

The Ruby Mills Ltd.



**96th ANNUAL REPORT
2011-2012**



THE RUBY MILLS LIMITED

BOARD OF DIRECTORS:

Manharlal Chunilal Shah
Hiren Manharlal Shah
Bharat Manharlal Shah
Viraj Manharlal Shah
Aruna. M. Shah
Jimmy D. Masani
Shardul J. Thacker
Dharamsinh M. Popat
Dilip J. Thakkar
Shaunak J. Thacker

Executive Chairman
Managing Director
Jt. Managing Director
Executive Director
Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director

Purav H. Shah
S. Jayaraman
Pankaj J. Parkhiya

President
Chief Financial Officer
Company Secretary

SOLICITORS:

Federal & Rashmikant

AUDITORS:

B. S. Mehta & Co.
Chartered Accountants, Mumbai

BANKERS:

State Bank of India	Axis Bank
Bank of India	UCO Bank
Bank of Baroda	IDBI Bank
Andhra Bank	Allahabad Bank
HDFC Bank	

REGISTERED OFFICE:

Ruby House
J. K. Sawant Marg
Dadar, Mumbai-400 028
Email: info@rubymills.com
Phone: +91-22-24387800
www.rubymills.com

PLANT LOCATIONS:

* Mumbai Plant J. K. Sawant Marg Dadar Mumbai-400 028.	* Dhamni Complex Village Dhamni Taluka Khalapur Dist. Raigad.	* Kharsundi Complex Village Kharsundi Taluka Khalapur Dist. Raigad.
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NOTICE

NOTICE is hereby given that the **Ninety Sixth Annual General Meeting** of the Shareholders of THE RUBY MILLS LIMITED will be held at the Registered office of the Company at Ruby House, J. K. Sawant Marg, Dadar (W), Mumbai - 400 028 on Monday the 24th September 2012 at 4.30 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2012 together with the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2012.
3. To appoint a Director in place of Shri J.D. Masani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Dilip J. Thakkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. A. M. Shah, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s.B.S. Mehta & Co., Chartered Accountants, Mumbai, (Membership No.106190W) holding valid peer review certificate be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company upon the recommendation of the Audit Committee.”

SPECIAL BUSINESS

7. To consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the appointment of Shri Shaunak J. Thacker, as a Director of the Company, who was appointed as an Additional Director with effect from 16th January, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 138 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, proposing his candidature for the office of a Director.”

8. To consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for payment of an existing remuneration of ₹ 12,50,000/- per month inclusive of perquisites as minimum remuneration to Shri Manharlal C. Shah, Executive Chairman for the remaining period of his tenure of appointment i.e. from 1st April, 2012 to 31st March, 2014 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”



9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for payment of an existing remuneration of ₹ 9,00,000/- per month inclusive of perquisites as minimum remuneration to Shri Hiren M. Shah, Managing Director for the remaining period of his tenure of appointment i.e. from 1st April, 2012 to 31st March 2014 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for payment of an existing remuneration of ₹ 9,00,000/- per month inclusive of perquisites as minimum remuneration to Shri Bharat M. Shah, Joint Managing Director for the remaining period of his tenure of appointment i.e. from 1st April, 2012 to 31st March 2014 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution.

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for payment of an existing remuneration of ₹ 9,00,000/- per month inclusive of perquisites as minimum remuneration to Shri Viraj M. Shah, Executive Director for the remaining period of his tenure of appointment i.e. from 1st April, 2012 to 31st March 2014 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) read with Article 6(d) of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the Central Government and/or Statutory Authorities, each of the 50,00,000 equity shares of the nominal value of ₹10/- (Rupees Ten only) each in the Authorised Share Capital of the Company be and is hereby sub-divided into 1,00,00,000 (one crore) equity shares of ₹ 5/- (Rupees five only) each.

“RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, the 41,80,000 (Forty one lac eighty thousand) Issued, Subscribed and Paid-up Equity Shares of the face value of ₹ 10/- (Rupees Ten) each, shall stand sub-divided into 83,60,000 (Eighty three lacs eighty six thousand) Equity Shares of the face value of ₹ 5/- (Rupees Five) each.”



“RESOLVED FURTHER THAT upon sub-division of Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing Share Certificate(s), directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing Share Certificate(s) subject to the provisions of Companies (Issue of Share Certificates) Rules, 1960 and in the case of Shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the existing Clause V (being Capital Clause) of the Memorandum of Association of the Company be and is hereby altered by substituting the following new Clause V in its place and stead:

'V. “The Authorised Share Capital of the Company is ₹ 5,00,00,000 (Rupees Five Crore only) divided into 1,00,00,000 Equity Shares of ₹ 5/- each.”

14. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the existing Article 3 of the Articles of Association of the Company, be and is hereby altered and substituted as follows:

3. The present Authorised Share Capital of the Company is ₹ 5,00,00,000 (Rupees Five Crore only) divided into 1,00,00,000 Equity Shares of ₹ 5/- (Rupees five only) each.”

By Order of the Board of Directors
For The Ruby Mills Limited

Place: Mumbai,
Dated: 14th August, 2012.

Pankaj J. Parkhiya
Company Secretary



NOTES FOR MEMBERS' ATTENTION

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, which sets out details relating to the Special Business, is annexed hereto as Annexure I.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 15th September, 2012 to Monday, 24th September, 2012 (Both days inclusive).
5. The Dividend on Equity Shares recommended by the Board of Directors, if approved by the members at the 96th Annual General Meeting shall be paid on or after Tuesday, 25th September, 2012 to those members whose names appear on the Register of Members of the Company at the closing hours of 14th September, 2012. The dividend in respect of Shares held in electronic form will be payable to the beneficial owners of the Shares as at the end of the business hours on 14th September, 2012 as per details to be furnished by the Depositories for this purpose.
6. Pursuant to Section 205A of the Companies Act, 1956 dividend for the financial year ended 31st March, 2005 and thereafter which remain unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2005 or any subsequent Financial Years are requested to make their claim to the Share Department of the Company. It may be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
7. **Members are requested to intimate to the Company or to its Registrar & Share Transfer Agents changes, if any, in their registered addresses, at an early date and to quote folio numbers in all their correspondence.**
8. Member who is desirous of getting any information as regard to the business to be transacted at the meeting are requested to write their queries to the Company at least seven days in advance of the meeting in order to keep the information required readily available at the meeting.
9. The Annual Report duly circulated to the members of the Company, is available on the Company's Website at www.rubymills.com.
10. The documents pertaining to Special Business are available for inspection at the Registered office of the Company between 10.30 a.m. and 12.30 p.m. on any working day prior to the meeting.
11. **Members are requested to bring their attendance slip along with their copy of the annual report to the Meeting.**



12. BIG SHARE SERVICES PRIVATE LIMITED having its office at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri East, Mumbai-400 072 are the Registrar and Transfer Agent for shares held in physical form and in electronic / demat form. The Register of Members is maintained at the Office of the Registrar and Share Transfer Agents.

13. The Ministry of Corporate Affairs,(vide Circular Nos. 17/2011 dated 21st April, 2012 and 18/2011 dated 29th April, 2011 respectively) has undertaken a “Green initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support the Green Initiative by registered/updating their e-mail addresses for receiving electronic communications.

14. As required in terms of paragraph IV (G)(i) by Clause 49 of the Listing Agreement, the details of the Directors seeking appointment/reappointment at the Meeting are as follows:

Name of Directors	Shri J.D. Masani	Shri Dillip J. Thakkar	Smt. A. M. Shah	Shri Shaunak J. Thacker
Date of Appointment	18/03/1977	27/03/2000	15/09/1987	16/01/2012
Date of Birth	27/06/1937	01/10/1936	16/06/1936	21/10/1955
Expertise in specific functional areas	Solicitor	Chartered Accountant	Industrialist	Solicitor
Directorships held in other public/private companies (excluding foreign companies and Section 25 companies)	1. Masani Engineering Company Pvt. Ltd.	1. Rajasvi Properties Holdings Private Limited 2. Poddar Developers Ltd. 3. Panasonic Energy India Co. Ltd. 4. Essar oil Limited 5. PAE Ltd. 6. Himatsingka Seide Ltd. 7. Blueberry Trading Company Private Limited 8. Township Real Estate Developers Private Limited 9. Hamlet Constructions India (Private) Limited 10. Indo Count Industries Ltd. 11. Walchandnagar Industries Ltd. 12. Windmere Hospitality (India) Pvt. Ltd. 13. Skidata (India) Pvt. Ltd. 14. Garware Polyester Ltd. 15. Modern India Ltd. 16. Ameya Logistics Private Limited 17. Premier Ltd. 18. Magus Estates & Hotels Ltd. 19. Starrock Investment & Trading Private Limited 20. Essar Ports Limited	Nil	Nil



Membership / Chairmanship of Committees of other public companies.	Nil	1. Panasonic Energy India Co. Ltd. a.Chairman- Audit Committee b.Member-Investors Grievances Committee 2. Essar Oil Ltd. a.Chairman- Audit Committee b.Member-Investors Relations Committee 3. PAE Ltd. a.Chairman- Audit Committee 4. Himatsingka Seide Ltd. a.Chairman- Audit Committee 5. Walchandnagar Industries Ltd. a.Chairman- Audit Committe b.Member-Investors Grievances Committee	Nil	Indian Merchants Chamber (Section 25) (Member of Management Committee)
Number of shares held in the Company.	Nil	1. Essar Oil Limited 2. Modern India Ltd. 3. Premier Ltd.	Nil	Indian Merchants Chamber

By Order of the Board of Directors
For The Ruby Mills Limited

Place: Mumbai,
Dated: 14th August 2012.

Pankaj J. Parkhiya
Company Secretary



EXPLANATORY STATEMENT (ANNEXURE I)

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 (the Act), sets out all material facts relating to the business mentioned at Item Nos. 7, 8, 9, 10, 11, 12,13 and 14 of the accompanying Notice dated 14th August, 2012.

Item No.7

Shri. Shaunak J. Thacker was appointed as an Additional Director by the Board of Director w.e.f. 16th January, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 138 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a notice in writing along with a deposit of ₹ 500/- from a member of the Company proposing candidature of Shri Shaunak J. Thacker for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Shaunak J. Thacker, B.Com and LLB on the Board is desirable and would be beneficial to the company as he has having vast experience in legal field and hence recommend resolution No. 7 for adoption.

None of the Directors, except Shri Shaunak J. Thacker and Shri Shardul J. Thacker are concerned or interested in this resolution.

The Board recommends resolutions under Item No.7 to be passed as ordinary resolution.

Item No.8,9,10 & 11:

1. The Ministry of Corporate Affairs has approved the payment of remuneration to Shri M.C. Shah, Shri H.M. Shah Shri B.M. Shah and Shri V.M. Shah upto 31st March, 2012. The Board of Directors at their meeting held on 14th August, 2012 have decided to continue to pay the existing remuneration for balance period of two years i.e. 1-4-2012 to 31-3-2014.
2. Accordingly the remuneration of Shri M.C. Shah, Executive Chairman for the balance period of his tenure is proposed to be renewed up to 31-03-14, which needs approval of the members by a special resolution.
3. Accordingly the remuneration of Shri H.M. Shah, Managing Director for the balance period of his tenure is proposed to be renewed up to 31-03-14, which needs approval of the members by a special resolution.
4. Accordingly the remuneration of Shri B.M. Shah, Jt. Managing Director for the balance period of his tenure is proposed to be renewed up to 31-03-14, which needs approval of the members by a special resolution.
5. Accordingly the remuneration of Shri V.M. Shah, Executive Director for the balance period of his tenure is proposed to be renewed up to 31-03-14, which needs approval of the members by a special resolution.

The above may be treated as an abstract of the terms of contract under section 302(1) of the Companies Act 1956. The Board recommends the resolutions under item No.8, 9, 10 & 11 for your approval. Except Shri M.C. Shah, Smt. A.M. Shah, Shri H.M. Shah, Shri B.M. Shah and Shri V.M. Shah no other Director is concerned or interested in the resolutions.

Information pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and forming part of the explanatory statement to the Notice convening the Annual General Meeting.(For Item No.8, 9,10 & 11).



I. GENERAL INFORMATION

Nature of Industry:

The Ruby Mills Ltd. is a composite Textile Mill engaged in manufacture of Cotton/Blended Yarn and Fabric. It has three plants located at Mumbai, Village Dhamni & Village Kharsundi, at Khopoli, Taluka Khalapur, Dist. Raigad. The Company's entire Spinning & Weaving plants are at Village Dhamni and fabric processing activity at Mumbai which is being shifted to Village Kharsundi, Khopoli. The installed capacity is as under:

Mumbai	Khopoli, (Village Dhamni)	Khopoli (Village Kharsundi)
Meters processed	Spindles – 26992 Autocoro – 744	New Modern processing Plants with capacity of 80,000 mtrs per day.
Fabrics – 80 to 90 lacs P.A.	Shuttless Looms - 136	

The Plant & Machinery of Spinning and Weaving are new generation Machines and the Processing machines are also new. The New Process House is equipped to process Cotton/Blended Fabric 80,000 mtrs per day.

Outstanding Achievements:

The Company is manufacturing high quality Cotton and Blended Fabric with speciality finishes required for market. It also manufactures Micro Dot Fusible Interlining where they are credited as one of the best manufacturers in the country and quality standard is comparable to or even better than European suppliers.

Marketing of the fabric is done through Del Credre appointed by the Company for direct supply to customer and retailers. The yarn produced in excess of captive consumption is being marketed. The products of the Company have been well accepted by the market and enjoy price premium of over the similar products in the market. The Company is a Patron Member of Society of Dyers and Chemicals (U.K). Collaboration with Gygli Textile AG for Micro Dot Fusible Interlining, which has enabled the Company with a sizeable market share in the business for the last 3 years.

Date or expected date of commencement of commercial production

The Company was incorporated on 9th January, 1917 and date of commencement of the business is 12th September, 1921.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

- Not applicable.

Financial performance

(Based on Audited published financial statements).

	₹ In lacs 31.03.2012	₹ In lacs 31.03.2011
Net sales & Other Income	24690.61	20492.01
Profit before interest, depreciation & tax. (EBIDTA)	11079.00	10206.41
Interest	1742.76	806.02
Depreciation	2365.82	2154.17
Tax	1146.81	1490.72
Profit After Tax (PAT)	5823.61	5755.50



Export Performance and net foreign exchange collaborations

	₹ In lacs	₹In lacs
	31.03.2012	31.03.2011
Export Earnings	87.00	58.58

There are no foreign collaborations and hence no royalty is payable.

Foreign Investments or Collaborators, if any

There is no investment by Foreign Collaborators.

II INFORMATION ABOUT THE APPOINTEES

Details of all the appointees are given after Para III.

III OTHER INFORMATION

Reasons of loss or inadequate profits:

The company had transferred the manufacturing operations from their Dadar Plant to Khopoli and during the year company has carried out Voluntary Retirement Scheme for its workers at Dadar Plant for which an amount of ₹1269 lacs was incurred which had a major effect on its profitability for the year 2011-12. The main challenge facing the industry during the last year was the surging and fluctuating price of raw materials, especially cotton. The Indian textile industry is thus passing through an adverse phase although the future would be more optimistic if input costs, including the cost of raw material and interest, could remain generally stable. The profitability of the Company may be inadequate for making payment of the remuneration (which is in consonance with the corporate practice) to all the working Directors as the total managerial remuneration should not exceed 10% of the net profit as computed under the Companies Act, 1956.

Steps taken or proposed to be taken for improvement:

The Company has taken up modernization from time to time. It has implemented the modernization approved under Textile Upgradation Fund Scheme (TUFS). The company has installed a new generation Process House and testing equipments for improved quality of fabrics as per international standards and thereby expand the market base.

Expected increase in productivity and profits in measurable terms:

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. The productivity is expected to increase by about 10 to 15% during the current years.

The Company has undertaken with a developer for the development of surplus Land at Dadar. The permission for constructing the IT Park has been received by the company and the Real Estate Project at the cost of about ₹ 775 Crores is nearing completion.

II-A INFORMATION ABOUT THE APPOINTEES: SHRI M.C. Shah

1. Background details:

Shri M. C. Shah was re-appointed as Executive Chairman of the Company for the period of 5 years from 1st April, 2009 to 31st March, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on 18th September, 2009. Though appointment was made for five years the remuneration was sanctioned for a period of three years i.e. upto 31-3-2012 as envisaged under Schedule XIII of the Act. Now it is proposed to pay the existing remuneration for a balance period of two years i.e. 1st April, 2012 to 31st March, 2014.



2. Past Remuneration:

The remuneration approved by members of the Company at AGM convened on 18th September, 2009 was ₹ 12.50 Lacs per month inclusive of perks as per Central Government consent.

3. Recognition and Awards:

Shri M.C. Shah has a rich and extensive experience of management and running of Textile Mill for more than six decades. His vision and commitment has enabled the Company steer through the most difficult times in the history of Textile Industry in India He was Chairman of Mill Owners Association for a period of three years and Chairman of BTRA for a period of two years.

4. Job Profile and his suitability:

As an Executive Chairman, he supervises and gives guidance to other three working directors who have been handling day to day activity of production, marketing, finance and administration of the Company. He has a rich and varied background as a self made Textile Industrialist. He imparts solutions to problems in production quality, foresight and vision in Marketing and Planning. This insight experience has largely contributed to the Company's progress in difficult times.

5. Remuneration proposed:

The proposed remuneration is ₹12.50 Lacs Per Month inclusive of perks subject to the approval of Central Government and as set out in the resolution and explanatory statement attached herewith.

