056	170,710,968	24,500,809	-	257,041,279	286,056,957
Office equipments	3,533,310			3,533,310	1,170,667	223,659	-	2,138,984	2,362,643
Computers	444,625	89,681		534,306	132,141	86,611	-	315,554	312,484
Furniture & Fixtures	614,293			614,293	229,918	38,885	-	345,490	384,375
Vehicles	5,425,621			5,425,621	1,744,800	515,434	-	3,165,387	3,680,821
Misc. Assets	959,086	25,190		984,276	855,687	62,305	-	66,284	103,399
ETP	-	719,120		719,120	-	719,120	-	-	-
	493,288,942	4,787,378	8,468,256	489,608,064	181,601,832	26,930,385	-	208,532,217	281,075,847
Previous period		7,046,086	2,949,000	493,288,942		29,458,920	-	181,601,832	311,687,110

Schedule 6 : Investments

Shares of Sport king India Limited	250,000	250,000
Total	250,000	250,000

Schedule 7 : Inventories

Raw materials and components	72,910,000	53,953,620
Finished goods	34,352,120	51,784,270
Goods In Process	80,793,130	37,528,185
Stores	13,803,300	8,317,135
Total	201,858,550	151,583,210

Schedule 8 : Sundry debtors

(unsecured, considered good)		
Debts outstanding for a period exceeding six months	903106	-----
Other Debts	12,180,593	30,115,872
Export Receivable	60,782,269	56,702,494
Total	73,865,968	86,818,366

Schedule 9 : Cash and bank balances

Cash in hand	1,390,220	1,346,133
Balance with scheduled banks		
-in current & others accounts	2,145,930	4,318,056
Total	3,536,150	5,664,189

Schedule 10 : Loans, Advances & Receivables

(unsecured, considered good)		
Advances to Suppliers of Raw Material , Stores & Services	1,652,324	2,452,762
Advances recoverable in cash or in kind or for value to be received	12,415,148	3,889,594
Security deposits	9,404,996	9,683,784
Total	23,472,468	16,026,140

Schedule 11 : Current liabilities

Sundry creditors		
-for goods, expenses and capital goods	20,230,701	24,047,114
Expenses Payable	2,976,754	3,347,787
Advance from customers	5380180	-----
Total	28,587,635	27,394,901

Schedule 12 : Provisions

Provision for bonus	400,000	312,400
Provision for gratuity	-	612,472
Provision for Income Tax	615,000	400,000
Total	1,015,000	1,324,872

50,000

50,000

953,620

784,270

528,185

317,135

583,210

115,872

702,494

818,366

,346,133

,318,056

6,664,189

2,452,762

3,889,594

9,683,784

6,026,140

4,047,114

3,347,787

7,394,901

312,400

612,472

400,000

1,324,872

Schedule: 13 Sale of goods

Total Sales	512,176,387	489,071,136
Total	512,176,387	489,071,136

Schedule 14 : Other income

Interest on bank deposits (gross)	24,785	36,035
Amount received from sale of Incentive license	4,745,434	1,846,516
Insurance Claim	-	2,358,544
Currency Fluctuation	1,077,523	
Rebate	-	139
Duty drawback	22,446,580	-
Total	28,294,322	4,241,234

Schedule 15 : Increase / Decrease in finished goods/Stores

Closing Stock of Finished Stock	34,352,120	37,528,185
Closing Stock of Work in Progress	80,793,130	51,784,270
Closing Stock of Stores	13,803,300	
	128,948,550	89,312,455
Less:		
Opening Stock of Finished Stock	37,528,185	11,910,490
Opening Stock of Work In Progress	51,784,270	32,984,910
Opening Stock of Stores	8,317,135	
	97,629,590	44,895,400
Increase/(Decrease) in Finished Stock	31,318,960	44,417,055

Schedule 16 : Raw materials consumed

Opening Stock	53,953,620	100,683,920
Add: Purchases	330,339,168	235,026,138
Less: Closing Stock	72,910,000	53,953,620
Total	311,382,788	281,756,438

