

The Ruby Mills Ltd.



**97th ANNUAL REPORT
2012-2013**



THE RUBY MILLS LIMITED

Board of Directors :

Shri Manharlal Chunilal Shah
Shri Hiren Manharlal Shah
Shri Bharat Manharlal Shah
Shri Viraj Manharlal Shah

Independent Directors :

Shri Jimmy D. Masani
Shri Shardul J. Thacker
Shri Dharamsinh M. Papat
Shri Dilip J. Thakkar
Shri Shaunak J. Thacker
Shri Anup P. Shah

Non - Executive Non - Independent Director :

Smt. Aruna M. Shah

Chief Financial Officer :

Shri S. Jayaraman

Company Secretary & Compliance Officer :

Shri Pankaj J. Parkhiya

Solicitors :

Federal & Rashmikant

Statutory Auditors :

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

Bankers to the Company :

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.
---	--	--

Registrar and Share Transfer Agents :

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



CONTENTS

Page No.

Summarised Financial Data	1
Notice.....	2
Directors' Report	13
Management Discussion & Analysis	20
Corporate Governance Report	23
Declaration by MD/CFO under Clause 49	32
Auditors' Certificate on Compliance of Conditions of Corporate Governance	33
Independent Auditors' Report	34
Balance Sheet	38
Statement of Profit and Loss	39
Cash Flow Statement	40
Notes Forming Part of Financial Statements	41



SUMMARISED FINANCIAL DATA

(` in Lacs)

Sr.	Particular	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
1.	Total Revenue	12773.13	15534.26	20492.01	24690.61	20711.53
2.	Profit Before Exceptional items	3196.65	5429.71	10206.41	12348.80	8642.71
3.	Finance Costs	820.46	106.69	806.02	1742.76	1876.88
4.	Depreciation and Amortisation Expense	1350.79	1591.41	2154.17	2365.82	2440.02
5.	Profit before Tax	1025.40	3731.61	7246.22	8240.22	4325.81
6.	Provision for Tax including Current Tax adjustments of Earlier Years.	394.00	382.65	1500.00	1565.41	892.51
7.	Provision for Deferred Tax	356.38	(43.23)	(9.28)	(418.59)	384.96
8.	Profit After Tax and Before Prior Period and Exceptional Items	275.01	3392.20	5755.50	7093.40	3048.34
9.	Prior Period and Exceptional Items	(1490.00)	1479.22	-	1269.80	-
10.	Profit after Tax , Prior Period and Exceptional Items	1765.00	1912.98	5755.50	5823.60	3048.34
	Add: Surplus Brought Forward	127.65	1567.94	3093.95	8029.74	13027.44
	Balance Available for Appropriation	1892.65	3480.92	8849.45	13853.34	16075.78
	Less: Appropriations					
	-General Reserve	178.00	192.00	576.00	583.00	310.00
	- Proposed Dividend	125.40	167.20	209.00	209.00	167.20
	- Tax on Dividend	21.31	27.77	34.71	33.90	28.41
	Balance carried forward to next year	1567.94	3093.95	8029.74	13027.44	15570.17



NOTICE

NOTICE is hereby given that the **Ninety Seventh Annual General Meeting (AGM)** of the Members of THE RUBY MILLS LIMITED will be held on Monday the September 23, 2013 at 4.30 p.m. IST at the Registered office of the Company at Ruby House, J. K. Sawant Marg, Dadar (W), Mumbai - 400 028 to transact the following business:

Ordinary Business

Item No.1 – Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

Item No.2 – Declaration of Dividend

To declare Dividend for the Financial Year ended March 31, 2013.

Item No.3 – Re-appointment of Shri Viraj M. Shah

To appoint a Director in place of Shri Viraj M. Shah, who retires by rotation and being eligible, seeks re-appointment.

Item No.4 – Re-appointment of Shri Shardul J.Thacker

To appoint a Director in place of Shri Shardul J. Thacker, who retires by rotation and being eligible, seeks re-appointment.

Item No.5 – Re-appointment of Shri D. M. Papat

To appoint a Director in place of Shri D.M. Papat, who retires by rotation and being eligible, seeks re-appointment.

Item No.6 – Appointment of Auditors

To appoint Auditors to hold office from conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and to pass the following resolution thereof:

“RESOLVED THAT M/s. B.S. Mehta & Co., Chartered Accountants, Mumbai, (Firm registration No.106190W) be and hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the next AGM on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, and upon the recommendation of the Audit Committee.”

Special Business

Item No.7 – Appointment of Shri Anup P. Shah liable by retire by rotation

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 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 Anup P. Shah, as a Director of the Company liable to retire by rotation, who was appointed as an Additional Director pursuant to provisions 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.”

Item No.8 – Re-appointment of Shri M.C. Shah, Executive Chairman

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule XIII to the Act and subject to the approval of the Central Government, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri M.C. Shah as the Executive Chairman of the Company for a period of five years with effect from April 1, 2014 (i.e. from April 1, 2014 to March 31, 2019). On the following existing remuneration as recommended by Remuneration Committee of the Board of Directors of the Company for the period of three years i.e. upto March 31, 2017:

1. Basic Salary:

₹ 133.08 lacs per annum i.e. ₹ 11.09 lacs per month



2. Perquisites, allowances and others:

₹ 16.92 lacs per annum, which may include, inter alia, accommodation (furnished or otherwise), reimbursement of expenses for gas, electricity, water and furnishings, telephone, medical reimbursement, LTA, insurance premium, free use of Company car with driver, Club Fee and such other perquisites and allowances in accordance with the Rules of the Company.

Aggregate of basic salary and perquisites, allowances and other shall not exceed of ₹ 1.50 Crores.

3. Payments and Provisions which shall not be included in the Computation of the remuneration or perquisites as aforesaid, subject to Schedule XIII of the Companies Act, 1956:

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961, Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and Encashment of Leave at the end of the tenure.

“RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out above be paid as minimum remuneration to Shri M.C. Shah notwithstanding that in any financial year of the Company during his tenure as a Executive Chairman, the Company has made no profits or profits are inadequate.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the minimum remuneration or the limits specified in Schedule XIII to the Companies Act 1956 or any Statutory amendment or re-enactment thereof in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

Item No.9 – Re-appointment of Shri H. M. Shah, Managing Director

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule XIII to the Act and subject to the approval of the Central Government, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri Hiren M. Shah as the Managing Director of the Company for a period of five years with effect from April 1, 2014 (i.e. from April 1, 2014 to March 31, 2019). On the following existing remuneration as recommended by Remuneration Committee of the Board of Directors of the Company for the period of three years i.e. upto March 31, 2017:

1. Basic Salary:

₹ 95.64 lacs per annum i.e. ₹ 7.97 lacs per month

2. Perquisites, allowances and others:

₹ 12.36 lacs per annum, which may include, inter alia, accommodation (furnished or otherwise), reimbursement of expenses for gas, electricity, water and furnishings, telephone, medical reimbursement, LTA, insurance premium, free use of Company car with driver, Club Fee and such other perquisites and allowances in accordance with the Rules of the Company.

Aggregate of basic salary and perquisites, allowances and others shall not exceed of ₹ 1.08 Crores.

3. Payments and Provisions which shall not be included in the Computation of the remuneration or perquisites as aforesaid, subject to Schedule XIII of the Companies Act, 1956:

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961, Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and Encashment of Leave at the end of the tenure.

“RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out above be paid as minimum remuneration to Shri Hiren M. Shah notwithstanding that in any financial year of the Company during his tenure as a Managing Director, the Company has made no profits or profits are inadequate.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the limits specified in Schedule XIII to the Companies Act 1956 or any Statutory amendment or re-enactment thereof in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”



Item No.10 – Re-appointment of Shri B. M. Shah, Jt. Managing Director

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule XIII to the Act and subject to the approval of the Central Government, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri Bharat M. Shah as the Joint Managing Director of the Company for a period of five years with effect from April 1, 2014 (i.e. from April 1, 2014 to March 31, 2019). On the following existing remuneration as recommended by Remuneration Committee of the Board of Directors of the Company for the period of three years i.e. upto March 31, 2017:

1. Basic Salary:

₹ 95.64 lacs per annum i.e. ₹ 7.97 lacs per month

2. Perquisites, allowances and others:

₹ 12.36 lacs per annum, which may include, inter alia, accommodation (furnished or otherwise), reimbursement of expenses for gas, electricity, water and furnishings, telephone, medical reimbursement, LTA, insurance premium, free use of Company car with driver, Club fee and such other perquisites and allowances in accordance with the rules of the Company.

Aggregate of basic salary and perquisites, allowances and others shall not exceed of ₹ 1.08 Crores.

3. Payments and Provisions which shall not be included in the Computation of the remuneration or perquisites as aforesaid, subject to Schedule XIII of the Companies Act, 1956:

Company’s contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961, Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service and Encashment of Leave at the end of the tenure.

“RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out above be paid as minimum remuneration to Shri Bharat M. Shah notwithstanding that in any financial year of the Company during his tenure as a Joint Managing Director, the Company has made no profits or profits are inadequate.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the limits specified in Schedule XIII to the Companies Act 1956 or any Statutory amendment or re-enactment thereof in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

Item No.11 – Re-appointment of Shri V. M. Shah, Executive Director

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule XIII to the Act and subject to the approval of the Central Government, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Viraj M. Shah as the Executive Director of the Company for a period of five years with effect from April 1, 2014 (i.e. from April 1, 2014 to March 31, 2019). On the following existing remuneration as recommended by Remuneration Committee of the Board of Directors of the Company for the period of three years i.e. upto March 31, 2017:

1. Basic Salary:

₹ 95.64 lacs per annum i.e. ₹ 7.97 lacs per month

2. Perquisites, allowances and others:

₹ 12.36 lacs per annum, which may include, inter alia, accommodation (furnished or otherwise), reimbursement of expenses for gas, electricity, water and furnishings, telephone, medical reimbursement, LTA, insurance premium, free use of Company car with driver, Club Fee and such other perquisites and allowances in accordance with the Rules of the Company.

Aggregate of basic salary and perquisites, allowances and others shall not exceed of ₹ 1.08 Crores.

3. Payments and Provisions which shall not be included in the Computation of the remuneration or perquisites as aforesaid, subject to Schedule XIII of the Companies Act, 1956:

Company’s contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961, Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service and Encashment of Leave at the end of the tenure.



“RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out above be paid as minimum remuneration to Shri Viraj M. Shah notwithstanding that in any financial year of the Company during his tenure as a Executive Director, the Company has made no profits or profits are inadequate.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the limits specified in Schedule XIII to the Companies Act 1956 or any Statutory amendment or re-enactment thereof in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

Registered Office:
Ruby House,
J.K.Sawant Marg, Dadar,
Mumbai-400028.

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

Place: Mumbai,
Dated: August 9, 2013.

Pankaj J. Parkhiya
Company Secretary

NOTES FOR MEMBERS' ATTENTION

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM 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. Member/proxies should bring duly filled Attendance Slip sent herewith to attend the meeting.
3. 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.
4. 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.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 14, 2013 to Monday, September 23, 2013 (Both days inclusive).
6. The Dividend on Equity Shares recommended by the Board of Directors, if approved by the members at the Ninety Seventh Annual General Meeting shall be paid on or after Monday, September 23, 2013 to those members whose names appear on the Register of Members of the Company at the closing hours of September 13, 2013. 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 September 13, 2013 as per details to be furnished by the Depositories for this purpose.
7. Pursuant to Section 205A of the Companies Act, 1956 dividend for the financial year ended March 31, 2006 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 March 31, 2006 or any subsequent Financial Years are requested to make their claim to the Share Department of the Registrar & Share Transfer Agents and /or 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.
- 8. 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.**
9. 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.
10. The Annual Report duly circulated to the members of the Company, is available on the Company's Website at www.rubymills.com.



11. 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.
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. **To enable the Company to comply with the SEBI Circular no, CIR/MRD/DP/10/2013 dated March 21, 2013 regarding Usage of electronic payment modes for making cash payments to the investors, members are requested to co-operate in helping the Company by updating their bank's details such as Name of Bank, Branch Name, Type of A/c., A/c No., MICR, IFSC etc. that are required for making electronic payment, with their respective Depository Participants, in case of electronic shareholding, or registering their Bank details with the Company's Registrar and Transfer Agents, in case of physical shareholding.**

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

Place: Mumbai,
Dated: August 9, 2013.

Pankaj J. Parkhiya
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts in respect of Item Nos. 7 to 11 mentioned in the accompanying Notice dated August 9, 2013.

Item No. 7

Shri Anup P. Shah was appointed as an Additional Director by the Board of Director w.e.f. November 12, 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 Anup P. Shah 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.

Shri Anup P. Shah is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act, The Company has received the requisite Form DD-A from Shri Anup P. Shah, in terms of the Companies (Disqualification of Director under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The Board feels that presence of Shri Anup P. Shah, B.Com LLB and C.A., on the Board is desirable and would be beneficial to the company as he is having vast experience in Legal, Tax and Financial Advisory field and hence recommend resolution No. 7 for adoption.

None of the Directors are concerned or interested in this resolution.

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

Item No. 8 to 11:

The term of Directorship of Shri M.C. Shah, Shri H.M. Shah, Shri B.M. Shah and Shri V.M. Shah will be expired on March 31, 2014. Keeping in view their contributions in the growth of the Company and their leadership qualities supported by experience, the Board of Directors at their meeting held on August 9, 2013 have re-appointed all the four Directors for further period of five(5) years subject to the approval of the shareholders & Central Government.

The Approval from the Ministry of Corporate Affairs has been obtained by the Company for the payment of remuneration to Shri M.C. Shah, Shri H.M. Shah Shri B.M. Shah and Shri V.M. Shah upto March 31, 2014. The Remuneration Committee at their meeting held on August 9, 2013 have, after considering the various factors have sanctioned to pay existing remuneration to above Directors for the period of three (3) years i.e. from April 1, 2014 to March 31, 2017 as stated in the 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.

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

Dated : August 9, 2013
Place : Mumbai

Pankaj Parkhiya
Company Secretary

IMPORTANT COMMUNICATION TO MEMBERS

Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. The Ministry of Corporate Affairs (vide Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) has allowed companies to share documents with its shareholders through electronic mode as part of the green initiative in corporate governance.

To support this Green initiative in full measures, we hereby propose to send all communications/documents to the email address provided by you with your depository. We request you to update your email address with your depository participant to ensure that the communications/documents reach you on your preferred email address.

ANNEXURE A TO THE EXPLANATORY STATEMENT

Information as required under Section II of Part II 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 to 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 September 12, 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 statement).

	31.03.2013	31.03.2012
Total Revenue	20711.53	24690.61
Profit before Exceptional items	8642.71	12348.80
Finance Costs	1876.88	1742.76
Depreciation and Amortisation Expense	2440.02	2365.82
Profit before Tax	4325.81	8240.22
Provision for Tax including Current Tax and adjustments of Earlier Years.	892.51	1565.41
Provision for Deferred Tax	384.96	(418.59)
Profit after Tax	3048.34	7093.40

Export Performance and net foreign exchange earnings

	31.03.2013	31.03.2012
Export Earnings	99.26	87.00

There are no royalty payable.