II-B INFORMATION ABOUT THE APPOINTEE: SHRI H.M. SHAH

1. Background details:

Shri Hiren M. Shah was re-appointed as Managing Director of the Company for the period of 5 years from 1st April, 2009 to 31st March, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on 18th September, 2009. Though appointment was made for five years the remuneration was sanctioned for a period of three years i.e. upto 31st March, 2012 as envisaged under Schedule XIII of the Act. Now it is proposed to pay the existing remuneration for a balance period of two years i.e. 1st April, 2012 to 31st March, 2014.

2. Past remuneration:

The remuneration approved by members of the Company at AGM convened on 18th September, 2009 was ₹ 9 Lacs per month inclusive of perks as per Central Government consent.

3. Recognition and Awards:

He is a qualified Textile Technologist from India's premier Institution VJTI and presently, the Managing Director of the Company, he has rich and varied experience in management of the Textile Mill for the last 33 years. He was the Chairman of the Mill Owners Association for a period of 3 years until year 2001. Under his tenure as Chairman of Mill Owners Association, he had taken an initiative to convince the Government on restructuring of fiscal levies. He has been appointed as a Member of The Textile Institute International, U.K. He was the Chairman of Bombay Textile Research Association (BTRA). He was the Chairman of Confederation of Indian Textile Industry (CITI).



4. Job Profile and his suitability:

As a Managing Director of the Company and being associated for the last 30 years, he has been responsible for the collaboration with Gygli Textile AG for the Micro Dot Fusible Interlining. He has travelled extensively and is personally responsible for the selection of world class machineries to suit the production of the Company and has been responsible for the wage settlements with the union and has been able to automate and substantially reduced the labour in the last 10 years. He is in control of day to day production and quality output with the highest efficiency for Dadar and Dhamni Units and has initiated the shifting of entire Spinning & Weaving operations from Mumbai to Dhamni and Process House at Village Kharsundi.

5. Remuneration proposed:

The proposed remuneration is Rs.9 lacs Per Month inclusive of perks subject to the approval of Central Government as set out in the resolution and explanatory statement attached herewith.

II-C INFORMATION ABOUT THE APPOINTEE: SHRI B.M. SHAH

1. Background details:

Shri Bharat M. Shah was re-appointed as Joint Managing Director of the Company for the period of 5 years from 1st April, 2009 to 31st March, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on 18th September, 2009. Though appointment was made for five years the remuneration was sanctioned for a period of three years i.e. upto 31st March, 2012 as envisaged under Schedule XIII of the Act. Now it is proposed to pay the existing remuneration for a balance period of two years i.e. 1st April, 2012 to 31st March, 2014.

2. Past remuneration:

The remuneration approved by members of the Company at AGM convened on 18th September, 2009 was ₹ 9 Lacs per month inclusive of perks as per Central Government consent.

3. Recognition and Awards:

He has been associated with the Company for the last 28 years having experience in Finance, Administration, Materials Management and Taxation. He has been instrumental for Treasury operations carried out reducing the interest burden on the Company in 2005-2006. He is a permanent invitee on the Mills Owners Association, Mumbai. He has been appointed by Bharat Petroleum Ltd. on the Local Advisory Board.

4. Job Profile and Suitability:

As the Jt. Managing Director of the Company, he is in overall charge of day-to-day control of legal, secretarial, taxation, accounts, finance including interaction with Banks and Institutions. The vendor selection and right sourcing of materials at competitive rates is also managed by him. He is overall in charge of administration and the interaction with various local authorities at all levels.

5. Remuneration proposed:

The proposed remuneration is ₹ 9 lacs Per Month inclusive of perks subject to the approval of Central Government and as set out in the resolution and explanatory statement attached herewith.



II-D INFORMATION ABOUT THE APPOINTEE : SHRI V.M. SHAH

1. Background details:

Shri Viraj M. Shah was re-appointed as Executive Director of the Company for the period of 5 years from 1st April, 2009 to 31st March, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on 18th September, 2009. Though appointment was made for five years the remuneration was sanctioned for a period of three years i.e. upto 31st March, 2012 as envisaged under Schedule XIII of the Act. Now it is proposed to pay the existing remuneration for a balance period of two years i.e. 1st April, 2012 to 31st March, 2014.

2. Past remuneration:

The remuneration approved by members of the Company at AGM convened on 18th September, 2009 was ₹ 9 Lacs Per Month inclusive of perks as per Central Government consent.

3. Recognition and Awards:

He has been associated with Senior Management for the last 26 years. He has been instrumental in revamping the company's Marketing Policy from the traditional system of distribution to the system of Del Credre marketing which has enabled the Company to penetrate in local markets, territory wise and further assuring the Company of faster collections against sales. This system has safeguarded the Company's position against bad debts as the territorial agents i.e. Del Credre are responsible for the sales effected in their territories to various parties. He has been instrumental in developing unique trend setting, finishing of fabrics resulting in improved realization product development as well as unique finishing of fabrics.

4. Job Profile and Suitability:

He has been instrumental in the change of marketing system to Del Credre system of marketing and with his vision, the Company has been able to penetrate in the rural market. The marketing workshop organized in rural areas has given further recognition.

5. Remuneration proposed:

The proposed remuneration is ₹ 9 Lac Per Month inclusive of perks subject to the approval of Central Government and as set out in the resolution and explanatory statement attached herewith.

IV. DISCLOSURES

1. The 'Abstract' containing details of remuneration proposed to be paid to Executive Chairman Managing Director / Jt. Managing Director and Executive Director under section 302 of the Companies Act, 1956, have been given in the Explanatory statement required under Section 173 (2) of the Companies Act, 1956
2. All the relevant information required to be disclosed in the Board of Director's report under the heading "Corporate Governance" attached to the annual report will be disclosed as and when required.

PERQUISITES COMMON TO ALL THE DIRECTORS:

Perquisites will be within the overall limit proposed above.

Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Textile Industry is an age old industry. It is a labour oriented and not a cash rich industry. The remuneration in the industry particularly at the managerial level has always remained very low. The proposed remuneration is somewhat at par with the prevailing remuneration package being offered in the corporate world in the country.



Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Shri M.C. Shah – Executive Chairman is assisted by his sons Shri H.M. Shah – Managing Director, Shri B.M. Shah – Jt. Managing Director and Shri V. M. Shah – Executive Director. His wife Smt. A.M. Shah is a Director of the Company.

Item No. 12, 13 & 14:

The equity shares of the Company are presently listed and actively traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

In order to further improve the liquidity of your Company's shares, widen the shareholder base and encourage greater participation by small investors, the Board of Directors at their meeting held on August 14, 2012, considered it desirable to sub-divide (split the face value) the existing nominal value of the equity shares of the Company subject to the approval of the Shareholders and all concerned Statutory Authorities. It is expected that if shares are further sub divided, it may create affordability among the investors and result into higher volume of transactions at the Stock Markets.

The Record Date i.e. the date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval and will be notified through the Stock Exchanges.

The Authorised Equity Capital of the Company as on date is ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10/- each. It is proposed to sub-divide the nominal value of equity share capital of the Company from the present ₹ 10/- paid-up into ₹ 5/- paid up. The proposal of the Company to sub divide its shares into a smaller amount is permissible as per Section 94 (1) (d) of the Companies Act, 1956. The sub division of shares also calls for the corresponding amendment in Clause V of the Memorandum of Association and Article 3 of Article of Association of the Company, subject to the approval of shareholders.

The Board of Directors is of the opinion that the aforesaid sub-division of the face value of the Equity Shares is in the best interest of the Company and the investors and hence recommends passing of the Resolution at item Nos. 12, 13 & 14 as Ordinary Resolutions and Special Resolution respectively.

The Directors of the Company may be deemed to be concerned or interested in the above resolution to the extent of respective equity shares in the Company held by them. Except as aforesaid none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**By Order of the Board of Directors
For The Ruby Mills Limited**

Dated: 14th August 2012
Place: Mumbai,

Pankaj J. Parkhiya
Company Secretary



DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors have pleasure in presenting their 96th Annual Report together with Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2012.

Financial Results

The financial performance of the Company for the year ended March 31, 2012 is summarised below:

Sr. No	Particulars	For the year ended (₹ In Lakhs)	
		March 31, 2012	March 31, 2011
1.	Total Revenue	24690.61	20492.01
2.	Profit after Exceptional items	11079.00	10206.41
3.	Finance Costs	1742.76	806.02
4.	Depreciation and Amortisation Expense	2365.82	2154.17
5.	Profit before Tax	6970.42	7246.22
6.	Provision for Tax including Current Tax		
	adjustments of Earlier Years.	1565.41	1500.00
7.	Provision for Deferred Tax	(418.59)	(9.28)
8.	Profit after Tax	5823.60	5755.50
	Add: Surplus Brought Forward	8029.74	3093.95
	Balance Available for Appropriation	13853.34	8849.45
	Less: Appropriations		
	- General Reserve	583.00	576.00
	- Proposed Dividend	209.00	209.00
	- Tax on Dividend	33.90	34.71
	Balance carried forward to next year	13027.44	8029.74

Results of Operations

- As anticipated, the Financial Year 2011-12 has proven to be the most challenging year for global textile and Real Estate Industry as such. The global economy, barely a year after recession, witnessed lower economic growth. In the midst of such a difficult challenging environment and constraints your Company has performed reasonably well.



- Your Company has registered a growth of 21% in respect of total revenue. The total revenue for the year was recorded at ₹ 24690.61 lacs as against ₹ 20492.01 lacs in the previous year and a Net Profit after tax of ₹ 5823.61 lacs as against ₹ 5775.50 lacs in the previous year.

Dividend

- Your Directors, have after assessing the need for corporate requirement, recommended a dividend at the rate of 50 % (Fifty percent) p.a. of ₹ 5/- (Rupees Five) per share on 41,80,000 equity shares of ₹ 10/- each aggregating to ₹ 2,09,00,000/-. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be ₹ 239.91 lacs including tax on dividend. This represents a payout ratio of 50 % (Previous year 50%) . The amount of ₹ 583 lacs (previous year ₹ 576 lacs) has been transferred to General Reserve.

Management's Discussion and Analysis Report

- Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Appointment of Auditors and Audit Report

- The retiring Auditors, M/s. B.S. Mehta & Co., Chartered Accountants are eligible for re-appointment and have expressed their willingness to accept the re-appointment. They have confirmed that they have undergone peer review process. Members are request to appoint auditors and fix their remuneration.
- As regards to the qualification stated under Clause (xi) of the Annexure to the Auditors' Report it is stated that the delay payments of instalments was due to delay by the lender banks in issue of Release of Charges without which the buyers would not remit the sales proceeds in time. The issue has since been resolved. As amounts have been paid for such delays before the year end, no default exists as at March 31, 2012.
- As required under Section 209 (1) (d) of the Companies Act, 1956 the Company has maintained cost accounting records and under Section 233B, qualified Cost Auditor is appointed to conduct Cost Audit.
- As required under Maharashtra Sales Tax Act Company has appointed a VAT Auditor to conduct the VAT Audit.

Insurance Coverage

- The Company's Building, Machineries, Stores and Stocks in trade etc. are adequately covered against insurance risks.

Public Deposits

- The Company is not accepting deposits from the public within the meaning of Section 58A of the Companies Act, 1956 or rules framed thereunder.

Directors

- The Directors express their deep sorrow over the sad demise of Shri D. S. Soman, Director on 9th October, 2011 and place on record its appreciation and deep gratitude for the valuable guidance and counseling rendered by Shri D.S. Soman during his tenure as the Chairman of the Audit Committee and Director of the Company. May almighty God grant peace to his soul.



- Shri Girish C. Sharedalal resigned as Director of the Company with effect from November 21, 2011. The Board places on record its appreciation for the valuable services and guidance given by Shri Girish C. Sharedalal to the Company during his tenure as the Independent Director of the Company.
- In accordance with the provisions of the Companies Act, 1956 and under Article 159 of the Articles of Association of the Company, Shri J.D. Masani, Shri D.J. Thakkar and Smt. A.M. Shah retire by rotation and being eligible, offer themselves for re-appointment.
- Shri Shaunak J. Thacker was appointed as an Additional Director on the Board of Directors of the Company with effect from 16th January, 2012 as an Independent Director. He ceases to be a Director on the date of the 96th Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as Director on the Board and accordingly his appointment is proposed as a Director at the ensuing Annual General Meeting.

Segments

- The Company has two segments namely Textile and Real Estate. The statement of accounts prepared and submitted are therefore of two Segments.

Directors' Responsibility statement:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby confirm :

- 1) That in the preparation of the annual accounts, the applicable accounting standards has been followed (along with proper explanation relating to material departures) and that there are no material departure;
- 2) That the proper accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- 3) That proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Accounts have been prepared on a going concern basis.

Particulars of Employees

- In term of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particular of the employees are set out in the annexure 'A' to the Director Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

- Particulars regarding conservation of Energy, Technology Absorption etc. as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in a separate statement in Annexure 'B' forming part of this report.



Corporate Governance

- The Company is committed to maintaining high standards of Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement form part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the Clause 49 is attached to this Report.

Corporate Social Responsibility

- The Company believes that it has the duty towards betterment of society and its wellbeing and to achieve this noble objective, made donations of ₹ 50,00,000/- during the year under review to the organisations rendering the services medical, educations, , social awareness etc.

GREEN INITIATIVES

- The Company has started transmitting Annual Report through electronic mode e-mail to the shareholders and initiated steps to reduce consumption of paper.

Acknowledgement

- Your Directors would like to express their appreciation for the assistance and co-operation received from the clientele, vendors, investors and bankers during the year under review. Your Directors' also place on record their appreciation of the excellent contribution made by employees at all levels, without whose contribution the company would not have recorded substantial growth in its revenue and profitability for the year under review.

Place: Mumbai
Dated: 14th August 2012

For and on behalf of the Board
For **The Ruby Mills Limited**

M. C. SHAH
Executive Chairman

**ANNEXURE 'A'**

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules 1975 (as amended by Companies (Particulars of Employees) Amendment Rules, 2011) and forming part of the Directors' Report for the year ended 31st March, 2012.

Sr. No.	Name	Designation & Nature of duties	Remuneration Rupees	Qualification	Age Years	Date of Employment	Experience Years	Last Employment held & Name of the Employer
A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO Rs.60,00,000/- P.A. AND MORE.								
1	Shri M. C. Shah	Executive Chairman	₹ 1,50,00,000/-	Experience in Senior Management	77	18-09-1953	59	None
2	Shri H. M. Shah	Managing Director	₹ 1,08,00,000/-	Licentiate in Textile Mfg.	57	01-12-1976	36	None
3	Shri B. M. Shah	Jt. Mg. Director	₹ 1,08,00,000/-	B.Com	52	01-02-1982	30	None
4	Shri V.M. Shah	Executive Director	₹ 1,08,00,000/-	B.Com	50	01-04-1984	28	None
B. EMPLOYED FOR THE PART OF THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO ₹ 5,00,000/- P.M. AND MORE.								
NONE								
Note: Remuneration as above includes, Salary, Company's Contribution to Provident Fund and Family Pension Fund, L.T.A., Reimbursement of Medical Expenses, Gratuity etc.								

ANNEXURE 'B'

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2012

(A) CONSERVATION OF ENERGY:

The Company continues its efforts to improve methods for energy conservation and utilization.

(a) Energy Conservation Measures Taken

Some of the measures your Company had undertaken/continued to implement during the year under report:

- Maintaining power factor near unity.
- Efficient lighting system for energy conservation by use of CFL fittings in offices of the Company including sites.
- Stopping of Chillers in winter season.
- Energy efficient water supply pumps for water pumping application.
- Monitoring instruments have been installed in major energy consuming machines.
- Creating awareness in the employees for energy saving.
- Use of glass as building material to maximize the use of Day-light in offices and projects of the Company and at the same time not increasing the air conditioning load by suitably shading the building.
- Staggered working of electrical lights, fans, air conditioners.
- Running all machines at optimum speed.
- Proper and regular use of Lubricants.



(b) Additional investment and Proposals, if any, being implemented for reduction of consumption of energy:

- Balancing equipment like some Jets, Jiggers, Sanforisers for our Kharsundi Plant.
- Evaluation of introduction of Harmonic Filters in Process House for reduction of harmonics.
- Replacement of old Ring Frames by new Auto Doffing Ring Frame.
- Installation of Roof-top Solar Power Plant.
- Replacement of Blow Room and carding machinery to achieve desired quality and improvement of product.

(c) Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

- Increase in productivity and quality.
- Reduction in energy consumption.
- Optimum loading of captive water sources.
- Increase in Efficiency.
- Development of new value added products.

(B) TECHNOLOGY ABSORPTION AND INNOVATION:

(a) Efforts made towards technology absorption, adaptation & innovation:

- Company works on mechanized process to reduce cost and increase the efficiency of the operations.
- Company has implemented ERP package for integrating the various process and operations of the Company.
- Modern Technology / Machinery is used by the Company from time to time to achieve maximum efficiency in operations resulting into cost reduction.

(b) Specification areas in which R & D carried out by the Company

- New Product Development comprising latest range of new collection based on green concepts, technological advancement, self discovery and celebration of life with a youthful attitude.
- Process standardization for consistent quality, meeting customer requirements.

(c) Benefits derived as a result of the above R & D

- Improvement in product marketability and business viability through consistent quality, lower cost and new products.
- Meeting customer needs and in turn increased customer satisfaction.

(d) Future plan of action

- Setting up of dedicated product development team for Textiles.
- Increasing range of production.
- Development of new markets.
- Reduction of energy consumption.

(e) Expenditure on R & D

- It forms part of the project cost and cannot be quantified separately.