Schedule 17 : Manufacturing Expenses

Packing Material, Fuel , Stores & Consumables	125,076,094	128,277,216
Power Expenses	20,462,141	21,664,760
Repair & Maintenance of Machinery	2,805,262	1,825,552
Import Exp./ Coustom duty	229113	-----
Freight Inward	3,236,399	739,554
Job Work	2,925,045	2,672,967
Total	154,734,054	155,180,049

Schedule 18 : Personnel Expenses

Wages & Salaries	19,093,144	15,297,782
Staff welfare expenses	137,502	30,020
Employers Contribution to Provident fund/Welfare Fund	47,217	160,685
Bonus	513,300	312,400
Gratuity	302,235	727,500
Total	20,093,398	16,528,387

Schedule 19 : (Administration, Selling & Miscellaneous Expenses

Administration

Telephone Expenses	381,241	549,002
Amc Charges	35,000	-
Foreign Tour & Travel/Conveyance	1,382,837	918,101
Fees & Taxes	1,415,204	1,689,254
Managerial Remuneration	1,530,000	1,530,000
Insurance	378,815	473,557
Printing and stationery	81,808	65,415
Vehicle Running & Maintenance	412,644	175,149
Postage & Courier	928,762	895,748
Advertisement	86,757	32,349
Audit Fees	24,000	24,000
Miscellaneous expenses	174,214	372,673
Computer Exp.	119,450	49,275
Business Promotion Exp.	443,206	377,840
Testing & Inspection Exp.	703,767	295,573
Security Expenses	486,476	-
Professional & Consulting charges	231,690	-

Sub Total

	8,815,871	7,447,936
--	------------------	------------------

Selling

Outward Freight And Forwarding Expenses	11,652,529	11,400,342
Exhibition & Advertisement	1,852,647	1,663,533
Rebate & Discount	9,407,404	11,643,232
Sub Total	22,912,580	24,707,107

Grand Total

	31,728,451	32,155,043
--	-------------------	-------------------

Schedule 20 : Financial Expenses

Bank charges	4,469,826	3,298,624
Bank Interest	18,760,144	16,931,863
Interest to Other	88,924	-
Total	23,318,894	20,230,487

Schedule - 21
Notes to Accounts

Notes to accounts forming integral part of annual accounts for the period ended 31st March'2011.

1. Significant Accounting policies

A) Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted principals and the provisions of the Company's Act 1956.

B) Fixed Assets:

- i) Fixed assets are shown at cost of acquisition or construction less accumulated depreciation. All costs including financial cost till the date of commencement of commercial production are capitalized.
- ii) Depreciation on fixed assets is provided by Schedule XIV to the Company's Act 1956 in state line method on prorata basis

C) Inventories

- i) Raw Materials, Chemicals, Stores and Spares and Fuels are valued at cost.
- ii) The value of work in process is taken on estimated cost of process completed.
- iii) Finished goods are valued at cost or net realizable value, whichever is less.

D) Miscellaneous Expenditure

- 1) Unsecured loans are received from the promoters only.
- 2) Debit and Credit balances in the account of debtors, suppliers are subject to their respective confirmation and reconciliation.
- 3) In the opinion of Board of Director the current assets, loan and advances have the approximate realizable value at which these are stated, if realized in the ordinary course of business.
- 4) Provision for income tax liability has been made on the basis of Minimum Alternative tax as per section 115JB of Income Tax Act 1961.

5) Payments of auditors

	2010-11	2009-10
a) Audit fee	18,000.00	18,000.00
b) Reimbursement of Expenses	6,000.00	6,000.00
Total	24,000.00	24,000.00

- 6) There was no employee for full year or part of the year who was getting salary in excess of the limit laid down under section 217 (2A) of Companies Act, 1956.

7) Salary to Directors

	2010-11	2009-10
	1530000.00	1530000.00

- 8) Figures of previous year are regrouped / rearranged wherever necessary.

Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 as follows:

A. Quantitative Data for the Manufacture of Terry Towel

(Quantity in MTS)

Licensed		Installed		Production	
Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
N.A	N.A	3230	3230	2393.04	2124.57

7,782
0,020
0,685
2,400
27,500
28,387

49,002
-
18,101
89,254
30,000
73,557
65,415
75,149
95,748
32,349
24,000
372,673
49,275
377,840
295,573
-
-
447,936

400,342
663,533
1,643,232
1,707,107

2,155,043

3,298,624
6,931,863

10,230,487

B. Raw Material Consumed

Particulars	Current Year		Previous year	
	Quantity (Mts.)	Value (Rs. in lacs)	Quantity (Mts.)	Value (Rs. in lacs)
Yarn	3950.65	3113.83	3000.64	2817.56

C. Stocks & Turn over Finished Goods

<u>Opening Stock</u>				<u>Sale</u>				<u>Closing Stock</u>			
Current Year		Previous year		Current Year		Previous year		Current Year		Previous year	
Quantity (Mts.)	Value (Rs. in lacs)	Quantity (Mts.)	Value (Rs. in lacs)	Quantity (Mts.)	Value (Rs. in lacs)	Quantity (Mts.)	Value (Rs. in lacs)	Quantity (Mts.)	Value (Rs. in lacs)	Quantity (Mts.)	Value (Rs. in lacs)
256.355	517.84	51.14	119.10	1488.88	5121.76	1657.87	4890.71	99.86	343.52	256.355	517.84

D. Consumption of Raw Material

Particulars	Current Year		Previous year	
	Amount (Rs. in lacs)	Percentage	Amount (Rs. in lacs)	Percentage
Imported	34.56	1.11%	49.80	1.77%
Indigenous	3079.27	98.89%	2767.77	98.23%
Total	3113.83	100.00%	2817.56	100.00%

E. Consumption of Chemicals, fuels, Consumable and Stores.

Particulars	Current Year		Previous year	
	Amount (Rs. in lacs)	Percentage	Amount (Rs. in lacs)	Percentage
Imported	71.41	4.71%	127.04	9.90%
Indigenous	1444.73	95.29%	1155.73	90.10%
Total	1516.14	100.00%	1282.77	100.00%

F. Other Particulars

a) CIF Value of Imports

Particulars	Current Year	Previous year
	Value (Rs. In lacs)	Value (Rs. In lacs)
Raw Material	34.56	49.80
Capital Goods	0.00	0.00
Stores	71.41	127.04

b) Other Expenditure in Foreign Currency 62.01 21.21

c). FOB Value of Exports (Rs. In Lacs.) 5066.16 4887.99

As per our report of even date.
For and on behalf of the Board of Directors

For Midha Khurana Guglani & Co.
Chartered Accountants

Sd/
Managing Director
(Amit Garg)

Sd/-
Director
(Nitin Garg)

Sd/-
Partner
(R.K.Midha)

Place: Panipat
Date: 05.08.2011

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No : 55-34528 State Code: 05
 Balance Sheet Date: 31/03/2011

II Capital Raised During The Year (Amount in Rs. Thousands)

Public Issue 9941.31 Rights Issue NIL
 Bonus Issue NIL Private Placement NIL

III Position of Mobilisation And Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 554456.35 Total Assets 554456.35

Sources of Funds

Paid-Up Capital 89946.01 Reserves & Surplus 245323.53
 Secured Loans 205460.60 Unsecured Loans 13726.22

Application of Funds

Net Fixed Assets 281075.85 Investments 250.00
 Net Current Assets 273130.50 Miscellaneous Expenditure NIL
 Accumulated Losses NIL

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and other income) 571789.67 Total Expenditure 568187.97
 Profit Before Tax 3601.70 Profit After Tax 2971.48
 Earnings Per Share¹ - Basic Rs. 0.33 Dividend Rate % NIL
 Earnings Per Share - Diluted Rs. N.A

**V Generic names of principal products/services of the Company
 (As per monetary Terms)**

Item Code No. (ITC Code) Product Description
 6302 Terry Towel

For and on behalf of the Board

Place: Panipat
 Date: 05.08.2011

(Amit Garg)
 Managing Director

Co.