Foreign Investments or Collaborators, if any

NIL

II INFORMATION ABOUT THE APPOINTEES

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 April 1, 2009 to March 31, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on September 18, 2009. Now it is proposed to re-appoint him with effect from April 1, 2014 for the period of five years i.e. upto March 31, 2019 on the remuneration as stated in resolution no. 8 of the above notice for the period of three years i.e. upto March 31, 2017:

2. Remuneration:

The remuneration approved by members of the Company at 96th AGM convened on September 24, 2012 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 p.m. inclusive of perks subject to the approval of Central Govt. and as set out in the resolution and explanatory statement enclosed 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 April 1, 2009 to March 31, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on September 18, 2009. Now it is proposed to re-appoint him with effect from April 1, 2014 for the period of five years i.e. upto March 31, 2019 on the remuneration as stated in resolution no. 9 of the above notice for the period of three years i.e. upto March 31, 2017:

2. **Remuneration:**

The remuneration approved by members of the Company at 96th AGM convened on September 24, 2012 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 39 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 is 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 39 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 automatize 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 Dhamni and Kharsundi Units and has initiated the shifting of entire Spinning & Weaving operations from Mumbai to Dhamni and Process House to Village Kharsundi.

5. **Remuneration proposed:**

The proposed remuneration is ` 9 lacs p.m. 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 April 1, 2009 to March 31, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on 18th September, 2009. Now it is proposed to re-appoint him with effect from April 1, 2014 for the period of five years i.e. upto March 31, 2019 on the remuneration as stated in resolution no. 10 of the above notice for the period of three years i.e. upto March 31, 2017:

2. **Past remuneration:**

The remuneration approved by members of the Company at 96th AGM convened on September 24, 2012 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 31 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 was 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 p.m. inclusive of perks subject to the approval of Central Government and as set out in the resolution and explanatory statement enclosed 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 April 1, 2009 to March 31, 2014 by the Members of the Company at their 93rd Annual General Meeting, held on September 18, 2009. Now it is proposed to re-appoint him with effect from April 1, 2014 for the period of five years i.e. upto March 31, 2019 on the remuneration as stated in resolution no. 11 of the above notice for the period of three years i.e. upto March 31, 2017:

2. Past remuneration:

The remuneration approved by members of the Company at 96th AGM convened on September 24, 2012 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 29 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 penetrate in local markets, territory wise and further assuring the Company of faster collections against sales. This system has safe guarded 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 p.m. inclusive of perks subject to the approval of Central Government and as set out in the resolution and explanatory statement attached herewith.

III OTHER INFORMATION

Reasons of loss or inadequate profits:

During the year under review, the Workers of Weaving Section of Dhamni Plant had resorted to an illegal strike against disciplinary action initiated by the Company against Union Representative for aggregate period of Four (4) months, which has resulted in loss of production of approximately 75 lacs Meters and in addition our Company has made investments of approx. ` 100 Crs in its modern processing house at Kharsundi, Khopoli, which has resulted in high interest and depreciation costs.

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.

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 Directors' Report under the heading "Corporate Governance" attached to the annual report will be disclosed as and when required.

PERQUISITES 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 lower than 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.



ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT AND RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT:-

Name of the Director	Shri Viraj M. Shah	Shri Shardul J. Thacker	Shri D.M. Popat	Shri Anup P. Shah (appointment as a Director)
Date of Birth	April 18, 1961	November 11, 1947	December 18, 1933	October 2, 1976
Date of Appointment as Director	November 28, 1994	December 19, 1984	March 27, 2000	N.A.
Qualification	B.Com	<ul style="list-style-type: none"> Graduated from Sydenham College with Bachelors in Commerce, Bombay University LLB Degree, Government Law College, Bombay University Solicitor, Bombay High Court Solicitor, Supreme Court of England Solicitor, Supreme Court Hong Kong 	B.Com., B.A., LL.B.	<ul style="list-style-type: none"> Fellow Member of Institute of Chartered Accountants of India Law Graduate from Mumbai University B.Com from Sydenham College, Mumbai University Business Consultancy Studies Course from Jamnalal Bajaj Institute, Mumbai University
Brief resume & Expertise in specific functional areas	<p>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 penetrate in local markets, territory wise and further assuring the Company of faster collections against sales. This system has safe guarded 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.</p>	<p>He is a partner of the leading Indian law firm, Mulla & Mulla & Craigie Blunt & Caroe and heads the firm's banking, maritime and arbitration practice group.</p> <p>With an illustrious practice of over 40 years, he is the Indian counsel to leading Indian and international banks.</p> <p>He has extensively advised banks and international lenders in respect of various term loan facilities, acquisitions and banking frauds, and is reputed in the international finance and legal circles for having structured some of the most interesting and highly-g geared finance deals in relation to infrastructure projects, energy, ports and ships. He contributes annually to Banking Regulation Review (India chapter) by Law Business Research UK and Cross-Border Security, Norton Rose, Butterworths publication.</p>	<p>He is a Senior Partner of Mulla & Mulla & Craigie Blunt & Caroe and he has been in practice for over 43 years and has vast experience in legal field.</p>	<p>He is a Partner of Pravin P. Shah & Co. He has over 14 years of hands-on experience in Legal, Tax and Financial Advisory and has Authored several books like:</p> <p>"HANDBOOK ON CAPITAL MARKET REGULATIONS- edition 1 & 2-published by ICAI"</p> <p>"WILLS, SUCCESSIONS & FAMILY SETTLEMENT-1,2 & 3 edition –published by BCAS"</p> <p>He was awarded a Prize for the "Best Feature in the BCA Journal" and was Convener of the Editorial Board/Journal Committee of the BCAJ.</p>
*Directorships in other Public Limited Companies	Nil	<ol style="list-style-type: none"> R P G Enterprises Limited Fomento Resorts And Hotels Limited Seamec Limited 	<ol style="list-style-type: none"> Peninsula Land Limited The Hindoostan Spinning and Weaving Mills Limited Hindustan Construction Company Limited 	<ol style="list-style-type: none"> Claris Lifescience Limited Jai Corp Limited
*Committee Positions held in other Companies C - Chairman M – Member	Nil	<p><u>Audit Committee</u> SEAMEC Limited-(M)</p> <p><u>Shareholder Grievance Committee</u> SEAMEC Limited-(C)</p>	Nil	<p><u>Audit Committee</u> Claris Lifescience Limited-(C) Jai Corp Limited- (M) <u>Shareholder Grievance Committee</u> Claris Lifescience Limited-(M)</p>
No. of shares held in the Company	137830	Nil	Nil	800

Note:

- The Directorships held by Directors mentioned above, do not include Alternate Directorship and Directorship in Foreign Companies and Section 25 companies.
- In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees in all Public Limited companies (excluding The Ruby Mills Limited) have been considered.



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Ninety Seventh Annual Report together with the Audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2013.

Financial Results

The financial performance of the Company for the year ended March 31, 2013 is summarised below

Sl. No.	Particulars	For the year ended (` In Lakhs)	
		March 31, 2013	March 31, 2012
1.	Total Revenue	20711.53	24690.61
2.	Profit before Exceptional items	8642.71	12348.80
3.	Finance Costs	1876.88	1742.76
4.	Depreciation and Amortisation Expense	2440.02	2365.82
5.	Prior Period and Exceptional Items	-	1269.80
6.	Profit before Tax	4325.81	8240.22
7.	Provision for Tax including Current Tax adjustments- of Earlier Years.	892.51	1565.41
8.	Provision for Deferred Tax	384.96	(418.59)
9.	Profit after Tax , Prior Period and Exceptional Items	3048.34	5823.60
	Add: Surplus Brought Forward	13027.44	8029.74
	Balance Available for Appropriation	16075.78	13853.34
	Less: Appropriations		
	-General Reserve	310.00	583.00
	- Proposed Dividend	167.20	209.00
	- Tax on Dividend	28.41	33.90
	Balance carried forward to next year	15570.17	13027.44

Operating and Financial Performance:

- During the year under review, total revenue decreased by 16.12% over the previous year, i.e. from ` 24690.61 lacs to ` 20711.53 lacs. Profit before tax has decreased by 37.94% over the previous year. The fall is mainly due to the deteriorating conditions prevailing in the global economy scenario and also the interest rates hiked by the Banks. Moreover, the fluctuations in the prices due to change in Government Guidelines have also stretched the cash flows.

Further during the year under review, the Workers of Weaving Section of Dhamni Plant had resorted to an illegal strike against disciplinary action initiated by the Company against Union Representative for aggregate period of Four (4) months, which has resulted in loss of production of approximately 75 lacs Meters and in addition our Company has made investments of approx. ` 100 Crs. in its modern processing house at Kharsundi, Khopoli, which has resulted in high interest and depreciation costs. The lower profit during the year is due to all the above factors.

Textiles and Real Estate Division

The revenue from textiles activity was ` 12135 lacs as compared to ` 13898 lacs in the previous year. The operating loss for the year was ` 2166 Lacs as against ` 432 lacs in the previous year.

The revenue from real estate activity was ` 3767 lacs as compared to ` 2900 lacs in the previous year. The operating profit for the year was ` 3558 Lacs as against ` 2553 lacs in the previous year.



Dividend

- Your Directors, have after assessing the need for corporate requirement, recommended a dividend at the rate of 40% (Forty percent) p.a. of ₹ 2/- (per share on 83,60,000 equity shares of ₹ 5/- each aggregating to ₹ 1,67,20,000/-). The dividend will be paid to the Members whose names appear in Register of Members on September 13, 2013 (Book Closure Date) after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be ₹ 195.61 lacs including tax on dividend. This represents a payout ratio of 40% (Previous year 50%). An amount of ₹ 310 lacs (previous year ₹ 583 lacs) has been transferred to General Reserve.

Listing

- The Equity Shares of the Company continue to remain listed with BSE Limited and National Stock Exchange of India Limited and the stipulated listing fees for the year 2013-14 have been paid to both the Stock Exchanges.

Sub division of Equity Share Capital

- Pursuant to your approval at the Ninety Sixth Annual General Meeting (AGM) of the Company held on September 24, 2012 the nominal face value of the equity shares of the Company was sub-divided from ₹ 10 per equity share to ₹ 5 per equity share, with effect from November 22, 2012. To facilitate this sub-division, shareholders were issued 2 equity shares of ₹ 5 each in lieu of one equity share of ₹ 10 each held by them as on the record date i.e. November 23, 2012, fixed for this purpose.

Management's Discussion and Analysis Report

- In compliance with Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange of India Limited, a separate section on Management Discussion and Analysis which also includes further details on the state of affairs of the Company and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the Statutory Auditors confirming the compliance with the requirements of Clause 49 forms part of this Annual Report.

Directors

- In accordance with the provisions of the Companies Act, 1956 and under Article 159 of the Articles of Association of the Company, Shri. Viraj M. Shah, Shri Shardul J. Thacker and Shri D. M. Papat, retire by rotation and being eligible, offer themselves for re-appointment.
- Shri Anup P. Shah was appointed as an Additional Director on the Board of Directors of the Company with effect from November 12, 2012 as an Independent Director. He ceases to be a Director on the date of the ensuing Ninety Seventh AGM. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as Director on the Board along with the deposit of Rupees Five hundred and accordingly his appointment is proposed as a Director at the ensuing Annual General Meeting.
- In compliance with the Clause 49 IV (G) of the Listing Agreement, brief resume of the aforesaid directors, their expertise and other details of Directors proposed to be appointed/ re-appointed are provided in the Notice of Ninety Seventh AGM of the Company.

Auditors

Statutory Auditors

- M/s. B.S. Mehta & Co., Chartered Accountants Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. B.S. Mehta & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

Members are requested to re-appoint M/s. B.S. Mehta & Co., Chartered Accountants as the Statutory Auditors of the Company.

Cost Auditors

- Shri Dakshesh H. Zaveri, Cost Accountant was appointed as Cost Auditor of the Company for cost audit of Textile Units of the Company for F. Y. 2012-13. The Cost Audit Report for the year 2012-13 will be filed before due date.
- The Board has, subject to the approval of Central Government, approved the re-appointment Shri Dakshesh H. Zaveri, Cost Accountant as Cost Auditor of the Company for conducting Cost Audit of Textile Units of the Company for F.Y. 2013-14 as required pursuant to Section 233B of the Companies Act, 1956 read with the Rules made thereunder.
- Shri Dakshesh H. Zaveri, Cost Auditor has submitted their Cost Audit Report for the financial year 2011-12, which has also been filed with Central Government on February 27, 2013.



VAT Auditor

- As required under Maharashtra Sales Tax Act, the Company has appointed a VAT Auditor to conduct the VAT Audit.

Internal Control Systems

- Your Company has a proper and adequate internal control system commensurate with its nature and size of business to ensure the timely and accurate recordings of financial transactions and adherence, in particular, to applicable Accounting Standards, safety of Assets, optimum utilization, applicable laws, Rules & Regulations and Management Policy. The Audit Committee meets periodically with the management and Internal Audit Team to examine and evaluate the adequacy and effectiveness of the internal control systems and takes necessary steps wherever found necessary, to further strengthen the internal control systems and procedures. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures are recommended for implementation.

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.

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 confirms that:

- 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 proper accounting policies have been selected and applied 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.

Particulars of Conservation of Energy, 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 and high emphasis on business ethics. 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 (CSR)

- 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 in 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 thank all the shareholders, all employees of the Company, customers, suppliers, Government Authorities, Financial Institutions and bankers for their continued support.

You Directors look forward to their continued support in future.

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

Place : Mumbai
Dated : May 28, 2013

M. C. SHAH
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

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 March 31, 2013.

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 ₹ 60,00,000/- P.A. AND MORE.								
1	Shri M. C. Shah	Executive Chairman	₹ 1,50,00,000/-	Experience in Senior Management	79	18-09-1953	62	None
2	Shri H. M. Shah	Managing Director	₹ 1,08,00,000/-	Licentiate in Textile Mfg.	59	01-12-1976	39	None
3	Shri B. M. Shah	Jt. Managing Director	₹ 1,08,00,000/-	B.Com	54	01-02-1982	31	None
4	Shri V.M. Shah	Executive Director	₹ 1,08,00,000/-	B.Com	52	01-04-1984	29	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.								



Additional information as required under the companies (disclosure of particulars in the report of board of directors) rules, 1988

(A) CONSERVATION OF ENERGY:

As a responsible corporate citizen, your Company is taking all possible measures to achieve efficiency in energy such as:

- Efficiency in the use of electrical energy by installing power efficient equipments at all the plants/offices.
- Efficiency in the use of Thermal energy like trying out different fuels, improvements in fuel burners, minimizing heat losses by improved insulation, etc.

The Management frequently issues guidelines to the employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance with the same.

(a) Energy Conservation Measures Taken

Following measures are continuously undertaken to conserve energy 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.
- Controlling operation of Chillers as per weather condition.
- 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 equipments like Kuster Jumbo Jigger, Applicator in T/L scouring, additional shearing, and sanforiser added.
- Efforts were directed towards consolidation of process house working.
- Full working of R.O and ETP Plant achieved.
- Optimum loading of Transformer and crosswound transformer replacement to achieve power supply .

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

- Reduction of Cost of production.
- Increase in productivity and quality.
- Reduction in energy consumption.
- Increase in Efficiency.