(C) FOREIGN EXCHANGE SPENT AND EARNED:

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

		Current Year 2011-2012 ₹ (in lacs)	Previous Year 2010-2011 ₹ (in lacs)
(a)	Value of Direct Imports calculated on CIF Basis:		
	(i) Stores, Spare parts and Colour Chemicals	161.54	207.86
	(ii) Raw Materials	78.16	13.86
	(iii) Capital Goods	3,74.71	127.65
(b)	Earnings in Foreign Exchange on account of export of goods : Direct Export on FOB Basis	87.00	58.58
(c)	Expenditure in Foreign Currency :		
	Travelling	57.64	56.72
	Others	81.20	7.39

The Company continues to explore possibility of increasing its export and the company is exploring the possibility of technical collaborations in processing.

**FORM 'A'****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY:**

		Current Year 2011-12	Previous Year 2010-11
1	Power & Fuel Consumption : Electricity :		
	(a) Purchased Unit : Total Amount (₹)	3,26,10,502 17,79,83,025	3,41,50,230 1,64,990,909
	(b) Own Generation : I. Through Diesel Generator Units Unit Units per 1 Ltr. of diesel oil Unit Cost / Unit. ₹	3390 2.95 15.05	1,21,690 2.95 14.07
	ii. Through steam turbine / Generator Unit Units per 1 ltr. Of diesel oil Cost / Unit	Nil Nil Nil	Nil Nil Nil
2.	Coal (Dhamni & Kharsundi): Quantity (Tonnes) Total Cost (Rs.) Cost / Unit	12763.13 5,95,31,750 ★	7377.63 3,32,27,700 ★
3.	Furnace Oil: Quantity (K. Ltrs.) Total Cost	77.92 35,77,838	601.16 1,87,86,366
4.	Gas : Piped Natural Gas (Dadar) Quantity M3 Total Cost Cost / Unit	1472.928 4,41,76,391 ★	2500.187 4,56,50,155 ★

★ Cost per unit of production for Electricity & Gas are not comparable as we are a composite Textile Mill and have a regular change of product mix.



ANNEXURE – C TO DIRECTORS' REPORT

Corporate Governance Report

In compliance with the Clause 49 of the Listing Agreement with the Stock Exchanges the Corporate Governance Report is as under:

I. Company's philosophy on Corporate Governance:

The Company is committed to good Corporate Governance. The Company's Corporate Governance Policies aim to facilitate the creation of long term value for its shareholders and stakeholders. The Company has implemented code of conduct for transparency and integrity at all levels so as to achieve best results.

II. Board of Directors :

I. Composition of Board of Directors

For the financial year 2011-12, the Board of Directors comprised of Executive Chairman, Managing Director, Jt. Managing Director and an Executive Director along-with six non-executive Directors.

Since the Chairman is an Executive Chairman the requirement of half of the Board of Directors as independent Directors is met with by the Company in view of five Independent Directors out of a total of ten Directors. The non-executive independent Directors are eminent professionals and have experience in the field of finance, taxation, management, administration and law, bringing a wide range of expertise and experience to the Board.

II. Board Procedure

The Board members are presented Agenda papers along with the background notes on the agenda. In addition to the normal business agenda, information covering the matters listed as per Annexure 1 to Clause 49 is provided to the Board as a part of Agenda papers.

During the year 2011-12, the Board met five times on the following dates 09th May 2011, 11th August, 2011, 29th September, 2011, 14th November, 2011 and 13th February, 2012.

All the directors who are on various committees are within the permissible limits of the listing agreement. The directors have intimated from time to time about their membership in the various committees in other companies.

The composition of Board of Directors, number of Board Meetings held and attended by the Directors, number of Chairmanship/membership in other Board Committees are given in following Table.



Name of Director	Status Executive /Non-Executive	No. of Board Meetings held	No. of Board last Meetings attended	Attendance at last AGM	No. of Directorship in other Cos.		No. of Chairmanship / membership in other Board Committee	
					Public	Private	Chairman	Member
Shri M.C. Shah	EC	5	5	Yes	-	2	-	-
Shri H.M. Shah	MD	5	4	Yes	-	4	-	-
Shri B.M. Shah	Jt.MD	5	5	Yes	-	4	-	-
Shri V.M. Shah	ED	5	3	Yes	-	4	-	-
Smt. A.M. Shah	NED	5	5	No	-	-	-	-
Shri J.D. Masani	NED	5	4	Yes	-	1	-	-
Shri G.C. Sharedalal (since resigned on 21 st November, 2011)	NED	4	4	Yes	3	4	2	1
Shri Shardul.J. Thacker	NED	5	4	Yes	4	3	1	1
Shri D.M. Popat	NED	5	5	Yes	3	1	2	-
Shri D.S. Soman (Since deceased)	NED	3	2	No	-	-	-	-
Shri Dilip J. Thakkar	NED	5	1	Yes	13	8	5	4
Shri Shaunak J. Thacker (Appointed on 16 th January, 2012)	NED	1	1	N.A.	-	-	-	-

EC: Executive Chairman. MD: Managing Director. ED: Executive Director. NED: Non Executive Director. NA: Not Applicable.

III. Code of Conduct :

The Company has adopted a Code of Conduct for the members of the Board and the Senior Executives in compliance with the provision of Clause 49 of the Listing Agreement. All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code of Conduct as on 31st March, 2012 and a declaration to that effect signed by the Managing Director is attached and forms part of this Report.

IV. Audit Committee :

- a. The Audit Committee of the Company met five times during the year as per the dates mentioned below: 09th May, 2011, 11th August, 2011, 29th September, 2011, 14th November, 2011 and 13th February, 2012.
- b. The Audit Committee of the Board comprises of one Joint Managing Director and two non-executive, independent Directors. Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.



c. Attendance of the members of these meetings was as follows :

Name of the Audit Committee Member	Status	No. of meetings held / attended
Shri D.S. Soman (since deceased)	Chairman & Independent Director	3/2
Shri J. D. Masani	Chairman & Independent Director	5/5
Shri Shardul. J. Thacker	Independent Director	5/4
Shri B.M. Shah	Joint Managing Director	5/5

The Representative of Statutory Auditor, Internal Auditor, and Financial Controller were also invited to attend the Audit Committee meetings and they have attended most of the meetings.

- d. The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of Listing Agreement and section 292A of the Companies Act, 1956.
- e. The Chairman of the Audit Committee could not remain present due to his ill-health at the Annual General Meeting of the Company held on 29th September 2011.

V. Remuneration Committee:

a. Brief description of Terms of Reference

To determine the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

b. The Remuneration Committee of the Board comprises of three independent, non-executive Directors viz.:

Name of the Committee Member	Status
Shri J. D. Masani	Chairman & Independent Director
Shri S. J. Thacker	Independent Director
Shri D. M. Popat	Independent Director

c. During the financial year ended March, 2012 there was one meeting of the Remuneration Committee held on 9th May, 2011. Presently, the Company does not have any Stock Option Scheme.

d. Remuneration Policy

The remuneration policy for Working Directors is in line with the other peer Companies and reviewed periodically. The payment of remuneration is duly approved by the Board of Directors upon the recommendation of the Remuneration Committee, Shareholders and Central Government.



e. Details of remuneration, sitting fees etc. paid to Directors are given in following Table

Name of Director	Status	Remuneration paid to Directors					
		Salary	Other	Contribution	Provision for	Total	Sitting
	Independent non- Independent	(₹.)	Perquisite (₹.)	to PF (₹.)	Gratuity (₹.)	(₹.)	Fees (₹.)
Shri M. C. Shah	EC	1,26,24,000	2,53,920	15,14,880	6,07,200	1,50,00,000	Nil
Shri H. M. Shah	MD	90,00,000	2,88,000	10,80,000	4,32,000	1,08,00,000	Nil
Shri B. M. Shah	Jt. M.D	90,00,000	2,88,000	10,80,000	4,32,000	1,08,00,000	Nil
Shri V. M. Shah	ED	90,00,000	2,88,000	10,80,000	4,32,000	1,08,00,000	Nil
Smt A. M. Shah	NON-IND	Nil	Nil	Nil	Nil	Nil	62,500
Shri J. D. Masani	IND	Nil	Nil	Nil	Nil	Nil	1,20,000
Shri G.C. Sharedalal (Resigned on 21 st November, 2011)	IND	Nil	Nil	Nil	Nil	Nil	50,000
Shri Shardul J. Thacker	IND	Nil	Nil	Nil	Nil	Nil	1,07,500
Shri D. M. Popat	IND	Nil	Nil	Nil	Nil	Nil	70,000
Shri D. S. Soman (Expired on 9 th October, 2011)	IND	Nil	Nil	Nil	Nil	Nil	50,000
Shri Dilip J. Thakkar	IND	Nil	Nil	Nil	Nil	Nil	12,500
Shri Shaunak J. Thacker	IND	Nil	Nil	Nil	Nil	Nil	12,500

EC – Executive Chairman MD – Managing Director JMD – Jt. Managing Director
ED – Executive Director NED – Non-Executive Director IND – Independent Director
NON-IND – Non Independent Director

Note: No commission is paid to any of the Directors of the Company.

VI. Shareholders :

a. Share Transfer and Shareholders / Investors Grievance Committee:

Name of the Share Transfer and Shareholders / Investors Grievance Committee Member	Status
Shri Manharlal C. Shah Shri Hiren M. Shah Shri Bharat M. Shah Shri Viraj M. Shah	Executive Chairman Managing Director Jt. Managing Director Executive Director



b. Name & Designation of Compliance Officer :

Shri Pankaj J. Parkhiya, Company Secretary and Compliance Officer of the Company.

c. A statement of various complaints received and cleared by the Company during the year ended on 31st March, 2012 is given below:

Name of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	2	2	Nil
Non Receipt of Dividend Warrants	1	1	-
Request for Duplicate Share Certificates	-	-	-
Non Receipt of Share Transferred	-	-	-
Others	5	5	Nil
Letters from Stock Exchange/SEBI	2	2	Nil
Ministry of Corporate Affairs	-	-	-

d. As per revised Clause 47 (F) of the Listing Agreement the Email ID of the Investor Grievance Department of the company is info@rubymills.com

VII. Compliance Certificate :

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed herewith.

VIII. General Body Meetings :

1. The details of Annual General Meetings held in last three years are as under :-

AGM	DAY	DATE	TIME	VENUE	Details of the Special Resolutions
95 th	Thursday	29/09/2011	4.30 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Borrowing power and mortgage of Assets
94 th	Saturday	25/09/2010	11.30 a.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Ordinary Business
93 rd	Friday	18/09/2009	5.00 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Appointment and remuneration to Directors

1. Whether special resolutions were put through postal ballot last year? No
2. Are special resolutions proposed to be put through postal ballot this year? No
3. No Extra Ordinary General Meeting was held.

IX. Disclosures :

1. Disclosure regarding materially significant related party transactions :

During the year under review, besides the transactions reported in the Annual Report, there were no other related party transactions with the promoters, directors and management that had a potential conflict with the interest of the Company at large.

All the transactions with related parties are periodically placed before the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every meeting for its approval. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.



2. Disclosure of non-compliance by the Company

No penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

3. The Company has not adopted Whistle Blower Policy.

4. The Company has complied with the Mandatory requirements regarding the Board of Directors, Audit Committees and other Board Committees and other disclosures as required under the provisions of the revised Clause 49 of the Listing Agreement. The status of compliance in respect of non-mandatory requirement of Clause 49 of Listing Agreement is as follows:

(a) Maintenance of the Chairman's Office:

The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the non-executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him whenever needed, in performance of his duties.

(b) Tenure of Independent Directors:

No specific tenure has been specified for the Independent Directors.

(c) Remuneration Committee:

The Company has set up a remuneration committee consisting of three Non-Executive Independent Directors.

(d) Shareholders' Rights:

Un-audited quarterly financial results are sent to the stock exchanges and published in the news papers as per the Listing Agreement. The financial results are also hosted on the website of the Company. <http://www.rubymills.com>

(e) Audit Qualification:

Clause (xi) of the Annexure to the Auditors' Report to the Shareholders mentions that during the year, the Company has defaulted in repayment of dues (including interest) to banks. Reasons for delay in payment have been explain in the Directors' Report.

As at the year ended, these delays have been rectified and hence no delays exist as at March 31, 2012.

(f) Training of Board of Directors:

The Directors of the Company are persons from Business and Profession with experience in corporate sector. They are being kept posted with various statutory and regulatory changes which are applicable to the Company.

(g) Mechanism for evaluating non-executive Board Member:

Non-Executive members of the Board are highly qualified and there is no need for evaluation.

(h) Whistle Blower Policy:

The Company has so far not framed a formal whistle blower policy. However, the employees of the Company have free access to the Board of Directors, Audit Committee and Senior Management personnel to report their concerns about unethical behaviour, fraud or violation of statutory requirements, with assurance from the Management to protect the employees from victimization in case they report any such unethical or fraudulent behaviour.



(i) Board disclosure - Risk Management:

The Board is kept informed about the risk management being followed by the Company from time to time. All the risks such as fire, marine, burglary, earthquake etc. have been adequately insured.

(j) The Company has not issued any shares during the year.

X. CMD/CFO Certification

The CMD and CFO gives quarterly and annual certification of the financial statements to the Board, as required under clause 49.

XI. Reconciliation of Share Capital Audit

A Qualified Practicing Company Secretary carries out quarterly Reconciliation of Share Capital Audits to reconcile the total admitted capital with National securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

XII. Shareholding of the Non- executive Directors in the Company

Sr. No.	Name of Non-Executive Director	No. of Shares Held
1	Shri J. D. Masani	Nil
2	Shri S. J. Thacker	Nil
3	Shri D. M.Popat	Nil
4	Shri D. J. Thakkar	Nil
5	Shri Shaunak J. Thacker	Nil

XIII.Means of Communication

1. The Company publishes generally quarterly financial results in The Financial Express / Free Press Journal (English) and Navshakti (Marathi).
2. There is no official news release displayed on the website. However, the financial results are hosted on the website of the Company.
3. The company has not made any presentation to institutional investors or equity analysts.
4. Whether M.D. & A is a part of Annual Report: Yes
5. In compliance with Clause 54 of the Listing Agreement, the Company is maintaining a website containing financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The company updates the contents of the website on a regular basis.

XIV.General Shareholder Information

1. Annual General Meeting to be held :

Day, date, time and venue

Day : Monday
Date : 24th September, 2012-08-16
Time : 4.30 pm
Venue : Ruby House, J.K. Sawant Marg, Dadar (West), Mumbai – 400 028.



2. Financial Calendar 2012-2013

First Quarterly Unaudited Results	: Within 45 days of the end of the quarter
Second Quarterly Unaudited Results	: Within 45 days of the end of the quarter
Third Quarterly Unaudited Results	: Within 45 days of the end of the quarter
Audited Yearly Results for the Year Ended 31 st March 2012	: Before 30 th May, 2013

3. Dates of Book Closure:

Saturday, 15th September, 2012 to Monday, 24th September, 2012 (Both days inclusive).

4. Dividend Payment Date:

The Dividend recommended by the Board of Directors, if declared at the meeting, will be payable to those Shareholders whose names are registered in the Register of Members of the Company on 14th September, 2012. The dividend in respect of Shares held in electronic form will be payable to the beneficial owners of the Shares as at the end of the business hours on 14th September, 2012 as per details furnished by the Depositories for this purpose.

5. Listing on Stock Exchanges at:

The Equity Shares of the Company are listed at

- a. The Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400 001.
- b. National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai-400 051.

Note: Listing fees have been paid to the above Stock Exchanges for the year 2012-2013.

6. Stock / Company / Security / Common Code	:	Equity Shares.
a. The Bombay Stock Exchange Limited, Mumbai	:	503169
b. National Stock Exchange of India Limited	:	RUBY MILLS
c. ISIN	:	INE301D01018



XV. Market price Data :

The Details of high / low Market Price of the equity Shares of the Company of BSE Limited (BSE) and at National Stock Exchange of India Limited (NSE) during the last accounting year of the Company are provided here under.

