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# The Ruby Mills Limited

## BOARD OF DIRECTORS :

MANHARLAL CHUNILAL SHAH  
HIREN MANHARLAL SHAH  
BHARAT MANHARLAL SHAH  
VIRAJ MANHARLAL SHAH  
Mrs. A. M. SHAH  
JIMMY D. MASANI  
GIRISH C. SHAREDALAL  
SHARDUL J. THACKER  
DHARMASINH M. POPAT  
DATTATREYA S. SOMAN  
DILIP J. THAKKAR

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

PURAV H SHAH

*President*

DHARMENDRA V. PARMAR

*Financial Controller  
& Company Secretary*

## SOLICITORS :

N. C. DALAL & CO.  
FEDERAL & RASHMIKANT

## AUDITORS :

B. S. MEHTA & CO.  
Chartered Accountants, Mumbai.

## BANKERS :

STATE BANK OF INDIA  
BANK OF INDIA  
BANK OF BARODA  
IDBI BANK

AXIS BANK  
UCO BANK  
UNITED BANK OF INDIA  
ANDHRA BANK  
ALLAHABAD BANK

## REGISTERED OFFICE :

RUBY HOUSE  
J. K. Sawant Marg,  
Dadar, Mumbai- 400 028.  
E-mail: info@rubymills.com  
www.rubymills.com

## PLANT LOCATIONS :

\* **Mumbai Plant :**  
J. K. Sawant Marg  
Dadar  
Mumbai - 400 028.

\* **Dhamni Complex :**  
Village Dhamni  
Taluka Khalapur  
Dist. Raigad,

\* **Khursundi Complex :**  
Village Khursundi  
Taluka Khalapur  
Dist. Raigad

## NOTICE

NOTICE is hereby given that the Ninety Fourth Annual General Meeting of the Shareholders of THE RUBY MILLS LIMITED will be held at the Registered office of the Company at Ruby House, J. K. Sawant Marg., Dadar (W), Mumbai - 400 028 on Saturday the 25<sup>th</sup> September 2010 at 11.30 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 together with the Directors' and Auditors' Reports thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. V.M Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Aruna M Shah, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. J.D.Masani, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors for the current year to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE 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.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 17<sup>th</sup> September, 2010 to Friday, 24<sup>th</sup> September, 2010 (Both days inclusive)
3. 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 25<sup>th</sup> September, 2010. 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 17<sup>th</sup> September, 2010 as per details furnished by the Depositories for this purpose.
4. Dividend if declared will be made payable at the Registered office of the Company on or after 2<sup>nd</sup> October 2010
5. Pursuant to Section 205A of the Companies Act, 1956 dividend for the financial year ended 31.03.2002 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 31<sup>st</sup> March, 2002 or any subsequent Financial Years are requested to make their claim to the Share Department of the Company. It may be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
6. **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.**
7. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
8. 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.

## Ninety Fourth Annual Report 2009-2010

10. As required by Clause 49 of the Listing Agreement signed by the Company with the Stock Exchange, Mumbai, brief profile of the Directors retiring by rotation and eligible for re-appointment is given below.

Name of Directors	Mr.V.M.Shah	Mrs.Aruna M Shah	Mr.J.D.Masani
Date of Appointment	28.11.1994	27.08.2002	18.03.1977
Date of Birth	18.01.1961	16.01.1936	27.06.1937
Expertise in specific functioning areas	Industrialist	Industrialist	Solicitor
List of other Directorship held.	Directors of 1. Ruby Sales & Services P. Ltd. 2. Ruby Travels Pvt. Ltd. 3. Hiren Bros Investment Co. Pvt. Ltd. 4. Galore International Projects Pvt. Ltd. 5. Manubhai & sons Investment Co. Pvt. Ltd. 6. M.C.Shah & Sons. Investment. Co. Pvt. Ltd	Nil	Nil

Mumbai,  
Dated : 12<sup>th</sup> August, 2010.

By Order of the Board of Directors

**Registered Office :**  
Ruby House  
J. K. Sawant Marg.,  
Dadar,  
Mumbai 400 028.

**DHARMENDRA V. PARMAR**  
Company Secretary

## DIRECTORS' REPORT

To,  
The Shareholders  
THE RUBY MILLS LIMITED

Ladies and Gentlemen,

Your Directors have pleasure in presenting their 94<sup>th</sup> Annual Report together with Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010

	<b>2009-2010</b>	2008-2009
	<b>Rupees</b>	Rupees
<b>Turnover</b>	<b>119,04,02,965</b>	114,32,99,382
<b>Other Income including License fees and grant of Development Rights</b>	<b>36,30,22,647</b>	13,40,13,118
<b>Income</b>	<b>155,34,25,612</b>	127,73,12,500
Profit before Depreciation and Taxation	<b>53,23,02,599</b>	38,76,18,801
Less: Depreciation	<b>15,91,40,959</b>	13,50,79,206
Profit after depreciation	<b>37,31,61,640</b>	25,25,39,595
<b>Less: Provision for Taxation</b>		
Current Tax	<b>3,80,00,000</b>	3,81,00,000
Deferred Tax	<b>(43,22,923)</b>	3,56,38,433
Fringe Benefits Tax	<b>-</b>	10,00,000
Wealth Tax	<b>2,65,000</b>	3,00,000
	<b>3,39,42,077</b>	7,50,38,433
<b>Profit after tax</b>	<b>33,92,19,563</b>	17,75,01,162
Less: Prior period (Income)/Expenses (Net)	<b>20,78,378</b>	(10,00,337)
Exceptional Item (Income)/Expense	<b>15,00,00,000</b>	(15,00,00,000)
Add : Profit as per last Balance Sheet	<b>15,67,93,756</b>	1,27,64,103
Amount Available for Appropriation	<b>34,80,91,696</b>	18,92,64,928
Less: Transfer to General Reserve	<b>1,92,00,000</b>	1,78,00,000
Proposed Dividend	<b>1,67,20,000</b>	1,25,40,000
Dividend Tax on Proposed Dividend	<b>2,776,983</b>	21,31,173
Surplus carried to Balance Sheet	<b>30,93,94,713</b>	15,67,93,756

- The turnover and other income of the Company has registered a growth of 21.62% and net profit after depreciation 44.76% in comparison with the previous year.
- Your Directors are pleased to recommend the Dividend, at the rate of 40% p.a.Rs.4/- per share on 41,80,000 equity Shares of Rs.10/- each aggregating to Rs.1,67,20,000 as against 30% i.e.Rs. 3/- per share in the previous year.
- The textile Industry in India has shown some recovery and it will have positive impact in the coming years. However the key performance indicator will be stringent cost control, besides development of new Fabrics and Finishes.
- Modernisation and technological upgradation programmes continue at all the units of the company to maintain competitiveness and achieve better quality. Stringent cost control measures remain in place in all possible areas and are regularly reviewed.
- Construction of Information Technology Park at Dadar, Mumbai where spinning and weaving mill was earlier situated has commenced on part of land by granting of development rights. The construction on 12,200 square meter of freehold land should be completed within the financial year 2010-11. The part consideration for the grant of development rights based on specified percentage of the revenue has been received during the year.

The Process House at Khursundi is ready and trial have been conducted and the operations shall be stabilized during the current year.

## Ninety Fourth Annual Report 2009-2010

7. As required under Section 209 (1) (d) of the Companies Act, 1956 the Company has maintained cost accounting records and under Section 233B, qualified Cost Auditor is appointed to conduct Cost Audit.
8. As required under Maharashtra Sales Tax Act Company has appointed a VAT Auditor to conduct the VAT Audit.
9. The Company's Building, Machineries, Stores and Stocks in trade etc. are fully covered against all insurance risks.
10. The Company is not accepting deposits from the public within the meaning of Section 58A of the Companies Act, 1956 or rules framed thereunder.
11. Mr. V. M. Shah, Mrs. Aruna M. Shah, Mr. J. D. Masani directors of the Company retire by rotation and being eligible offer themselves for re-appointment.
12. The Company has two segment of activities Textile and Real Estate. The statement of accounts prepared and submitted are therefore of two Segments.
13. In view of the on going expansion and modernisation, the Company has strengthened scope of internal audit at various Plant locations.
14. Directors' Responsibility statement:

On the basis of compliance certificates received from the Executives of the Company and the discussion had with the statutory auditors and subject to disclosures in the Annual accounts, we state as under:-

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
  - ii) that the proper accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the loss of the Company for that period;
  - iii) that the 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;
  - iv) that the Accounts have been prepared on a going concern basis.
15. Particulars regarding Employees as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are set out in a separate statement in Annexure 'A' forming part of this report.
  16. 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.
  17. The list of person constituting "Group" (within the meaning as defined in the Monopolies Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provision Regulations 10 to 12 of the Securities Board of India (Substantial Acquisition of Shares and Takeover Regulations 1997 as provided in Clause 3 (1)(i) of the said Regulations is furnished in the Annexure B.
  18. Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis are forming a part of the Director's Report marked annexure C & D respectively.
  19. You are requested to appoint Auditors of the Company for the current year and fix their remuneration.
  20. Your Directors thank the Company's clientele, vendors, investors and bankers for their continued support during the year. Your Directors place on record their appreciation of the excellent contribution made by employees at all levels, without whose contribution the company would not have recorded substantial growth in its revenue and profitability for the year under review.

For and on behalf of the Board

M. C. SHAH  
Executive Chairman

PLACE : Mumbai  
DATED : August 12, 2010

**ANNEXURE 'A'**

Particulars of the Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules 1975 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2010.

Sr.No.	Name	Designation & Nature of the Duties	Remuneration Rupees	Qualification	Age Years	Date of Employment	Experience Years	Last Employment held & Name of the Employer
<b>A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO Rs.24,00,000/- P.A. AND MORE.</b>								
1.	Shri M. C. Shah	Executive Chairman	1,50,00,000	Experience in Senior Management	76	18-09-1953	57	None
2.	Shri H. M. Shah	Managing Director	1,08,00,000	Licenciate in Textile Mfg.	56	01-12-1976	34	None
3.	Shri B. M. Shah	Jt. Mg. Director	1,08,00,000	B.Com	51	01-02-1982	28	None
4.	Shri V.M. Shah	Executive Director	1,08,00,000	B.Com	49	01-04-1984	26	None

**B. EMPLOYED FOR THE PART OF THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO Rs. 2,00,000/- P.M. AND MORE.**

----- NIL -----

Note : Remuneration as above includes, Salary, Company's Contribution to Provident Fund and Family Pension Fund, L.T.A., Reimbursement of Medical Expenses, Personal Accident Insurance Gratuity etc.