(B) TECHNOLOGY ABSORPTION AND INNOVATION:

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

- D/45 draw frame purchased for developing Air-Jet Spinning yarn and installation of Air-Jet Spinning machine.
- R.O and ETP plant made fully operational successful implementation of Air-jet spinning technology implementation of ERP package for integration of various processing has further progressed.
- 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) Specific 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 youthful attitude.
- Process standardization for consistent quality, meeting customer requirements.
- Data acquisition for control of process parameters and controlling quality.
- Keeping in mind Environment factors, trials are being continuously carried.
- Shortening the process cycle for achieving standardization .

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

- Reduction in energy consumption and wastages.
- 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 products.
- ? Development of new markets.
- ? Reduction in energy consumption.

(e) Expenditure on R & D

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

© 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:

(in lacs)

		Current Year 2012-2013	Previous Year 2011-2012
(a)	Value of Direct Imports calculated on CIF Basis:		
	Stores, Spare parts and Colour Chemicals	97.69	161.54
	Raw Materials	184.15	78.16
	Yarn	5.02	3,74.71
(b)	Earnings in Foreign Exchange on account of export of goods :		
	Direct Export on FOB Basis	99.26	87.00
(c)	Expenditure in Foreign Currency :		
	Travelling	24.05	4324
	*Others	123.85	81.20

The Company continues to explore possibility of increasing its export.



FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY:

		Current Year 2012-13	Previous Year 2011-12
1.	Power & Fuel Consumption :		
	Electricity :		
	a Purchased Unit :	2,47,14,276	3,26,10,502
	Total Amount (`)	16,28,36,298	17,79,83,025
	b Own Generation :		
	i. Through Diesel Generator Units Unit	2079	3,390
	Units per 1 Ltr. of diesel oil Unit	2.95	2.95
	Cost / Unit.	16.15	15.05
	ii. Through steam turbine / Generator Unit	Nil	Nil
	Units per 1 ltr. Of diesel oil	Nil	Nil
	Cost / Unit	Nil	Nil
2.	Coal (Dhamni & Kharsundi):		
	Quantity (Tonnes)	9970.69	12763.13
	Total Cost (`)	4,67,25,775	5,95,31,750
	Cost / Unit	*	*
3.	Furnace Oil:		
	Quantity (K. Ltrs.)	29.211	77.92
	Total Cost	14,70,661	35,77,838
4.	Gas : Piped Natural Gas (Dadar)		
	Quantity M3	275.659	1472.928
	Total Cost	95,05,840	4,41,76,391
	Cost / Unit	*	*

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



MANAGEMENT DISCUSSION AND ANALYSIS

1 Overall Review:

The year under review was a challenging year. The global economy continued to witness slower economic growth despite modest recovery in US economy. The economies of India and China were forced to tighten liquidity to control inflation, resulting in slow-down. The economy grew by about 5% during the year 2012-13 which is one of the lowest in the current decade.

The Company had achieved a turnover of ` 20711.53 lacs as against ` 24690.61 lacs in the previous year. The stagnant growth in sales was due to challenging industrial scenario and other factors as explained in Directors' Report.

Profit & Margin Growth

The profit from operations before depreciation, amortization expense, Finance Cost, interest and tax, was ` 8642.71 lacs against ` 12348.80 lacs in the previous year. The profit after tax and exceptional items for the year was ` 3048.34 lacs as compared to ` 5823.60 lacs in the previous year.

2 Segment Review:

The Company operates in two reportable segments: Textiles and Real Estates

2.1 Business Segment – Cotton, Synthetics Yarn and Fabrics.

a) Industry Structure and Development:

The textile industry plays a crucial role in the Indian Economy. Apart from providing one of the basic necessities of life, it also contributes significantly to the industrial output, employment generation and export earning of the country.

The textile sector, contributes about 14% to the Industrial output, 4% to the GDP, and accounts for 17% of the country's exports. It provides direct employment to over 35 million people, next only to agriculture.

The policy initiatives like exempting Textile made up articles from excise duty are likely to help in growth of this sector.

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 pace with increased purchasing power augering well for the Industry. Allowing FDI in retail will also help in expansion of this channel.

The key threat to business continues from low cost of imports from China as well as aggressive pricing by newer entrants in the market. With Large Format Stores becoming key shopping destinations and growth drivers, the balance is also tilting against manufacturers, which could erode the margins.

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 raw material prices are expected to remain stable due to good cotton production. The demand growth is likely to pick up resulting from the overall economic recovery. The margins are likely to be under pressure due to aggressive competition.

The cost 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.

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 Spinning and Weaving units at Dhamni and Khursundi 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 fiber prices have started going up due to increase in Petrochemical prices and other cost. 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 F.Y. 12-13. Numerous interest rate hikes, lack of political reform etc. were among the significant macroeconomic headwinds faced by the sector. The entry of reputed industries in recent years has not only changed the basic rules of the game but also has provided the customers with greater choice. Thus, the profile of the industry is undergoing a significant change with an increasing share of market moving to organized players and large corporates.

While the prices have remained stable in Mumbai city in the last year, the demand has started picking up. The expected interest rate reduction and turning around of the economy will boost the demand. This is likely to be further supplemented by increasing demand from Non-Resident Indians for whom the weakening Rupee has made India an attractive investment destination.

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 boost realty sector as well as economy. 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 rate 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. The Company 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, Sluggish market conditions, Rupee – Dollar devaluation 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 are ` 20711.53 lacs as against ` 24690.61 lacs in the previous year. The profit from ordinary activities before Tax is ` 4325.81 lacs as against ` 6970.42 lacs in the previous year. The net profit after depreciation, taxation and extraordinary items is ` 3048.34 lacs as against ` 5823.60 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.

The workers in the weaving section went on strike from January 10, 2013 against disciplinary action initiated by the Company against Union representative, which partially affected the production at Dhamni Plant. The workers have since called of the strike from March 16, 2013.

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.



Corporate Governance Report

I. Company's philosophy on Corporate Governance :

The Company believes in transparency, professionalism and accountability, the guiding principles of Corporate Governance as the good Corporate Governance generates goodwill amongst all its stakeholders including business partners, customers, employees and investors earns respect from society and brings about a consistent sustainable growth for the Company and its investors.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreements as applicable from time to time.

II. Board of Directors :

Your Company's Board is a professionally managed Board, consisting of 11 Directors, in all, categorized as under:

I. Composition of Board of Directors:

For the financial year 2012-13, the Board of Directors comprised of Executive Chairman, Managing Director, Jt. Managing Director and an Executive Director along-with seven 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 six Independent Directors out of a total of eleven 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.

None of the Directors hold directorship in more than 15 Public Limited Companies, nor is any of them a Member of more than ten Committees of the prescribed nature or holds Chairmanship of more than five such Committees across all public limited companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

II. Board Procedure and Access to information

The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions.

The Board of Directors of the Company reviews all information provided periodically for discussion and consideration at its meetings in terms of Clause 49 of the Listing Agreement.

Detailed Agenda are circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practicable to enclose any document to the agenda, the same is placed before the meeting. In special and exceptional circumstances, additional item(s) on the agenda are permitted to be discussed at the Meeting.

During the Financial Year 2012-13, the Board met four times on the following dates May 10, 2012, August 14, 2012, November 12, 2012 and February 8, 2013.

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 Meetings Attended	Attendance at last AGM	No. of Directorship in other Cos.		No. of Chairmanship / membership in other Board Committee	
					Public	Pvt.	Chairman	Member
Shri M.C. Shah	EC	4	4	Yes	-	2	-	-
Shri H.M. Shah	MD	4	4	Yes	-	4	-	-
Shri B.M. Shah	Jt.MD	4	4	Yes	-	4	-	-
Shri V.M. Shah	ED	4	2	No	-	4	-	-
Smt. A.M. Shah	NED	4	3	No	-	-	-	-
Shri J.D. Masani	NED	4	4	No	-	1	-	-
Shri Shardul J. Thacker	NED	4	4	Yes	3	2	1	1
Shri D.M. Popat	NED	4	3	No	3	1	-	-
Shri Dilip J. Thakkar	NED	4	1	No	13	9	5	5
Shri Shaunak J. Thacker	NED	4	4	Yes	-	-	-	-
Shri Anup P. Shah	NED	2	2	N.A.	2	3	1	1

Note:

- The Directorships held by Directors mentioned above, do not include Alternate Directorship and Directorship in Foreign Companies and Section 25 companies.
- In accordance with Clause 49, Chairmanships/Memberships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees in all Public Limited Companies (excluding The Ruby Mills Limited) have been considered.



III. Inter-se relationships among Directors:

Shri M.C. Shah is the father of Shri Hiren M. Shah, Shri Bharat M. Shah & Shri Viraj M. Shah and husband of Smt. Aruna M. Shah. Shri Shardul J. Thacker & Shri Shaunak J. Thacker are related to each other as brothers. Except the above, there are no other inter-se relationships among the Directors.

IV. 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 March 31, 2013 and a declaration to that effect signed by the Managing Director is attached and forms part of this Report.

V. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Except for Shri M.C. Shah, Executive Chairman, Shri Hiren M. Shah, Managing Director and Shri Bharat M. Shah Jt. Managing Director, the other Directors of the Company are liable to retire by rotation. One-third of the said Directors are liable to retire every year and if eligible, offer themselves for re-appointment. Accordingly, Shri Viraj M. Shah, Shri Shardul J. Thacker and Shri D.M. Papat retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Shri Anup P. Shah was appointed as an Additional Director by the Board of Director w.e.f. November 12, 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 Anup P. Shah 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.

Shri Anup P. Shah is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act, The Company has received the requisite Form DD-A from Shri Anup P. Shah, in terms of the Companies (Disqualification of Director under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The brief profile of Shri Anup P. Shah and his other relevant particulars are furnished in the Notice convening the 97th Annual General Meeting of the Company to be held on Monday, the September 23, 2013.

VI. Board Committees:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/ scope. The Board has established various Committees such as Audit Committee, Share Transfer & Investor Grievance Committee & Remuneration Committee. The minutes of the meetings of all committees are placed before the Board for discussion/ noting/ ratification.

III. Audit Committee:

- a. The Audit Committee of the Company met four times during the year as per the dates mentioned below: May 10, 2012, August 14, 2012, November 12, 2012 and February 8, 2013.
- b. The Audit Committee of the Board comprises of one Jt. Managing Director and three 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	Category of Directorship	Status	No. of Meetings attended
Shri Anup P. Shah	Non-Executive Director – Independent	Chairman	1/1
Shri J. D. Masani	Non-Executive Director – Independent	Member	4/4
Shri Shardul J. Thacker	Non-Executive Director – Independent	Member	4/4
Shri Bharat M. Shah	Jt. Managing Director	Member	4/4

The Representative of Statutory Auditor, Internal Auditor and Financial Controller were also invited to attend the Audit Committee meetings. Shri Shardul J. Thacker, Chairman of the Audit Committee was present at 96th Annual General Meeting of the Company held on September 24, 2012 to attend and reply to the shareholders queries. Shri Pankaj Parkhiya, Company Secretary acts as Secretary to the Committee.

- d. The Company generally considers and reviews all items listed in Clause 49(II)(D) of the Listing Agreement. The Committee mandatorily reviews information as per the requirement of Clause 49(II)(E) of the Listing Agreement and such other matters as considered appropriate by it or referred to it by Board.



IV. Remuneration Committee:

The Board of Directors of the Company has constituted the Remuneration Committee in conformity with and keeping a good balancing with the requirements under Schedule XIII to the Companies Act, 1956 and Clause 49 of the Listing Agreements to determine and review the remuneration package of Managing/Whole-time/Executive Directors and to deal with other matters related to Managerial Remuneration.

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 Remuneration Committee Member	Category of Directorship	Status
Shri J. D. Masani	Non-Executive Director – Independent	Chairman
Shri S. J. Thacker	Non-Executive Director – Independent	Member
Shri D. M. Popat	Non-Executive Director – Independent	Member

c. There was no meeting of committee held during the financial year ended March 31, 2013. 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 and the Shareholders.

e. Payment of Directors:

a. Details of remuneration paid to Managing Directors and Whole-time Directors for the year ended March 31, 2013 are given in following Table.

(In `)

Name of Director	Shri M. C. Shah	Shri H. M. Shah	Shri B. M. Shah	Shri V. M. Shah
Designation	Executive Chairman	Managing Director	Jt. Managing Director	Executive Director
Salary (`)	1,33,08,000	95,64,000	95,64,000	95,64,000
*Other Perquisite (`)	95,040	88,320	88,320	88,320
Contribution to PF (`)	15,96,960	11,47,680	11,47,680	11,47,680
Total	1,50,00,000	1,08,00,000	1,08,00,000	1,08,00,000

* Other perquisites include Telephone, driver salary, Leave Travel Allowance and medical reimbursement.

b. Sitting Fees & Commission paid to Non-executive Directors:

The Non-Executive Directors are paid sitting fees at the rate of ` 12,500/- for attending each meeting of the Board and Audit Committees.

In respect of the financial year 2012 -13 the sitting fees paid/payable to the Non-Executive Directors are as detailed below.

(In `)

Name	Total Sitting fees paid
Smt. A. M. Shah	37,500
Shri J. D. Masani	1,00,000
Shri Shardul J. Thacker	1,00,000
Shri D. M. Popat	37,500
Shri Dilip J. Thakkar	12,500
Shri Shaunak J. Thacker	50,000
Shri Anup P. Shah	37,500

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



V. Shareholders :

a. Share Transfer and Shareholders / Investors Grievance Committee as on May 28, 2013:

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

b. Name & Designation of Compliance Officer:

Shri Pankaj Jayantilal Parkhiya is designated as a Company Secretary and Compliance Officer of the Company.

c. A statement of various complaints received and cleared by the Company during the year ended March 31, 2013 is given below:

Name of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	9	9	Nil
Non Receipt of Dividend Warrants	3	3	Nil
Request for Duplicate Share Certificates	-	-	-
Non Receipt of Share Transferred	-	-	-
Others	39	38	1
Letters from Stock Exchanges/SEBI	4	3	1
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

VI. Compliance Certificate :

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

VII. 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
96th	Monday	24/09/2012	4.30 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	1. Regularization of appointment of Shri Shaunak J. Thacker as a Director. 2. Payment of existing Remuneration to Chairman, Managing Directors and Executive Directors;- Shri M.C. Shah Shri Hiren M. Shah Shri Bharat M. Shah Shri Viraj M. Shah 3. Sub-Division of Equity Shares of the Company. 4. Alteration of MOA and AOA of the Company.
95th	Thursday	29/09/2011	4.30 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Borrowing power and mortgage of Assets
94th	Saturday	25/09/2010	11.30 a.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Appointment and remuneration to Directors



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

VIII. Disclosures :

1. Disclosure regarding materially significant related party transactions :

During the year under review, besides the transactions reported elsewhere 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 Schedule 33 Note No. 33.1 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 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.

(e) 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.

(f) Mechanism for evaluating non-executive Board Member: Non-Executive members of the Board are highly qualified and there is no need for evaluation.

(g) 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.

(h) 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.