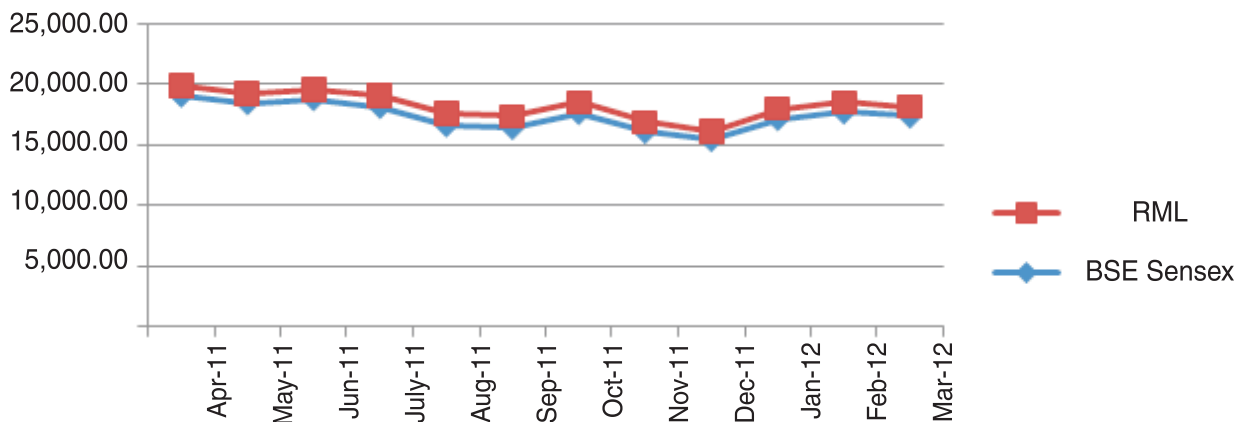
Stock Price

Monthly high/low Market Price of Equity Shares of RML during financial year 2011-12

in ₹

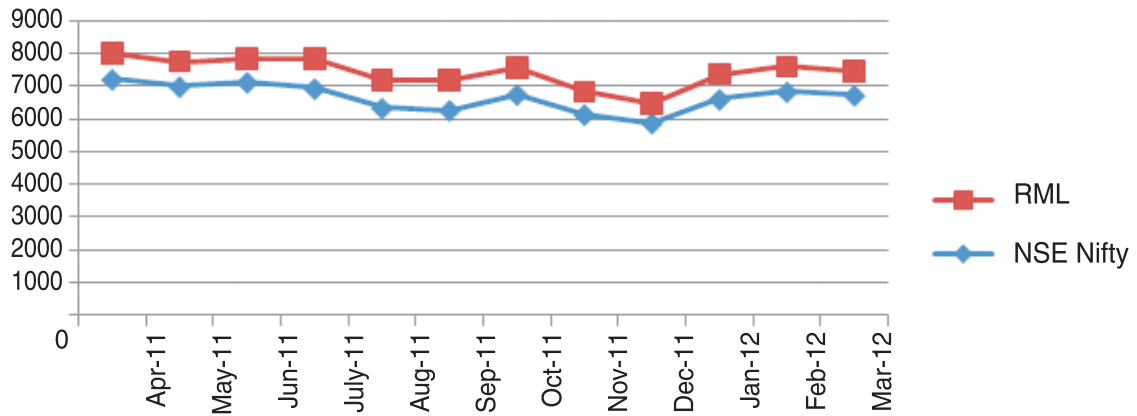
Month	Quotation at The Stock Exchange, Mumbai (NSE)			Quotation at BSE		
	High	Low	Close	High	Low	Close
Apr-11	950.00	791.00	795.30	899.90	794.45	803.05
May-11	839.75	740.00	768.15	875.00	740.00	772.70
Jun-11	815.00	693.20	717.90	819.00	689.00	704.05
Jul-11	1177.00	702.00	912.10	1,175.00	681.00	904.15
Aug-11	1065.00	830.05	877.00	1,060.00	831.00	877.35
Sep-11	1021.95	855.00	912.30	1,019.50	858.00	905.65
Oct-11	911.90	785.00	825.40	934.00	799.00	820.00
Nov-11	889.90	656.55	716.40	899.00	658.00	709.20
Dec-11	733.60	595.05	613.50	730.95	590.05	612.90
Jan-12	855.00	595.00	784.85	859.60	606.00	792.10
Feb-12	889.95	750.00	770.00	888.00	751.00	770.00
Mar-12	799.00	700.00	725.40	799.05	720.00	731.20

Relative Performance of RML's shares versus BSE Sensex





Relative Performance of RML's shares versus NSE Nifty:



XVI.Registrar and Transfer Agents :

The Company has engaged the services of Bigshare Services Pvt. Ltd., a SEBI registered Registrar as its Share Transfer Agents for processing the transfers, sub-division, consolidation, Splitting of Securities, etc. The requests for transfers, sub-division, consolidation, splitting of securities, demat and remat should be sent directly to Bigshare Services Pvt. Ltd. Shareholders have the option to open their accounts with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

1. Share Transfer System:

Share transfers are registered and share certificates are despatched within a period of 30 days from the date of receipt, if the documents are in order in all respects.

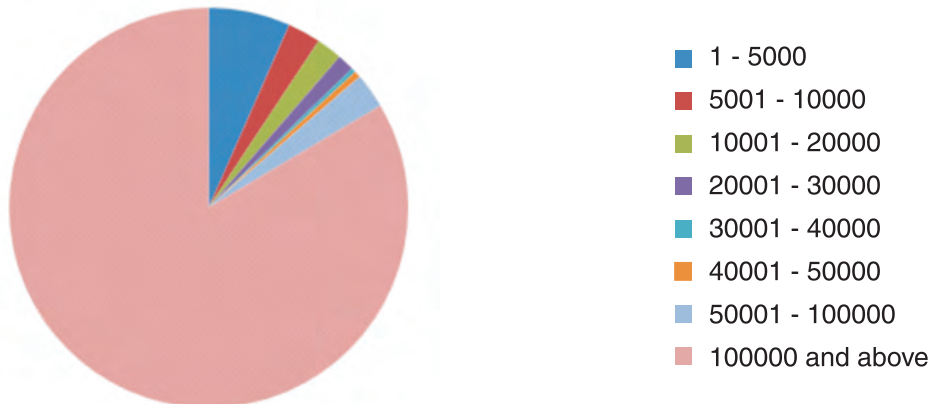
2. Distribution of Share holding

The shareholding distribution of equity shares as of 31st March 2012 is given below:

Sr. No	Range (In ₹.)	Total Holders	% of Total	No. of Shares Holders	Percentage of shareholding
1	1 – 5000	5126	94.59	27,67,810	6.62%
2	5001 – 10000	150	2.77	11,19,980	2.68%
3	10001 – 20000	62	1.15	8,67,750	2.08%
4	20001 – 30000	24	0.44	5,81,030	1.39%
5	30001 – 40000	4	0.07	1,44,970	0.35%
6	40001 – 50000	5	0.09	2,19,790	0.53%
7	50001 – 100000	16	0.30	11,83,360	2.83%
8	100000 and above	32	0.59	3,49,15,310	83.52%
	TOTAL	5234	100.00	41,80,000	100.00

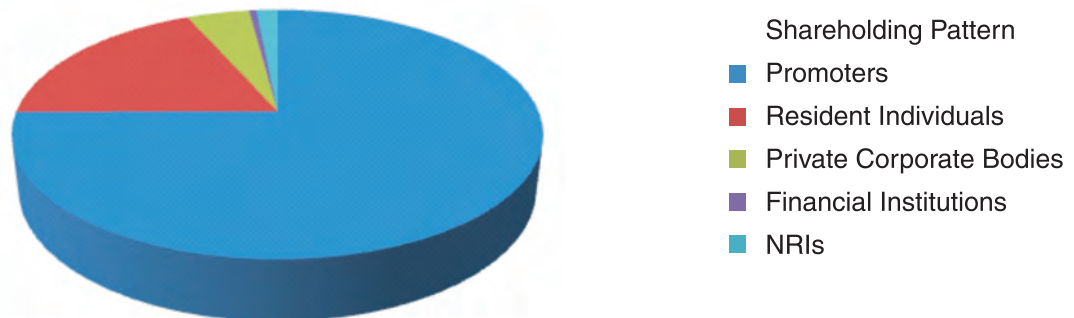


Distribution of shareholding



3. Shareholding pattern as on 31st March 2012.

Sr. No.	Category	No. of Shares held	% of Share holding
1	Promoters	31,31,680	74.92
2	Resident Individuals	7,71,034	18.46
3	Private Corporate Bodies	1,90,162	4.54
4	Financial Institutions	23,000	0.55
5	NRIs	64,124	1.53
	TOTAL	41,80,000	100.00



4. Dematerialisation of equity Shares

As on 31st March, 2012, 97.92% of the Company's total equity shares representing 40,93,630 shares are held in dematerialised form and the balance 2.08% representing 86,370 shares are in physical form.

5. Plant (Manufacturing Units)

Dadar Unit address

Ruby House,
J K Sawant Marg,
Dadar, Mumbai – 400 028.
Tel.: 022-2437800
Email: info@rubymills.com

Dhamni Unit Address

Village Dhamni,
Off. Savroli Kharpada Road,
Taluka Khalapur,
Dist. Raigad. Pin: 410202.

Kharsundi Address

Savroli Kharpada Road,
Taluka Khalapur,
Dist. Raigad. Pin: 410202.



6. Address for Correspondence

a. Any query on Annual Report or Investors' Grievance Redressal:

By email: info@rubymills.com
By telephone: 022-24387835/7969

b. Investor Correspondence

For shares held in physical form

Bigshare Services Private Limited
E-2/3, Ansa Industrial estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400 072.
Tel : 022-28473474 / 2847 0652 / 53
Fax : 022-2847 5207
Email : investor@bigshareonline.com

For shares held in Demat form

Investors' concerned Depository Participant(s)
and/or Bigshare Services Private Limited

XVII. Information pursuant to Clause 32 of the Listing Agreement.

The Company has no subsidiary and hence provisions for furnishing specific information are not applicable.

XVIII. Declaration by the CEO under Clause 49 Of the Listing Agreement regarding adherence to the Code Of Conduct

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended 31st March 2012.

Date: 14th August, 2012



ANNEXURE-D

MANAGEMENT'S DISCUSSION AND ANALYSIS

This report covers the operations and financial performance of the Company for the year ended 31st March, 2012 and forms part of the Directors' Report.

1 **Overall Review:**

The Company is in the business of manufacturing and exporting garments. The Company had achieved a turnover of ₹ 24687.51 lacs. The operational profits have improved on account of optimizing all the operations of the Company.

2.1 **Business Segment – Cotton, Synthetics Yarn and Fabrics.**

a) **Industry Structure and Development:**

The Indian textile industry has witnessed a year confronting many challenges including sluggish demand in domestic and export markets. Cotton prices reached at an all time high mainly because of increasing gap between demand and supply, followed by a phase of correction. The main challenge facing the industry during the last year was the surging and fluctuating price of raw materials, especially cotton. The Indian textile industry is thus passing through an adverse phase although the future would be more optimistic if input costs, including the cost of raw material and interest, could remain generally stable.

b) **Opportunities and Threats:**

The country's domestic market offers much potential for growth and numerous business opportunities as demand for textile products are expected to keep step with increased purchasing power augering well for the Industry. The big business houses in America and Europe manufacturing and dealing in textiles and garments will be forced to depend upon India, China and the neighbouring countries to get the required output at the lowest possible cost either by outsourcing or contracting, due to availability of the raw materials and skilled labour in these countries. However we perceive threats by way of competition from the neighbouring countries like China, Pakistan and Sri Lanka.

Cotton prices which have been highly volatile are of major concern for textile manufacturers along with ever increasing energy prices.

c) **Review and Analysis:**

The costs of inputs have increased substantially during the year. The Cotton prices are also high compared to the previous year. The export market was difficult to attack due to cost competitiveness continuing our consistent approach.

In order to increase our share in the domestic market and to provide newer varieties of fabric to meet the consumer demand, our Research and Development Department continues to remain actively engaged in development of new shades, finishes and varieties in an economical and environmentally sustainable manner. After the commissioning of new processing facility we are trying to develop different finishes for various fabrics. Efforts are continuously being made for value addition to enable the customer to have accessibility to a wide range for exclusive varieties. Additionally, several fabric blends are being developed with unique finishing processes and chemicals to cater to the ever changing consumer demand.



d) Outlook:

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. Due to well-established of Spinning and Weaving units at Dhamni and Kharsundi the company is able to quote better rates and maintain high quality & productivity in the finished goods manufactured. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

e) Risks and Concerns:

Shortage of migrant labour continues to pose problems and may lead to non-utilization of capacity at times. High inflation has already added significantly to the labour cost as well as other inputs costs and continues to pose a threat as the unit is not in a position to pass on this burden to end user consumers.

Availability of quality cotton throughout the year at reasonable prices has always been a cause of concern due to crop uncertainty but we can only overcome the same by procuring maximum amount of cotton during 3 months of peak season blocking high capital. All manmade and synthetic fibre prices have started going up due to increase in Petrochemical prices and other cost. Due to appreciation of Rupee, Industry is also facing the risk of import of cheaper textiles into the country. The power situation in the State of Maharashtra is a cause of concern as power supply is short due to supply demand mismatch, prices are higher, and the quality of power is poor.

2.2 Business Segment – Real Estate.

a) Industry Structure and Development:

The real estate industry continued to remain subdued in FY12. Numerous interest rate hikes, lack of political reform, and the unfolding European debt crisis were among the significant macroeconomic headwinds faced by the sector. The sector witnessed slowing demand due to reduction in affordability, increase in asset prices and cumbersome government regulations.

RBI has begun the year by cutting the Repo rate by 0.5%. Thus, in FY13 it is expected to witness a falling interest rate regime and a moderate inflation scenario. This should lead to a considerable change in sentiment amongst Commercial buyers.

b) Opportunities and Threats:

RBI began the year by cutting key lending rates, which could signal a lower interest rate cycle with a moderation in inflation. We expect further rate cuts in the coming year to facilitate an operational recovery for the sector in FY13. High borrowing costs coupled with rising price levels due to rapid inflation in input costs impacted affordability for buyers across markets. As inflationary pressures soften, RBI's impending rate cut and the resulting moderation loan rates is expected to be a sentiment booster for property buyers. The lower cost of borrowing would also help improve developer profitability.

c) Outlook:

The current market environment calls for increased dynamism. RML is reinforcing the advantages of its differentiated business proposition and competitive strengths by focusing on remaining capital efficient.

d) Risks and Concerns:

Risks and threats are an imminent part of any business. The major risks and threats to our business are Constraints of funds, Human Resources, Legal etc. The company has adequate and appropriate systems in place to ensure that the impact of these risks is minimised and interests of the Company are protected.



3. Internal control systems and their adequacy:

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place. The Management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. The emphasis of internal control will be further strengthened across functions and processes, covering the entire gamut of activities including manufacturing, finance, supply chain sales & distribution, marketing etc. The Company has adopted a Foreign Exchange Risk management policy and also appointed an expert consultant to enable an effective Treasury management of its Foreign Exchange exposure. The implementation of the ERP system shall ensure internal controls in finance, supply chain, sales distribution and marketing.

4. Company's financial performance and analysis:

The turnover and other income of the Company during the year is Rs. 24690.61 lacs as against Rs. 20492.01 lacs in the previous year. The profit from ordinary activities before Tax is Rs. 6971 lacs as against Rs. 7248 lacs in the previous year. The net profit after depreciation, taxation is Rs. 5825 lacs as against Rs. 5757 lacs in the previous year.

5. Human Resource Development / Industrial Relations:

The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counselling and appropriate empowerment.

While the wage negotiations with the Union were in progress, the workers in the weaving section went on strike from June 14, 2012, which partially affected the production at Dhamni Plant. The workers have since called of the strike from August 2, 2012 and the wage negotiations are in progress.

The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular investments in upgrading the knowledge and skills of the employees.

6. Cautionary Statement:

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, govt. regulations, economic developments within/outside country etc.



DECLARATION

As provide under Clause 49 of the Listing Agreement with the Stock Exchange, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with Code of Conduct for the year ended 31st March, 2012.

For The Ruby Mills Limited

Date: 14th August, 2012

Hiren M. Shah
Managing Director

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of **The Ruby Mills Limited**

We have examined the compliance of conditions of Corporate Governance by The Ruby Mills Limited ("the Company"), for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

For B. S. MEHTA & CO.
Chartered Accountants
Firms Registration No.106190W

Place: Mumbai
Date: August 14, 2012

PARESH H. CLERK
Partner
Membership No. 36148



AUDITORS' REPORT

For the Financial Year Ended as on March 31, 2012

To,
The Members of
THE RUBY MILLS LIMITED

1. We have audited the attached Balance Sheet of **The Ruby Mills Limited** as at March 31, 2012 and the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto and the 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.
2. 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, 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, as amended, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as considered appropriate and according to the information and explanations to us, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, 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 account as required by law, have been kept by the Company so far as appears from our examination of such books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our knowledge and according to the explanations given to us, the said financial statements read with Notes (including Significant Accounting Policies) forming part thereof, 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For B.S. MEHTA & CO.
Chartered Accountants
Firm Registration Number: 106190W

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : August 14, 2012



Annexure to the Auditor's Report [Referred to in Paragraph (3) to of our report of even date]

- I. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of certain assets where item wise particulars and tagging of fixed assets are in the process of updation in the fixed asset register.
- b. The Company has adopted a policy of verifying all its fixed assets in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained to us, No material discrepancy was noticed between book records and such verification.
- c. The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern.
- ii. a. Inventories have been physically verified by the management at the year-end. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. In case of stocks lying with third parties, certificates confirming such stocks have been received in respect of stocks held as on March 31, 2012.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- iii. a. As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.

As the company has not granted any loans, Clause (iii)(b) of the Order relating to the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the Company, Clause (iii)(c) relating to the regularity of the receipt of principal amount and interest and Clause (iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh, are not applicable.
- b. As per the information furnished, the Company has taken unsecured loans from ten parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 26,45,00,000 and the year end balance of loan taken from such parties was ₹ 24,25,00,000 respectively.

In our opinion, the rate of interest and other terms and conditions on which loans have been taken from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

The Company is regular in repayment of the principal amounts as stipulated and as also in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in areas of internal control system.
- v. a. According to the information and explanations given to us and the records of the Company examined by us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section; and
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements (including purchase of services) entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.



- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder, does not arise.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty, Cess and other material Statutory dues applicable to it and there were no arrears of such Statutory dues as on March 31, 2012 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (₹)	Forum where dispute is pending
The Income-tax Act, 1961	Interest Capitalisation	Assessment Year 1995-96	45,000	High Court
	ICD Interest notionally taxed	Assessment Year 1998-99, 2000-01 and 2002-03	2,29,70,000	High Court
	ICD Interest notionally taxed and Bad Debt written off	Assessment Year 2001-02	1,13,84,000	High Court
	Treatment of Khandala Holiday Home as non business asset and valuation of other immovable asset	Assessment Year 1998-99	47,000	Income-tax Appellate Tribunal
	Treatment of Sale of CIDCO leasehold rights	Assessment Year 2005-06	34,93,000	Income-tax Appellate Tribunal
	Penalty under Section 271(1)(c)	Assessment Year 2005-06	53,85,000	Income-tax Appellate Tribunal
	Addition under Section 145 and Section 69C	Assessment Year 2007-08	1,40,39,000	Commissioner of Income-tax (Appeals)-XIII
	Mark to Market derivative losses, Depreciation on Leased assets	Assessment Year 2008-09	1,03,07,000	Commissioner of Income-tax (Appeals)-XIII
	Depreciation of Leased assets, Foreign Exchange Loss	Assessment Year 2009-10	2,22,33,000	Commissioner of Income-tax (Appeals)-XIII
The Central Excise Act, 1944	Adverse Test Results	Financial Year 1980-81	23,000	Assistant Commissioner of Central Excise
	Sourced Parachutes Cloth Classification	Financial Year 1993-94	7,23,711	Assistant Commissioner of Central Excise
	Valuation of fabrics selling distribution profit and administration and interest	Financial Year 1996-97 to 2000-01	8,06,022	Assistant Commissioner of Central Excise
	Double Multiple (folded) Yarn	Financial Year 1995-96	1,46,727	Assistant Commissioner of Central Excise
	MODVAT Credit on Empty Drums	Financial Year 2001-02	95,738	Assistant Commissioner of Central Excise



The Central Excise Act, 1944	MODVAT Credit wrongly availed	Financial Year 1997-98	2,07,766	Assistant Commissioner of Central Excise
	MODVAT Credit on Inputs received from Dhamni Unit	Financial Year 2001-02 to 2002-03	3,26,73,717	Commissioner of Central Excise, Mumbai IV
	Differential Value from Depot Sales	Financial Year 2001-02	4,33,248	Customs, Excise and Service Tax Appellate Tribunal
	Interest and Penalty on Cenvat Credit Availed on Capital Goods	Financial Year 2005-06	15,75,457	Customs, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service tax on GTO	Financial Year 1997-98 and 2000-01	76,546	Customs, Excise and Service Tax Appellate Tribunal
Employees Provident Fund Act, 1952	Dues of Apprentices paid under protest	Financial Year 2000-01 to 2006-07	15,65,934	Employees' Provident Fund Appellate Tribunal

- x. There are no accumulated losses of the Company as on March 31, 2012 and the Company has not incurred any cash losses during such financial year and in the immediately preceding financial year.
- xi. According to the information and explanations given to us and records of the Company examined by us, the Company has delayed repayment of dues to Financial Institutions and Banks in respect of Term Loan. The following are the details of the delays:

Name of Bank	Amount Overdue (₹ in Lakhs)	Period of Delays
Bank of Baroda	10,97,27,033	Up to 53 days
	12,13,62,546	Up to 101 days
	9,64,54,602	Up to 60 days
	3,05,88,800	Up to 60 days
	2,14,95,287	Up to 86 days
Axis Bank	10,65,62,091	Up to 80 days
	10,65,46,611	Up to 81 days
Allahabad Bank	21,32,701	Up to 46 days
	2,52,69,617	Up to 18 days

As amounts have been paid for such delays before the year end, no default exists as at March 31, 2012.

- xii. According to the information and explanations given to us, 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.
- xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or a society, Clause 4 (xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.



- xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 4 (xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us on an overall basis, the term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have not been utilised for long term investment.
- xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, as the Company has not issued any debenture, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

For B.S. MEHTA & CO.
Chartered Accountants
Firm Registration Number: 106190W

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : August 14, 2012

**BALANCE SHEET AS AT MARCH 31, 2012**

	Note	₹	As At March 31, 2012 ₹	As At March 31, 2011 ₹
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	4,18,00,000		4,18,00,000
Reserves and Surplus	3	<u>203,94,86,412</u>	2,08,12,86,412	1,48,14,15,742
				1,52,32,15,742
Non-Current Liabilities				
Long-term Borrowings	4	494,76,89,374		2,54,84,79,837
Deferred Tax Liabilities (Net)	5	6,31,76,366		10,50,35,774
Other Long-term Liabilities	6	12,82,34,597		27,86,47,702
Long-term Provisions	7	<u>19,20,209</u>	5,14,10,20,546	<u>21,43,178</u>
				2,93,43,06,491
Current Liabilities				
Short-term Borrowings	8	48,31,39,884		42,92,95,697
Trade Payables	9	21,14,93,915		26,54,71,703
Other Current Liabilities	10	224,95,17,950		2,88,61,58,372
Short-term Provisions	11	<u>2,63,92,552</u>	2,97,05,44,301	6,24,55,734
				3,64,33,81,506
TOTAL			<u><u>10,19,28,51,259</u></u>	<u><u>8,10,09,03,739</u></u>
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	12	195,93,24,963		208,58,84,415
Capital Work-in-progress		<u>40,35,51,261</u>		<u>36,98,49,337</u>
				245,57,33,752
Non-current Investments	13	48,962		48,962
Long-term Loans and Advances	14	586,85,81,322		489,28,06,758
Other Non-current Assets	15	<u>113,091</u>	823,16,19,599	<u>1,05,501</u>
				734,86,94,973
Current Assets				
Inventories	16	43,17,81,554		40,27,41,887
Trade Receivables	17	22,46,48,508		13,24,01,755
Cash and Bank Balances	18	64,59,40,665		9,69,88,147
Short-term Loans and Advances	19	52,34,52,018		86,34,888
Other Current Assets	20	<u>13,54,08,915</u>	196,12,31,660	<u>11,14,42,089</u>
				75,22,08,766
TOTAL			<u><u>1019,28,51,259</u></u>	<u><u>810,09,03,739</u></u>

Notes (Including Significant Accounting Policies)
Forming Part of the Financial Statements

1-41

As per our Report of even date attached

For B. S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 106190W

PARESH H. CLERK
Partner
Membership No.36148

PLACE : MUMBAI
DATED : August 14, 2012

For and on behalf of the Board of Directors

MANHARLAL C. SHAH Executive Chairman
HIREN M. SHAH Managing Director
BHARAT M. SHAH Jt. Managing Director
PANKAJ J. PARKHIYA Company Secretary

PLACE : MUMBAI
DATED : August 14, 2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

	Note	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011 ₹
Revenue from Operations	21	1,68,34,59,892	1,35,76,65,002
Less : Excise Duty on Sales		7,70,389	46,911
Revenue from Operations (Net)		1,68,26,89,503	1,35,76,18,091
Other Income	22	78,63,71,552	69,15,82,845
Total Revenue		2,46,90,61,055	2,04,92,00,936
Expenses			
Cost of Materials Consumed	23	41,94,05,382	38,64,52,044
Changes in Inventories of Finished Goods and Work-in-Progress	24	(5,36,30,134)	(14,06,66,255)
Employee Benefits Expense	25	15,45,67,814	15,15,43,092
Finance Costs	26	17,42,75,749	8,06,01,919
Depreciation and Amortisation Expense	12	23,65,81,914	21,54,17,007
Other Expenses	27	71,38,37,925	63,12,30,739
Total Expenses		1,64,50,38,650	1,32,45,78,546
Profit before Exceptional Items and Tax		82,40,22,405	72,46,22,390
Less : Exceptional items	28	12,69,80,249	NIL
Profit Before Tax		69,70,42,156	72,46,22,390
Tax Expense			
Current Tax (Refer Note 22.1)		14,50,00,000	15,00,00,000
Deferred Tax		(4,18,59,407)	(9,27,906)
Current Tax Adjustments of Earlier Years		1,15,40,893	NIL
		11,46,81,486	14,90,72,094
Profit (Loss) for the Year		58,23,60,670	57,55,50,296
Earnings Per Equity Share of ₹ 10 Basic and Diluted (₹)	29	139.32	137.69
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-41		

As per our Report of even date attached

For B. S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 106190W

PARESH H. CLERK
Partner
Membership No.36148

PLACE : MUMBAI
DATED : August 14, 2012

For and on behalf of the Board of Directors

MANHARLAL C. SHAH Executive Chairman
HIREN M. SHAH Managing Director
BHARAT M. SHAH Jt. Managing Director
PANKAJ J. PARKHIYA Company Secretary

PLACE : MUMBAI
DATED : August 14, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	69,70,42,156	72,46,22,390
Adjustments for :		
Loss on Sale of Assets	21,79,482	NIL
Depreciation	23,65,81,914	21,54,17,007
Finance Costs	17,42,75,749	8,06,01,919
Dividend Income	(23,900)	(6,400)
Interest on Deposits and from Customers on Amounts Overdue	(2,46,49,766)	(67,52,549)
Unrealised Loss / (Gain) on Foreign Exchange	(91,64,176)	43,63,521
Amounts written back	(1,76,12,006)	(9,38,047)
Operating Profit Before Working Capital Changes	A 105,86,29,453	101,73,07,841
Adjustments for :		
Trade Receivables and Short-term Loans and Advances	(60,70,63,883)	(2,56,82,482)
Inventories	(2,90,39,667)	(13,41,66,572)
Other Current Assets	(63,54,820)	(3,11,58,670)
Trade Payables Other Current Liabilities and Short Term Provisions	(86,70,35,230)	118,54,59,929
Long-term Loans and Advances and Other Non-current Assets	(81,70,45,395)	(69,31,18,594)
Other Long-term Liabilities and Long-term Provisions	(19,24,95,482)	(14,22,04,333)
Cash Generated From Operations	B (251,90,34,477)	15,91,29,278
Income Tax Paid	A+B (146,04,05,024)	117,64,37,119
Net Cash From Operating Activities	(157,79,05,024)	109,72,37,119
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(17,69,32,690)	(81,30,25,524)
Sale of Fixed Assets	3,10,28,822	NIL
Long-term Loans and Advances- Capital Advances	(4,12,36,764)	(4,36,98,853)
Dividend Income	23,900	6,400
Interest Income	2,46,49,766	67,52,549
Net Cash From Investing Activities	(16,24,66,964)	(84,99,65,446)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long-term Borrowings	2,40,83,73,713	(40,30,05,292)
(Increase) / Decrease in Short-term Borrowings	5,38,44,187	23,57,35,007
Finance Cost	(14,85,22,165)	(4,32,40,961)
Dividend Paid (Including Dividend Distribution Tax)	(2,43,71,229)	(1,67,20,000)
Net Cash From Financing Activities	2,28,93,24,506	(22,72,31,246)
Increase in Cash and Cash Equivalents (A+B+C)	54,89,52,518	2,00,40,427
Cash and Cash Equivalents at the Beginning of the Year	9,69,88,147	7,69,47,720
Cash and Cash Equivalents at the End of the Year	64,59,40,665	9,69,88,147
Components of Cash and Cash Equivalents :		
Cash on hand	6,42,917	10,76,873
Other Bank Balances		
On Current Accounts	64,47,41,103	9,53,79,549
On Unclaimed Dividend Accounts	5,56,645	5,31,725
	64,59,40,665	9,69,88,147

Note :

Purchase of Fixed Assets includes addition to Capital Work in Progress during the year.

As per our Report of even date attached

For B. S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 106190W

PARESH H. CLERK
Partner
Membership No.36148

PLACE : MUMBAI
DATED : August 14, 2012

For and on behalf of the Board of Directors

MANHARLAL C. SHAH Executive Chairman
HIREN M. SHAH Managing Director
BHARAT M. SHAH Jt. Managing Director
PANKAJ J. PARKHIYA Company Secretary

PLACE : MUMBAI
DATED : August 14, 2012



NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 Basis of Accounting :

- i. The Accounts have been prepared on a going concern basis under historical cost convention. The accounts have been prepared on accrual basis, in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.
- ii. The financial statements for the year ended March 31, 2011 were prepared as per the then applicable, Pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of the Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified / regrouped to conform to this year's classification. The adoption of the Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

1.2 Use of Estimates :

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts/advances, deferred tax etc. Actual results could differ from those estimates.

1.3 Revenue Recognition :

- i. Domestic Sales is recognised on transfer of significant risks and rewards of ownership which is on the despatch of goods. Export Sales are accounted for on the basis of the dates of 'On Board Bill of Lading'.
- ii. Income from processing charges is accounted on the despatch of processed goods to customers.
- iii. Export Benefits are accounted in the year of export.
- iv. License fees are recognised over the period of Leave and License Agreements
- v. Revenue from the Sale of Development rights is recognised in terms of agreement entered into by the Company with the developer.
- vi. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vii. Dividend income is recognised when the right to receive dividend is established.

1.4 Fixed Assets :

- i. Fixed Assets are valued at cost less depreciation.
- ii. The Cost of Fixed Asset comprises its purchase price net of capital subsidy receivable, including non-refundable taxes, duties and directly attributable cost of bringing the asset to its working condition for its intended use.
- iii. Borrowing costs, for the assets that necessarily take a substantial period of time to get ready for its intended use are capitalised to the cost of assets.
- iv. Expenditure on incomplete Fixed Assets are shown as capital work-in-progress until such time the same are completed. Capital work-in-progress is stated at cost.

1.5 Depreciation :

- i. Depreciation is calculated at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 as under:
 - a. Plant and Machinery capitalised on or after April 1, 1988, on the "Straight Line Method".
 - b. All other assets, on the "Written Down Value Method".
- ii. Depreciation in respect of each item of depreciable asset so provided is equal to or not less than the depreciation which is required to be provided at the rates specified in Schedule XIV of the Companies Act, 1956.
- iii. In respect of Fixed Assets whose actual cost does not exceed ₹5,000, depreciation is provided at 100% in the year of addition.



1.6 Investments :

Investments, which are long term, are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of investments.

1.7 Inventory Valuation :

- i. Raw Materials, Materials in Process, Finished Goods, Stores, Spares and Liquid Fuel are valued at the lower of Cost and Net Realisable Value.
- ii. Cost comprises all cost of purchases, cost of conversion and cost incurred in bringing the inventory to their present location and condition.
- iii. Due allowances are made for obsolete inventory based on technical estimates made by the Company.
- iv. Waste is valued at the net realisable value.

1.8 Transactions in Foreign Currency :

- i. Transactions in foreign currency (Monetary or Non-Monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans etc.) which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of the Balance Sheet.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

1.9 Employee Benefits :

- i. **Defined Contribution Plan**
Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.
- ii. **Defined Benefit Plan**
 - a. **Gratuity** - In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is the years accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of the profit and loss as income or expense. The Company makes contributions to The Ruby Mills Ltd. Staff & Gratuity Trust and The Ruby Mills Workmen's Gratuity Trust.
 - b. **Compensated Absences** - The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absence subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

1.10 Government Grants :

Grants, in the nature of interest subsidy and foreign exchange subsidy under the Technology Upgradation Fund Scheme (TUFS), are accounted for when it is reasonably certain that ultimate collection will be made. Government grants specifically related to fixed assets under capital subsidy scheme of TUFS are reduced from the value of the fixed assets and shown as receivable under Other Current Assets in the Balance Sheet.

1.11 Borrowing Costs :

- i. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset.
- ii. Other borrowing costs are recognised as expense in the period in which they are incurred.



1.12 Leases :

Assets taken on lease, under which all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating lease. Operating lease payments are recognised as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.13 Taxation :

- i. **Current Tax :** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- ii. **Deferred Tax :** In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income", the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets arising from the timing differences are recognised only on the consideration of prudence.

1.14 Impairment of Assets :

If internal / external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset / cash generating unit is reduced to the said recoverable amount. Subsequently, if there is a change in the indication, since the last impairment was recognised, so that recoverable amount of an asset exceeds its carrying amount, an impairment recognised for an asset in prior accounting period is reversed. The recoverable amount is measured as the higher of the net selling price and value in use of such assets / cash generating unit, which is determined by the present value of the estimated future cash flows.

1.15 Provisions, Contingent Liabilities and Contingent Assets :

- i. The Company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- ii. Contingent Liability is disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- iii. Contingent Assets are neither recognised nor disclosed.

1.16 Segment Accounting :

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting :

- i. Segment revenue includes sales / lease rent and other income directly identifiable with / allocable to the segment.
- ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Unallocable Corporate Expenditure".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income."
- iv. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities are those that relate to the Company as a whole and not allocable to any segment.



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
2. Share Capital :		
Authorised :		
50,00,000 (50,00,000) Equity Shares of ₹ 10 par value	5,00,00,000	5,00,00,000
	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid up :		
41,80,000 (41,80,000) Equity Shares of ₹ 10 par value fully paid	4,18,00,000	4,18,00,000
	<u>4,18,00,000</u>	<u>4,18,00,000</u>

2.1 Reconciliation of the number of shares outstanding and amount of share capital :

	As At March 31, 2012		As At March 31, 2011	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10 par value				
At the beginning	41,80,000	4,18,00,000	41,80,000	4,18,00,000
Changes during the year	NIL	NIL	NIL	NIL
At the end	<u>41,80,000</u>	<u>4,18,00,000</u>	<u>41,80,000</u>	<u>4,18,00,000</u>

2.2 Rights, preferences and restrictions :

- i. The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on August 14, 2012, proposed a final dividend of ₹ 5 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 2,42,90,000 including corporate dividend tax of ₹ 33,90,000.
During the year ended March 31, 2011, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 5. The Dividend appropriation for the year ended March 31, 2011 amounted to ₹ 2,43,71,229 including corporate dividend tax of ₹ 34,71,229.
- iii. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company :

Name of the Shareholder	As At March 31, 2012		As At March 31, 2011	
	No. of shares	% held	No. of shares	% held
Manubhai and Sons Investment Company Private Limited	5,97,225	14.29	5,97,225	14.29
Hiren Brothers Investment Company Private Limited	5,97,225	14.29	5,97,225	14.29
M C Shah and Sons Investment Company Private Limited	5,97,085	14.28	5,97,085	14.28
	<u>17,91,535</u>	<u>42.86</u>	<u>17,91,535</u>	<u>42.86</u>



3. Reserves and Surplus :

Capital Reserve			
As per last Balance Sheet	11,90,862		11,90,862
Add : Transferred from Central / State Capital Subsidy	<u>17,90,429</u>		<u>NIL</u>
		29,81,291	11,90,862
Central / State Capital Subsidy			
As per last Balance Sheet	17,90,429		17,90,429
Less : Transferred to Capital Reserve	<u>17,90,429</u>		<u>NIL</u>
		NIL	17,90,429
Securities Premium		20,83,38,100	20,83,38,100
General Reserve			
As per last Balance Sheet	46,71,22,576		40,95,22,576
Add : Transferred from Surplus	<u>5,83,00,000</u>		<u>5,76,00,000</u>
		52,54,22,576	46,71,22,576
Surplus			
As per last Balance Sheet	80,29,73,775		30,93,94,708
Add : Net Profit after Tax transferred from the Statement of Profit and Loss	<u>58,23,60,670</u>		<u>57,55,50,296</u>
	1,38,53,34,445		88,49,45,004
Less : Appropriations			
General Reserve	5,83,00,000		5,76,00,000
Proposed Dividend	2,09,00,000		2,09,00,000
Tax on Dividend	<u>33,90,000</u>		<u>34,71,229</u>
		130,27,44,445	80,29,73,775
		<u>203,94,86,412</u>	<u>148,14,15,742</u>



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
4. Long-term Borrowings :		
Term Loans (Refer Notes 4.1 and 4.2)		
Secured		
From Banks		
Under Textile Upgradation Fund Scheme (TUFS) [Including Buyers' Credits ₹ 10,34,98,740 (Previous Year ₹ 7,78,18,553)]	99,78,47,149	97,90,75,528
Others [Including Buyers' Credits ₹ 43,45,72,933 (Previous Year ₹ 48,07,78,522)]	370,73,42,225	137,39,24,309
Loans and Advances from Related Parties		
Unsecured (Refer Notes 4.4 and 33.1)	24,25,00,000	19,54,80,000
	<u>494,76,89,374</u>	<u>254,84,79,837</u>

4.1 The above reflect non-current portion only of the related borrowings and the current portion (including due to default) thereof is reflected in Note 10 on "Other Current Liabilities".