**ANNEXURE 'B'**

**ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.**

**(A). Conservation of Energy.**

- (a) 1) Conversion of Kuster Jigger and Pacific Jigger to Invertor Drive giving saving of about 30% energy .
- 2) Boilers being run with full tie up of Natural gas instead of fuel oil which result into enormous saving in cost.
- 3) Continuous replacement of conventional chokes by electronic chokes.
- 4) Created separate low pressure line of compressors for cleaning the machine.
- 5) Replacing modified nozzles and software in Airjet Looms to reduce air consumption.
- 6) Technical Staff is being encouraged continuously to acquire knowledge in process and machines.

**(b). ADDITIONAL INVESTMENT AND PROPOSALS.**

1. Commissioning New Process House at Kharsundi village, Dist. Raigad.
2. Commissioning New Benninger Sizing machine.
3. Harmonic filters put in Power House and Weaving department to improve quality of power.
4. Blow Room line improved by commissioning new SMZR beaters in both cotton and synthetic line.
5. Trials of new type of synthetic tapes are being taken to increase productivity and save power.
6. To create novel type of fancy slubs in suiting and shirtings, the present slub motion is being modified.
7. Latest TC-05 carding machine of Trutzschler has been commissioned and trials are being carried out for future planning.

**(B) Technology Absorption and Innovation.**

1. ERP system is stabilized
2. Further Automation introduced in Ring Frame Humidification System.

**BENEFITS OF R&D WORKS**

1. Continuous and daily use of AFIS and Yarn Evenness to keep leadership in quality of yarn and cloth.
2. R & D Department is continuously developing new finishes helping to sharpen skill of Technical Staff.

**FUTURE PLAN**

1. Modification of present Blow Room line with Tuft Feeder and Foreign Fibre Detection unit.
2. To replace old C 1/3 cards by latest cards as one card TC-05 under trial has shown better results.
3. To replace old Breaker Draw Frames by latest Reiter Draw Frames.
4. To introduce further Auto Doffers in Ring Frames
5. To plan additional spinning capacity.

**C. FOREIGN EXCHANGE SPENT AND EARNED:**

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

The exports have been maintained at same level of last year however sale in the domestic market was considered to be more remunerative for the company than exports.

	<b>Current Year 2009-2010 Rupees</b>	Previous Year 2008-2009 Rupees
a. Value of Direct Imports calculated on CIF Basis:		
i. Stores, Spare parts and Colour Chemicals	<b>2,51,42,603</b>	1,31,18,428
ii. Raw Materials	<b>2,41,12,275</b>	1,36,02,926
iii. Capital Goods	<b>20,66,41,876</b>	10,82,08,458
b. Earnings in Foreign Exchange on account of export of goods :		
Direct Export on FOB Basis	<b>75,24,816</b>	71,81,632
c. Expenditure in Foreign Currency :		
Travelling	<b>25,52,327</b>	53,66,149
*Others	<b>Nil</b>	*38,92,983
<b>*Note: Others figure includes amount in bracket for Real Estate Segment.</b>	<b>Nil</b>	(36,71,444)

FORM 'A'

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

	Current Year 2009-10	Previous Year 2008-09
<b>Power &amp; Fuel Consumption</b>		
<b>1. Electricity :</b>		
a. Purchased Unit	3,04,17,796	3,13,58,376
Total Amount (Rs.)	13,05,86,354	12,26,37,982
b. Own Generation :		
i. Through Diesel Generator Unit	Units 1,09,900	12,650
Units per 1 Ltr. of diesel oil	Unit 2.25	2.56
Cost / Unit	Rs. 15.97	13.48
ii. Through steam turbine / Generator Unit	NIL	NIL
Units per 1 Ltr. of fuel oil	NIL	NIL
Cost / Unit	NIL	NIL
<b>2. Coal (Dhamni) :</b>		
Quantity (Tonnes)	1816.630	2140.930
Total Cost (Rs.)	86,52,700	1,03,85,818
Cost / Unit	*	*
<b>3. Furnace Oil :</b>		
Quantity (K. Ltrs.)	1922.839	2738.380
Total Cost (Rs.)	5,17,21,403	7,82,64,060
<b>4. Gas : Piped Natural Gas (Dadar)</b>		
Quantity M3	2754.680	1827.704
Total Cost	4,29,88,080	2,15,90,303
Cost / Unit	*	*

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

STATEMENT - I

The following persons constitute the Group within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1959, (54 of 1969) which execution or is established to be in a position to exercise, control, directly or indirectly over the company.

- |                                      |                                       |
|--------------------------------------|---------------------------------------|
| 1. Shri Manharlal Chunilal Shah      | 16. Smt. Rita Yogesh Koradia          |
| 2. Shri M. C. Shah H.U.F.            | 17. Smt. Asha Yogesh Mehta            |
| 3. Smt. Aruna Manharlal Shah         | 18. E & T. of Late Chunilal Narbheram |
| 4. Shri Hiren Manharlal Shah         | 19. Hiren Brothers Inv.Co. Pvt. Ltd.  |
| 5. Smt. Jayshree Hiren Shah          | 20. M.C. Shah & Sons Inv.Co. Pvt.Ltd. |
| 6. Shri Purav Hiren Shah             | 21. Manubhai & Sons Inv.Co. Pvt. Ltd. |
| 7. Miss Nehali Hiren Shah            | 22. Miss Mihika Bharat Shah           |
| 8. Shri Hiren Manharlal Shah H.U.F.  | 23. Miss Jhanvi Bharat Shah           |
| 9. Shri Bharat Manharlal Shah        | 24. Miss Miloni Bharat Shah           |
| 10. Shri Bharat Manharlal H.U.F.     | 25. Shri Pranav Yogesh Koradia        |
| 11. Smt. Aabha Bharat Shah           | 26. Shri Samay Yogesh Koradia         |
| 12. Shri Viraj Manharlal Shah        | 27. Shri Yogesh U. Mehta              |
| 13. Smt. Dipti Viraj Shah            | 28. Smt. Barkha Purav Shah            |
| 14. Shri Rishabh Viraj Shah          | 29. Miss Jinaya Purav Shah            |
| 15. Shri Viraj Manharlal Shah H.U.F. |                                       |

**ANNEXURE-C**  
**ANNEXURE TO DIRECTORS' REPORT**

**Corporate Governance Report**

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

**I. Company's philosophy on Corporate Governance:**

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

**II. Board of Directors :**

**a) Composition of Board of Directors :**

For the financial year 2009-10, the Board of Directors comprised of Executive Chairman, Managing Director, Jt. Managing Director, and an Executive Director alongwith 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 professionals and have experience in the field of finance, management and law, bringing a wide range of expertise and experience to the Board.

**b) Board Procedure**

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

During the year 2009-10, the Board met five times on the following dates 28<sup>th</sup> April 2009, 24<sup>th</sup> July 2009(adjourned to 30<sup>th</sup> July 2009), 18<sup>th</sup> September 2009, 27<sup>th</sup> October 2009, and 28<sup>th</sup> January 2010.

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

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

Name of Director	Status Executive/ Non-Executive	No. of Board Meetings Held	No. of Board Meetings attended	Attendance of last AGM	No. of Directorship in other Co.		No. of Chairmanship / Membership in other Board Committee	
					Public	Pvt.	Chairman	Member
Shri M. C. Shah	EC	5	5	Yes	-	2	-	-
Shri H. M. Shah	MD	5	5	Yes	-	6	-	-
Shri B. M. Shah	Jt.MD	5	5	Yes	-	6	-	-
Shri V. M Shah	ED	5	3	Yes	-	6	-	-
Smt. A. M Shah	NED	5	5	Yes	-	-	-	-
Shri J. D. Masani	NED	5	5	Yes	-	-	-	-
Shri G. C. Sharedalal	NED	5	5	Yes	3	4	4	-
Shri S. J. Thacker	NED	5	5	Yes	5	2	1	2
Shri D. M. Popat	NED	5	1	No	3	1	2	-
Shri D. S. Soman	NED	5	5	Yes	1	-	-	-
Shri D. J. Thakkar	NED	5	4	Yes	14	9	5	10

**(c) Code of Conduct**

The Company has adopted a Code of Conduct for the members of the Board and the Senior Executives in compliance with the provision of Clause 49 of the Listing Agreement. All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code of Conduct as on 31st March, 2010 and a declaration to that effect signed by the Managing Director is attached and forms part of this Report.

**III Audit Committee**

1. The Audit Committee of the Company met five times during the year as per the dates mentioned below:

28<sup>th</sup> April 2009, 24<sup>th</sup> July 2009 (adjourned to 30<sup>th</sup> July 2009), 18<sup>th</sup> September 2009, 27<sup>th</sup> October 2009, and 28<sup>th</sup> January 2010.

2. The Audit Committee of the Board comprises of three non-executive, independent Directors. Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.

Attendance of the members of these meetings was as follows :

Name of the Audit Committee Member	Status	No. of meetings held / attended
Shri D. S. Soman	Chairman & Independent Director	5/5
Shri S. J. Thacker	Independent Director	5/5
Shri J D. Masani	Independent Director	5/5

The Representative of Statutory Auditor, Internal Auditor, Jt. Managing Director and Financial Controller were also invited to attend the Audit Committee meetings. The Company Secretary is the secretary of the committee.

3. The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of Listing Agreement and section 292A of the Companies Act, 1956.

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 18<sup>th</sup> September 2009 and was attended by Shri D. S. Soman, Chairman of the Audit Committee. The Company Secretary is the Secretary of the Committee.

**(iv) Remuneration Committee:**

**(i) 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.

- (ii) And (iii) The Remuneration Committee of the Board comprises of three independent, non-executive Directors viz : -

- |                       |                                   |
|-----------------------|-----------------------------------|
| a) Shri J. D. Masani  | Chairman and Independent Director |
| b) Shri S. J. Thacker | Independent Director              |
| c) Shri D. M. Popat   | Independent Director              |

During the financial year ended March 31, 2010 there was no meeting of the Remuneration Committee. Presently, the Company does not have any Stock Option Scheme.