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

4. In line with the circular no. CIR/OIAE/2/2011 dated June 3, 2011 from Securities and Exchange Board of India, the investor complaints are now centrally monitored through web based complaints redressal system called SCORES. The Company processes the investor complaints through this system and updates status periodically.

5. In line with the notification no. G.S.R. 352(E) dated May 10, 2012 from the Ministry of Corporate Affairs, the Company has uploaded in its website the information regarding the unpaid and unclaimed dividends as on the date of the AGM including the name and address of the shareholders who haven't claimed the dividend, the amount to which the shareholders are entitled and the due date of transfer to Investor Education and Protection Fund Account.

IX. MD/CFO Certification :

Managing Director/Chief Financial Officer have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is annexed and forms part of the Annual Report.



X. Declaration regarding Code of Conduct :

Board has laid down a Code of Conduct and Ethics for all Board Members and Senior Management Personnel of the Company. The code has been circulated to all the Board Members and senior management and the same is available on the Company's website www.rubymills.com. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2012-13.

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

S. No.	Name of Non-Executive Director	No. of Shares Held
1.	Shri J. D. Masani	Nil
2.	Shri Shardul J. Thacker	Nil
3.	Shri D. M. Popat	Nil
4.	Shri Dilip J. Thakkar	Nil
5.	Shri Shaunak J. Thacker	Nil
6.	Shri Anup P. Shah	800

XII. Means of Communication:

- a. **Newspapers** : During F.Y. 2012-13, financial results (Quarterly & Annual) are published in newspapers viz. The Financial Express or Free Press Journal and Navshakti in the format prescribed under Clause 41 of the Listing agreement with the stock exchanges where the shares of the Company are listed.
- b. **Website** : 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.
- c. **Annual Report** : Annual Report is circulated to all the members within the required time frame.
- d. **Designated Email ID for Complaints/ Redressal** : In compliance of clause 47(f) of the Listing Agreement entered with the Stock Exchanges, the Company has designated an email ID info@rubymills.com exclusively for the purpose of registering complaints/ grievances by investors. Investors whose requests/ queries/correspondence remain unresolved can send their complaints/ grievances to the above referred e-mail ID and the same would be attended to promptly by the Company.
- e. **NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre (BLC)** : The NEAPS & BLC are web based application designed by NSE and BSE for Corporate. The Shareholding Pattern, Corporate Governance Report and others Annually/Quarterly disclosures are filed electronically on NEAPS & BLC.
- f. There were no presentations made to the institutional investors or analysts during the Financial Year 2012-13.

XIII. General Shareholder Information :

1. Annual General Meeting to be held :

Day, date, time and venue

Day : Monday

Date : September 23, 2013

Time : 4.30 P.M.

Venue : Ruby House, J.K. Sawant Marg, Dadar (West), Mumbai – 400 028.

2. Financial Calendar 2013-2014 :

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 31st March, 2014 : Before May 30, 2014

3. Dates of Book Closure :

Saturday, September 14, 2013 to Monday, September 23, 2013 (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 September 13, 2013. 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 September 13, 2013 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. BSE Limited, 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 2013-2014.

6. Stock / Company / Security / Common Code : Equity Shares

- a. The Stock Exchange, Mumbai : 503169
- b. National Stock Exchange of India Limited : RBYMILLS
- c. ISIN : INE301D01026

XIV. Market price Data :

The monthly high and low quotations and volume of shares traded at the National Stock Exchange of India Limited and BSE Limited during the financial year 2012-13 are given below:

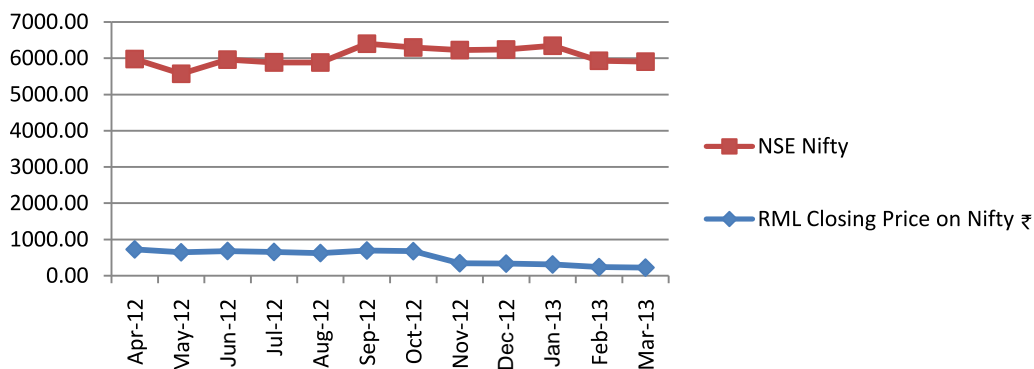
Stock Price
For the period: April 1, 2012 to March 31, 2013
Script Code: RBYMILLS (NSE) 503169 (BSE)

Month	NSE			BSE		
	High Price `	Low Price `	Volume Traded (No. of Shares)	High Price `	Low Price `	Volume Traded (No. of Shares)
Apr-12	793.20	685.00	4293	787.50	690.00	5313
May-12	758.80	635.00	4668	735.00	635.00	3285
Jun-12	750.00	624.00	12650	704.40	620.10	34982
Jul-12	791.00	645.30	4898	754.00	645.00	6657
Aug-12	722.50	605..50	8044	704.65	605.0	9411
Sep-12	713.95	621.50	5213	719.00	621.30	9594
Oct-12	846.00	671.25	67725	867.00	675.00	59041
Nov-12	746.00	332.75	19872	745.00	332.40	18594
Dec-12	370.05	316.00	13383	369.90	321.15	16987
Jan-13	358.00	305.00	14761	359.00	301.25	18202
Feb-13	326.00	215.00	265631	315.00	210.00	130070
Mar-13	277.25	193.00	49890	277.00	200.90	33545

XV. Liquidity :

Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

Performance in Comparison to broad-based indices such as 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 :

The Company has appointed a Common Registrar for the physical transfer and dematerialisation of shares.

Presently the shares transfers which are received in physical form are processed by the Registrar and Share Transfer Agent and approved by the Company Secretary and same has been placed before Board Meeting. Shares certificates are registered and returned within the stipulated time of 15 days from the date of receipt, subject to transfer instruments being valid and complete in all respects. Physical Shares recorded for dematerialisation are processed and completed within the stipulated time if the documents are complete in all respects.

The Company obtains from a Company Secretary in Practice, half yearly certificates of Compliance with the Share transfer facilities as required under Clause 47(C) of the Listing Agreement with the Stock Exchanges and files a copy of certificate with the Stock Exchanges.

2. Secretarial Audit for Reconciliation of Share Capital :

A qualified Practicing Company Secretary carried out the Secretarial Audit pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued/paid-up listed equity capital of the Company.

The Secretarial Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the dematerialisation form.

3. Permanent Account Number (PAN) for Transfer of Shares in Physical Form :

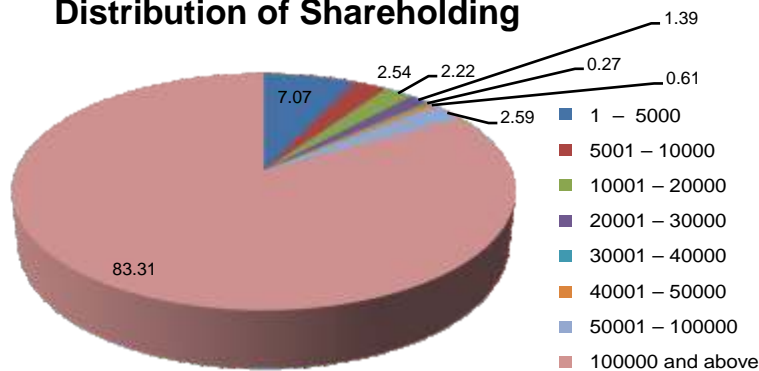
SEBI vide its circular dated May 20, 2009, has stated that for securities market transactions and off market transactions involving transfer of shares in physical form of Listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company or Company's RTA for registration of such transfer of shares in physical form. Accordingly shareholders are requested to furnish copy of PAN Card to the Company or its RTA for registration of transfer of shares in their name.

4. Distribution of Share holding :

The shareholding distribution of equity shares as of March 31, 2013 is given below :

Sr. No.	Range (In `)	Total Holders	% of Total Holders	No. of Shares	Percentage of shareholding
1	1 – 5000	5405	94.9245	590971	7.07
2	5001 – 10000	145	2.5465	212577	2.54
3	10001 – 20000	65	1.1416	185778	2.22
4	20001 – 30000	24	0.4215	116020	1.39
5	30001 – 40000	3	0.0527	22144	0.27
6	40001 – 50000	6	0.1054	51294	0.61
7	50001 – 100000	15	0.2634	216140	2.59
8	100000 and above	31	0.5444	6965076	83.31
	TOTAL	5,694	100.00	83,60,000	100.00

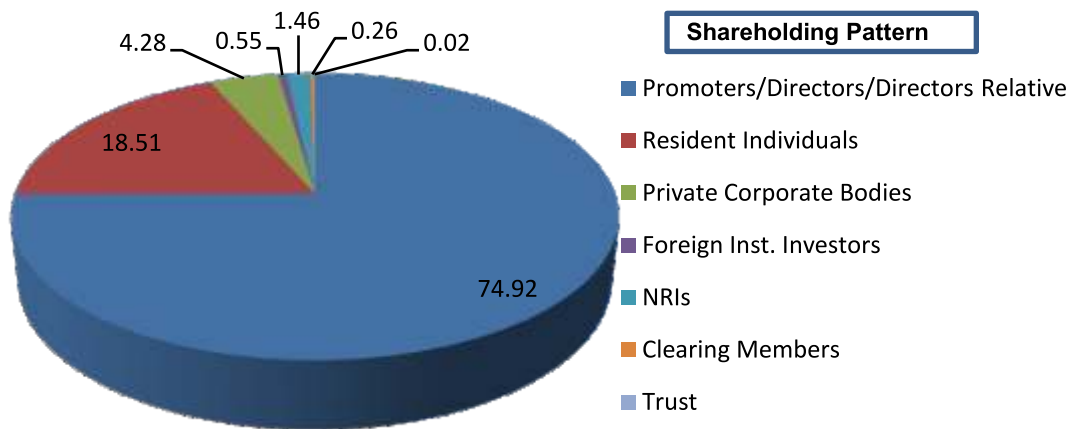
Distribution of Shareholding





5. Shareholding pattern as on March 31, 2013 :

Sr. No.	Category	No. of Shares held	% of Share holding
1	Promoters/Directors/Directors Relative	6263360	74.92
2	Resident Individuals	1547206	18.51
3	Private Corporate Bodies	357972	4.28
4	Foreign Inst. Investors NRIs	46000	0.55
5	Non-resident Indians	121969	1.46
6	Clearing Members	22003	0.26
7	Trust	1490	0.02
	TOTAL	83,60,000	100.00



6. Dematerialisation of equity Shares :

As on March 31, 2013, 97.95% of the Company's total equity shares representing 81,88,470 shares are held in dematerialised form and the balance 2.05% representing 1,71,530 shares are in physical form.

7. Plant (Manufacturing Units) :

Dadar Unit address	Dhamni Unit Address	Kharsundi Address
Ruby House, J K Sawant Marg, Dadar, Mumbai – 400 028 Tel.: 022-2437800 Email: info@rubymills.com	Village Dhamni, Off. Savroli Kharpada Road, Taluka Khalapur, Dist. Raigad. Pin: 410202	Village Kharsundi, Savroli Kharpada Road, Taluka Khalapur, Dist. Raigad. Pin: 410202

8. Address for Correspondence :

- a. Any query on Annual Report or Investors' Grievance Redressal :
- By email: info@rubymills.com
By telephone: 022-24387800



b. Investor Correspondence :

For shares held in physical form	For shares held in Demat 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	Investors' concerned Depository Participant(s) and/or Bigshare Services Private Limited

9. Unclaimed Dividends :

Section 205 of the Companies Act, 1956, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Date of declaration of dividend	Dividend Per Share in `*`	Due date for transfer to IEPF	Amount (`)#
2005-06	September 19, 2006	3	November 23, 2013	32869
2006-07	September 27, 2007	3	December 1, 2014	20364
2007-08	September 25, 2008	3	November 29, 2015	94446
2008-09	September 18, 2009	3	November 22, 2016	42903
2009-10	September 25, 2010	4	November 29, 2017	53868
2010-11	September 29, 2011	5	December 2, 2018	66150
2011-12	September 24, 2012	5	September 15, 2019	57790

* Share of paid - up value of ` 10/- each.
 # Amount unclaimed as at March 31, 2013.

Members who have so far not encashed their dividend warrants/DD are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

10. Reconciliation of Share Capital Audit Report :

The Reconciliation of share capital audit report, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to BSE & NSE within 30 days of the end of each quarter.

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.

Date: May 28, 2013

Declaration by the Managing Director 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 March 31, 2013.

For The Ruby Mills Ltd.

Place: Mumbai
 Date : May 28, 2013

H. M. Shah
 Managing Director



AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with BSE Ltd. and National Stock Exchange of India Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and 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 the abovementioned Listing Agreements.

We state that no investor grievances as at March 31, 2013 are pending for a period exceeding one month against the Company as per the records maintained by the share registrar and reviewed by the shareholder/Investor Grievance Committee.