Sd/-

CASH FLOW STATEMENT

	2010-11 INR	2009-10 INR
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax, interest and extraordinary items	26920593	22650588
Adjustment for depreciation	26930385	29458920
Other income	(28294322)	(4241234)
Operating profit before working capital changes	25556656	47868274
Adjustment in sundry debtors	12952398	(20130939)
Adjustment in Inventories	(50275340)	515990
Adjustment in Loan and Advances	(7446328)	9070792
Adjustments in Current Liabilities & provisions	882862	3057705
Cash generated from operations	(18329752)	40381822
Income Tax Paid	(630216)	(429280)
Cash flow from extraordinary items	(18959968)	39952542
Extraordinary items	0	0
<u>Net cash from operating activities</u>	(18959968)	39952542
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(4787378)	(7046086)
Increase in Capital Advances	0	2187617
Proceeds from sale of Fixed Assets	8468256	2949000
Other Income	28294322	4241234
<u>Net Cash from Investing activities</u>	31975200	2331765
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	0	11045000
Increase in Share Premium	0	24299000
Repayment of Secured Loans	(531922)	(30339057)
Repayment of Unsecured Loans	8707545	(27370641)
Interest Paid	(23318894)	(20230487)
<u>Net cash from financing activities</u>	(15143271)	(42596185)
Net increase/(decrease) in cash & cash activities (A)+(B)+(C)	(2128039)	(311878)
Cash & cash equivalent opening balance	5664189	5976067
Cash & cash equivalent closing balance	3536150	5664189

Note:- Cash & Cash equivalents represents cash and bank balances

For and on behalf of
the Board of Directors

Place: - Panipat

Date: - 05.08.11

(Amit Garg)
Managing Director

Note:

The above Cash Flow Statement has been prepared under the "Indirect Method "as stated in AS-3 in Cash Flow Statement.

CORPORATE GOVERNANCE REPORT

Good Corporate Governance refers to a system that entails transparency, fairness, accountability and integrity. The Company is committed to transparency in all its dealings and places uncompromising emphasis on integrity and regulatory compliance.

The basic philosophy of corporate governance in the Company is to achieve business excellence and enhance shareholder value, keeping in view the needs and interests of its stakeholders.

1. Board of Directors

The Board of Directors comprises of Two Executive Directors, one of them being the Managing Director. The Board consist Three Non-Executive Directors out of which two are Independent Directors.

The Company placed before the Board the annual operating plans, details various information those specified under Annexure 1 of the Listing Agreement, from time to time.

The composition of the Board of Directors as at 31.03.2011 is as under:

Name	Category
Shri Amit Garg	Managing Director
Shri Nitin Garg	Whole Time Executive Director
Shri Ravinder Garg	Non-Executive Director
Shri Shailendra Sharma	Non-Executive, Independent Director
Shri Rakesh Handa	Non-Executive, Independent Director

Notes:

- a) None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.

2. BOARD MEETINGS

The Board of Directors meeting 14 times during the year under review as against the minimum requirement of 4 times. The dates of meetings, place of meetings and the number of directors present therein are mentioned below:

S.No.	Date of the Board Meetings	City	No. of Directors	Attendance
1.	11 th May' 2010	Panipat	5	5
2.	20 th July' 2010	Panipat	5	5
3	09 th August' 2010	Panipat	5	5
4	04 th September' 2010	Panipat	5	5
5	30 th September' 2010	Panipat	5	5
6	25 th October' 2010	Panipat	5	5
7	29 th October' 2010	Panipat	5	4
8	25 th November' 2010	Panipat	5	5
9	18 th January' 2011	Panipat	5	5
10	28 th January' 2011 Panipat	Panipat	5	5

The Attendance record of the Directors at the Board Meetings held during the year under review and the last Annual General Meeting is as under:

Name Of the Directors	Number of Board Meetings held while holding the Office	Number of Board Meetings attended while holding the office	Attendance at the Last AGM held on 30.9.2010
Shri Amit Garg	10	10	Yes
Shri Nitin Garg	10	10	Yes
Shri Ravinder Garg	10	10	Yes
Shri Shailendra Sharma	10	9	Yes
Shri Rakesh Handa*	10	10	Yes

OTHER DIRECTORSHIP ETC.