**(iv) 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.

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

Name of Director	Status	Remuneration paid to Directors					
		Salary Rupees	Other Perquisite Rupees	Contribution to PF Rupees	Provision for Gratuity Rupees	Total Rupees	Sitting Fees Rupees
Shri M. C. Shah	EC	1,26,00,000	2,82,000	15,12,000	6,06,000	1,50,00,000	Nil
Shri H. M. Shah	MD	90,00,000	2,88,000	10,80,000	4,32,000	1,08,00,000	Nil
Shri B. M. Shah	Jt. M.D	90,00,000	2,88,000	10,80,000	4,32,000	1,08,00,000	Nil
Shri V. M. Shah	ED	90,00,000	2,88,000	10,80,000	4,32,000	1,08,00,000	Nil
Smt. A. M. Shah	NON-IND	Nil	Nil	Nil	Nil	Nil	62,500
Shri J. D. Masani	IND	Nil	Nil	Nil	Nil	Nil	1,25,000
Shri G.C. Sharedalal	IND	Nil	Nil	Nil	Nil	Nil	62,500
Shri S. J. Thacker	IND	Nil	Nil	Nil	Nil	Nil	1,25,000
Shri D. M. Popat	IND	Nil	Nil	Nil	Nil	Nil	12,500
Shri D. S. Soman	IND	Nil	Nil	Nil	Nil	Nil	1,25,000
Shri D. J. Thakkar	IND	Nil	Nil	Nil	Nil	Nil	50,000

EC — Executive Chairman

MD — Managing Director

Jt. MD — Joint Managing Director

ED — Executive Director

NED — Non-Executive Director

IND — Independent Director

NON-IND — Director

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

1. Shareholders :

a) Share Transfer and Shareholders / Investors Grievance Committee :

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

(i) Name & Designation of Compliance Officer :

Shri Dharmendra V. Parmar, Company Secretary is designated as Compliance Officer of the Company.

(iii) to (v) A statement of various complaints received and cleared by the Company during the year ended on 31st March, 2010 is given below:

Name of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	3	3	Nil
Non Receipt of Dividend Warrants	4	4	Nil
Request for Duplicate Share Certificates	-	-	-
Non Receipt of Share Transferred	-	-	-
Others	11	11	-
Letters from Stock Exchange/SEBI	1	1	Nil
Department of Company Affairs	-	-	-

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](mailto:info@rubymills.com)

VI. Compliance Certificate

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

**VII. General Body Meetings**

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

AGM	Day	Date	Time	Venue	Details of the Special Resolutions
93rd	Friday	18/09/2009	5.00 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Appointment and remuneration to Directors
92nd	Thursday	25/09/2008	5.00 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Borrowing power and mortgage of Assets
91st	Thursday	27/09/2007	5.00 p.m.	Ruby House, J.K.Sawant Marg, Dadar, Mumbai.	Borrowing power and mortgage of Assets and Managerial remuneration

- b. Whether special resolutions were put through postal ballot last year? No  
 c. Are special resolutions proposed to be put through postal ballot this year? No  
 d. No Extra Ordinary General Meeting was held.

**i Disclosures**

**Disclosure regarding materially significant related party transactions :**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there was 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 22 Note No.10 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

**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.

- (iii) The Company has not adopted Whistle Blower Policy.
- (iv) 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 Officer:** The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilized by him 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) **Audit Qualification :** So far there have been no qualifications by the Auditors in their Report on the Accounts of the Company. The Company shall endeavour to continue to have unqualified financial statements.
- (f) **Training of Board of Directors:** The Directors of the Company are persons from Business and Profession with experience in corporate sector. They are being kept posted with various statutory and regulatory changes which are applicable to the Company.
- (g) **Mechanism for evaluating non-executive Board Member:** Non-Executive members of the Board are highly qualified and there is no need for evaluation.
- (h) **Whistle Blower Policy :** The Company has so far not framed a formal whistle blower policy. However, the employees of the Company have free access to the Board of Directors, Audit Committee and Senior Management personnel to report their concerns about unethical behaviour, fraud or violation of statutory requirements, with assurance from the Management to protect the employees from victimization in case they report any such unethical or fraudulent behaviour.

- (i) **Board disclosure - Risk Management:** The Board is kept informed about the risk management being followed by the Company from time to time. All the risks such as fire, marine, burglary, earthquake etc. have been adequately insured.
- (j) The Company has not issued any shares during the year.

### **CMD/CFO Certification**

Managing Director/Chief Executive Officer and 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.

### **Declaration regarding Code of Conduct**

Declaration by the Chairman and Managing Director confirming compliance with the Code of Conduct as adopted by the Company is annexed and forms part of the Annual Report.

- v) Shareholding of the Non- executive Directors in the Company

<u>Name of the Non-Executive Director</u>	<u>No. of Shares held</u>
1) Shri J. D. Masani	1575
2) Shri G. C. Sharedalal	525
3) Shri S. J. Thacker	Nil
4) Shri D. M. Popat	Nil
5) Shri D. J. Thakkar	Nil
6) Shri D. S. Soman	Nil

## **IX Means of Communication**

- i) The Company publishes generally quarterly financial results in The Financial Express (English) and Navshakti (Marathi).
- ii) There is no official news release displayed on the website.
- iii) The company has not made any presentation to institutional investors or equity analysts.
- iv) Whether M.D. & A is a part of Annual Report: Yes

### **A General Shareholder Information**

#### **a) Annual General Meeting to be held :**

Day, date, time and venue :

Day : Saturday

Date : 25th September, 2010

Time : 11.30 a.m.

Venue : Ruby House, J.K. Sawant Marg, Dadar, Mumbai. 400 028.

#### **b) Financial Calendar 2009-2010 :**

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

Fourth Quarterly Unaudited Results : Within 45 days of the end of the quarter

**Or**

Audited Yearly Results for the Year

Ended : 31<sup>st</sup> March 2011 : Before 31<sup>st</sup> May, 2011

- c) Dates of Book Closure** : 17 th September, 2010 to 24th September 2010 (Both days inclusive)

- d) Dividend payment date** : 2<sup>nd</sup> October 2010

Dividend on Equity Shares when sanctioned will be made payable on or after 2<sup>nd</sup> October 2010 to those Shareholders whose names stand on the Company's Register of Members on 25th September 2010 and to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for the purpose.

**e) Listing on Stock Exchanges at :**

The Equity Shares of the Company are listed at The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal street Mumbai – 400 001. National stock Exchange, Exchange Plaza, Bandra –Kurla Complex, Bandra (E), Mumbai-400 051.

Note : Listing fees have been paid to the above Stock Exchanges for the year 2010-2011.

**f) Stock / Company / Security / Common Code : Equity Shares.**

The Stock Exchange, Mumbai : 503169

**g) Market price Data :**

The monthly high and low quotations and volume of shares traded at the Stock Exchange, Mumbai during the Financial year, 2009-10 are given below :

**Stock Price**  
**Script Code : 503169 Company Name : THE RUBY MILLS LTD.**  
**For the period : April 2009 to March 2010**

Month	High Rs.	Low Rs.	Volume Traded (No. of Shares)
Apr-09	358.95	280.00	33,111
May-09	783.30	332.00	34,196
Jun-09	906.70	667.20	33,819
Jul-09	715.00	546.40	17,891
Aug-09	813.00	571.00	51,151
Sep-09	774.00	655.05	33,353
Oct-09	905.00	677.00	42,624
Nov-09	789.00	652.10	15,986
Dec-09	1,020.00	691.00	172,946
Jan-10	1,088.00	814.00	61,820
Feb-10	929.50	730.00	26,047
Mar-10	989.95	775.00	34,183

**h) 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 request 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.

**i) Share Transfer System :**

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

**j) Distribution of Share holding :**

The shareholding distribution of equity shares as of 31<sup>st</sup> March, 2010 is given below :

Sr. No.	Range (In Rs.)	Total Holders	% of Total Holders	Total Holding (In Rs.)	Percentage of Total Capital
1	Upto – 5000	4492	94.36	2468820	5.91
2	5001 – 10000	135	2.83	986810	2.36
3	10001 – 20000	54	1.13	785620	1.88
4	20001 – 30000	14	0.29	331530	0.79
5	30001 – 40000	9	0.18	325440	0.77
6	40001 – 50000	4	0.08	174280	0.42
7	50001 – 100000	17	0.36	1218940	2.92
8	100000 and above	35	0.73	35508560	84.95
	<b>TOTAL</b>	<b>4915</b>	<b>100.00</b>	<b>41,80,000</b>	<b>100.00</b>

k) Shareholding pattern as on 31<sup>st</sup> March 2010.

Sr. No.	Category	No. of Shares held	% of Share holding
1	Promoters	31,31,380	74.91
2	Resident Individuals	7,35,459	17.59
3	Private Corporate Bodies	2,41,797	5.79
4	Financial Institutions	23,000	0.55
5	NRIs	48,364	1.16
<b>TOTAL</b>		<b>41,80,000</b>	<b>100.00</b>

l) Dematerialisation of equity Shares

As on 31<sup>st</sup> March, 2010, 97.59% of the Company's total equity shares representing 40,79,406 shares are held in dematerialised form and the balance 2.41% representing 1,00,594 shares are in physical form.

(m) Plant (Manufacturing Units) :

**Correspondence and Dadar Unit address**

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

**Dhamni Unit Address**

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

**Kharsundi Address**

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

n. Share Transfer Agents

Bigshare Services Pvt. Ltd.  
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 : [bigshare@bom7.vsnl.net.in](mailto:bigshare@bom7.vsnl.net.in)

(o) For Any queries on Annual Report or Investors grievance redressal, kindly send details on following Email-ID "info@rubymills.com"  
K.A.: The Company Secretary  
Tel. No.: 24387835

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

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

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2010.

For The Ruby Mills Ltd.

**H. M. Shah**  
Managing Director

PLACE : Mumbai  
DATED : August 12, 2010

**MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION.**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of The Ruby Mills Limited ("The Company") to the best of our knowledge and belief certify that :

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2010 and based on our knowledge and belief we state that :-
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief there no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i. Significant changes, if any, in the internal controls over financial reporting during the year.
  - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Mr.H.M Shah**  
Managing Director

**Mr. Dharmendra V. Parmar**  
Chief Financial Officer

Mumbai  
Date: August 12,2010

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY :**

The Company has over the year has been contributing to various Social, Religious and Educational Organisations for the benefit to the society's needs for health, religious, education and environment.

The Company has also started further initiatives for the development of rural area where the Company has shifted spinning and weaving and process house plants.

**ANNEXURE “D”**

**MANAGEMENT DISCUSSION AND ANALYSIS 2009-10**

**1. Overall Review :**

During the year the Turnover of the company has increased and in turn the operating profit. However, power and fuel, raw material, wages have increased.