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

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

PARESH H. CLERK

Place : Mumbai
Dated : May 28, 2013

Partner
Membership No.36148



INDEPENDENT AUDITORS' REPORT

To The Members of **THE RUBY MILLS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **THE RUBY MILLS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- 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 Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose 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 those books;
 - c. The Balance Sheet, the 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, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2013, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : May 28, 2013



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of THE RUBY MILLS LIMITED on the financial statements for the year ended March 31, 2013]

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we report that:

- 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, 2013.
- 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 ₹ 31,38,10,000 and the year end balance of loan taken from such parties was ₹ 29,74,45,000.
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, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v. a. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of Act have been so entered; 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, 2013 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	Forum where dispute is pending	Nature of the Dues	Period to which the amount relates	Amount (₹)
The Income-tax Act, 1961	High Court	Disallowance of expenditure/ deductions	Assessment Year 1995-96	45,000
		Taxability of notional income by way of interest	Assessment Year 1998-99, 2000-01 and 2002-03	2,29,70,000
		Taxability of notional income by way of interest and disallowance of loss	Assessment Year 2001-02	1,13,84,000
	Income-tax Appellate Tribunal	Disallowance of expenditure/deductions	Assessment Year 1998-99	47,000
		Levy of Penalty under Section 271(1)(c)	Assessment Year 2005-06	49,92,000
	Commissioner of Income-tax (Appeals)	Disallowance of expenditure/ deductions, granting short credit for Tax Deducted at Source, Levy of Interest for short payment/non-payment of taxes u/s-234B/234C/234D	Assessment Year 2007-08	1,40,39,000
		Disallowance of expenditure/ deductions, Levy of Interest for short payment /non-payment u/s-234B/234C/234D	Assessment Year 2008-09	93,82,000
		Disallowance of expenditure/deductions	Assessment Year 2009-10	2,22,33,000
	The Central Excise Act, 1944	Assistant Commissioner of Central Excise	Adverse Test Results	Financial Year 1980-81
Sourced Parachutes Cloth Classification			Financial Year 1993-94	7,23,711
Valuation of fabrics selling distribution profit and administration and interest			Financial Year 1996-97 to 2000-01	8,06,022
Double Multiple (folded) Yarn			Financial Year 1995-96	1,46,727
MODVAT Credit on Empty Drums			Financial Year 2001-02	95,738
MODVAT Credit wrongly availed			Financial Year 1997-98	2,07,766
Commissioner of Central Excise		MODVAT Credit on Inputs received from Dhamni Unit	Financial Year 2001-02 to 2002-03	3,26,73,717



	Customs, Excise and Service Tax Appellate Tribunal	Differential Value from Depot Sales	Financial Year 2001-02	4,33,248
		Interest and Penalty on Cenvat Credit Availed on Capital Goods	Financial Year 2005-06	15,75,457
The Finance Act, 1994	Customs, Excise and Service Tax Appellate Tribunal	Service tax on GTO	Financial Year 1997-98 and 2000-01	76,546
Employees Provident Fund Act, 1952	Employees' Provident Fund Appellate Tribunal	Dues of Apprentices paid under protest	Financial Year 2000-01 to 2006-07	15,65,934

- x. There are no accumulated losses of the Company as on March 31, 2013 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 not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the Balance Sheet date.
- 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 No. 106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : May 28, 2013

**BALANCE SHEET AS AT MARCH 31, 2013**

	Note	As At March 31, 2013	As At March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	4,18,00,000	4,18,00,000
Reserves and Surplus	3	<u>2,32,47,59,335</u>	<u>2,03,94,86,412</u>
		2,36,65,59,335	2,08,12,86,412
Non-Current Liabilities			
Long-term Borrowings	4	4,81,80,66,933	4,91,17,87,123
Deferred Tax Liabilities (Net)	5	10,16,72,000	6,31,76,366
Other Long-term Liabilities	6	12,59,02,003	12,82,34,597
Long-term Provisions	7	<u>17,88,739</u>	<u>19,20,209</u>
		5,04,74,29,675	5,10,51,18,295
Current Liabilities			
Short-term Borrowings	8	41,08,89,573	51,90,42,135
Trade Payables	9	15,24,89,019	21,14,93,915
Other Current Liabilities	10	2,17,51,49,038	2,25,03,17,950
Short-term Provisions	11	<u>2,40,56,660</u>	<u>2,90,44,444</u>
		2,76,25,84,290	3,00,98,98,444
TOTAL		<u>10,17,65,73,300</u>	<u>10,19,63,03,151</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	1,81,63,24,051	1,95,93,24,963
Capital Work-in-progress		<u>36,42,70,979</u>	<u>40,35,51,261</u>
		2,18,05,95,030	2,36,28,76,224
Non-current Investments	13	48,962	48,962
Long-term Loans and Advances	14	4,51,99,14,510	5,87,17,23,625
Other Non-current Assets	15	<u>1,21,346</u>	<u>1,13,091</u>
		6,70,06,79,848	8,23,47,61,902
Current Assets			
Inventories	16	34,47,01,826	43,17,81,554
Trade Receivables	17	19,64,88,286	22,46,48,508
Cash and Bank Balances	18	11,05,30,845	64,59,40,665
Short-term Loans and Advances	19	2,66,76,73,349	52,37,61,607
Other Current Assets	20	<u>15,64,99,146</u>	<u>13,54,08,915</u>
		3,47,58,93,452	1,96,15,41,249
TOTAL		<u>10,17,65,73,300</u>	<u>10,19,63,03,151</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 : May 28, 2013

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 : May 28, 2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Revenue from Operations	21	1,59,04,08,465	1,68,34,59,892
Less : Excise Duty on Sales		2,41,257	7,70,389
Revenue from Operations (Net)		1,59,01,67,208	1,68,26,89,503
Other Income	22	48,09,86,155	78,63,71,552
Total Revenue		2,07,11,53,363	2,46,90,61,055
Expenses			
Cost of Materials Consumed	23	34,08,27,566	41,94,05,382
Changes in Inventories of Finished Goods and Work-in-Progress	24	11,27,91,664	(5,36,30,134)
Employee Benefits Expense	25	14,51,14,448	15,49,21,316
Finance Costs	26	18,76,88,814	17,42,75,749
Depreciation and Amortisation Expense	12	24,40,02,952	23,65,81,914
Other Expenses	27	60,81,46,341	71,34,84,423
Total Expenses		1,63,85,71,785	1,64,50,38,650
Profit before Exceptional Items and Tax		43,25,81,578	82,40,22,405
Less : Exceptional items	28	NIL	12,69,80,249
Profit Before Tax		43,25,81,578	69,70,42,156
Tax Expense			
Current Tax (Refer Note 11.1)		9,00,00,000	14,50,00,000
Deferred Tax (Refer Notes 5.1 and 5.2)		3,84,95,633	(4,18,59,407)
Current Tax Adjustments of Earlier Years		(7,48,578)	1,15,40,893
		12,77,47,055	11,46,81,486
Profit (Loss) for the Year		30,48,34,523	58,23,60,670
Earnings Per Equity Share of ₹ 5	29		
Basic and Diluted (₹) per share		36.46	69.66
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: May 28, 2013

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: May 28, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	43,25,81,578	69,70,42,156
Adjustments for :		
Loss on Sale of Fixed Assets	18,73,776	21,79,482
Depreciation	24,40,02,953	23,65,81,914
Assets written off	21,78,452	-
Finance Costs	18,76,36,267	17,42,75,749
Dividend	(13,500)	(23,900)
Interest Income	(8,93,25,782)	(2,46,49,766)
Unrealised Loss / (Gain) / on Foreign Exchange	62,45,234	(91,64,176)
Amounts written back	(1,13,65,423)	(1,76,12,006)
Operating Profit Before Working Capital Changes	A 77,38,13,555	1,05,86,29,453
Adjustments for :		
Trade Receivables	2,81,60,222	(9,22,46,753)
Short-term Loans and Advances	(2,14,39,11,742)	(51,48,17,130)
Inventories	8,70,79,728	(2,90,39,667)
Other Current Assets	(2,10,90,231)	(63,54,820)
Trade Payables, Other Current Liabilities and Short-term Provisions	(12,68,60,229)	(86,70,35,230)
Long-term Loans and Advances and Other Non-current Assets	1,29,42,53,453	(81,70,45,395)
Other Long-term Liabilities and Long-term Provisions	(24,64,064)	(19,24,95,482)
	B (88,48,32,863)	(2,51,90,34,477)
Cash Generated From Operations	A+B (11,10,19,308)	(1,46,04,05,024)
Income Tax Paid	(3,30,00,000)	(11,75,00,000)
Net Cash From Operating Activities	(14,40,19,308)	(1,57,79,05,024)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(8,43,23,319)	(17,69,32,690)
Sale of Fixed Assets	1,85,49,333	3,10,28,822
Long-term Loans and Advances - Capital Advances	12,95,985	(4,12,36,763)
Dividend Income	13,500	23,900
Interest Income	8,93,25,782	2,46,49,766
Net Cash From Investing Activities	2,48,61,281	(16,24,66,964)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long-term Borrowings	(9,90,77,251)	2,40,83,73,713
(Increase) / Decrease in Short-term Borrowings	(10,90,40,735)	5,38,44,187
Finance Costs	(18,38,43,807)	(14,85,22,165)
Dividend Paid (Including Dividend Distribution Tax)	(2,42,90,000)	(2,43,71,229)
Net Cash From Financing Activities	(41,62,51,793)	2,28,93,24,506
Increase in Cash and Cash Equivalents (A+B+C)	(53,54,09,820)	54,89,52,518
Cash and Cash Equivalents at the beginning of the Year	64,59,40,665	9,69,88,147
Cash and Cash Equivalents at the end of the Year	11,05,30,845	64,59,40,664
Components of Cash and Cash Equivalents :		
Cash on hand	4,96,272	6,42,917
Balances with Banks		
On Current Accounts	4,89,78,665	18,07,93,595
On Unclaimed Dividend Accounts	3,68,190	5,56,645
Other Bank Balances	6,06,87,718	46,39,47,508
	11,05,30,845	64,59,40,665

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: May 28, 2013

For and on behalf of the Board of Directors

MANHARLAL C. SHAH
HIREN M. SHAH
BHARAT M. SHAH
PANKAJ J. PARKHIYA

Executive Chairman
Managing Director
Jt. Managing Director
Company Secretary

Place : Mumbai
Dated: May 28, 2013



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. Significant Accounting Policies

1.1 Basis of Accounting :

The accounts are prepared on the basis of going concern under historical cost convention as also on accrual basis and 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 relevant provisions of the Companies Act, 1956.

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. Such difference is recognised in the period/s in which the results are known/materialised.

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 :

- i. 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.
- ii. Profit or loss on sale of long-term investments, if any, is calculated by considering the weighted average amount of the total holding of the investment.

1.7 Inventory Valuation :

- i. Raw Materials, Materials in Process, Finished Goods, Fuel, Stores and Spares 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. Cost is arrived at as follows :
 - a. Raw Materials - on Specific Identification Cost basis.
 - b. Stores, Spares and Fuel - on Weighted Average basis.
 - c. Materials in Process and Finished Goods - on Specific Identification Cost basis.
- 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 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 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 are interest and other costs incurred in connection with the borrowing of funds.
- ii. Borrowing costs, less any income on the temporary investment of those borrowings, that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset.
- iii. Other borrowing costs are recognised as an 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 recognises 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.

2. Share Capital :

Authorised :

1,00,00,000 (50,00,000) Equity Shares of ` 5 (` 10) par value

As At
March 31, 2013

As At
March 31, 2012

5,00,00,000
5,00,00,000

5,00,00,000
5,00,00,000

Issued, Subscribed and Paid up :

83,60,000 (41,80,000) Equity Shares of ` 5 (` 10) par value fully paid

4,18,00,000
4,18,00,000

4,18,00,000
4,18,00,000

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

	As At March 31, 2013		As At March 31, 2012	
	No. of Shares		No. of Shares	
Equity Shares of ` 5 (` 10) par value				
At the beginning	83,60,000	4,18,00,000	41,80,000	4,18,00,000
Changes during the year	NIL	NIL	NIL	NIL
At the end	<u>83,60,000</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 ` 5 (` 10). Each holder of equity shares is entitled to one vote per share. During the year, with effect from November 22, 2012, the Company has sub-divided its equity shares from par value ` 10 to par value ` 5.
- 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 May 28, 2013, proposed a final dividend of ` 2 per equity share of ` 5 each. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ` 1,95,61,600 including corporate dividend tax of ` 28,41,600.

During the year ended March 31, 2012, the amount of per share dividend recognised as distribution to equity shareholders is ` 5. The Dividend appropriation for the year ended March 31, 2012 amounted to ` 2,42,90,000, including corporate dividend tax of ` 33,90,000.

- 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, 2013		As At March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
Manubhai and Sons Investment Company Private Limited	11,94,450	14.29	5,97,225	14.29
Hiren Brothers Investment Company Private Limited	11,94,450	14.29	5,97,225	14.29
M C Shah and Sons Investment Company Private Limited	11,94,170	14.28	5,97,085	14.28

	As At March 31, 2013	As At March 31, 2012
3. Reserves and Surplus :		
Capital Reserve		
As per last Balance Sheet	29,81,291	11,90,862
Add : Transferred from Central / State Capital Subsidy	NIL	17,90,429
	29,81,291	29,81,291
Central / State Capital Subsidy		
As per last Balance Sheet	NIL	17,90,429
Less : Transferred to Capital Reserve	NIL	17,90,429
	NIL	NIL
Securities Premium	20,83,38,100	20,83,38,100
General Reserve		
As per last Balance Sheet	52,54,22,576	46,71,22,576
Add : Transferred from Surplus	3,10,00,000	5,83,00,000
	55,64,22,576	52,54,22,576
Surplus		
As per last Balance Sheet	1,30,27,44,445	80,29,73,775
Add : Net Profit after Tax transferred from the Statement of Profit and Loss	30,48,34,523	58,23,60,670
	1,60,75,78,968	1,38,53,34,445
Less : Appropriations		
General Reserve	3,10,00,000	5,83,00,000
Proposed Dividend	1,67,20,000	2,09,00,000
Tax on Dividend	28,41,600	33,90,000
	1,55,70,17,368	1,30,27,44,445
	2,32,47,59,335	2,03,94,86,412



As At
March 31, 2013

As At
March 31, 2012

4. Long-term Borrowings :

Term Loans (Refer Notes 4.1 and 4.2)

Secured

From Banks

Under Textile Upgradation Fund Scheme (TUFS)

[Including Buyers' Credit of ` 13,925,084

(Previous Year ` 6,75,96,489)]

79,96,59,223

96,19,44,897

Others

[Including Buyers' Credit of ` 28,83,56,142

(Previous Year ` 43,45,72,933)]

3,58,09,62,710

3,70,73,42,225

Deposits - Inter Corporate

Unsecured

14,00,00,000

NIL

Loans and Advances from Related Parties

Unsecured (Refer Notes 4.3 and 33.1)

29,74,45,000

24,25,00,000

4,81,80,66,933

4,91,17,87,123

4.1 The above reflect non-current portion of the related borrowings and the current portion thereof is reflected in Note 10 on "Other Current Liabilities".

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

Nature of Security and Terms of Repayment	Rate of Interest	As At March 31, 2013	As At March 31, 2012
Secured			
i. Term Loan from UCO Bank of ` 25,00,00,000 for Textile Upgradation Fund Scheme repayable in 84 monthly instalments commencing from April 2008 is secured by :	Ranging from 10.25% p.a. to 13.00% p.a.	7,65,03,750	11,04,90,277
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. Charge on the Properties of the Company at Dadar and Dombivali.			
d. Personal guarantee of Directors of the Company.			
ii. Term Loan from IDBI Bank of ` 18,75,00,000 for Textile Upgradation Fund Scheme repayable in 98 monthly instalments commencing from May 2012 is secured by :	Ranging from 14.75% p.a. to 16.25% p.a.	16,64,65,040	18,49,12,249
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 Kharsundi.			
c. Personal guarantee of Directors of the Company.			
iii. Term Loan from Axis Bank of ` 46,00,00,000 for Textile Upgradation Fund Scheme repayable in 33 quarterly instalments commencing from Septmber 2009 is secured by :	14.25% p.a.	33,50,00,000	38,50,00,000
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.			