	As At March 31, 2012 ₹	Due from	As At March 31, 2011 ₹
4.2			
Period and amount of continuing default in repayment of above loans (reflected in Note 10 on "Other Current Liabilities", being current in nature) (Due from date is given from the first outstanding.)			
Principal amount			
Term Loan from Bank - Others	NIL	Dec. 31, 2010	25,36,48,725
Principal amount due and remaining unpaid	NIL		<u>25,36,48,725</u>

The default has arisen from the date indicated hereinabove in respect of quarterly installment date for Term Loan Borrowing. However, the amount herein referred to is the amount of default existed on the Balance Sheet date. The amount has since been paid.

4.3 Nature of Security and Terms of Repayment of Long-term Borrowings (including of Current maturities shown in Note 10) :

Nature of Security

- i. Term Loan from UCO Bank for Textile Upgradation Fund Scheme is secured by:
 - a. First charge on pari passu basis on the entire Fixed Assets of the Company, present and future, including the proposed acquisition of the Plant and Machinery.
 - b. Second charge on pari passu basis on Working Capital on the existing and future Current Assets at Mumbai, Dhamni and Dombivali.
 - c. Personal guarantee of Directors of the Company.
- ii. Term Loan from IDBI Bank for Textile Upgradation Fund Scheme is secured by:
 - a. First charge on the machinery acquired out of term loan.
 - b. First charge on pari passu basis on the Fixed Assets of the Company situated at Dhamni and Khursundi.
 - c. Personal guarantee of Directors of the Company.
- iii. Term Loan from Axis Bank for Textile Upgradation Fund Scheme is secured by:
 - a. First pari passu charge on the Fixed Assets of the Company excluding land at Dadar.
 - b. Second pari passu charge on the Current Assets of the Company.
 - c. Escrow of lease rent receivables to that extent as specified in the loan agreement.
 - d. Personal guarantee of Directors of the Company.

Terms of Repayment

Term Loan from UCO Bank of ₹ 25 crore is repayable in 84 monthly installments commencing from April 1, 2008 alongwith interest @ 10.25% p.a.

Term Loan from IDBI Bank of ₹ 18.75 crore is repayable in 98 monthly installments commencing from May 1, 2012 alongwith interest @ 16.25% p.a.

Term Loan from Axis Bank of ₹ 46 crore is repayable in 31 quarterly installments and 2 half yearly installments commencing from Septmber 18, 2009 alongwith interest @ 14.25% p.a.



- iv. Term Loan from State Bank of India for Textile Upgradation Fund Scheme is secured by :
- a. First pari passu charge including Equitable Mortgage on the land at Dhamni and Khursundi, alongwith Factory, Plant and Machinery and other Fixed Assets of the Company.
 - b. Second pari passu charge on the entire Current Assets of the Company present and future.
 - c. Personal guarantee of Directors of the Company.
- v. Term Loan from Andhra Bank for IT Park is secured by :
- a. First pari passu charge on the Fixed Assets of the Real Estate Project, both present and future by way of Equitable Mortgage of Project Land situated at Dadar, Mumbai. Hypothecation of Stocks, Machinery and Building Materials for the project and lien on project receivables.
- vi. Term Loan from Allahabad Bank for IT Park is secured by :
- a. First pari passu charge on the Fixed Assets of the Real Estate Project, both present and future by way of Equitable Mortgage of Project Land situated at Dadar, Mumbai.
 - b. Hypothecation of Stocks, Machinery and Building Materials for the project and lien on project receivables.
 - c. Personal guarantee of Directors of the Company.
- vii. Term Loan from Axis Bank is secured by :
- a. First pari passu charge on the Land and Building and other immovable Fixed Assets of 'The Ruby', IT Park, Dadar, Mumbai of the "second mortgaged property" referred to in Schedule II as specified in the mortgage deed.
 - b. First pari passu charge on the Development Rights of "second mortgaged property" referred in (vii a) above.
 - c. First pari passu charge on the movable properties and movable Fixed Assets, both present and future, in relation to the "second mortgaged property" including but not limited to moveable plant and machinery equipments, appliances, furniture vehicles, machinery, spares, and stores, tools and accessories and other movables whether or not installed or whether lying loose or in cases or which are lying or stored in or about or may hereafter from time to time during the currency of the indeture be brought into or upon or be stored in or about the "second mortgaged property".
 - d. First pari passu charge on the Current Assets in respect of "second mortgaged property" incurred but not limited to stock of raw materials and semi-finished goods which are now lying or stored in or which may hereafter from time to time during the continuance of the security be lying or stored in or brought into or be in or about the "second mortgage property"
 - e. Book-debts, cash flows, receivables, lease rentals, sale proceeds, outstanding moneys, claims, demands, contracts, engagements, liquidated damages, guarantees, or performance bonds provided by any Party to the Finance Documents, securities and othe amounts belonging to or held by the Mortgagor, and which are now due and owing or accruing and which may at anytime hereafter during the continuance of the security become due and owing to the Mortgagor on account of the "second mortgaged property".
- Term Loan from State Bank of India (TUF III) of ₹ 24.5 crore is repayable in 72 monthly installments commencing from April 1, 2007 alongwith interest @ 14.75% p.a.
Term Loan from State Bank of India (TUF VI) of ₹ 44 crore is repayable in 72 monthly installments commencing from October 1, 2011 alongwith interest @ 14.25% p.a.
- Term loan from Andhra Bank of ₹ 100 crore is repayable in 9 quarterly installments commencing from July 1, 2011 alongwith interest @ 16% p.a.
- Term Loan from Allahabad Bank of ₹ 100 crore is repayable in 27 monthly installments commencing from July 1, 2011 alongwith interest of 16% p.a.
- Term Loan from Axis Bank of ₹ 337 crore is repayable in 8 quarterly installments commencing from January 1, 2014 alongwith interest @ 13.75% p.a.



- f. All the rights, title, interest, benefits, claims and demands of whatsoever of the Mortgagor in, to under and / or in respect of the insurance policies both present and future and all rights, claims and benefits to all monies receivable thereunder and all other claims thereunder, in so far as related to the "second mortgaged property".
- g. All amounts owing to and received by the Mortgagor in the Escrow Account and other account hereinafter opened for the collection of revenues generated out of the "second mortgaged property".
- h. Personal guarantee of Directors of the Company and Corporate Guarantee as specified in the loan agreement.
- viii. Term Loan from Allahabad Bank under Lease Rental Discounting Scheme is secured by:
- a. Exclusive mortgage charge and Assignment of entire receivables Rent / Lease Rental / License fee and maintenance charges etc. both present and future through Escrow Mechanism from Lessee / Licensor/ occupant of the premises on the 14th, 15th and 16th floors of the building "The Ruby" in IT Park at Dadar, Mumbai, Maharashtra.
- b. Personal guarantee of Directors of the Company.
- ix. Foreign Currency Term Loan from HDFC Bank under Lease Rental Discounting Scheme is secured by:
- a. Registered mortgage of premises given on lease situated at 'Ruby House', Dadar, Mumbai.
- b. Assignment of lease rentals receivable from the lessees.
- c. Personal guarantee of Promoters of the Company.

Term Loan from Allahabad Bank of ₹ 110 crore is repayable in 101 monthly installments commencing from October 1, 2011 alongwith interest @ 13.25% p.a.

Term Loan from HDFC Bank of USD 55,66,031.33 (₹ 26.16 crore) is repayable in 34 quarterly installments commencing from April 1, 2007 alongwith interest @ 6 months LIBOR + 240 bps.

4.4 **Terms of repayment of unsecured borrowings :**
Loans and Advances from Related Parties

Not repayable before March 31, 2016 and carries interest rate ranging from 11% to 15% p.a.

5. **Deferred Tax Liabilities (Net) :**

Items of Timing Difference

Deferred Tax Liabilities

Related to Fixed Assets (8,84,90,657)
Lease Income (90,63,147)
Foreign Exchange (Gain) / Loss on revaluation of Creditors on Capital Account (10,16,810)

Deferred Tax Assets

Provision for Leave Encashment 8,75,911
Voluntary Retirement Scheme 3,29,58,993
Disallowances under section 43B of the Income-tax Act, 1961 15,59,344

Net Deferred Tax Assets / (Liabilities)

6. **Other Long-term Liabilities :**

Trade and Security Deposits

7. **Long-term Provisions :**

Provision for Employee Benefits (Refer Note 31)
For Leave Encashment

As At March 31, 2012 ₹	As At March 31, 2011 ₹
Accumulated Deferred Tax Assets / (Liabilities)	Accumulated Deferred Tax Assets / (Liabilities)
(8,84,90,657)	(10,48,04,486)
(90,63,147)	NIL
(10,16,810)	(36,55,747)
<u>(9,85,70,614)</u>	<u>(10,84,60,233)</u>
8,75,911	13,18,722
3,29,58,993	NIL
15,59,344	21,05,737
<u>3,53,94,248</u>	<u>34,24,459</u>
<u>(6,31,76,366)</u>	<u>(10,50,35,774)</u>
12,82,34,597	27,86,47,702
<u>12,82,34,597</u>	<u>27,86,47,702</u>
19,20,209	21,43,178
<u>19,20,209</u>	<u>21,43,178</u>



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
8. Short-term Borrowings :		
Loans repayable on demand (Refer Note 8.1)		
Secured		
From Banks		
Cash Credit Facilities		
[Including Buyers' Credits ₹ 2,91,72,103		
(Previous Year ₹ NIL)]	24,10,31,614	13,17,13,951
Deposits - Inter Corporate		
Unsecured	24,21,08,270	29,75,81,746
	48,31,39,884	42,92,95,697
8.1 Cash Credit Facilities are secured by :		
i Bank of India - ₹ 11,96,75,067		
a. First pari passu charge on Current Assets (including Stock and Book Debts)		
b. Second pari passu charge on residual value of Fixed Assets.		
c. Personal guarantee of Directors of the Company.		
ii State Bank of India - ₹ 90774092 : Bank of Baroda ₹ 305,82,455		
a. First pari passu charge on entire Current Assets, both present and future of the Company.		
b. Second pari passu charge on Land and Building and Plant and Machinery on Company's Assets at Dhamini and Kharsundi.		
c. Personal guarantee of Directors of the Company.		
9. Trade Payables :		
Micro and Small Enterprises (Refer Note 9.1)	3,260,945	3,593,975
Others	20,82,32,970	26,18,77,728
	21,14,93,915	265,471,703
9.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :		
Principal amount remaining unpaid and interest due thereon		
Principal Amount	3,260,945	3,593,975
Interest	NIL	NIL
Interest paid in term of Section 16	NIL	NIL
Interest due and payable for the period of delay in payment	NIL	NIL
Interest accrued and remaining unpaid	NIL	NIL
Interest due and payable even in succeeding years	NIL	NIL

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



	As At March 31, 2012	As At March 31, 2011
	₹	₹
10. Other Current Liabilities :		
Current maturities of Long-term Borrowings		
Term Loans		
Secured		
From Banks		
Under Textile Upgradation Fund Scheme (Including Buyers' Credits)	20,10,35,001	14,98,00,000
Others (Including Buyers' Credits)	<u>53,11,37,634</u>	<u>2,31,45,43,445</u>
	73,21,72,635	2,46,43,43,445
Interest accrued and due on Borrowings	5,75,61,010	3,67,46,908
Interest accrued but not due on Borrowings and Buyer's Credit	72,08,354	22,68,872
Income received in Advance	172,500	172,500
Unclaimed Dividends	574,364	558,025
Trade and Security Deposits	21,44,99,414	31,17,28,250
Advance against Sale of Property	119,00,00,000	NIL
Other Payables		
For Capital Expenses	1,53,83,835	2,43,19,258
Others (Refer Note 10.1)	<u>3,19,45,837</u>	<u>4,60,21,114</u>
	4,73,29,673	7,03,40,372
	<u>224,95,17,950</u>	<u>288,61,58,372</u>
10.1 Others include Statutory Dues and other year end provisions.		
11. Short-term Provisions :		
Provision for Employee Benefits (Refer Note 31)		
For Gratuity	4,06,609	2,67,941
For Leave Encashment	<u>7,79,465</u>	<u>16,09,580</u>
	11,86,074	18,77,521
Others		
For Proposed Dividend	2,09,00,000	2,09,00,000
For Tax on Dividend	33,90,000	62,48,212
Provision for Taxes	22,44,422	30,39,02,746
Less : Taxes paid	<u>13,27,944</u>	<u>27,04,72,745</u>
	9,16,478	3,34,30,001
	<u>2,63,92,552</u>	<u>6,24,55,734</u>

- 11.1 While making the Provision for Current Tax, the Company has relied on the opinion of an expert for the tax treatment of the gains earned from the grant of the Development Rights and availability of certain tax benefits in respect of the capital expenditure incurred on shifting of the industrial undertaking, as per the provisions of the Income- tax Act, 1961.



Amount in ₹

12. Fixed Assets :

DESCRIPTION	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK			
	As At April 1, 2011	Additions	During the year Other Adjustments	Sale	As At March 31, 2012	Upto March 31, 2011	For the Year	Deductions/ Other Adjustments	Upto March 31, 2012	As At March 31, 2011	As At March 31, 2012
Tangible Assets											
Land											
Freehold Land	9,69,53,210	75,46,444	-	-	10,44,98,654	-	-	-	-	10,44,98,654	8,69,53,210
Freehold Land -under Development (Note 14.1)	92,912	-	-	-	92,912	-	-	-	-	92,912	92,912
Leasehold Land	6,96,419	-	-	-	6,96,419	-	-	-	-	6,96,419	6,96,419
Buildings											
On Freehold Land	55,97,96,524	1,76,60,714	-	-	57,74,57,238	16,74,50,374	3,40,31,346	-	20,14,81,720	37,59,75,518	39,29,46,150
On Leasehold Land	1,35,08,387	-	-	-	1,35,08,387	79,36,283	2,29,918	-	81,66,201	53,42,186	55,72,104
Given on Lease	44,05,60,114	-	-	-	44,05,60,114	1,06,82,489	2,14,93,882	-	3,21,76,371	40,83,83,743	42,98,77,625
Plant & Equipment											
Owned	1,97,81,86,854	10,96,50,600	-	7,65,68,970	2,01,12,68,484	87,74,82,288	16,82,72,212	4,37,74,940	1,00,19,79,540	100,92,88,944	1,10,07,04,586
Given on lease	33,90,790	-	-	-	33,90,790	19,37,469	11,93,245	-	22,88,077	11,02,713	14,53,321
Furniture & Fixtures											
Owned	8,47,06,156	27,90,121	-	-	8,74,96,277	4,38,57,504	49,33,702	-	4,87,91,206	3,87,05,071	4,08,48,652
Given on lease	9,72,314	-	-	-	9,72,314	4,72,492	69,625	-	5,42,017	4,30,297	4,99,822
Vehicles	2,26,43,340	18,77,537	-	37,81,147	2,07,39,730	1,42,43,622	22,04,568	33,67,145	1,30,81,045	76,58,685	83,98,718
Office Equipments-Computers	3,01,10,786	35,58,568	-	-	3,36,69,352	2,17,90,905	41,53,517	-	2,59,44,422	77,24,930	89,19,881
Live stock	1,20,015	1,46,513	-	-	2,66,528	-	-	-	-	2,66,528	1,20,015
Current Year	3,23,17,37,822	14,32,30,495	-	8,03,50,117	3,28,46,18,199	1,14,58,53,407	23,65,81,914	4,71,42,085	133,52,93,236	1,95,93,24,963	2,08,58,84,415
Previous Year	2,73,95,93,235	52,08,53,237	-	2,53,97,449	3,23,50,48,023	95,60,43,572	21,54,17,007	2,22,85,971	114,91,64,608	208,58,84,415	208,58,84,415
Intangible assets											
Technical know how fees	33,11,201	-	-	-	33,11,201	33,11,201	-	-	33,11,201	-	-
Current Year	33,11,201	-	-	-	33,11,201	33,11,201	-	-	33,11,201	-	-
Previous Year	33,11,201	-	-	-	33,11,201	33,11,201	-	-	33,11,201	-	-
Capital Work-in-Progress	36,98,49,337	21,29,82,693	17,92,80,769	-	40,35,51,261	-	-	-	-	40,35,51,261	36,98,49,337
Current Year	36,98,49,337	22,65,87,941	19,28,96,017	-	40,35,51,261	-	-	-	-	40,35,51,261	36,98,49,337
Previous Year	7,64,97,220	46,08,57,328	16,76,05,211	-	36,98,49,337	-	-	-	-	36,98,49,337	36,98,49,337