On account of better operational control and the management's good acumen, profit has gone up. On the manufacturing front we are continuing our thrust on cost controls and improved realizations.

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

**a) Industry Structure and Development:**

During the year, the Textile Industry passed through a competitive phase on account of High cost of Raw Materials, Power and also keen competition from neighbouring countries, especially China in domestic as well as export markets. The recent Union Budget contains various proposals for the growth and development of the textile industry. Considering the need for the modernisation and upgradation of the textile sector, the allocation of funds under the Technology Upgradation Fund Scheme (TUFS) has been enhanced. In view of these welcome measures, the industry outside the metro cities is making significant efforts to upgrade technology, undertake expansion and improve competitiveness in order to face the new challenges. Textile companies are now aiming to create large capacities across the value chain. The aggressive capacity expansion plans of the industry demonstrate its commitment to take advantage of the emerging global growth opportunities. However due to world wide recession the export market has suffered.

**b) Opportunities and Threats :**

Due to availability of indigenous raw material like cotton, man made fibres, trained labour and conducive climate for investments into textile would help the Indian manufacturers to withstand competition in the developed world. However, the threat of cheaper imports continues due to recession by foreign countries. This would definitely bring pressure on margins of textile mills.

**c) Review and Analysis :**

The cost of inputs increased substantially during the year. The Cotton prices are also high compared to the previous year. The export market was difficult to attack due to cost competitiveness continuing our consistent approach, we have fully shifted our Spinning and Weaving production to Dhamni. The Spinning and Weaving production at Dhamni are established and we are able to control operating cost and are continually in process of reduction.

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. 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:**

Although the outlook for the textile industry is coupled with uncertainty, we are hopeful that with our thrust on improving domestic market and change in production pattern.

**e) Risks and Concerns :**

Availability of quality cotton throughout the year at reasonable prices has always been a cause of concern due to crop uncertainty but we can only overcome the same by procuring maximum amount of cotton during

3 months of peak season blocking high capital. All manmade and synthetic fibre prices have started going up due to increase in Petrochemical prices and other cost. Due to appreciation of Rupee, Industry is also facing the risk of import of cheaper textiles into the country. The power situation in the State of Maharashtra is a cause of concern as power supply is short due to supply demand mismatch, prices are higher, and the quality of power is poor. We have to also address the issue of high labour cost and non-availability of skilled and unskilled labour in the area operation. We have to make investments in equipment with high automation requiring less labour force.

**f) 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.

**g) Company's financial performance and analysis :-**

The turnover and other income of the Company during the year is Rs.155.3 crore as against Rs.127.73 crore in the previous year. The operating profit before Depreciation and Taxation is Rs.53.23 crore as against Rs.38.76 crore in the previous year. The net profit after depreciation, taxation is Rs.33.92 crore as against Rs.17.75 crore in the previous year.

**h) Human Resource Development / Industrial Relations :**

With effective industrial relations and proper communication channels with the workers peace, harmony and discipline is maintained within the organization and has created a productive work environment. The focus is now on continued improved and disciplined work culture. The exercise of the ISO Certification and its continuing audit has brought about awareness amongst the employees and the management.

Industrial relations have continued to be harmonious at both units throughout the year. Measures for safety of employee, training, welfare and development continued to receive top priorities.

**i) Cautionary Statement :**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied important factors that could make a difference to the Company's operations included global and domestic demand – supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

**AUDITOR'S CERTIFICATE**

To,  
The Board of Directors  
The Ruby Mills Limited

We have examined the compliance of conditions of corporate governance by The Ruby Mills Limited for the year ended 31st March, 2010 as updated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us :

- i. We certify that company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- ii. We state that no investor grievance is pending for a period exceeding one year against the company as per the records maintained by the company and noted by the Board of Directors/Share Transfer Committee and shareholders /Investors Grievance Committee.
- iii. 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 & Company**  
Chartered Accountants  
Firms Registration No.106190W

**KRUPA R. GANDHI (MS.)**  
Partner  
Membership No. 49392

PLACE : Mumbai  
DATED : 12<sup>th</sup> August 2010

**AUDITORS' REPORT**  
**For the Financial Year Ended as on March 31, 2010**

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

- 1) We have audited the attached Balance Sheet of **The Ruby Mills Limited** as at March 31, 2010 and the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies' (Auditor's Report) Order, 2003, as amended, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as considered appropriate and according to the information and explanations to us, we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said Order.
- 4) Further to our comments in Annexure referred to in paragraph 3 above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956; and
  - vi) In our opinion and to the best of our knowledge and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For B.S. MEHTA & CO.,**  
CHARTERED ACCOUNTANTS.  
Firm Registration Number: 106190 W

**KRUPA R. GANDHI (MS.)**  
Partner.  
Membership No. 49392.

PLACE : Mumbai  
DATED : August 12, 2010

**Annexure 'A' to Auditors' Report**

[Referred to in Paragraph (2) of our report of even date]

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

- i. a. The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.

- b. In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of assets. No material discrepancies have been noticed.
- c. In our opinion and according to the information and explanation given to us, on such verification a substantial part of the fixed assets has not been disposed of by the company during the year,
- ii. a. As explained to us, inventories have been physically verified by the management at regular intervals, except for inventories lying with third parties at the year end for which confirmations have been obtained in most of the cases. In our opinion, the frequency of verification is reasonable.
- 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. On the basis of our examination of the inventory records of the company, we are of the opinion that the Company is maintaining proper records of its inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. a. 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, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, Paragraphs 4 (iii) (b), (c) and (d) of the Order, are not applicable.
- b. The company has taken unsecured loans from eight parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved at any time during the year and year-end balance of such loans aggregate to Rs. 13,78,40,000 and Rs. 11,22,40,000 respectively.
- c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- d. In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
- iv. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further on the basis of our examination of the books and records of the Company no major weakness in internal control has been noticed or reported.
- v. a. According to the information and explanations given to us and the records of the Company examined by us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered into the Register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements 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 deposits 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 there under does not arise.
- vii. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by the firm of chartered accountants appointed by the management is commensurate with the size of the company and the nature of its business.
- vii. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the 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, 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 statutory dues have generally been regularly deposited with the appropriate authorities except for dues of tax collected at source of Rs.506/- which were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records examined by us, the particulars of dues of Sales Tax, Income Tax, Wealth-Tax and Excise Duty, wherever applicable, as at March 31, 2010, which have not been deposited on account of a dispute, are referred to in Annexure A.
- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- xi. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to any financial institutions or banks or debenture holders.
- xii. According to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund /society.
- xiv. In our opinion and according to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, Paragraph 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. All the investments are held by the Company in its own name.
- xv. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- 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. Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. As the company has no debentures outstanding any time during the year, paragraph 4(xix) of the Order is not applicable to the company.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such a case by the Management.

**For B.S. MEHTA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 106190 W

**KRUPA R. GANDHI (Ms.)**  
Partner  
Membership No: 49392.

PLACE : Mumbai.  
DATED : August 12, 2010

**ANNEXURE 'A' TO AUDITORS' REPORT**  
**Referred to in Paragraph ix (b) to the Auditor's Report**

Sr. No.	Nature of the Dues	Forum where dispute is pending	Amount (Rs. in Lacs)
1.	Adverse test results	Assistant Commissioner of Central Excise	0.23
2.	Sourced parachutes cloth classification	Assistant Commissioner of Central Excise	7.24
3.	Valuation of fabrics selling distribution profit and administration and interest	Assistant Commissioner of Central Excise	8.06
4.	Clearance on double / folded yarn	Assistant Commissioner of Central Excise	1.47
5.	MODVAT Credit on empty drums	Assistant Commissioner of Central Excise	0.96
6.	MODVAT Credit wrongly availed	Assistant Commissioner of Central Excise	2.08
7.	MODVAT Credit on inputs received from Dhamni Unit	Commissioner of Central Excise, Mumbai IV	326.74
8.	Service tax	CESTAT	0.76
9.	Differential value from Depot Sale	CESTAT	4.34
10.	Interest and Penalty on Cenvat Credit availed on Capital Goods	CESTAT	15.75
		<b>Total (A)</b>	<b>367.63</b>
11.	Interest Capitalisation for Assessment Year 1995-96	High Court	0.45
12.	ICD Interest notionally taxed for the Assessment Year 1998-99	High Court	46.50
13.	ICD Interest notionally taxed for the Assessment Year 2000-01	High Court	47.28
14.	ICD Interest Notionally taxed and Bad debts written off for the Assessment Year 2001-02	High Court	113.84
		<b>Total (B)</b>	<b>208.07</b>
15.	Treatment of Khandala Holiday Home as a non business asset and valuation of other immovable assets for the Assessment Year 1998-99 and 1999-2000	Income Tax Appellate Tribunal	0.47
16.	Addition under section 145 of the Act, addition under section 69C of the Act (Assessment year 2007-08)	Commissioner of Income Tax (Appeals)	422.72
		<b>Total ( C )</b>	<b>423.19</b>
		<b>Total (A + B + C)</b>	<b>998.89</b>

**BALANCE SHEET AS AT MARCH 31, 2010**

	SCHEDULE	Rupees	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>SOURCES OF FUNDS :</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	4,18,00,000		4,18,00,000
Reserves and Surplus	2	93,02,36,675		75,84,35,722
			97,20,36,675	80,02,35,722
<b>Loan Funds</b>				
Secured Loans	3	414,79,26,858		265,59,46,896
Unsecured Loans	4	12,23,50,000		8,91,45,000
			427,02,76,858	274,50,91,896
<b>Deferred Tax Liability (Net)</b>			10,59,63,680	11,02,86,603
	<b>Total</b>		<b>534,82,77,213</b>	<b>365,56,14,221</b>
<b>APPLICATION OF FUNDS:</b>				
<b>Fixed Assets</b>				
Gross Block	5	273,95,93,235		190,56,40,167
Less: Accumulated Depreciation		95,60,43,572		80,41,79,797
Net Block		178,35,49,663		110,14,60,370
Capital Work-In-Progress (Includes Capital Advances Rs. 19,21,666) (Previous Year Rs. 14,21,92,000)		7,64,97,220		257,93,62,822
			186,00,46,883	368,08,23,192
<b>Investments</b>	6		48,962	15,16,18,519
<b>Current Assets, Loans and Advances</b>				
Inventories	7	26,85,75,315		21,61,47,570
Sundry Debtors	8	10,71,29,758		15,29,03,908
Cash and Bank Balances	9	7,71,96,464		2,07,10,427
Other Current Assets	10	8,34,02,729		5,39,17,714
Loans and Advances	11	408,14,55,534		11,07,60,743
		461,77,59,800		55,44,40,362
<b>Less: Current Liabilities and Provisions</b>				
Current Liabilities	12	110,85,19,923		71,51,84,303
Provisions	13	2,10,58,509		1,60,83,549
		112,95,78,432		73,12,67,852
<b>Net Current Assets</b>			<b>348,81,81,368</b>	<b>(176,827,490)</b>
	<b>Total</b>		<b>534,82,77,213</b>	<b>365,56,14,221</b>
Significant Accounting Policies	21			
Notes to Accounts	22			