None of the Directors of your company held any Directorship, Committee membership and Chairmanship in any Other Company.

3. AUDIT COMMITTEE

Composition:

The Audit Committee comprises of Shri Shailendra Sharma, Shri Rakesh Handa, all being Independent Non-Executive Directors. Shri Shailendra Sharma was appointed as the chairman of the Audit Committee. Mr. V. Kumar acts as Secretary to the Committee. During the year under review Audit Committee had meet four times namely on the dates i.e. 11.05.2010, 09.08.2010, 29.10.2010, 28.01.2011.

Terms of Reference:

The terms of reference of the audit committee are as per the guidelines set out in the listing agreement with stock exchanges read with the provisions of section 292A of the Companies Act, 1956. These broadly include reviewing internal control systems, financial reporting systems, ensuring compliance with regulatory guidelines, reviewing quarterly/annual financial results and financial statements, interaction with statutory and internal auditors etc.

Role and Powers of Audit Committee:

The audit committee derives its powers and assumes its role according to the instructions provided to it by the Board, coverage and emphasized in clause 49 of the listing agreement.

Role and Powers of Shareholders'/Investors' Grievance Committee:

The Investors' Grievance Committee shall have the following role, functions and responsibilities:

- (i) To look into and supervise the redressal of shareholders'/Investors' Complaints.
- (ii) To oversee the performance of the Registrars and Share Transfer Agents and recommend measures for overall improvement of the quality of investor services.
- (iii) To consider and approve transfer of shares, transmission of shares, dematerialization of shares, transposition of shares, issuance of duplicate share, deletion of names, splitting and consolidation of shares, etc.

Compliance Officer: Shri Amit Garg (Managing Director)

5. REMUNERATION COMMITTEE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and as per the amendments introduced by Schedule XIII of the Companies Act 1956, the Remuneration Committee of the Company comprises of Two Independent Non-Executive Director namely Shri Shailender Sharma and Shri Rakesh Handa and One Non executive director namely Shri Ravinder Garg and One executive director Shri Nitin Garg, Whole-Time Director of the company.

The terms of reference of the Remuneration Committee consists of the Following:

- a. To institute and guide employee compensation and benefit policies.
- b. To determine and recommend to Board, compensation payable to Executive Director
- c. To formulate & administer the Company's Employee Stock Option Programs from time to time.

Meeting and attendance:

The Constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Member	No. of Meetings	
	Held	Attended
Shri Shailender Sharma	4	3
Shri Rakesh Handa*	4	4
Shri Ravinder Garg	4	4
Shri Nitin Garg	4	4

Remuneration of Directors for the year ended March 31, 2011

The company has paid following remuneration to the directors during the year.

Name & Designation	Salary	Benefits, Perks, Allowances	Commissi on	Contributi on to Provident Fund	Term upto
Shri Rakesh Handa Non-Independent Director	-	-	-	-	-
Shri Shailender Sharma Non-Independent Director	-	-	-	-	-
Shri Amit Garg Managing Director	360000	-	150000	-	510000
Shri Nitin Garg Whole-Time Executive Director	360000	-	150000	-	510000
Shri Ravinder Garg Non-Executive Director	360000	-	150000	-	510000

Remuneration of Directors for the year ended March 31, 2011

The company has paid following remuneration to the directors during the year.