12.1 Borrowing Costs Capitalised during the year ₹ NIL (Previous Year ₹ 6,71,50,316).

12.2 Additions to Plant and Machinery is net of Capital Subsidy ₹ Nil (Previous Year ₹15,61,875).



	As At		As At	
	₹	March 31, 2012 ₹	March 31, 2011 ₹	₹
13. Non-current Investments :				
Long-term Investments - valued at cost less provision for other than temporary diminution				
Other than Trade				
In equity instruments of Other Companies				
Unquoted				
Fully paid Equity shares				
Quantity Investee Company				
90 The New Piece Goods Bazar Company Limited		27,750		27,750
(90) (₹ 10 par value)				
In Government Securities				
Unquoted				
3% Government of India Conversion Loan 1986 (Deposited with Cenral Excise Authorities)		19,212		19,212
7 Years National Savings Certificates (Deposited with government authorities)		2,000		2,000
		<u>48,962</u>		<u>48,962</u>
	Cost	Market Value	Cost	Market Value
Aggregated amount of Unquoted Investments	48,962	Not Applicable	48,962	Not Applicable



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
14. Long-term Loans and Advances :		
Unsecured, Considered Good		
Capital Advances	4,12,36,764	4,36,98,853
Trade and Security Deposits	1,20,21,284	1,19,01,764
Balance with Central Excise Authorities	1,06,41,044	1,06,41,044
Due from a Developer (Refer Note 14.1)	576,13,19,136	478,97,16,403
Advance to Gratuity Trust	47,79,367	68,88,745
Other Loans and Advances (Refer Note 14.2)		
Advances recoverable in cash or in kind or for value to be received	1,28,10,560	1,71,61,762
Taxes Paid	43,25,73,167	1,95,41,031
Less : Provision for Taxes	40,68,00,000	67,42,844
	<u>2,57,73,167</u>	<u>1,27,98,187</u>
	3,85,83,727	2,99,59,949
	<u>586,85,81,322</u>	<u>489,28,06,758</u>

14.1 The balance with Central Excise Authorities includes ₹ 96,37,761 (Previous Year ₹ 96,37,761), being the amount of unutilised credit of additional duty of Central Excise claimed as refund by the Company. The Central Excise Department rejected the refund of this amount against which the Company filed an appeal before the Honourable High Court of Bombay on March 29, 2007 which is subsequently admitted by the Honourable High Court on March 25, 2008.

14.2

- a. "In an earlier year, the Company entered into a Development Agreement ("the DA") with a Developer whereby the Company granted the development rights to develop approximately 36,000 square metres of constructed area ("the Development Rights") on 12,204 square metres out of its freehold land at Dadar ("the said property").
- b. In terms of the DA and further agreements / understandings between the Company and the Developer, any cost of construction incurred by the Company and such further costs (including interest on borrowings for the said construction) that may be incurred by the Company for the development of the above referred to area is to be reimbursed by the Developer. Accordingly, the cost incurred by the Company upto March 31, 2012 for the construction (net of amounts received from the developer in terms of the DA) amounting to ₹ 576,13,19,136 (Previous Year ₹ 478,97,16,403) is shown as "Due from developer" under Long-term Loans and Advances (Refer Note 14).
- c. Subsequently, the Company has received from the Government of Maharashtra, the approval for the development of additional constructed area of approximately 5,000 square metres over and above the area covered under the DA; the Developer and the Company have agreed that such additional area is to be owned by the Company. The related cost of such area to be owned by the Company is mutually agreed upon with the Developer on an appropriate basis. As on March 31, 2012, the Company has capitalised the cost (which includes the cost of common area facilities) of ₹ NIL (Previous Year ₹ 40,04,63,254), under the head "Buildings" based on receipt of the Occupation Certificate for such additional area and has entered into a Leave and License Agreement with a party in respect of the said constructed area. The Company has also carried forward the amount of ₹ 18,99,75,613 (Previous Year ₹ 15,38,88,533) in Capital Work In Progress. The said cost may be adjusted / increased when the Developer completes the construction of the total area including the construction of the common areas.
- d. The proportionate carrying cost of 12,204 square meters of land of ₹ 92,912 (Previous Year ₹ 92,912), in respect of which the Development Rights are granted, is shown as "Freehold Land (under development)" under "Fixed Assets" in Note 10.
- e. Further, the consideration for the Grant of the Development Rights is based on the specified percentage of the revenue received by the Developer (in terms of the DA) from the Purchasers / Licensees, etc. irrespective of the completion of construction / handing over the possession of the said constructed area to the Purchasers / Licensees and reflected as "Grant of Development Rights" in the Statement of Profit and Loss. The DA does not contemplate a transfer or an intention to transfer the ownership or possession of the said property at present and the same continue to remain with the Company.

14.3 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Duty Drawback, Export Incentives receivable, Sales tax set off receivable, PF paid under protest and Prepaid expenses.



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
15. Other Non-current Assets :		
Cash and Bank Balances		
Other Bank Balances		
On Fixed Deposit Accounts		
With maturity beyond 12 months from Balance Sheet date (Held as margin money)	1,13,091	1,05,501
	<u>1,13,091</u>	<u>1,05,501</u>
16. Inventories :		
Raw Materials	3,00,03,944	5,00,45,409
Work-in-Progress	27,08,51,223	31,17,43,549
Finished Goods	10,45,42,123	95,05,435
Fuel	52,14,236	46,96,123
Stores and Spares	2,09,83,939	2,60,51,054
Waste	186,089	7,00,317
	<u>43,17,81,554</u>	<u>40,27,41,887</u>
16.1 Details of Inventories :		
a. Work-in-Progress		
Fabric	22,01,26,511	24,62,82,832
Yarn	5,07,24,712	6,54,60,717
	<u>27,08,51,223</u>	<u>31,17,43,549</u>
b. Finished Goods		
Fabric (packed)	10,45,42,123	95,05,435
	<u>10,45,42,123</u>	<u>95,05,435</u>
17. Trade Receivables :		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	3,30,82,983	2,70,76,560
Others	19,15,65,525	10,53,25,195
	<u>22,46,48,508</u>	<u>13,24,01,755</u>
18. Cash and Bank Balances :		
Cash and Cash Equivalents		
Cash on hand	3,67,029	7,42,705
Cheques on hand	2,75,888	3,34,168
	<u>6,42,917</u>	<u>10,76,873</u>
Balances with Banks		
On Current Accounts	18,07,93,595	3,23,98,412
On Unclaimed Dividend Accounts	5,56,645	5,31,725
	<u>18,13,50,240</u>	<u>3,29,30,137</u>
Other Bank Balances		
On Fixed Deposit Accounts		
With maturity within 12 months from Balance Sheet date (Held as margin money)	5,78,68,210	5,73,31,147
On Fixed Deposit Accounts		
With maturity within 12 months from Balance Sheet date	40,60,79,298	56,49,990
	<u>46,39,47,508</u>	<u>6,29,81,137</u>
	<u>64,59,40,665</u>	<u>9,69,88,147</u>



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
19. Short-term Loans and Advances :		
Unsecured, Considered Good		
Deposits - Inter Corporate	50,00,00,000	NIL
Other Loans and Advances (Refer Note 19.1)		
Advances recoverable in cash or in kind or for value to be received	29,99,977	48,54,030
Advances to Suppliers	2,00,34,851	37,80,858
Taxes Paid	4,17,190	NIL
Less : Provision for Taxes	NIL	NIL
	<u>4,17,190</u>	<u>NIL</u>
	2,34,52,018	86,34,888
	<u>52,34,52,018</u>	<u>86,34,888</u>
19.1 Other Loans and Advances are in the nature of Advances recoverable in cash or in kind or for the value to be received which include Prepaid expenses and Advances to Employees.		
20. Other Current Assets :		
Interest Receivable on Security / Fixed Deposits	1,22,24,283	38,59,133
Capital Subsidy Receivable under TUFs	4,74,84,255	4,74,84,254
Interest Subsidy Receivable under TUFs	4,80,12,071	6,00,98,702
Foreign Exchange Subsidy Receivable	2,76,88,306	NIL
	<u>13,54,08,915</u>	<u>11,14,42,089</u>
21. Revenue From Operations :		
Sale of Products - Manufactured Goods	1,38,59,33,942	1,23,64,00,938
Sale of Services		
Processing Charges	4,76,584	13,89,562
License Fees and Other Amenities	28,99,57,142	11,10,89,683
	29,04,33,726	11,24,79,245
Other Operating Revenues		
Sale of Scrap	17,72,639	39,62,240
Duty Drawback	5,95,054	1,88,208
Insurance Recovery	11,40,771	9,54,865
Freight Recovery	35,83,760	36,79,506
	70,92,224	87,84,819
	1,68,34,59,892	1,35,76,65,002
Less : Excise Duty on Sales	7,70,389	46,911
	<u>1,68,26,89,503</u>	<u>1,35,76,18,091</u>
21.1 Details of Sale of Products :		
Fabric	1,37,09,72,804	1,21,44,12,191
Yarn	NIL	78,52,558
Waste	59,89,350	64,69,247
Others	89,71,788	76,66,942
	<u>1,38,59,33,942</u>	<u>1,23,64,00,938</u>
21.2 During the year under review, the Company has provided services of giving part of Office Building on Leave and Licence basis.		



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
22. Other Income :		
Interest Income		
On Deposits	2,00,36,090	31,36,719
Customers on Amounts Overdue	<u>46,13,676</u>	<u>36,15,830</u>
	2,46,49,766	67,52,549
Dividend on Long-term Investments	23,900	6,400
Grant of Development Rights (Refer Notes 14.1 and 22.1)	71,40,84,061	67,52,63,585
Amounts / Excess Provisions written back	1,76,12,006	9,38,047
Foreign Exchange Subsidy	2,76,88,306	NIL
Miscellaneous Income	23,13,513	86,22,264
	<u>78,63,71,552</u>	<u>69,15,82,845</u>
22.1	The Company has relied on the opinion of an expert for the tax treatment of the gains earned from the Grant of Development Rights and availability of certain tax benefits in respect of the capital expenditure incurred on shifting of the industrial undertaking, as per the provisions of Income-tax Act, 1961. The provision for Current tax is made in accordance thereof.	
23. Cost of Materials Consumed :		
Raw Materials		
Opening Stock	5,00,45,409	5,25,51,337
Add : Purchases	<u>39,93,63,917</u>	<u>38,39,46,116</u>
	44,94,09,326	43,64,97,453
Less : Closing Stock	<u>300,03,944</u>	<u>500,45,409</u>
	<u>41,94,05,382</u>	<u>38,64,52,044</u>
23.1 Details of Raw Materials Consumed :		
Cotton	12,80,86,755	11,35,54,292
Man-made Fibres	16,86,70,895	13,94,73,054
Yarn (Excludes Yarn captively consumed)	8,67,21,770	10,08,97,154
Fabric	3,59,25,962	3,25,27,544
	<u>41,94,05,382</u>	<u>38,64,52,044</u>
24. Changes in Inventories of Finished Goods And Work-in-Progress :		
Finished Goods		
Closing Stock	10,45,42,123	95,05,435
Less : Opening Stock	<u>95,05,435</u>	<u>1,02,32,008</u>
	(95,036,688)	7,26,573
Work-in-progress		
Closing Stock	27,08,51,223	31,17,43,549
Less : Opening Stock	<u>31,17,43,549</u>	<u>18,50,06,155</u>
	4,08,92,326	(1,26,737,394)
Waste		
Closing Stock	1,86,089	7,00,317
Less : Opening Stock	<u>7,00,317</u>	<u>4,26,489</u>
	5,14,228	(273,828)
Add : Stock Loss by fire	NIL	(14,381,606)
	<u>(53,630,134)</u>	<u>(1,40,666,255)</u>
25. Employee Benefits Expense :		
Salaries, Wages and Benefits	14,55,69,208	13,46,67,120
Contribution to Provident Fund and Other Funds	61,38,645	1,31,01,003
Staff Welfare Expenses	28,59,961	37,74,969
	<u>15,45,67,814</u>	<u>15,15,43,092</u>



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
26. Finance Costs :		
Interest Expense		
On Cash Credit Facilities / Buyers' Credit	2,41,19,445	1,32,96,082
On Term Loans - Under TUFS (Refer Note 26.1)	13,04,23,054	5,98,85,204
On Others	<u>37,07,434</u>	<u>28,58,199</u>
	15,82,49,933	7,60,39,485
Other Borrowing Costs		
Bank Charges	1,17,36,723	12,59,882
Other Finance Charges	42,89,093	33,02,552
	<u>17,42,75,749</u>	<u>8,06,01,919</u>
26.1 Interest on Term Loans - Under TUFS is after reducing :		
a. Interest Subsidy of ₹ 4,28,99,474 (Previous Year ₹ 5,25,48,120)		
b. Reimbursement of excess interest charged of ₹ 1,93,22,362 (Previous Year ₹ NIL)		
27. Other Expenses :		
Stores and Spares Consumed	19,13,24,747	16,81,05,591
Weaving and Processing Charges	1,47,21,570	3,40,08,559
Power and Fuel	28,57,00,474	25,93,43,924
Rent	82,15,080	53,54,145
Repairs and Maintenance :		
Building	1,05,72,286	19,08,220
Machinery	48,18,622	38,12,882
Others	<u>1,15,61,148</u>	<u>82,62,833</u>
	2,69,52,056	1,39,83,935
Insurance	43,70,574	30,18,986
Rates and Taxes	65,71,195	66,83,884
Brokerage and Commission	5,09,46,127	4,96,04,764
Directors' Fees	4,85,000	5,37,500
Foreign Exchange Loss (Net)	99,52,305	43,63,521
Auditors' Remuneration		
Audit fees	7,86,520	7,72,100
Tax Audit Fees	1,12,360	1,10,300
Other Services	<u>3,55,718</u>	<u>2,20,600</u>
	12,54,598	11,03,000
Cost Audit Fees	84,270	51,635
Labour Contractor Charges	2,16,52,801	1,61,89,884
Waste Water Treatment Charges	1,84,01,458	1,06,26,580
Discount on Sales	95,52,069	90,01,628
Freight and Forwarding	88,89,390	46,75,238
Travelling, Conveyance and Vehicle Expenses	1,32,26,743	1,21,91,387
Legal and Professional Fees	1,71,94,998	61,99,428
Donations	50,00,000	68,01,000
Miscellaneous Expenses	1,53,27,154	1,75,34,306
Loss on sale of Fixed Assets (Net)	21,79,482	NIL
(Income) / Expenses for prior period (Net) (Refer Note 27.1)	18,35,834	18,51,844
	<u>71,38,37,925</u>	<u>63,12,30,739</u>



	As At March 31, 2012 ₹	As At March 31, 2011 ₹
27.1 Details of (income) / Expenses for Prior Period :		
Income		
Other Income		
Interest and Miscellaneous Income	NIL	(151,137)
Total	<u>NIL</u>	<u>(151,137)</u>
Expenses		
Employee Benefits Expense		
Salaries and Wages	25,034	NIL
Staff Welfare Expenses	<u>630</u>	<u>NIL</u>
	25,664	NIL
Weaving and Processing Charges	1,84,194	NIL
Repairs and Maintenance :		
Building	10,630	NIL
Machinery	788	NIL
Others	<u>50,392</u>	<u>NIL</u>
	61,810	NIL
Rates and Taxes	22,314	3,44,976
Brokerage and Commission	NIL	16,56,344
Miscellaneous Expenses	<u>15,41,852</u>	<u>1,661</u>
Total	<u>18,35,834</u>	<u>20,02,981</u>
(Income) / Expenses for prior period	<u>18,35,834</u>	<u>18,51,844</u>

28. Exceptional Items :

Voluntary Retirement Scheme

The payment made in terms of the agreement of May 27, 2011 for voluntary Retirement with the workers in Processing, Folding and Engineering Departments at Dadar Unit.