As per our Report of even date attached

For and on behalf of the Board of Directors

**FOR B.S.MEHTA & CO.**  
Chartered Accountants  
Firm Registration Number 106190W

**KRUPA R. GANDHI (MS.)**  
Partner  
Membership No. 49392

PLACE : Mumbai,  
DATED : August 12, 2010

**M. C. SHAH** Executive Chairman  
**H. M. SHAH** Managing Director  
**B. M. SHAH** Jt. Managing Director  
**D. S. SOMAN** Director  
**D.V. PARMAR** Company Secretary &  
Financial Controller

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

		SCHEDULE		For the year ended March 31, 2010	For the year ended March 31, 2009
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Sales	14	119,04,02,964			114,32,99,382
License Fees		11,63,03,072			11,50,01,540
(Tax deducted at source Rs. 2,43,15,928, Previous Year Rs. 2,60,49,244)					
Grant of Development Rights (Refer Note 6 to Accounts under Schedule 22)		24,09,25,000			-
Other Income	15	57,94,576			1,90,11,578
	<b>Total</b>			<b>155,34,25,612</b>	<b>127,73,12,500</b>
<b>EXPENDITURE</b>					
(Increase) / Decrease in Inventories	16	(3,58,13,976)			(1,84,75,535)
Cost of Raw Materials consumed	17	33,26,16,326			30,27,68,808
Purchase for Resale		5,48,270			9,00,272
Manufacturing, Administration and Other Expenses	18	55,49,32,283			54,26,63,366
Employee Cost	19	15,81,71,508			12,97,91,034
Finance Cost	20	1,06,68,606			8,20,45,754
Depreciation	5	15,91,40,959			13,50,79,206
	<b>Total</b>			<b>118,02,63,976</b>	<b>117,47,72,905</b>
<b>Profit / (Loss) Before Taxation, Prior Period and Exceptional Items</b>				<b>37,31,61,636</b>	10,25,39,595
<b>Less : Provision for Taxation</b>					
Current Tax ( Refer Note 7 to Accounts under Schedule 22)			3,80,00,000		3,81,00,000
Deferred Tax (Refer Note 14 to Accounts under Schedule 22 )			(43,22,923)		3,56,38,433
Fringe Benefit Tax			-		10,00,000
Wealth Tax			2,65,000		3,00,000
<b>Profit / (Loss) After Taxation and Before Prior Period and Exceptional Items</b>				<b>33,92,19,559</b>	2,75,01,162
<b>Add / (Less) : Prior Period Income / ( Expenses) (Net)</b> (Refer Note 4 to Accounts under Schedule 22 )				<b>20,78,377</b>	(10,00,337)
Exceptional Item-(Income)/Expense Refer Note 17 to Accounts under Schedule 22)				<b>15,00,00,000</b>	(15,00,00,000)
<b>Profit / (Loss) After Taxation, Prior Period and Exceptional Items</b>				<b>19,12,97,936</b>	17,65,00,825
<b>Add : Balance brought forward from the previous year</b>				<b>15,67,93,755</b>	1,27,64,103
<b>Profit available for Appropriations</b>				<b>34,80,91,691</b>	18,92,64,928
<b>Less : Appropriations :</b>					
Transferred to General Reserve		1,92,00,000			1,78,00,000
Proposed Equity Dividend		1,67,20,000			1,25,40,000
Tax on Proposed Equity Dividend		27,76,983			21,31,173
				<b>3,86,96,983</b>	3,24,71,173
<b>Balance carried to Balance Sheet</b>				<b>30,93,94,708</b>	15,67,93,755
Basic and diluted Earnings per share (Refer Note 13 to Accounts under Schedule 22)				<b>45.77</b>	42.23
Significant Accounting Policies	21				
Notes to Accounts	22				

As per our Report of even date attached

For and on behalf of the Board of Directors

**FOR B.S.MEHTA & CO.**  
Chartered Accountants  
Firm Registration Number 106190W

**KRUPA R. GANDHI (MS.)**  
Partner  
Membership No. 49392

PLACE : Mumbai,  
DATED : August 12, 2010

**M. C. SHAH**

**H. M. SHAH**

**B. M. SHAH**

**D. S. SOMAN**

**D.V. PARMAR**

Executive Chairman

Managing Director

Jt. Managing Director

Director

Company Secretary &  
Financial Controller

**SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010**

<b>SCHEDULE 1 : SHARE CAPITAL</b>	<b>Rupees</b>	<b>As at March 31, 2010 Rupees</b>	<b>As at March 31, 2009 Rupees</b>
<b>Authorised :</b> 50,00,000 Equity Shares of Rs. 10 each.		<b>5,00,00,000</b>	5,00,00,000
<b>Issued, Subscribed and Paid-up :</b> 41,80,000 Equity Shares of Rs. 10 each fully paid-up		<b>4,18,00,000</b>	4,18,00,000
Of the above :			
1,925 shares were allotted as fully paid-up pursuant to a contract without payment being received in cash			
33,30,000 shares were allotted as fully paid-up by way of bonus shares by capitalisation of General Reserve			
<b>TOTAL</b>		<b>4,18,00,000</b>	4,18,00,000
 <b>SCHEDULE 2 : RESERVES AND SURPLUS</b>			
Securities Premium Balance as per last Balance Sheet		<b>20,83,38,100</b>	20,83,38,100
Capital Reserve Balance as per last Balance Sheet		<b>11,90,862</b>	11,90,863
Central / State Capital Subsidy ( Refer note 1 below) Balance as per last Balance Sheet		<b>17,90,429</b>	17,90,429
General Reserve Balance as per last Balance Sheet	<b>39,03,22,576</b>		
<b>Add :</b> Transferred from the Profit and Loss Account Profit and Loss Account	<b>1,92,00,000</b>	<b>40,95,22,576</b>	39,03,22,576
As per Account Annexed		<b>30,93,94,708</b>	15,67,93,755
<b>TOTAL</b>		<b>93,02,36,675</b>	75,84,35,723

Note 1 : Received on Investment in Plant and Machinery.

**SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010**

<b>SCHEDULE 3 : SECURED LOANS</b>	<b>As at March 31, 2010 Rupees</b>	<b>As at March 31, 2009 Rupees</b>
<b>TERM LOANS :</b>		
<b>From Banks</b>		
<b>Under Textile Upgradation Fund Scheme</b>	<b>114,15,10,623</b>	106,84,92,471
(Repayable within one year Rs. 12,06,92,000 [P.Y. Rs.9,01,60,000]) [Secured by first pari passu charge created by joint mortgage by deposit of title deeds of immovable properties situated at Dhamni and plant and machinery at Dadar and Dhamni and Khursundi.		
Further secured by second pari passu charge created by joint hypothecation of all tangible movable assets, both present and future, (save and except book debts) of the Company]		
<b>Others</b>	<b>293,52,05,545</b>	149,01,02,688
(Repayable within one year Rs. 97,50,00,000 [ P.Y. Rs.Nil ] ) (Secured by pari passu charge created by joint mortgage of land together with the building structure on Dadar Land and only.) (Refer Note 6 to Accounts under Schedule 22)		
<b>CASH CREDIT /WORKING CAPITAL DEMAND LOANS :</b>		
<b>From Banks :</b>	<b>7,12,10,690</b>	9,73,51,737
[Secured by first pari passu charge created by joint hypothecation of stocks, book debts and other tangible movable assets of the Company.		
Further, secured by second pari passu charge created by joint mortgage by deposit of title deeds of Dhamni Land and all plant and machinery of the Company.]		
<b>TOTAL</b>	<b>414,79,26,858</b>	265,59,46,896
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
From:		
– Directors	<b>5,48,25,000</b>	5,92,50,000
– Companies	<b>6,75,25,000</b>	2,98,95,000
<b>TOTAL</b>	<b>12,23,50,000</b>	8,91,45,000

SCHEDULE " 5 " FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS ON MARCH 31, 2010

Fixed Assets	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at April 1, 2009	Additions for the year	Deductions Adjustments	As at March 31, 2010	As at April 1, 2009	Additions for the year	Deductions Adjustments	As at March 31, 2010	As at March 31, 2009
Land- Freehold	4,19,53,210	—	—	4,19,53,210	—	—	—	4,19,53,210	4,19,53,210
Land- Freehold (under Development) (Refer Note No 6 to Accounts under Schedule 22)	92,912	—	—	92,912	—	—	—	92,912	92,912
Land- Leasehold	6,96,419	—	—	6,96,419	—	—	—	6,96,419	6,96,419
Buildings: On Freehold Land (a) and (d)	44,31,07,458	11,66,89,066	—	55,97,96,524	9,87,74,332	3,14,52,778	—	13,02,27,110	34,43,33,126
On Leasehold Land	1,35,08,387	—	—	1,35,08,387	74,39,507	2,54,757	—	58,14,123	60,68,880
Given On Lease	4,00,96,860	—	—	4,00,96,860	64,10,639	16,84,311	—	3,20,01,910	3,36,86,22
Plant and Machinery (b) and (e)	122,73,87,272	71,70,08,758	70,14,048	193,73,81,982	62,08,90,247	11,35,64,155	60,43,524	120,89,71,104	60,64,97,025
Given On Lease	33,90,790	—	—	33,90,790	12,36,253	3,50,608	—	18,03,929	21,54,537
Computers	2,06,15,502	26,29,883	50,332	2,31,95,053	1,56,78,693	23,72,123	—	51,44,237	49,36,809
Furniture and Office Equipment	8,03,21,264	37,71,400	—	8,40,92,665	3,23,13,024	60,17,138	—	4,57,62,502	4,80,08,240
Given On Lease	9,72,314	—	—	9,72,314	2,97,926	93,807	—	5,80,581	6,74,388
Vehicles	3,01,86,578	24,91,142	15,72,802	3,11,04,918	1,78,27,974	33,51,281	12,33,659	1,11,59,322	1,23,58,604
Technical Knowhow Fees	33,11,201	—	—	3,11,201	33,11,201	—	—	—	—
<b>TOTAL RUPEES</b>	190,56,40,167	84,25,90,249	86,37,182	273,95,93,235	80,41,79,797	15,91,40,958	72,77,183	178,35,49,663	110,14,60,370
Capital Work-in-Progress (incl advances) ( c )								7,64,97,220	257,93,62,822
TOTAL RUPEES	190,56,40,167	84,25,90,249	86,37,182	273,95,93,235	80,41,79,797	15,91,40,958	72,77,183	186,00,46,883	368,08,23,192
PREVIOUS YEAR	171,80,72,255	20,94,64,075	2,18,96,163	190,56,40,167	67,39,74,825	13,50,79,206	48,74,234	110,14,60,370	104,40,97,430