Nature of Security and Terms of Repayment Secured	Rate of Interest	As At March 31, 2013	As At March 31, 2012
<p>c. Escrow of lease rent receivables to that extent as specified in the loan agreement.</p> <p>d. Personal guarantee of Directors of the Company.</p>			
iv. Term Loan from State Bank of India of ₹ 44,00,00,000 for Textile Upgradation Fund Scheme repayable in 72 monthly instalments commencing from October 2011 is secured by :	14.40% p.a.	39,21,49,614 (Including Buyers' Credit of ₹ 1,39,25,084)	50,66,10,391 (Including Buyers' Credit of ₹ 6,75,96,489)
<p>a. First pari passu charge including Equitable Mortgage on the land at Dhamni and Kharsundi, alongwith Factory, Plant and Machinery and other Fixed Assets of the Company.</p> <p>b. Second pari passu charge on the entire Current Assets of the Company present and future.</p> <p>c. Personal guarantee of Directors of the Company.</p>			
vi. Term loan from Andhra Bank of ₹ 1,00,00,00,000 for IT Park repayable in 9 quarterly instalments commencing from July 2011 is secured by :	Ranging from 15.75% p.a. to 16.00% p.a.	2,94,59,878 (Including Buyers' Credit of ₹ 2,93,70,075)	38,66,26,989 (Including Buyers' Credit of ₹ 38,51,24,495)
<p>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.</p> <p>b. Hypothecation of Stocks, Machinery and Building Materials for the project and lien on project receivables.</p> <p>c. Personal guarantee of Directors of the Company.</p>			
vi. Term Loan from Allahabad Bank of ₹ 1,00,00,00,000 for IT Park repayable in 27 monthly instalments commencing from July 2011 is secured by :	Ranging from 15.45% p.a. to 16.00% p.a.	22,85,03,754 (Including Buyers' Credit of ₹ 4,52,03,847)	66,00,59,954 (Including Buyers' Credit of ₹ 4,52,33,570)
<p>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.</p> <p>b. Hypothecation of Stocks, Machinery and Building Materials for the project and lien on project receivables.</p> <p>c. Personal guarantee of Directors of the Company.</p>			
vii. Term Loan from Axis Bank of ₹ 3,37,00,00,000 repayable in 8 quarterly instalments commencing from January 2014 is secured by :	Ranging from 13.50% p.a. to 13.75% p.a.	2,93,06,10,270 (Including Buyers' Credit of ₹ 21,37,82,220)	1,99,48,37,713 (Including Buyers' Credit of ₹ 42,14,868)
<p>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.</p> <p>b. First pari passu charge on the Development Rights of "second mortgaged property" referred in (vii) above.</p> <p>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".</p>			



Nature of Security and Terms of Repayment Secured	Rate of Interest	As At	As At
		March 31, 2013	March 31, 2012
<p>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".</p> <p>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 other 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".</p> <p>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".</p> <p>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".</p> <p>h. Personal guarantee of Directors of the Company and Corporate Guarantee as specified in the loan agreement.</p>			
viii. Term Loan from Allahabad Bank of ₹ 1,10,00,00,000 under Lease Rental Discounting Scheme repayable in 101 monthly instalments commencing from October 2011 is secured by :	Ranging from 12.70% p.a. to 13.25% p.a.	1,01,03,95,583	1,08,03,43,571
<p>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.</p> <p>b. Personal guarantee of Directors of the Company.</p>			
ix. "Foreign Currency Term Loan from HDFC Bank of USD 55,66,031.33 (₹ 26.16 crore) under Lease Rental Discounting Scheme repayable in 34 quarterly instalments commencing from April 2007 is secured by :"	LIBOR + 240 bps.	8,89,09,170	11,66,11,634
<p>a. Registered mortgage of premises given on lease situated at 'Ruby House', Dadar, Mumbai.</p> <p>b. Assignment of lease rentals receivable from the lessees.</p> <p>c. Personal guarantee of Promoters of the Company.</p>			
		5,25,79,97,059	5,40,14,59,758
Less : Current Maturities of Long-term debt (Refer Note 10)		87,73,75,126	73,21,72,636
		<u>4,38,06,21,933</u>	<u>4,66,92,87,122</u>



	Rate of Interest	As At March 31, 2013	As At March 31, 2012
4.3 Terms of repayment of unsecured borrowings:			
Loans and Advances from Related Parties	Ranging from 14.00% p.a. to 15.00% p.a.	29,74,45,000	24,25,00,000
Not repayable before March 31, 2016			
5. Deferred Tax Liabilities (Net) :			
Items of Timing Difference			
Deferred Tax Liabilities			
Related to Fixed Assets			
- Depreciation (Refer Note 5.1)		(11,47,52,000)	(8,84,90,657)
- Foreign Exchange (Gain) / Loss on revaluation of Creditors on Capital Account		(28,35,000)	(10,16,810)
Lease Income (Refer Note 5.2)		(1,11,84,000)	(90,63,147)
		(12,87,71,000)	(9,85,70,614)
Deferred Tax Assets			
Provision for Leave Encashment		8,15,000	8,75,911
Voluntary Retirement Scheme		247,19,000	3,29,58,993
Disallowances under section 43B of the Income-tax Act, 1961		15,65,000	15,59,344
		2,70,99,000	3,53,94,248
Net Deferred Tax Assets / (Liabilities)		(10,16,72,000)	(6,31,76,366)

Term Loan from Banks:

- 5.1 Deferred Tax Liabilities as on March 31, 2013 is arrived at after recognising the tax effect of ` 4,97,67,897 on account of timing difference for depreciation which arose in prior periods.
- 5.2 Deferred Tax Liabilities as on March 31, 2013 is arrived at after recognising the tax effect of ` 3,96,29,002 on account of timing difference on accruing of Leave and License Fees in current year for the year ended on March 31, 2012 which arose due to change in the perception of management for certain property given under Leave and License Agreements (Refer Note 21.2).

	As At March 31, 2013	As At March 31, 2012
6. Other Long-term Liabilities :		
Trade and Security Deposits	12,59,02,003	12,82,34,597
	12,59,02,003	12,82,34,597
7. Long-term Provisions :		
Provision for Employee Benefits (Refer Note 31)		
For Leave Encashment	17,88,739	19,20,209
	17,88,739	19,20,209
8. Short-term Borrowings :		
Loans repayable on demand (Refer Notes 8.1 and 8.2)		
Secured		
From Banks		
Cash Credit and Overdraft Facilities		
[Including Buyers' Credit of ` 3,95,39,867		
(Previous Year ` 6,50,73,993)]	31,08,89,573	27,69,33,865
Deposits - Inter Corporate		
Unsecured	10,00,00,000	24,21,08,270
	41,08,89,573	51,90,42,135



8.1 Cash Credit Facilities are secured by :

- i Bank of India - ₹ 4,05,81,426 [Including Buyers' Credit of ₹ 3,95,39,867 (Previous Year ₹ 15,55,77,318)]
State Bank of India - ₹ 11,07,72,313 (Previous year ₹ 9,07,74,092)
- ii Bank of Baroda - ₹ 1,52,45,410 (Previous Year ₹ 3,05,82,455)
 - 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.

8.2 Cash Credit and Overdraft facilities include ₹ 10,75,00,000 by way of overdraft out of a sub-limit of the Term Loan from Axis Bank of ₹ 3,37,00,00,000. [Refer Note 4.2 (vii)]

	As At March 31, 2013	As At March 31, 2012
9. Trade Payables :		
Micro and Small Enterprises (Refer Note 9.1)	57,28,942	32,60,945
Others	14,67,60,077	20,82,32,970
	<u>15,24,89,019</u>	<u>21,14,93,915</u>

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	57,28,942	32,60,945
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, 2013	As At March 31, 2012
10. Other Current Liabilities :		
Current maturities of Long-term Borrowings		
Term Loans		
Secured		
From Banks		
Under Textile Upgradation Fund Scheme	17,04,59,180	20,10,35,001
Others	70,69,15,946	53,11,37,634
	<u>87,73,75,126</u>	<u>73,21,72,635</u>
Interest accrued and due on Borrowings	6,22,95,583	5,75,61,010
Interest accrued but not due on Borrowings and Buyer's Credit	62,66,241	72,08,354
Income received in Advance	NIL	1,72,500
Unclaimed Dividends	3,68,190	5,74,364
Trade and Security Deposits	17,42,22,229	21,44,99,415
Advance against Sale of Property	1,01,00,00,000	1,19,00,00,000
Other Payables		
For Capital Expenses	62,24,128	1,53,83,835
Others (Refer Note 10.1)	3,83,97,541	3,27,45,837
	<u>4,46,21,669</u>	<u>4,81,29,672</u>
	<u>2,17,51,49,038</u>	<u>2,25,03,17,950</u>

10.1 Others include Statutory Dues and other year end provisions.



Ninety Seventh Annual Report 2012-2013

	As At March 31, 2013	As At March 31, 2012
11. Short-term Provisions :		
Provision for Employee Benefits (Refer Note 31)		
For Gratuity	3,21,314	4,06,609
For Leave Encashment	7,21,853	7,79,465
	10,43,167	11,86,074
Others		
For Proposed Dividend	1,67,20,000	2,09,00,000
For Tax on Dividend	28,41,600	33,90,000
Provision for Income Tax	3,10,00,000	3,20,00,000
Less : Income Tax paid	2,75,48,107	2,84,31,629
	34,51,893	35,68,371
	2,40,56,660	2,90,44,445

11.1 While making the Provision for Current Tax, the Company has relied on the opinion of an expert for the tax treatment of 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 the Income-tax Act, 1961.



12. Fixed Assets :	DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK					
		As At April 1, 2012		During the year Other Adjustments		As At March 31, 2013		Upto March 31, 2012		Deductions/ Other Adjustments March 31, 2013		Upto March 31, 2013		As At March 31, 2013	
		As At April 1, 2012	Additions	Other Adjustments	Sale	As At March 31, 2013	Upto March 31, 2012	For the Year	Other Adjustments	Upto March 31, 2013	As At March 31, 2013	As at March 31, 2012			
	Current Year														
	Tangible assets														
	Land														
	Freehold Land	10,44,99,654	-	-	-	10,44,99,654	-	-	-	-	-	-	10,44,99,654	10,44,99,654	
	Freehold Land -under Development (Note 14.2)	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	57,74,57,238	5,65,35,982	-	-	63,39,93,220	-	-	-	23,72,43,447	-	-	39,67,49,772	37,59,75,518	
	On Leasehold Land	1,35,08,387	-	-	-	1,35,08,387	-	-	-	83,25,379	-	-	51,83,008	53,42,186	
	Given on Lease	44,05,60,114	-	-	-	44,05,60,114	-	-	-	5,25,95,558	-	-	38,79,64,556	40,83,83,743	
	Plant and Equipments														
	Owned	2,01,12,68,484	5,94,07,844	3,66,65,427	3,47,78,897	1,99,92,32,004	-	-	-	4,82,85,388	1,13,18,29,848	-	86,74,02,156	1,00,84,46,307	
	Given on lease	33,90,790	-	-	-	33,90,790	-	-	-	3,50,608	-	-	7,52,106	11,02,713	
	Furniture and Fixtures														
	Owned	8,74,96,277	1,76,313	-	-	8,76,72,590	-	-	-	43,15,426	-	-	3,45,65,958	3,87,05,071	
	Given on lease	9,72,314	-	-	-	9,72,314	-	-	-	5,42,017	-	-	3,70,443	4,30,297	
	Vehicles	2,07,39,730	24,48,481	-	24,04,770	2,07,83,441	-	-	-	17,69,146	1,35,72,911	-	72,10,530	76,58,685	
	Office Equipments-Computers	3,36,69,352	62,27,980	-	-	3,98,97,332	-	-	-	33,82,900	-	-	1,05,70,010	77,24,929	
	Live stock	2,66,528	-	-	-	2,66,528	-	-	-	-	-	-	2,66,528	2,66,528	
	Total	3,29,46,18,200	12,47,96,600	3,66,65,427	3,71,83,667	3,34,55,65,705	24,40,02,952	5,00,54,534	1,52,92,41,654	1,81,63,24,051	1,95,93,24,963	1,95,93,24,963	1,95,93,24,963	1,95,93,24,963	
	Intangible assets														
	Technical know how fees	33,11,201	-	-	-	33,11,201	-	-	-	-	-	-	-	-	
	Total	33,11,201	-	-	-	33,11,201	-	-	-	-	-	-	-	-	
	Capital Work-in-Progress	40,35,51,261	9,19,66,585	13,12,46,867	-	36,42,70,979	-	-	-	-	-	-	36,42,70,979	40,35,51,261	
	Total	40,35,51,261	9,19,66,585	13,12,46,867	-	36,42,70,979	-	-	-	-	-	-	36,42,70,979	40,35,51,261	
	Previous Year														
	Tangible assets														
	Land														
	Freehold Land	9,69,53,210	75,46,444	-	-	10,44,99,654	-	-	-	-	-	-	10,44,99,654	9,69,53,210	
	Freehold Land -under Development (Note 14.2)	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	-	-	-	3,40,31,346	-	-	37,59,75,518	39,23,46,150	
	On Leasehold Land	1,35,08,387	-	-	-	1,35,08,387	-	-	-	2,29,918	-	-	53,42,186	55,72,104	
	Given on Lease	44,05,60,114	-	-	-	44,05,60,114	-	-	-	2,14,93,882	-	-	40,83,83,743	42,98,77,625	
	Plant and Equipments														
	Owned	1,97,81,86,854	10,96,50,600	-	7,65,68,970	2,01,12,68,484	-	-	-	16,82,72,212	4,37,74,940	1,00,19,79,540	1,00,92,88,944	1,10,07,04,586	
	Given on lease	33,90,790	-	-	-	33,90,790	-	-	-	11,93,245	-	-	2,60,076	14,53,321	
	Furniture and Fixtures														
	Owned	8,47,06,156	27,90,121	-	-	8,74,96,277	-	-	-	49,33,702	-	-	3,87,05,071	4,08,48,652	
	Given on lease	9,72,314	-	-	-	9,72,314	-	-	-	69,525	-	-	4,30,297	4,99,822	
	Vehicles	2,26,43,340	18,77,537	-	37,81,147	2,07,39,730	-	-	-	22,04,568	33,67,145	1,30,81,045	76,58,685	83,99,718	
	Office Equipments-Computers	3,01,10,786	35,58,566	-	-	3,36,69,352	-	-	-	41,53,517	-	-	77,24,930	83,19,881	
	Live stock	1,20,015	1,46,513	-	-	2,66,528	-	-	-	-	-	-	2,66,528	1,20,015	
	Total	3,23,17,37,822	14,32,30,495	-	8,03,50,117	3,29,46,18,199	23,65,81,914	4,71,42,085	1,33,52,93,236	1,14,58,53,407	23,65,81,914	1,95,93,24,963	1,95,93,24,963	2,08,58,84,415	
	Intangible assets														
	Technical know how fees	33,11,201	-	-	-	33,11,201	-	-	-	-	-	-	-	-	
	Total	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	
	Total	36,98,49,337	21,29,82,693	17,92,80,769	-	40,35,51,261	-	-	-	-	-	-	40,35,51,261	36,98,49,337	



As At
March 31, 2013

As At
March 31, 2012

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) (` 100 par value)

In Government Securities

Unquoted

3% Government of India Conversion Loan 1986

19,212

19,212

(Deposited with Cenral Excise Authorities)

7 Years National Savings Certificates

2,000

2,000

(Deposited with government authorities)

48,962

48,962

	Cost (`)	Market Value	Cost (`)	Market Value
Aggregated amount of Unquoted Investments	48,962	Not Applicable	48,962	Not Applicable

14. Long-term Loans and Advances :

Unsecured, Considered Good

Capital Advances

3,99,40,779

4,12,36,764

Deposits

1,40,34,023

1,20,21,284

Balance with Central Excise Authorities (Refer Note 14.1)

1,06,41,044

1,06,41,044

Due from a Developer (Refer Note 14.2)

4,42,40,78,095

5,76,13,19,136

Advance to Gratuity Trust

51,05,216

47,79,367

Other Loans and Advances (Refer Note 14.3)

Advances recoverable in cash or in kind or for value to be received

66,65,000

1,25,00,971

Income Tax Paid

48,52,50,353

40,40,25,059

Less : Provision for Income Tax

46,58,00,000

37,48,00,000

1,94,50,353

2,92,25,059

2,61,15,353

4,17,26,030

4,51,99,14,510

5,87,17,23,625

14.1 The balance with Central Excise Authorities represents 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

- 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).
- 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, 2013 for the construction (net of amounts received from the developer in terms of the DA) amounting to ` 442,40,78,095 (Previous Year ` 576,13,19,136) is shown as "Due from developer" under Note 14 and ` 215,00,00,000 (Previous Year NIL) is shown as "Advances recoverable in cash or in kind or for value to be received" under Note 19.