Shri Amit Garg	Manager Director	Rs. 510000/-
Shri Nitin Garg	Whole time Director	Rs. 510000/-
Shri Ravinder Garg	Non Executive Director	Rs. 510000/-

6. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings were:

Nature of Meeting	Date and Time	Venue
Twentieth Annual General Meeting	September 30, 2008 At 12.00 Noon	DD-14, Nehru Enclave, Opp. Kalka Ji Post Office, New Delhi - 110019
Twenty first Annual General Meeting	September 29, 2009 At 11.00 A.M.	DD-14, Nehru Enclave, Opp. Kalka Ji Post Office, New Delhi - 110019
Twenty second Annual General Meeting	September 30, 2010 At 11.00 A.M.	DD-14, Nehru Enclave, Opp. Kalka Ji Post Office, New Delhi - 110019

No resolution was passed by way of Postal Ballot last year.

7. DISCLOSURES

- (i) There are no materially significant transactions with the related parties' viz. Promoters, Directors or the management, their subsidiaries or relatives conflicting with Company's interest. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the Annual Report.
- (ii) There were no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

8. Means of Communication

- The Company communicates with the shareholders at large through its Annual report and publication of financial results.
- The Board of Directors of the Company approves and takes on record the Un-audited financial results in the Performa prescribed by the stock exchanges within one month of the close of the quarter and the results are announced to all the stock exchanges where the shares of the company are listed. Further the highlights of the quarterly results in the prescribed Performa are published in the leading newspapers namely Business standard having circulation all over India.
- The Management Discussion and Analysis (MD&A) is a part of the annual report.

9. GENERAL SHAREHOLDER'S INFORMATION

a) Annual General Meeting

- **Date and Time:** 30th September, 2011 at 11.00 A.M.
- **Venue:** DD-14, Nehru Enclave, Opp. Kalka Ji Post Office, New Delhi – 110019.

b) Financial Calendar: 2011-2012 (Tentative)

The Company follows financial year of April to March.

Financial reporting for

- **Quarter ending June 30, 2011** : End of July 2011
- **Half year ending September 30, 2011** : End of October 2011
- **Quarter ending December 31, 2011** : End of January 2012
- **Quarter ending March 31, 2011** : End of April 2011
- **Year ending March 31, 2012** : End of July 2012

c) **Date of Book Closure/Record Date** : **24.09.11 to 30.09.11** (Both days inclusive)

- d) **Registered Office** : DD-14, Nehru Enclave,
Opp. Kalka Ji Post Office,
New Delhi – 110019.
- e) **Dividend Payment Date** : Not Applicable as the
Board has not proposed
Any dividend
- f) **Listing of Equity Shares on
Stock Exchanges
The Stock Exchange Mumbai,** **Bombay Stock Exchange
Ltd.**
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

Listing Fees for the Mumbai Stock Exchange has been paid as per the Listing Agreements.

- g) **Stock Code**
-Bombay Stock Exchange, Mumbai : 531952
- h) **Demat ISIN Numbers in NSDL & CDSL** :

Company ISIN Number in NSDL & CSNL for Demat of Equity Shares is **INE811H01017**.

- i) **Registrar & Share Transfer Agents**

M/s BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.

3rd Floor, 99 Madangir Behind Local Shopping Center, Near Dada Harsukhdas Mandir, New
Delhi – 110 062

PH: 29961281, 29961282

Fax: 29961284.

Email: beetal@beetal.com, beetal@rediffmail.com

- J) **Share Transfer System**

Shares sent for transfer in physical form are registered and returned by our Registrars in about 15
to 20 days of receipt of the documents, provided the documents are found in order.

k) Market Price Data

Trading of shares in market started again from October, 2010.

Month	Value (In Rupee)		Volumes
	High	Low	
October	15.65	12.26	6,90,083
November	14.45	10.50	1,51,682
December	11.99	8.20	86,536
January 2011	12.35	8.40	52,274
February 2011	9.87	6.28	79,435
March 2011	8.80	6.65	1,17,572

l) Distribution of Shareholding and Shareholding pattern**Shareholding Pattern**

Shareholding pattern as on 31.3.2011 is given below

Category	No. of Shares	%
Promoters	4871706	54.16
Financial Institutions	00.00	00.00
Body Corporate	613017	06.82
Indian Public	3019375	33.57
NRI's	490503	05.45