NOTE:

- includes borrowing cost capitalised of Rs.2,34,39,060( previous year Rs.20,41,492) for Building and Plant and Machinery.
- Capital Work-in-progress includes Real Estate Development Rs. Nil ( Previous Year Rs. 220,92,99,632) (Refer Note 6 to Accounts under Schedule 22.)
- During the year Rs. 1,52,00,000) has been re-classified as Building on Freehold Land which was capitalised last year to Land - Freehold as per the re-assessment done by the Architect Engineers on the process House Site at Kharsundi.
- Additions to Plant and Machinery is net of capital subsidy Rs. 4,59,22,379 ( Previous Year Rs.Nil)

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE 6 : INVESTMENTS	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>Non-trade :</b>		
<b>Long Term, Unquoted</b>		
<b>Units of Mutual Funds :</b>		
<b>Birla Sunlife Income fund - Quaterly Dividend - Reinvestment</b> (Units of Rs.10 each, Opening Units 67,04,038.793, Nil Units purchased, Nil Units Re-Invested and 67,04.038.793 Units sold during the year.)	-	8,14,94,213
<b>Kotak Bond (Deposit) - Quaterly Dividend</b> (Units of Rs.10 each , Opening Units 22,36,169.2930, Nil Units Purchased, Nil Units Re-Invested and 22,36,169.2930 Units sold during the year.)	-	3,00,00,000
<b>Fidelity Ultra Short Term Debt Fund Institutional Daily Dividend</b> (Units of Rs.10 each , Opening Units 39,99,000.2499, Nil Units Purchased, Nil Units Re-Invested and 39,99,000.2499 Units sold during the year.)	-	4,00,75,344
<b>Sub Total (A)</b>	-	15,15,69,557
<b>Equity Shares</b>		
- 50 shares of The New Piece Goods Bazar Co. Limited	27,750	27,750
- 150 shares of Art Silk Co-op Limited	-	-
<b>Government Securities:</b>		
- 3% Govt. of India conversion Loan 1986 [Deposited with Cenral Excise Authorities Rs. Nil/- (P.Y. Rs.6,000) - Matured]	19,212	19,212
- 7 Years National Savings Certificates (Deposited with government authorities)	2,000	2,000
<b>Sub Total (B)</b>	48,962	48,962
<b>Total (A + B)</b>	48,962	15,16,18,519

INVESTMENTS	As at 31st March, 2010		As at 31st March, 2009	
	Book Value Rupees	Net Asset Value Rupees	Book Value Rupees	Market Value Rupees
Unquoted Investments	48,962	NA	15,16,18,815	14,11,48,109

**SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010**

	<b>As at March 31, 2010 Rupees</b>	<b>As at March 31, 2009 Rupees</b>
<b>SCHEDULE 7 : INVENTORIES</b>		
(As per Inventories taken, valued and certified by the Management)		
Raw materials	5,25,51,337	4,43,20,685
Finished goods	1,02,32,008	2,85,18,516
Work-in-progress	18,50,06,155	13,12,10,600
Waste	4,26,489	1,21,560
Stores and spares	1,74,92,353	1,01,94,747
Liquid fuel	28,66,973	17,81,462
<b>TOTAL</b>	<b>26,85,75,315</b>	<b>21,61,47,570</b>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>		
Unsecured and Considered good		
For a period exceeding six months	20,19,767	69,26,681
Others	10,51,09,991	14,59,77,227
<b>TOTAL</b>	<b>10,71,29,758</b>	<b>15,29,03,908</b>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>		
Cash on hand	2,37,157	691,298
Cheques on hand	26,86,725	58,45,188
Balances with Scheduled Banks :		
– On Current accounts	3,46,81,155	10,04,924
– On Margin accounts (includes interest accrued Rs.5,74,496, Previous year Rs.4,38,937)	3,42,97,205	1,21,69,017
– On Fixed deposit account (includes interest accrued Rs.2,51,817, Previous year Rs.85,122)	52,94,222	10,00,000
<b>TOTAL</b>	<b>7,71,96,464</b>	<b>2,07,10,427</b>
<b>SCHEDULE 10 : OTHER CURRENT ASSETS</b>		
Capital Subsidy Receivable under TUF	4,59,22,379	-
Interest Receivable (TUF loan subsidy)	3,34,22,993	4,77,99,630
Sales Tax Set off Receivable	37,27,608	53,76,235
Export Incentives Receivable	1,86,084	1,86,084
Duty Drawback	1,43,665	1,91,269
Dividend Receivable	-	3,64,496
<b>TOTAL</b>	<b>8,34,02,729</b>	<b>5,39,17,714</b>
<b>SCHEDULE 11 : LOANS AND ADVANCES :</b>		
Unsecured and Considered good		
Advance for Development Rights	3,25,00,000	3,25,00,000
Due from Developer (Refer Note 6 to Accounts under Schedule 22)	398,88,53,108	-
Advances recoverable in cash or in kind or for value to be received	92,26,963	91,40,472
Taxes Paid in Advance (including Fringe Benefit Tax)	17,45,21,723	16,69,41,052
Less : Provision for Tax	14,79,80,407	(12,26,26,407)
	2,65,41,316	4,43,14,645
Balance with the Central Excise Authorities	1,06,41,044	1,06,41,044
(Refer Note 3 to Accounts under Schedule 22)		
Deposits	1,36,93,103	1,41,64,582
<b>TOTAL</b>	<b>408,14,55,534</b>	<b>11,07,60,743</b>

## Ninety Fourth Annual Report 2009-2010

### SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010

<b>SCHEDULE 12 : CURRENT LIABILITIES</b>	<b>Rupees</b>	<b>As at March 31, 2010 Rupees</b>	<b>As at March 31, 2009 Rupees</b>
Sundry Creditors (Refer Note 16 to Accounts under Schedule 22)			
Dues of Micro Enterprises and Small Enterprises	<b>68,31,600</b>		13,24,257
Dues of Others	<b>61,00,57,463</b>		31,57,45,275
		<b>61,68,89,063</b>	31,70,69,532
Security Deposits Received		<b>41,33,49,571</b>	35,06,91,388
Unclaimed Dividend		<b>4,41,032</b>	4,75,257
Other Liabilities		<b>7,78,40,257</b>	4,69,48,126
<b>TOTAL</b>		<b>110,85,19,923</b>	71,51,84,303
 <b>SCHEDULE 13 : PROVISIONS</b>			
Provision for Wealth Tax		<b>27,83,283</b>	26,34,133
<b>Less : Advance Payment of Wealth Tax</b>		<b>12,21,757</b>	12,21,757
		<b>15,61,526</b>	14,12,376
Proposed Equity Dividend		<b>1,67,20,000</b>	1,25,40,000
Tax on Proposed Equity Dividend		<b>27,76,983</b>	21,31,173
<b>TOTAL</b>		<b>2,10,58,509</b>	16,083,549

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

	For the year ended on	
	March 31, 2010 Rupees	March 31, 2009 Rupees
<b>SCHEDULE 14 : SALES</b>		
Sales	119,00,90,716	114,26,95,013
Processing Charges	3,12,248	1,15,369
Sale of Raw Materials	-	4,89,000
	<u>119,04,02,964</u>	<u>114,32,99,382</u>
<b>SCHEDULE 15 : OTHER INCOME</b>		
Dividend received	27,53,010	22,63,901
Profit on Sale of Fixed Assets (net)	8,57,934	9,16,854
Accounts Written back	-	1,31,09,055
Sales Tax Refund	-	2,22,030
Export Incentives	4,18,153	3,98,580
Bad Debts Recovered	50,000	-
Miscellaneous Income	17,15,479	14,35,271
Profit on Sale of Investment (net)	-	6,65,887
	<u>57,94,576</u>	<u>1,90,11,578</u>
<b>SCHEDULE 16 : (INCREASE) / DECREASE IN INVENTORIES</b>		
Closing Stock		
Finished Goods	1,02,32,008	2,85,18,516
Work In Progress	18,50,06,155	13,12,10,600
Waste	426,489	1,21,560
	<u>19,56,64,652</u>	<u>15,98,50,676</u>
<b>Less : Opening Stock</b>		
Finished Goods	2,85,18,516	2,57,17,678
Work In Progress	13,12,10,600	11,53,81,233
Waste	121,560	2,76,230
	<u>15,98,50,676</u>	<u>14,13,75,141</u>
	<u>(3,58,13,976)</u>	<u>(1,84,75,535)</u>

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### SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	For the year ended on	
	March 31, 2010 Rupees	March 31, 2009 Rupees
<b>SCHEDULE 17 : COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	4,43,20,685	5,35,09,757
<b>Add : Purchases</b>	<b>34,08,46,978</b>	29,35,79,736
	<b>38,51,67,663</b>	34,70,89,493
<b>Less : Closing stock</b>	<b>5,25,51,337</b>	4,43,20,685
	<b>33,26,16,326</b>	30,27,68,808
<b>SCHEDULE 18 : MANUFACTURING, ADMINISTRATION &amp; OTHER EXPENSES</b>		
Stores, Spares, Dyes and Chemicals consumed	15,62,85,934	16,77,80,527
Weaving and Processing Charges	3,28,80,610	2,58,21,532
Power, Fuel and Water charges	23,67,88,812	24,12,62,075
Rent	28,00,047	37,19,503
Rates and Taxes	74,28,150	53,27,655
Repairs and Maintenance :		
Buildings	7,56,789	51,28,182
Plant and Machinery	92,16,556	31,99,581
Others	78,08,732	82,89,306
	1,77,82,077	1,66,17,069
Insurance	13,74,470	12,32,866
Brokerage and Commission	3,98,70,538	3,87,64,004
Discount on Sales	84,23,576	70,55,543
Freight and Forwarding	14,68,467	16,31,261
Travelling, Conveyance and Vehicle Expenses	1,03,79,499	96,71,805
Legal and Professional Fees	66,89,535	61,96,316
Loss on sale of Investments	1,07,46,481	-
Donations	50,83,103	45,50,003
Directors' Sitting Fees	5,62,500	5,97,500
Auditors' Remuneration :		
Audit Fees	3,48,775	3,33,466
Tax Audit Fees	1,10,300	1,10,300
Other Services	1,20,218	1,20,000
	5,79,293	5,63,766
Cost Audit Fees	32,000	32,000
Miscellaneous Expenses	1,57,57,191	1,18,39,939
	<b>55,49,32,283</b>	54,26,63,366