- 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, 2013, the Company has capitalised the cost (which includes the cost of common area facilities) of ` NIL (Previous Year ` NIL), 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 ` 21,33,54,569 (Previous Year ` 18,99,75,613) 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 12.
- 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 Sales tax set off receivable, PF paid under protest and Prepaid expenses.

	As At March 31, 2013	As At March 31, 2012
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	1,21,346	1,13,091
(Held as margin money)		
	<u>1,21,346</u>	<u>1,13,091</u>
16. Inventories :		
Raw Materials	5,52,48,174	3,00,03,944
Work-in-Progress	23,27,11,799	27,08,51,223
Finished Goods	2,95,71,737	10,45,42,123
Fuel	50,79,080	52,14,236
Stores and Spares	2,15,86,802	2,09,83,939
Waste	5,04,234	1,86,089
	<u>34,47,01,826</u>	<u>43,17,81,554</u>
16.1 Details of Inventories :		
a. Work-in-Progress		
Fabric	13,90,52,177	22,01,26,511
Yarn	9,36,59,622	5,07,24,712
	<u>23,27,11,799</u>	<u>27,08,51,223</u>
b. Finished Goods		
Fabric (packed)	2,95,71,737	10,45,42,123
	<u>2,95,71,737</u>	<u>10,45,42,123</u>
17. Trade Receivables :		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	1,97,25,121	3,30,82,983
Others	17,67,63,165	19,15,65,525
	<u>19,64,88,286</u>	<u>22,46,48,508</u>



	As At March 31, 2013	As At March 31, 2012
18. Cash and Bank Balances :		
Cash and Cash Equivalents		
Cash on hand	4,96,272	3,67,029
Cheques on hand	NIL	2,75,888
	<u>4,96,272</u>	<u>6,42,917</u>
Balances with Banks		
On Current Accounts	4,89,78,665	18,07,93,595
On Unclaimed Dividend Accounts	3,68,190	5,56,645
	<u>4,93,46,855</u>	<u>18,13,50,240</u>
Other Bank Balances		
On Fixed Deposit Accounts		
With maturity within 12 months from Balance Sheet date (Held as margin money)	5,27,11,092	5,78,68,210
On Fixed Deposit Accounts	79,76,626	
With maturity within 12 months from Balance Sheet date	6,06,87,718	40,60,79,298
	<u>11,05,30,845</u>	<u>64,59,40,665</u>
19. Short-term Loans and Advances :		
Unsecured, Considered Good		
Deposits - Inter Corporate	50,00,00,000	50,00,00,000
Other Loans and Advances (Refer Note 19.1)		
Advances recoverable in cash or in kind or for value to be received	2,16,24,68,072	33,09,566
Advances to Suppliers	52,05,277	2,00,34,851
Fringe Benefit Tax Paid	NIL	4,17,190
Less : Provision for Tax	NIL	NIL
	<u>2,16,76,73,349</u>	<u>2,37,61,607</u>
	<u>2,66,76,73,349</u>	<u>52,37,61,607</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 Duty Drawback, Export Incentives receivable, Prepaid expenses and Advances to Employees.		
20. Other Current Assets :		
Interest Receivable on Security / Fixed Deposits	6,34,29,336	1,22,24,283
Capital Subsidy Receivable under TUFS	1,86,64,997	4,74,84,255
Interest Subsidy Receivable under TUFS	4,67,16,507	4,80,12,071
Foreign Exchange Subsidy Receivable	2,76,88,306	2,76,88,306
	<u>15,64,99,146</u>	<u>13,54,08,915</u>



	For the Year ended March 31, 2013	For the Year ended March 31, 2012
21. Revenue From Operations :		
Sale of Products - Manufactured Goods	1,20,67,55,287	1,38,59,33,942
Sale of Services		
Processing Charges	6,88,345	4,76,584
License Fees and Other Amenities (Refer Note 21.2)	<u>37,66,79,549</u>	<u>28,99,57,142</u>
	37,73,67,894	29,04,33,726
Other Operating Revenues		
Sale of Scrap	13,43,345	17,72,639
Duty Drawback	8,09,017	5,95,054
Insurance Recovery	9,27,299	11,40,771
Freight Recovery	<u>32,05,623</u>	<u>35,83,760</u>
	62,85,284	70,92,224
	<u>1,59,04,08,465</u>	<u>1,68,34,59,892</u>
Less : Excise Duty on Sales	2,41,257	7,70,389
	<u>1,59,01,67,208</u>	<u>1,68,26,89,503</u>
21.1 Details of Sale of Products :		
Fabric	1,15,32,39,564	1,37,09,72,804
Yarn	3,93,08,645	NIL
Waste	54,29,752	59,89,350
Others	87,77,326	89,71,788
	<u>1,20,67,55,287</u>	<u>1,38,59,33,942</u>
21.2 Includes accruing of License Fees of ₹ 3,96,29,002 in current year for the year ended on March 31, 2012 due to change in the perception of the management for a certain property given under Leave and License Agreements.		
22. Other Income :		
Interest Income		
On Deposits	8,69,21,438	2,00,36,090
Customers on Amounts Overdue	<u>24,04,344</u>	<u>46,13,676</u>
	8,93,25,782	2,46,49,766
Dividend on Long-term Investments	13,500	23,900
Grant of Development Rights (Refer Note 14.2)	36,22,07,455	71,40,84,061
Amounts / Excess Provisions written back	1,13,65,423	1,76,12,006
Foreign Exchange Subsidy	NIL	2,76,88,306
Miscellaneous Income (Refer Note 27.2)	<u>1,80,73,995</u>	<u>23,13,513</u>
	48,09,86,155	78,63,71,552
23. Cost of Materials Consumed :		
Raw Materials		
Opening Stock	3,00,03,944	5,00,45,409
Add : Purchases	<u>36,60,71,796</u>	<u>39,93,63,917</u>
	39,60,75,740	44,94,09,326
Less : Closing Stock	5,52,48,174	3,00,03,944
	<u>34,08,27,566</u>	<u>41,94,05,382</u>
23.1 Details of Raw Materials Consumed :		
Cotton	8,50,12,243	12,80,86,755
Man-made Fibres	13,61,53,909	16,86,70,895
Yarn (Excludes Yarn captively consumed)	5,53,55,047	8,67,21,770
Fabric	6,43,06,367	3,59,25,962
	<u>34,08,27,566</u>	<u>41,94,05,382</u>



	For the Year ended March 31, 2013	For the Year ended March 31, 2012
24. Changes in Inventories of Finished Goods and		
Work-in-Progress :		
Finished Goods		
Closing Stock	2,95,71,737	10,45,42,123
Less : Opening Stock	<u>10,45,42,123</u>	<u>95,05,435</u>
	7,49,70,386	(95,036,688)
Work-in-progress		
Closing Stock	23,27,11,799	27,08,51,223
Less : Opening Stock	<u>27,08,51,223</u>	<u>31,17,43,549</u>
	3,81,39,424	4,08,92,326
Waste		
Closing Stock	5,04,235	1,86,089
Less : Opening Stock	<u>1,86,089</u>	<u>7,00,317</u>
	(3,18,146)	5,14,228
	<u>11,27,91,664</u>	<u>(5,36,30,134)</u>
25. Employee Benefits Expense :		
Salaries, Wages and Benefits (Refer Note 27.2)	13,83,13,355	14,55,94,242
Contribution to Provident Fund and Other Funds	38,18,935	61,38,645
Staff Welfare Expenses (Refer Note 27.2)	<u>29,82,158</u>	<u>31,88,429</u>
	<u>14,51,14,448</u>	<u>14,49,21,316</u>
25.1 During the year, the Company has paid in aggregate ` 4,74,00,000 as managerial remuneration to its Executive Chairman, Managing Director, Jt. Managing Director and Executive Director. The Company has been legally advised that the said payment is within the limit prescribed under the provisions of Section 198 and Section 310 read with Schedule XIII to the Companies Act, 1956. However, out of abundant caution, the Company applied for the approval of the Central Government, and the same, have since been received, except in the case of remuneration of ` 1,50,00,000 to the Executive Chairman, which is pending.		
26. Finance Costs :		
Interest Expense		
On Cash Credit Facilities / Buyers' Credit	2,33,65,317	2,41,19,445
On Term Loans - Under TUFs (Refer Note 26.1)	14,92,09,258	13,04,23,054
On Others (Refer Note 27.2)	<u>62,74,778</u>	<u>37,07,434</u>
	17,88,49,353	15,82,49,933
Other Borrowing Costs		
Bank Charges	38,03,400	1,17,36,723
Other Finance Charges	<u>50,36,061</u>	<u>42,89,093</u>
	<u>18,76,88,814</u>	<u>17,42,75,749</u>
26.1 Interest on Term Loans - Under TUFs is after reducing :		
a. Interest Subsidy of ` 3,62,54,586 ; (Previous Year ` 4,28,99,474)		
b. Reimbursement of excess interest charged of ` NIL ; (Previous Year ` 1,93,22,362)		



Ninety Seventh Annual Report 2012-2013

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
27. Other Expenses :		
Stores and Spares Consumed	15,17,92,743	19,13,24,747
Weaving and Processing Charges (Refer Note 27.2)	91,72,809	1,49,05,764
Power and Fuel (Refer Note 27.2)	22,40,87,978	28,57,00,474
Rent	76,54,683	82,15,080
Repairs and Maintenance (Refer Note 27.2) :		
Building	3,07,17,898	1,05,82,916
Machinery	67,39,277	48,19,410
Others	1,08,83,354	1,16,11,539
	<u>4,83,40,529</u>	<u>2,70,13,865</u>
Insurance	36,79,980	43,70,574
Rates and Taxes (Refer Note 27.2)	74,13,931	65,93,509
Brokerage and Commission	4,19,80,861	5,09,46,127
Directors' Fees	4,10,535	4,85,000
Foreign Exchange Loss (Net)	67,95,384	99,52,305
Auditors' Remuneration		
Audit fees	7,86,520	7,86,520
Tax Audit Fees	1,12,360	1,12,360
Other Services	2,41,574	3,55,718
	<u>11,40,454</u>	<u>12,54,598</u>
Cost Audit Fees	1,85,540	84,270
Labour Contractor Charges	2,32,60,484	2,16,52,801
Waste Water Treatment Charges	67,24,750	1,84,01,458
Discount on Sales	93,59,248	95,52,069
Freight and Forwarding	74,23,779	88,89,390
Travelling, Conveyance and Vehicle Expenses (Refer Note 27.2)	1,18,71,829	1,32,26,743
Legal and Professional Fees	1,66,99,799	1,71,94,998
Donations	50,25,101	50,00,000
Miscellaneous Expenses (Refer Note 27.2)	2,32,52,148	1,65,41,168
Loss on sale of Fixed Assets (Net)	18,73,776	21,79,482
	<u>60,81,46,341</u>	<u>71,34,84,423</u>
27.1 Miscellaneous Expenses include expenditure of ₹ 50,000 (Previous Year ₹ NIL) incurred on advertisement in 'Dindarshika' informative publication of Maharashtra Navnirman Sena, a political party.		
27.2 Details of (Income) / Expenses for prior period :		
Income		
Other Income		
Miscellaneous Income	36,383	NIL
Total	<u>36,383</u>	<u>NIL</u>
Expenses		
Employee Benefits Expense		
Salaries and Wages	52,150	25,034
Staff Welfare Expenses	NIL	630
	<u>52,150</u>	<u>25,664</u>
Interest on Others	52,547	NIL
Weaving and Processing Charges	NIL	1,84,194
Power and Fuel	5,540	NIL
Repairs and Maintenance :		
Building	75,068	10,630
Machinery	57,292	788
Others	35,500	50,392
	<u>1,67,860</u>	<u>61,810</u>
Rates and Taxes	NIL	22,314
Travelling, Conveyance and Vehicle Expenses	29,979	NIL
Miscellaneous Expenses	NIL	15,41,852
Total	<u>3,08,076</u>	<u>18,35,834</u>
(Income) / Expenses for prior period	<u>2,71,693</u>	<u>18,35,834</u>



	For the Year ended March 31, 2013	For the Year ended March 31, 2012
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.	NIL	12,69,80,249
29. Disclosure in accordance with Accounting Standard (AS 20) on Earnings per Share :		
Numerator for Basic and Diluted earnings per Share		
Net Profit / (Loss) after tax for the year (a)	30,48,34,523	58,23,60,670
Denominator for Basic and Diluted earnings per Share		
Weighted average number of Shares (b)	83,60,000	83,60,000
Basic and Diluted Earnings per share [(a) / (b)]	36.46	69.66
Face Value per share (`)	5	5
(Sub-divided from ` 10 per share on November 22, 2012)		
	As At March 31, 2013	As At March 31, 2012
30. Contingent Liabilities and Commitments :		
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.	2,36,30,619	1,85,24,585
c. Amount claimed by Bank as penal interest not acknowledged as debt	42,01,567	NIL
c. Income Tax [Amount deposited ` 40 lakhs (Previous Year ` 20 lakhs)]	6,28,58,000	6,76,69,000
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	NIL	38,37,075
g. Property Tax under dispute	4,33,79,159	NIL
h. Hydraulic Charges under dispute	47,43,047	NIL
ii. Bank Guarantees (In Lieu of Cash Deposits)	2,48,59,760	1,21,10,300
30.2 Commitments :		
i. Related to contracts :		
a. Estimated amount of contracts remaining to be executed on capital account	12,63,56,173	13,32,88,641
Less : Advances	3,99,40,778	4,12,36,764
Net Estimated Amount	<u>8,64,15,395</u>	<u>9,20,51,877</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	For the	For the	For the
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Reconciliation of opening and closing balances of the present value of the defined benefit obligation				
		Gratuity (Funded)	Compensated Absences (Unfunded)	
Change in present value of obligations				
Present value of obligation at the beginning of the year	1,82,71,777	3,62,77,389	26,99,674	37,52,758
Adjustment to opening balance	77,669	NIL	NIL	NIL
Current Service Cost	22,65,145	42,47,777	1,75,664	31,03,272
Interest Cost	12,97,109	12,47,194	NIL	1,91,535
Past service cost - (Vested benefits)	(41,45,149)	NIL	61,28,264	NIL
Actuarial (Gain) / Loss	23,81,167	(17,74,287)	(57,33,283)	(22,81,215)
Benefits Paid	(35,26,951)	(2,17,26,296)	(7,59,727)	(20,66,676)
Present value of obligation at the end of the year	1,66,20,767	1,82,71,777	25,10,592	26,99,674
Change in plan assets				
Fair value of plan assets as at the beginning of the year	2,26,44,535	4,28,98,193	NIL	NIL
Adjustment to opening balance	77,669	(55,278)	NIL	NIL
Expected return on plan assets	13,17,817	14,56,640	NIL	NIL
Actuarial Gain / (Loss)	8,91,589	(11,48,724)	NIL	NIL
Contributions	NIL	12,20,000	7,59,727	20,66,676
Benefits paid	(35,26,951)	(2,17,26,296)	(7,59,727)	(20,66,676)
Fair value of plan assets as at the end of the year	2,14,04,659	2,26,44,535	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	2,14,04,659	2,26,44,535	NIL	NIL
Present value of the defined benefit obligations at the end of the year	1,66,20,767	1,82,71,777	25,10,592	26,99,674
Liability / (Asset) recognised in the Balance Sheet*	(47,83,892)	(43,72,758)	25,10,592	26,99,674
* The above is reflected as Advance to Gratuity Trust for Staff - ` 51,05,216 (Previous Year ` 47,79,367) under Note 14 and as Provision for Gratuity for Workers - ` 3,21,314 (Previous Year ` 4,06,609) under Note 11.				
Cost for the year				
Current service cost	22,65,145	42,47,777	61,28,264	31,03,272
Interest cost	2,97,109	12,47,194	1,75,664	1,91,535
Expected return on plan assets	(13,17,817)	(14,56,640)	NIL	NIL
Actuarial (Gain) / Loss	14,89,578	(6,25,563)	(57,33,283)	(22,81,215)
Past service cost - (Vested benefits)	NIL	77,669	NIL	NIL
Net Cost recognised in the Statement of Profit and Loss	37,34,015	34,90,437	5,70,645	10,13,592