Distribution of Shareholding as on 31.3.2011 is given below

Share Holding of Nominal Value of	No. of Shareholders	Share Amount
Up to 5000	966	1903000
5001-10000	303	2583970
10001-20000	218	3579800
20001-30000	77	2048740
30001-40000	29	1041400
40001-50000	36	1714820
50001-100000	47	3329140
100001 and above	60	73745140
Total	1736	89946010

m) Liquidity

Shares of Riba Textiles limited are listed on the Mumbai.

n) Dematerialization of Shares

Company Shares are eligible for dematerialization.

o) Outstanding GDRs/ADRs/Warrants or any other convertible instruments

Company does not have any GDRs/ADRs/Warrants or any other Convertible Instruments.

p) Plant Location

RIBA TEXTILES LTD. VILLAGE CHIDANA, THESIL GOHANA, DIST.SONEPAT HARYANA

q) Address for Correspondence

Mr. Amit Garg Managing Director.

Riba Textiles Limited
DD-14, Nehru Enclave,
Opp. Kalkaji Post Office, New Delhi – 110 019.

PH: +91 11 26213012, 26236986

Fax: + 91 11-26465227

Email: riba@ribatextiles.com

9. Auditors' Certificate is enclosed alongwith the Annual Report.

For and on behalf of the Board of Directors of
RIBA TEXTILES LIMITED

Sd/-
(RAVINDER GARG)
Chairman/Director

Place: Panipat
Date: 05.08.2011

CERTIFICATE

To
The Members of RIBA TEXTILES LIMITED.

We have examined the compliance of conditions of corporate governance by M/s. RIBA TEXTILES LIMITED. for the year ended on 31.03.2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the 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 opinion on 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 mention Listing Agreement.

We state that no grievance(s) is pending against the company as per the records maintained by the Company.

We further state that such compliance is neither as 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.

For MIDHA KHURANA GUGLANI & CO.
Chartered Accountants

Place: PANIPAT
Date: 05.08.2011

Sd/-
(R.K.MIDHA)
Partner

ATTENDENCE SLIP

(To be handed over at the entrance of the Meeting Hall)

23nd ANNUAL GENERAL MEETING

30th September, 2011

I/We hereby record my / our presence at the 23nd Annual General Meeting of the Company held on Tuesday, 30th September, 2011 at DD-14, NEHRU ENCLAVE, OPP. KALKAJI POST OFFICE, NEW DELHI.

Name of the Shareholder / Proxy

L.F.

Address

No. of Shares held

Strike out whichever is not applicable.....

Signature of the Shareholder / Proxy

**PROXY FORM
RIBA TEXTILES LIMITED**

Regd. Office: DD-14, NEHRU ENCLAVE, OPP. KALKAJI POST OFFICE, NEW DELHI

I/We of

In the district ofbeing

of a Member/Members of Riba Textiles Limited hereby appoint

In the district ofor falling him / her

.....of

.....in the district of

as my / our proxy to vote for me / us on my / our behalf at the ANNUAL GENERAL MEETING of the members of the company to be held on 30th September, 2011 at 11.00 A.M. and any adjournment thereof.

Send the Day of2011.

Signature.....

Address.....

Folio No.

Affix Revenue Stamp of 1/- Rupee

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself / herself.
2. The proxy form duly signed across Revenue Stamp of Rs.1.00 should reach the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting. The proxy need not be a Member of the Company.

riba

TEXTILES

Contact Us:

Head Office

Riba Textiles Limited

DD-14, Nehru Enclave,
Near Kalkaji Post Office,
New Delhi-110019

India

Tel:- 91-11-26236986, 26213012

Fax:- 91-11-2645227

Branch Office

Riba Textiles Limited

Kishore House,
Assandh Road
Panipat-132103(Haryana)

India

Tel:- 91-180-6450985, 4011986

Fax:- 91-180-2696122

Works

Riba Textiles Limited

Village Chidana
Tehsil Gohana,
Distt. Sonapat(Haryana)

India

Tel:- 91-180-6450198

E-mail : riba@ribatextiles.com

WWW.ribatextiles.com