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

	<b>For the year ended on</b>	
	<b>March 31, 2010</b>	March 31, 2009
	<b>Rupees</b>	Rupees
<b>SCHEDULE 19 : EMPLOYEE COST</b>		
Salaries, Wages and Bonus	<b>9,83,57,513</b>	8,64,22,842
Contribution to Provident Fund and Other Funds	<b>1,05,71,611</b>	1,04,85,083
Staff Welfare Expenses	<b>18,42,384</b>	20,18,319
Managerial Remuneration	<b>4,74,00,000</b>	3,08,64,790
(Refer Note 8 to Accounts under Schedule 22)		
	<b>15,81,71,508</b>	12,97,91,034
 <b>SCHEDULE 20 : FINANCE COST</b>		
Interest		
– On Term Loans *	<b>4,21,98,621</b>	3,18,37,732
– Others	<b>1,43,84,130</b>	1,10,44,427
Bank Charges	<b>74,58,940</b>	78,05,742
(Gain) / Loss (Net) On Derivative Contracts / Swap Arrangements on settled contracts	-	(1,69,51,384)
	<b>6,40,41,691</b>	3,37,36,518
<b>Less : Interest Income :</b>		
From		
Fixed deposit with banks	<b>2,51,817</b>	25,93,545
Margin deposits with Banks	<b>7,14,112</b>	3,89,789
Others	<b>8,80,649</b>	92,75,983
(Tax deducted at source Rs.2,26,493, Previous Year Rs. 13,27,003/- )	<b>18,46,578</b>	1,22,59,317
Others	<b>29,25,172</b>	15,38,073
	<b>47,71,750</b>	1,37,97,390
Foreign Exchange Loss / (Gain) (net)	<b>(4,86,01,335)</b>	6,21,06,627
	<b>1,06,68,606</b>	8,20,45,755

\* Net of subsidy of Rs.4,27,41,390 ( Previous year Rs.3,27,17,569) under the Textile Upgradation Fund scheme of the Government of India.

### SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010 AND TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

#### **SCHEDULE 21 : SIGNIFICANT ACCOUNTING POLICIES**

##### **1) Overall Valuation Policy :**

The Accounts have been prepared on a going concern basis under historical cost convention.

##### **2) Basis of Accounting :**

The accounts have been prepared on accrual basis, in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard or a more appropriate presentation of the financial statements requires a change in the accounting policy hitherto in use.

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.

##### **3) Revenue Recognition :**

- a. 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'.
- b. License fees are recognised over the period of Leave & License Agreements.
- c. Income from processing charges is accounted on the despatch of processed goods to customers.
- d. Export Benefits are accounted in the year of export.
- e. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- f. Dividend income is recognised when the right to receive dividend is established.

##### **4) Fixed Assets :**

- a. Fixed Assets are valued at cost less depreciation.
- b. 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.
- c. 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.
- d. Expenditure and outlays of money on incompleting Fixed Assets are shown as capital work-in-progress until such time the same are completed. Capital work-in-progress is stated at cost.

##### **5) Depreciation :**

- a. Depreciation is calculated at the rates and in the manner prescribed in Schedule 1 XIV to the Companies Act, 1956 as under :-
  - i. Plant and Machinery capitalised on or after April 1, 1988 on Straight Line basis.
  - ii. All other assets, on Written Down Value basis.
- b. 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.
- c. In respect of Fixed Assets whose actual cost does not exceed Rs.5,000/-, depreciation is provided at 100% in the year of addition.

**6) Investments :**

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

**7) Inventory Valuation :**

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

**8) Transactions in Foreign Currency:**

- a. Transactions in Foreign Currencies are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited / charged to the Profit and Loss account.
- c. Pursuant to the adoption of Companies (Accounting Standard) Rules, 2006 with effect from April 1, 2007, exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset are recognised in the Profit and Loss account.

**9) Employee Benefits :**

**a. 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.

**b. Defined Benefit Plan**

**Gratuity-**In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is the years accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of the profit and loss as income or expense. The Company makes contributions to The Ruby Mills Ltd. Staff & Gratuity Trust and The Ruby Mills Workmen's Gratuity Trust.

**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.

**10) Government Grants**

Grants, in the nature of interest 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.

**11) Borrowing Costs :**

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

### 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 Profit and Loss Account on a straight-line basis over the lease term.

### 13) Taxation :

- a. **Current Tax** : Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- b. **Deferred Tax** : In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, 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.
- c. **Fringe Benefit Tax** : Provision for Fringe Benefit Tax is made in accordance with the provisions of the Income-tax Act, 1961.

### 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.

### 15) Provisions, Contingent Liabilities and Contingent Assets :

- a. The Company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- b. 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.
- c. Contingent Assets are neither recognized nor disclosed.

### 16) Financial Derivatives Hedging Transactions :

The use of Financial Derivatives Hedging Contracts is governed by the Company's policies approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Financial Derivatives Hedging Contracts are accounted on the date of their settlement / termination and realised gain / loss in respect of the settled / terminated contracts are recognized in the Profit and Loss Account, along with the underlying transactions.

As required by the announcement of the Institute of Chartered Accountants of India on positions of derivatives, keeping in view the principle of prudence as per Accounting Standard 1 on "Disclosure of Accounting Policies", outstanding derivative contracts at the Balance Sheet date are now reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Profit and Loss Account. (Refer Note 14 of Schedule 23).

### 17) 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 :

- a. Segment revenue includes sales/lease rent and other income directly identifiable with/allocable to the segment.
- b. 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".
- c. Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income."
- d. 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.

**SCHEDULE TO THE BALANCE SHEET AS AT MARCH 31,2010 AND TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2010**

**SCHEDULE 22 : NOTES TO ACCOUNTS**

1.	Particulars	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,02,37,220	150,45,01,380
	Less :- Advances	(19,21,666)	14,21,92,000
	Net Estimated amount	83,15,554	117,06,55,499
b)	Contingent Liabilities not provided for :		
i)	Bank Guarantees (In lieu of Cash Deposits)	1,31,49,675	95,55,675
ii)	Disputed liability in respect of Income Tax (including interest) matters under appeal.	6,31,26,000	2,81,21,000
iii)	Disputed liability in respect of Excise Duty matters under appeal (Amount deposited Rs. NIL)	3,67,63,000	3,79,41,000
iv)	Claims by Ex-employees pending in labour court	<b>Amount unascertainable</b>	Amount unascertainable
v)	Claim for refund by the intending purchaser contested by the Company (Refer Note No.17 to Accounts under Schedule 22)	NIL	1,50,00,000

2) The balance of Sundry Debtors and Creditors as at March 31, 2010 are subject to confirmation / reconciliation where applicable.

3) The Balance with Central Excise Authorities includes Rs. 96,37,761, being the amount of unutilised credit of additional duty of Central Excise claimed as refund by the Company. The Central Excise Department had rejected the refund of this amount against which the Company had 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.

4) **Prior Period Items :-**

Nature of Prior Period Items shown in the Profit & Loss Account :

Particulars	For the Year ended on March 31, 2010	For the Year ended on March 31, 2009
Income relating to earlier years	23,28,711	-
Expenses relating to earlier years	2,50,334	10,00,337
Prior Period adjustments (Net)	<u>20,78,378</u>	<u>(10,00,337)</u>

5) Disclosure pursuant to Accounting Standard-15 "Employee Benefits"

a) Consequent to adoption of Accounting Standard-15 (Revised 2005) an "Employees Benefits" issued by the institute of Chartered Accountants of India, as required by the standard, the following disclosures are made :

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded) Rupees 2009-10	Gratuity (Funded) Rupees 2008-09	Compensated Absence Rupees 2009-10	Compensated Absence Rupees 2008-09
<b>Change in present value of obligations</b>				
Present value of obligations at the beginning of the year	2,80,16,838	2,49,06,449	31,92,445	32,77,719
Current Service Cost	53,97,719	21,53,121	30,79,205	32,23,632
Interest Cost	17,41,902	19,77,419	1,86,510	2,47,633
Actuarial (gain)/loss	(37,89,761)	20,52,648	(29,26,680)	(30,55,986)
Benefits Paid	(19,54,439)	(30,72,799)	(2,90,200)	(4,09,506)
Present value of obligations at the end of the year	2,94,12,259	2,80,16,838	32,41,280	32,83,492
<b>Changes in plan assets</b>				
Fair value of plan assets as at the beginning of the year	3,11,12,585	2,49,06,449	-	-
Adjustment to opening balance	(29,57,918)	27,03,224	-	-
Expected return on plan assets	17,53,202	18,21,139	-	-
Actuarial gain / (loss)	(33,76,641)	(18,21,139)	-	-
Contributions	39,35,000	27,33,622	2,90,200	4,09,506
Benefits paid	(19,54,439)	(27,33,622)	(2,90,200)	(4,09,506)
Fair value of plan assets as at the end of the year	2,85,11,789	2,76,09,673	-	-
Reconciliations of present value for the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	2,85,11,789	2,76,09,673	-	-
Present value of the defined benefit obligations at the end of the year	2,94,12,259	(2,80,16,838)	32,41,280	(8,98,838)
Net liability/(asset) recognized in the Balance Sheet	(9,00,470)	5,56,26,511	(32,41,280)	8,98,838
<b>Cost for the year</b>				
Current service cost	53,97,719	21,53,121	30,79,205	32,23,632
Interest cost	17,41,902	19,77,419	1,86,510	2,47,633
Expected return on plan assets	(17,53,202)	(18,21,139)	-	-
Actuarial (gain) / loss	(4,13,120)	38,73,787	(29,26,680)	(30,55,986)
Net Cost recognized in the Profit and Loss Account	49,73,299	61,83,188	3,39,035	4,15,279
Assumptions used to determine the benefit obligations :				
Mortality			LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/discount rate	8%	6%	8%	6%
Estimated rate of return on plan assets	6%	6%	NIL	NIL
Expected rate of increase in compensation	5%	5%	5%	5%
Actual return on plan assets	NIL		NIL	

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

6) The Company has entered into a Development Agreement ("the DA") with a Developer whereby the Company has granted the development rights to develop approximately 32,500 (extendable upto 36,000) square metres of constructed area ("the Development Rights") on 12,200 Square metres out of its freehold land at Dadar ("the said property"). In terms of the DA and further agreements/undertakings between the Company and the Developer, since the Developer is to reimburse the 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 the cost incurred upto March 31, 2010 for construction of Information Technology ("IT/ITES") Park (net of amounts received from the developer in terms of DA) amounting to Rs. 398,88,53,108 (including Rs. 220,92,99,632 incurred upto March 31, 2009 which was included in the balance of "Capital Work-in-progress") is shown as "Due from Developer" under "Loans and Advances" in Schedule 11 and the proportionate carrying cost of 12,200 square metres of land of Rs. 92,912, in respect of which the Development Rights are granted, is shown as "Freehold Land (under development)" under "Fixed Assets" in Schedule '5'. 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/handling over of the possession of the said constructed area to the Purchasers / Licensees and reflected as 'Grant of Development Rights in the Profit and Loss Account. 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.