12,69,80,249	NIL
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29. Disclosure in Accordance with Accounting Standard (as 20) on Earnings per Share :

Particulars	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011 ₹
Numerator for Basic and Diluted earnings per Share		
Net Profit / (Loss) after tax for the year (a)	58,23,60,670	57,55,50,296
Denominator for Basic and Diluted earnings per Share		
Weighted average number of Shares (b)	41,80,000	41,80,000
Basic and Diluted Earnings per share [(a) / (b)]	139.32	137.69
Face Value per share	₹ 10	₹ 10



30. Contingent Liabilities and Commitments :

	As At March 31, 2012 ₹	As At March 31, 2011 ₹
30.1 Contingent Liabilities : (to The Extent Not Provided For)		
I. Matters under disputes / appeals :		
a. Claims against the Company by Ex-employees pending in Labour Court not acknowledged as debts	Amount unascertainable	Amount unascertainable
b. Amount claimed by Bank as Term Loan Pre-payment charges including interest thereon not acknowledged as debt.	1,85,24,585	NIL
c. Income Tax [Amount deposited ₹ 20 lakhs (Previous Year ₹ NIL)]	6,76,69,000	6,96,69,000
d. Excise Duty / Service Tax	3,67,63,000	3,67,63,000
e. Amount paid under protest in respect of Employees' PF under section 8F of EPF Act, 1952	15,65,934	15,65,934
f. Water Charges under dispute	38,37,075	27,25,369
ii. Bank Guarantees (In Lieu of Cash Deposits)	1,21,10,300	1,32,09,100
30.2 Commitments :		
i. Related to contracts :		
a. Estimated amount of contracts remaining to be executed on capital account	13,32,88,641	11,54,30,347
Less : Advances	4,12,36,764	1,11,98,853
Net Estimated Amount	<u>9,20,51,877</u>	<u>10,42,31,494</u>
b. In addition, commitment of share of construction costs and related expenses for 13,000 square feet under a project.	Amount unascertainable	Amount unascertainable
ii. Other Commitments	NIL	NIL



31. Disclosure In Accordance With Accounting Standard (as 15) On Employee Benefits :

Particulars	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	"Gratuity (Funded)"		Compensate Absences (Unfunded)	
	₹		₹	
Change in present value of obligations				
Present value of obligation at the beginning of the year	3,62,77,389	32,596,487	3,752,758	3,241,280
Current Service Cost	42,47,777	2,723,648	3,103,272	36,11,980
Interest Cost	12,47,194	2,330,231	191,535	2,21,373
Past service cost - (Vested benefits)	NIL	534,024	NIL	NIL
Actuarial (Gain) / Loss	(17,74,287)	(1,44,240)	(22,81,215)	(29,72,823)
Benefits Paid	(2,17,26,296)	(17,62,761)	(20,66,676)	(3,49,052)
Present value of obligation at the end of the year	1,82,71,777	3,62,77,389	26,99,674	37,52,758
Change in plan assets				
Fair value of plan assets as at the beginning of the year	4,28,98,193	2,85,11,789	NIL	NIL
Adjustment to opening balance	(55,278)	80,15,034	NIL	NIL
Expected return on plan assets	14,56,640	21,04,838	NIL	NIL
Actuarial Gain / (Loss)	(11,48,724)	(14,41,707)	NIL	NIL
Contributions	12,20,000	74,71,000	20,66,676	3,49,052
Benefits paid	(2,17,26,296)	(1,762,761)	(20,66,676)	(3,49,052)
Fair value of plan assets as at the end of the year	2,26,44,535	4,28,98,193	NIL	NIL
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	2,26,44,535	4,28,98,193	NIL	NIL
Present value of the defined benefit obligations at the end of the year	1,82,71,777	3,62,77,389	26,99,674	37,52,758
Liability / (Asset) recognised in the Balance Sheet	(4,372,758)	(66,20,804)	26,99,674	37,52,758
Cost for the year				
Current service cost	42,47,777	27,23,648	31,03,272	36,11,980
Interest cost	12,47,194	23,30,231	1,91,535	2,21,373
Expected return on plan assets	(14,56,640)	(21,04,838)	NIL	NIL
Actuarial (Gain) / Loss	(625,563)	12,97,467	(2,281,215)	(29,72,823)
Past service cost - (Vested benefits)	77,669	5,34,024	NIL	NIL
Net Cost recognised in the Statement of Profit and Loss	34,90,437	47,80,532	10,13,592	8,60,530
Assumptions used to determine the benefit obligations :				
Mortality		LIC (1994-96) Ult.		LIC (1994-96) Ult.
Interest / discount rate	8%	8%	8%	8%
Estimated rate of return on plan assets	6%	6%	NIL	NIL
Expected rate of increase in compensation	5%	5%	5%	5%

31.1 The estimate of future compensation increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.



32. Disclosure in accordance with Accounting Standard (AS 17) on Segment Reporting :

Particulars	Textiles		Real Estate		Total
	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011	
Segment Revenue					
External Revenue	138,98,58,756	125,39,15,182	28,99,57,142	10,98,93,990	167,98,15,898
Inter Segment Revenue	NIL	NIL	NIL	NIL	NIL
Total Revenue	138,98,58,756	125,39,15,182	28,99,57,142	10,98,93,990	167,98,15,898
Segment Results					
Unallocated Corporate Income / (Corporate Expenses) Net	(4,32,17,383)	1,65,19,391	25,52,51,490	10,66,84,865	21,20,34,107
Finance Charges	(43,217,383)	1,65,19,391	25,52,51,490	10,66,84,865	75,93,67,148
Exceptional Items					(14,73,78,850)
Current Tax Adjustments of Earlier Years					(12,69,80,249)
Provision for taxes					(1,15,40,893)
Net Profit	237,59,03,570	244,93,37,826	72,09,50,019	54,00,11,583	58,23,60,670
Other Information					
Segment Assets	237,59,03,570	244,93,37,826	72,09,50,019	54,00,11,583	309,68,53,589
Unallocated Assets					746,25,99,623
Total Assets	237,59,03,570	244,93,37,826	72,09,50,019	54,00,11,583	831,92,63,256
Segment Liabilities	35,23,17,271	30,20,73,928	28,63,55,511	40,58,80,583	63,86,72,782
Unallocated Liabilities					783,94,94,017
Total Liabilities	35,23,17,271	30,20,73,928	28,63,55,511	40,58,80,583	677,16,76,286
Capital Expenditure					
Segment Capital Expenditure	14,08,45,340	56,28,47,986	3,60,87,080	15,38,88,594	17,69,32,419
Unallocated Capital Expenditure	NIL	NIL	NIL	NIL	NIL
Total Capital Expenditure	14,08,45,340	56,28,47,986	3,60,87,080	15,38,88,594	17,69,32,419
Depreciation and Amortisation					
Segment Depreciation and Amortisation	21,13,73,680	20,72,38,658	2,27,56,652	30,18,906	23,41,30,332
Unallocated Depreciation and Amortisation					24,51,582
Total Depreciation and Amortisation	21,13,73,680	20,72,38,658	2,27,56,652	30,18,906	23,65,81,914



33. Disclosure In Accordance With Accounting Standard (as 18) On Related Party Disclosures :

33.1 Following transactions were carried out in the ordinary course of business with the parties referred to in 33.2 below

Particulars	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011
	Key Managerial Personnel and their relatives [with 33.2 (I) and 33.2 (II) below]		Enterprise on which Key Managerial Personnel has Control [with 33.2 (III) below]	
Loans and Advances (Unsecured)				
Loans received				
Shri Manaharlal C. Shah (Executive Chairman)	1,12,00,000	1,36,50,000	NIL	NIL
Smt Aruna M Shah (Director)	42,25,000	650,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	79,00,000	94,00,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	55,00,000	140,50,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	24,00,000	5,500,000	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	99,75,000	1,97,00,000
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	71,25,000	1,76,25,000
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	4,69,00,000	2,88,15,000
Risha Dying & Printing Pvt. Ltd	NIL	NIL	15,75,000	NIL
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	775,000	47,00,000
	3,12,25,000	4,32,50,000	6,63,50,000	7,08,40,000
Loans repaid				
Shri Manaharlal C. Shah (Executive Chairman)	1,75,000	7,00,000	NIL	NIL
Smt Aruna M Shah (Director)	3,75,000	3,50,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	1,30,000	13,20,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	54,50,000	48,50,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	22,00,000	53,00,000	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	98,75,000	1,37,15,000
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	37,00,000	60,00,000
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	2,14,00,000	87,00,000
Risha Dying & Printing Pvt. Ltd	NIL	NIL	21,00,000	NIL
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	51,50,000	25,000
	83,30,000	1,25,20,000	4,22,25,000	2,84,40,000
Expenses				
Rent				
Shri Bharat M. Shah (Jt. Managing Director)	9,00,000	4,50,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	9,00,000	4,50,000	NIL	NIL
	18,00,000	9,00,000	NIL	NIL
Interest				
Shri Manaharlal C. Shah (Executive Chairman)	5,869,807	33,12,784	NIL	NIL
Smt Aruna M Shah (Director)	14,95,346	10,33,963	NIL	NIL
Shri Hiren M. Shah (Managing Director)	44,70,892	27,76,009	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	24,88,932	12,55,037	NIL	NIL
Shri Viraj M. Shah (Executive Director)	2,48,959	289,590	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	47,12,291	32,34,645
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	60,50,291	40,08,363
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	6,813,633	2,252,521
Risha Dying & Printing Pvt. Ltd	NIL	NIL	932,980	845,350
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	760,384	368,734
	1,45,73,936	86,67,383	1,92,69,579	1,07,09,613
Director's Fees - Smt Aruna M Shah	62,500	37,500	NIL	NIL
Directors' Remuneration				
Shri Manaharlal C. Shah (Executive Chairman)	1,50,00,000	1,49,84,861	NIL	NIL
Shri Hiren M. Shah (Managing Director)	1,08,00,000	1,07,76,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	1,08,00,000	1,07,49,760	NIL	NIL
Shri Viraj M. Shah (Executive Director)	1,08,00,000	1,07,43,771	NIL	NIL
Shri Purav H Shah (President)	54,33,160	29,39,865	NIL	NIL
Shri Rishabh V Shah	4,65,000	2,95,680	NIL	NIL
	5,32,98,160	5,04,89,937	NIL	NIL



Particulars	For the	For the	For the	For the
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
	₹		₹	
	Key Managerial Personnel and their relatives [with 33.2 (I) and 33.2 (II) below]		Enterprise on which Key Managerial Personnel has Control [with 33.2 (III) below]	
Outstanding Balance As At March 31, 2012				
Shri Manaharlal C. Shah (Executive Chairman)	4,44,00,000	3,33,75,000	NIL	NIL
Smt Aruna M Shah (Director)	1,18,00,000	79,50,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	3,35,50,000	2,57,80,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	1,60,00,000	1,59,50,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	27,00,000	25,00,000	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	2,72,00,000	2,71,00,000
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	39,150,000	3,57,25,000
MC Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	5,78,15,000	3,23,15,000
Risha Dying & Printing Pvt. Ltd.	NIL	NIL	71,60,000	76,85,000
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	27,25,000	71,00,000
	10,84,50,000	8,55,55,000	13,40,50,000	10,99,25,000

33.2 Relationships :

- I Key Managerial Personnel :
 - i. Shri Manaharlal C. Shah (Executive Chairman)
 - ii. Shri Hiren M. Shah (Managing Director)
 - iii. Shri Bharat M. Shah (Jt. Managing Director)
 - iv. Shri Viraj M. Shah (Executive Director)
 - v. Shri Purav H. Shah (President)
- II Relatives of key Managerial Personnel :
 - i. Smt. Aruna M. Shah
 - ii. Shri Rishabh V. Shah
- III Enterprise on which key Managerial Personnel has Control :
 - i. Manubhai & Sons Investment Co. Pvt. Ltd.
 - ii. Hiren Bros. Investment Co. Pvt. Ltd.
 - iii. MC Shah & Sons Investment Co. Pvt. Ltd.
 - iv. Risha Dying & Printing Pvt. Ltd
 - v. Ruby Sales & Services Pvt. Ltd.

34. Disclosure in Accordance with Accounting Standard (as 19) on Accounting for Leases :

34.1 Where the Company is a Lessee :

- i. The Company has taken motor cars under operating leases. These are generally cancellable and range between three and five years and are renewable by mutual consent on mutually agreeable terms.
- ii. Lease / Rent payments are recognised in the Statement of Profit and Loss as 'Rent' under 'Other Expenses' in Note 27.
- iii. Future minimum lease rental payable is as under :

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	₹	₹
Within 1 year	59,77,200	62,97,925
After 1 year but before 5 years	69,73,400	1,30,28,546
After 5 years	NIL	NIL



34.2 Where the Company is a Lessor :

- i. The Company has given premises under leave and licence agreements under operating lease. These are generally cancellable and are for 14 months to 9 years and are renewable by consent on mutually agreeable terms. Licence Fees are recognised in the Statement of Profit and Loss under Note 21.
- ii. Future minimum lease rental receivable is as under :

Particulars	As At	
	March 31, 2012	March 31, 2011
	₹	₹
Within 1 year	19,28,48,078	25,14,60,673
After 1 year but before 5 years	30,75,28,718	132,58,28,806
After 5 years	15,30,02,159	123,97,01,204

35. Disclosure In Accordance With Accounting Standard (as 29) On Provisions, Contingent Liabilities And Contingent Assets :

Leave encashment	37,52,758	10,13,592	(20,66,676)	26,99,674
Gratuity	3,62,77,389	34,90,437	(2,14,96,049)	1,82,71,777
Proposed Dividend	2,09,00,000	2,09,00,000	(2,09,00,000)	2,09,00,000
Tax on Proposed Dividend	34,71,229	3,390,000	(3,471,229)	3,390,000

36. Consumption of Imported / Indigenous Materials :

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Percentage	₹	Percentage	₹
Raw Materials				
Imported	2.62%	1,09,69,957	2.13%	82,36,505
Indigenous	97.38%	40,84,35,425	97.87%	37,82,15,539
TOTAL	100.00%	41,94,05,382	100.00%	38,64,52,044
Stores and Spares				
Imported	9.19%	1,75,85,447	15.20%	2,55,57,097
Indigenous	90.81%	17,37,39,300	84.80%	14,25,48,494
TOTAL	100.00%	19,13,24,747	100.00%	16,81,05,591

37. Value of Imports Calculated on C.I.F. Basis :

Raw Materials	78,16,030	13,86,386
Stores and Spares	1,61,53,741	2,07,85,801
Capital Goods	3,74,71,072	1,27,64,610
TOTAL	6,14,40,843	3,49,36,797

38. Expenditure In Foreign Currency :

i. Interest on Buyers' Credits	43,98,880	33,01,822
ii. Miscellaneous Expenses		
Travelling Expenses	43,24,065	56,71,761
Subscription, Books and Periodicals	5,02,855	8,89,127
Membership and Subscription	5,88,137	50,525
Consultancy Fees	70,29,202	7,99,531
TOTAL	1,68,43,139	1,07,12,766

39. Earnings In Foreign Currency :

Export of Goods at F.O.B. Value	87,00,135	58,58,344
TOTAL	87,00,135	58,58,344



40. Financial and Other Derivative Instruments :

Foreign Currency exposures which are not hedged by the derivative instruments :

Particulars	Balance As At March 31, 2012		Balance As At March 31, 2011	
	In Foreign Currency	₹	In Foreign Currency	₹
Foreign Currency Term Loan - USD	22,91,895	11,66,11,634	2,946,723	13,14,23,824
Import Trade Payables - USD	4,832	2,45,833	107,471	4,793,198
Import Trade Payables - EURO	50,729	34,45,006	84,770	5,376,091
Buyers Credits - USD	90,70,308	46,14,97,256	9,656,002	432,009,461
Buyers Credits - EURO	15,57,152	10,57,46,158	1,988,175	126,587,614
Interest on Buyers' Credits - USD	87,968	44,75,809	31,243	1,394,793
Interest on Buyers' Credits - EURO	19,435	13,19,865	13,892	874,079

41. The balances of Trade Receivables and Trade Payables as at March 31, 2012 are subject to confirmation / reconciliation wherever applicable.

As per our Report of even date attached

For B. S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 106190W

PARESH H. CLERK
Partner
Membership No.36148

PLACE : MUMBAI
DATED : August 14, 2012

For and on behalf of the Board of Directors

MANHARLAL C. SHAH	Executive Chairman
HIREN M. SHAH	Managing Director
BHARAT M. SHAH	Jt. Managing Director
PANKAJ J. PARKHIYA	Company Secretary

PLACE : MUMBAI
DATED : August 14, 2012



THE RUBY MILLS LTD.

Regd. Office : Ruby House, J.K.Sawant Marg, Dadar, Mumbai-400 028.

ATTENDANCE SLIP

I hereby record my presence at the Ninety Sixth Annual General Meeting of the Members of The Ruby Mills Ltd. at Ruby House, J. K. Sawant Marg, Dadar (W), Mumbai - 400 028 on Monday the 24th September 2012 at 4.30 p.m.

Full Name of the Member:
(in block letters)

Members' Folio No.: _____	No.of Shares: _____
And/or	
DPID No./Client ID No.: _____	No.of Shares: _____

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If Shareholder, please sign here	If Proxy, please sign here
----------------------------------	----------------------------

NOTES:

N.B.: 1. Members attending the meeting in person or by Proxy are requested to complete attendance slip and hand it over at the entrance of the meeting hall.

2.The practice of distributing copies of the Annual General Meeting having being discontinued, Members attending the Meeting are requested to bring their copies of the Annual Report with them.

THE RUBY MILLS LTD.

Regd. Office : Ruby House, J.K.Sawant Marg, Dadar, Mumbai-400 028.

PROXY FORM

Members' Folio No.: _____	No.of Shares: _____
And/or	
DPID No./Client ID No.: _____	No.of Shares: _____

I/We _____ of _____ being a Member/Members of THE RUBY MILLS LTD. hereby appoint _____ of _____ Or failing him _____ of _____

as /my /our Proxy to attend and vote for me/us and on my /our behalf at the Annual General Meeting of the Company to be held on Monday the 24th September 2012 at 4.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.



*Applicable to investors holding shares in electronic form

Signature

NOTE: This form of proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



(1) FORMAT FOR REGISTERING EMAIL ID

DP/Client ID / Folio No:

Name of the sole / first holder:

Postal Address:

Email Address :

Signature

(2) FORMAT OF MANDATE FOR PAYMENT OF DIVIDEND BY NECS / NEFT

Folio No :

Name of the sole / first holder :

Postal Address :

Email Address :

I hereby authorize M/s The Ruby Mills Limited to make payment of dividend by direct credit to my bank account

The details of which are furnished below:

Bank Name :

Branch Name :

Branch Address :

MICR code :

IFSC code :

Account Type :

Account No :

I enclose herewith the following documents in proof of the above details:

Photocopy of Bank Pass Book / Bank Statement

Photocopy of a Blank cheque leaf of the account

Signature

(3) FORMAT FOR CLAIMING UNPAID DIVIDENDS OF PREVIOUS YEARS

DP / Client ID / Folio No:

Name of the sole / first holder:

Postal Address:

Years for which dividend not received:

Signature