31.1 Category of Assets

Insurer Managed Funds	2,13,53,369	1,99,44,535	N.A	N.A
Government Traded Bonds	NIL	27,00,000	N.A	N.A
Cash and bank balances	51,290	NIL	N.A	N.A

Assumptions used to determine the benefit obligations :

	LIC (1994-96) Ult.		LIC (1994-96) Ult.	
Mortality				
Interest / discount rate	8.00%	8.00%	8.00%	8.00%
Estimated rate of return on plan assets	6.00%	6.00%	NIL	NIL
Expected rate of increase in compensation	5.00%	5.00%	5.00%	5.00%

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

	2013	2012	2011
Experience Adjustments			
On Plan Liability (gain)/Loss	21,58,298	(6,63,958)	(10,07,090)
On Plan asset gain/(loss)	8,91,589	(11,48,724)	(8,07,951)
Present value of Obligation	1,66,20,767	1,82,71,777	3,41,71,230
Fair value of Plan assets	2,14,04,659	2,26,44,535	4,28,98,193
Excess of obligation over plan assets (net)	(47,83,892)	(43,72,758)	(87,26,963)

* To the Extent Information available from reports of Actuary



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

Particulars	Textiles		Real Estate		Total
	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012	
32.1					
Segment Revenue					
External Revenue	1,21,34,87,660	1,38,98,58,756	37,66,79,549	28,99,57,142	1,59,01,67,209
Inter Segment Revenue	NIL	NIL	NIL	NIL	NIL
Total Revenue	1,21,34,87,660	1,38,98,58,756	37,66,79,549	28,99,57,142	1,59,01,67,209
32.2					
Segment Results					
Unallocated Corporate Income / (Corporate Expenses) Net	(21,65,82,055)	(4,32,17,384)	35,58,49,900	25,52,51,490	13,92,67,845
Finance Charges					
Exceptional Items	(21,65,82,055)	(4,32,17,384)	35,58,49,900	25,52,51,490	13,92,67,845
Current Tax Adjustments of Earlier Years					
Provision for taxes					
Net Profit					
32.3					
Other Information					
Segment Assets	2,26,87,35,853	2,37,59,03,570	56,08,64,071	72,09,50,019	2,82,95,99,924
Unallocated Assets					
Total Assets	2,26,87,35,853	2,37,59,03,570	56,08,64,071	72,09,50,019	2,82,95,99,924
Segment Liabilities	29,05,25,122	35,23,17,271	49,98,13,183	28,6,55,511	79,03,38,305
Unallocated Liabilities					
Total Liabilities	29,05,25,122	35,23,17,271	49,98,13,183	28,6,55,511	79,03,38,305
32.4					
Capital Expenditure					
Segment Capital Expenditure	19,50,59,815	14,08,45,340	2,33,78,956	3,60,87,080	21,84,38,770
Unallocated Capital Expenditure	NIL	NIL	NIL	NIL	NIL
Total Capital Expenditure	19,50,59,815	14,08,45,340	2,33,78,956	3,60,87,080	21,84,38,770
32.5					
Depreciation and Amortisation					
Segment Depreciation and Amortisation	22,31,73,304	21,13,73,680	2,08,29,649	2,27,56,652	24,40,02,953
Unallocated Depreciation and Amortisation	NIL	NIL	NIL	NIL	NIL
Total Depreciation and Amortisation	22,31,73,304	21,13,73,680	2,08,29,649	2,27,56,652	24,40,02,953



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, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	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)	87,00,000	1,12,00,000	NIL	NIL
Smt Aruna M Shah (Director)	1,39,50,000	42,25,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	36,00,000	79,00,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	45,50,000	55,00,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	22,00,000	24,00,000	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	1,26,75,000	99,75,000
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	1,56,00,000	71,25,000
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	2,28,50,000	4,69,00,000
Risha Dying & Printing Pvt. Ltd	NIL	NIL	35,50,000	15,75,000
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	8,05,000	7,75,000
	3,30,00,000	3,12,25,000	5,54,80,000	6,63,50,000
Loans repaid				
Shri Manaharlal C. Shah (Executive Chairman)	50,000	1,75,000	NIL	NIL
Smt Aruna M Shah (Director)	20,50,000	3,75,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	83,50,000	1,30,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	23,50,000	54,50,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	29,00,000	22,00,000	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	8,65,000	98,75,000
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	42,00,000	37,00,000
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	1,24,65,000	2,14,00,000
Risha Dying & Printing Pvt. Ltd	NIL	NIL	2,75,000	21,00,000
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	30,000	51,50,000
	1,57,00,000	83,30,000	1,78,35,000	4,22,25,000
Expenses				
Rent				
Shri Bharat M. Shah (Jt. Managing Director)	9,00,000	9,00,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	9,00,000	9,00,000	NIL	NIL
	18,00,000	18,00,000	NIL	NIL
Interest				
Shri Manaharlal C. Shah (Executive Chairman)	69,12,529	58,69,807	NIL	NIL
Smt Aruna M Shah (Director)	31,64,307	14,95,346	NIL	NIL
Shri Hiren M. Shah (Managing Director)	46,59,085	44,70,892	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	23,59,805	24,88,932	NIL	NIL
Shri Viraj M. Shah (Executive Director)	4,09,874	2,48,959	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	49,52,152	47,12,291
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	67,92,263	60,50,291
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	91,23,079	68,13,633
Risha Dying & Printing Pvt. Ltd	NIL	NIL	13,18,484	9,32,980
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	4,61,373	7,60,384
	1,75,05,600	1,45,73,936	2,26,47,351	1,92,69,579
Director's Fees - Smt Aruna M Shah				
Remuneration				
Shri Manaharlal C. Shah (Executive Chairman)	1,50,00,000	1,50,00,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	1,08,00,000	1,08,00,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	1,08,00,000	1,08,00,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	1,08,00,000	1,08,00,000	NIL	NIL
Shri Purav H. Shah (President)	56,53,200	54,33,160	NIL	NIL
Shri Rishabh V. Shah	2,70,000	4,65,000	NIL	NIL
	5,33,23,200	5,32,98,160	NIL	NIL



Particulars	For the	For the	For the	For the
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
	Key Managerial Personnel and their relatives [with 33.2 (I) and (II) below]		Enterprise on which Key Managerial Personnel has Control [with 33.2 (III) below]	
Outstanding Balance As At March 31, 2013				
Shri Manaharlal C. Shah (Executive Chairman)	5,30,50,000	4,44,00,000	NIL	NIL
Smt Aruna M Shah (Director)	2,37,00,000	1,18,00,000	NIL	NIL
Shri Hiren M. Shah (Managing Director)	2,88,00,000	3,35,50,000	NIL	NIL
Shri Bharat M. Shah (Jt. Managing Director)	1,82,00,000	1,60,00,000	NIL	NIL
Shri Viraj M. Shah (Executive Director)	20,00,000	27,00,000	NIL	NIL
Manubhai & Sons Investment Co. Pvt. Ltd.	NIL	NIL	3,90,10,000	2,72,00,000
Hiren Bros. Investment Co. Pvt. Ltd.	NIL	NIL	5,05,50,000	3,91,50,000
M C Shah & Sons Investment Co. Pvt. Ltd.	NIL	NIL	6,82,00,000	5,78,15,000
Risha Dying & Printing Pvt. Ltd.	NIL	NIL	1,04,35,000	71,60,000
Ruby Sales & Services Pvt. Ltd.	NIL	NIL	35,00,000	27,25,000
	12,57,50,000	10,84,50,000	17,16,95,000	13,40,50,000
Total			29,74,45,000	24,25,00,000

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. M C 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, 2013	March 31, 2012
Within 1 year	59,77,200	59,77,200
After 1 year but before 5 years	9,96,200	69,73,400
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, 2013	As At March 31, 2012
Within 1 year	13,47,68,003	19,28,48,078
After 1 year but before 5 years	22,17,65,055	30,75,28,718
After 5 years	10,27,80,836	15,30,02,159

35. Disclosure in accordance with Accounting Standard (AS 29) on Provisions, Contingent Liabilities and Contingent Assets :

Particulars	As At April 1, 2012	Additions during the year	Amount paid / reversed during the year	As At March 31, 2013
Leave encashment	26,99,674	1,75,664	(3,64,746)	25,10,592
Gratuity	1,82,71,777	22,65,145	(39,16,155)	1,66,20,767
Proposed Dividend	2,09,00,000	1,67,20,000	(209,00,000)	1,67,20,000
Tax on Proposed Dividend	33,90,000	28,41,600	(33,90,000)	28,41,600

36. Consumption of Imported / Indigenous Materials :

Particulars	For the Year ended March 31, 2013		For the Year ended March 31, 2012	
	Percentage		Percentage	
Raw Materials				
Imported	5.63%	1,91,79,108	2.62%	1,09,69,957
Indigenous	94.37%	32,16,48,458	97.38%	40,84,35,425
TOTAL	100.00%	34,08,27,566	100.00%	41,94,05,382
Stores and Spares				
Imported	9.03%	1,37,06,524	9.19%	1,75,85,447
Indigenous	90.97%	13,80,86,219	90.81%	17,37,39,300
TOTAL	100.00%	15,17,92,743	100.00%	19,13,24,747

37. Value of Imports calculated on C.I.F. basis :

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Raw Materials	1,84,14,944	78,16,030
Stores and Spares	97,69,026	1,61,53,741
Capital Goods	NIL	3,74,71,072
Yarn	5,01,778	NIL
TOTAL	2,86,85,748	6,14,40,843

38. Expenditure in Foreign Currency :

i. Interest on Buyers' Credit	31,34,553	43,98,880
ii. Miscellaneous Expenses		
Travelling Expenses	24,05,101	43,24,065
Subscription, Books and Periodicals	3,81,571	5,02,855
Membership and Subscription	10,71,540	5,88,137
Consultancy Fees	1,09,32,014	70,29,202
TOTAL	1,79,24,779	1,68,43,139

39. Earnings in Foreign Currency :

Export of Goods at F.O.B. Value	99,25,894	87,00,135
TOTAL	99,25,894	87,00,135



40. Financial and Other Derivative Instruments :

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

Particulars	Balance As At March 31, 2013		Balance As At March 31, 2012	
	In Foreign Currency		In Foreign Currency	
Foreign Currency Term Loan - USD	16,37,068	8,89,09,170	22,91,895	11,66,11,634
Import Trade Payables - USD	NIL	NIL	4,832	2,45,833
Import Trade Payables - EURO	NIL	NIL	50,729	34,45,006
Buyers Credits - USD	51,25,809	27,83,82,680	90,70,308	46,14,97,256
Buyers Credits - EURO	9,11,603	6,34,38,413	15,57,152	10,57,46,158
Interest on Buyers' Credits - USD	24,548	13,33,191	87,968	44,75,809
Interest on Buyers' Credits - EURO	18,128	12,61,537	19,435	13,19,865

41. Previous year's figures, wherever necessary, have been regrouped / reclassified to conform to the current year's presentation.

As per our Report of even date attached

For B. S. MEHTA & CO.

Chartered Accountants
Firm Registration No. 106190W
Executive Chairman

PARESH H. CLERK

Partner
Membership No.36148

PLACE : MUMBAI

DATED : May 28, 2013

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 : May 28, 2013



Notes

A series of horizontal dotted lines spanning the width of the page, providing a template for writing notes.

THE RUBY MILLS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Ninety Seventh Annual General Meeting of the Members of The Ruby Mills Limited which will be held at the Ruby House, J. K. Sawant Marg, Dadar (W), Mumbai- 400028 on Monday, September 23, 2013 at 4.30 p.m.

Full Name of the Member:
(in block letters)

Members' Folio No.: _____ And/or *DPID No./Client ID No.: _____	No. of Shares: _____ 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 Report at 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 LIMITED

Regd. Office : Ruby House, J.K.Sawant Marg, Dadar, Mumbai-400 028.
Regd. want Marg, Dadar, Mumbai-400028.

FORM OF PROXY

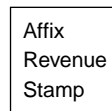
Members' Folio Members' Folio No.: _____ And/or *DPID No./Client ID No.: _____	No. of Shares: _____ No. of Shares: _____
--	--

I/We _____
of _____ being a Member/Members of THE RUBY MILLS LIMITED
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, September 23, 2013 at 4.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

* Applicable to investors holding shares in electronic form

Signature.....





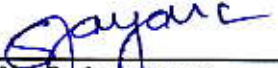




NOTE: This form of proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



The Ruby Mills Ltd.

RUBY HOUSE, J. K. SAWANT, MARG, DADAR, MUMBAI 400 028.
FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges pursuant to sub clause (a) of Clause 31 of the Listing Agreements:

1.	Name of the company	The Ruby Mills Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	(a) Un-qualified : Standalone Audit Report (b) Matter of Emphasis : Standalone Audit Report
4.	Frequency of observation	(a) Whether appeared first time: N.A. (b) Repetitive: N.A. (c) Since how long period : N.A.
5.	To be signed by- √ Managing Director √ CFO √ Auditor of the company √ Audit Committee Chairman	  Mr. Hiren M. Shah Managing Director   Mr. S. Jayaraman Chief Financial Officer   Mr. Paresh H. Clerk Partner - Membership No 36148 B.S. Mehta & Co. Auditor of the Company  Mr. Anup P. Shah Audit Committee Chairman