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

**8) Managerial Remuneration**

	<b>For the year ended on March 31, 2010 Rupees</b>	<b>For the year ended on March 31, 2009 Rupees</b>
a) Salaries	<b>3,96,00,000</b>	2,61,60,000
b) Contribution to Provident Fund	<b>47,52,000</b>	31,39,200
c) Provision for Gratuity	<b>19,02,000</b>	12,57,693
d) Other perquisites	<b>11,46,000</b>	3,07,897
	<b><u>4,74,00,000</u></b>	<u>3,08,64,790</u>

In the absence of adequate profits as per section 198 read with Schedule XIII of the Companies Act, 1956 the aforesaid remuneration is payable subject to the Central Government approval. The requisite shareholders' approval for this remuneration has been received. Applications to the Central Government for the approval of the remuneration payable to the Executive Chairman, Managing Director, Joint Managing Director and Executive Director for the period April 01, 2009 to March 31, 2010 have been made for which approvals are awaited.

**9) Segment Information**

	<b>For the Year ended 31st March, 2010 (Rupees)</b>	<b>Year ended 31st March, 2009 (Rupees)</b>
<b>Information in respect of Primary Segment</b>		
A. Segment Revenue (Sales / Services to External Customers)		
Textile	<b>1,19,29,36,786</b>	1,15,93,81,172
Real Estate	<b>11,66,43,070</b>	11,50,01,540
Net Revenue from Operations	<b><u>1,30,95,79,856</u></b>	<u>1,27,43,82,712</u>
B. Segment Results		
Textile	<b>8,35,24,996</b>	7,20,95,751
Real Estate	<b>11,09,34,840</b>	10,95,59,809
Add/(Less): Unallocated Corporate Income (net of unallocated corporate expense)	<b>23,79,71,744</b>	93,91,63,595
Operating Profit	<b>43,24,31,580</b>	14,24,91,965
Less: Interest Expenses (Net of Interest / Income)	<b>5,92,69,940</b>	4,28,82,159
Profit before Taxation and prior period item	<b>37,31,61,640</b>	25,25,39,595
Less: Provision for Taxation	<b>3,39,42,077</b>	7,50,38,433
Profit After Taxation but before Prior Period and Exceptional Items	<b>33,92,19,563</b>	17,75,01,162
Add/(Less): Prior Period Income/ (Expenses) (Net) and Exceptional items	<b>20,78,377</b>	(10,00,337)
Less: Exceptional Items	<b>15,00,00,000</b>	-
Profit after Taxation and Prior Period and Exceptional items	<b><u>19,12,97,940</u></b>	<u>17,85,01,499</u>
C. Other information		
Segment Assets		
Textiles	<b>2,27,32,93,180</b>	1,78,12,21,190
Real Estate	<b>4,15,19,027</b>	2,28,34,89,974
Add: Unallocated Corporate Assets	<b>4,31,22,45,603</b>	38,03,00,692
Total Assets	<b><u>6,62,70,57,810</u></b>	<u>4,44,50,11,856</u>
Segment Liabilities		
Textile	<b>59,82,67,026</b>	30,82,53,257
Real Estate	<b>10,87,57,557</b>	34,97,71,242
Add: Unallocated Corporate Liabilities.	<b>4,94,79,96,556</b>	3,59,93,42,827
Total Liabilities	<b><u>5,65,50,21,139</u></b>	<u>4,25,73,67,326</u>

## Ninety Fourth Annual Report 2009-2010

D. Capital Expenditure during the Year.		
Textiles	84,25,90,49	18,87,44,501
Real Estate	—	2,07,19,574
Total Capital Expenditure	84,25,90,249	20,94,64,075
E. Depreciation		
Textiles	15,17,95,483	12,84,10,057
Real Estate	21,28,726	22,32,531
Add: Unallocated Depreciation	52,16,749	44,36,618
Total Depreciation	15,91,40,958	13,50,79,206

### 10) Related Party Disclosure of transactions in terms of Accounting Standard 18 on “Related Party Disclosures

a ) Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below:

Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise on which Key Managerial Personnel has Control	
	[with b (I) below]		[with b (II) below]		[with b (III) below]	
	For the Year ended March 31, 2010 (Rupees)	For the Year ended March 31, 2009 (Rupees)	For the Year ended March 31, 2010 (Rupees)	For the Year ended March 31, 2009 (Rupees)	For the Year ended March 31, 2010 (Rupees)	For the Year ended March 31, 2009 (Rupees)
Rent and Other Services	9,00,000	9,00,000	NIL	NIL	NIL	NIL
Interest on Unsecured Loans	67,10,128	69,78,408	8,76,805	6,13,141	66,66,791	1,67,92,504
Director's Fees	NIL	NIL	62,500	62,500	NIL	NIL
Remuneration paid/provided	5,01,61,639	3,38,76,643	—	—	—	—

#### b. Relationships:

##### I) Key Managerial Personnel:

- i) Shri Manharlal 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

##### 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.

### 11. Disclosure on Lease as per Accounting Standard 19 on “Accounting for Leases:

#### a Where the company is the lessee:

- i) The Company has taken residential, office and godown premises under leave & licence agreements. These are generally not non-cancellable and are for 11 to 18 months and are renewable by mutual consent on mutually agreeable terms.
- ii) Lease/Rent payments are recognised in the Profit & Loss Account under ‘Rent Account’ in Schedule 19.

iii) Minimum lease rental payable is as under:

<b>Particulars</b>	<b>As at March 31, 2010 (Rupees)</b>	<b>As at March, 31, 2009 (Rupees)</b>
Within 1 year	<b>26,65,764</b>	20,40,000
After 1 year but before 5 years	<b>98,78,818</b>	81,60,000
After 5 years	<b>NIL</b>	NIL

- iv. Under all the agreements, refundable interest free deposit has been given.  
v. Such agreements provide for increase in rent.  
vi. All the agreements provide for an termination by either party with a notice which varies from month to six months.

**b. Where the Company is a Lessor :**

- i. The Company has given premises under leave and licence agreements. These are generally not non - cancellable and are for 11 to 33 months and are renewable by consent on mutually agreeable terms.  
ii. Minimum lease rental receivable is as under :

<b>Particulars</b>	<b>As at March 31, 2010 (Rupees)</b>	<b>As at March, 31, 2009 (Rupees)</b>
Within 1 year	<b>10,86,28,588</b>	9,54,09,787
After 1 year but before 5 years	<b>7,97,19,721</b>	11,39,17,122
After 5 years	<b>NIL</b>	NIL

- iii. Under all the agreements, refundable interest free deposit has been taken.  
iv. Such agreements provide for increase in rent.  
v. All the agreements provide for early termination by either party with a notice period which varies from 1 month to 6 months.

**12) Unhedged foreign currency exposures:**

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	<b>As at March 31, 2010</b>	<b>As at March 31, 2009</b>
Loan/Payables	<b>52,13,65,367</b>	21,58,40,874

**13) Disclosure of Earnings per Share in terms of Accounting Standard 20 on "Earnings per Share":**

<b>Particulars</b>	<b>For the Year ended on March 31, 2010 Rupees</b>	<b>For the Year ended on March 31, 2009 Rupees</b>
<b>Numerator for basic and diluted earning per share</b>		
Net Profit/(Loss) after tax for the year (a)	19,12,97,940	17,75,01,437
<b>Denominator for basic and diluted earning per share</b>		
Weighted average number of shares (b)	41,80,000	41,80,000
Basic and diluted earnings per share [(a)/(b)]	45.77	42.46
Face value per share	Rs.10/-	Rs.10/-

14) Disclosure in terms of Accounting Standard 22 on “Accounting for Taxes on Income”, Deferred Taxes have been recognised in respect of the following items:

Deferred Tax :

As required by Accounting Standard 22 on “Accounting for Taxes on Income”, Deferred Taxes have been recognised in respect of the following items :

Items of Timing Difference	Accumulated Deferred Tax Assets /(Liabilities) As at April 1, 2009 (Rupees)	(Charge) / Credit during the Year ended on March 31, 2010 (Rupees)	Accumulated Deferred Tax Assets / (Liability) As at March 31, 2010 (Rupees)
Depreciation	(6,43,45,998)	(3,72,47,101)	(10,15,93,099)
Expenses allowable for Tax purpose When paid	50,36,496	(6,81,749)	43,54,747
Unrealised foreign exchange gain (net) relating to depreciable assets	-	(87,25,328)	(87,25,328)
Advance amount forfeited	(5,09,85,000)	5,09,85,000	-
Others	7,899	(7,899)	-
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(11,02,86,603)</b>	<b>43,22,923</b>	<b>(10,59,63,680)</b>

15) Disclosure in terms of the Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets” :

Particulars	As at April 1, 2009 (Rupees)	Additions during the year (Rupees)	Amount paid/ reversed during the year (Rupees)	As at March 31, 2010 (Rupees)
Leave Encashment	31,92,445	3,39,035	2,90,200	32,41,280
Gratuity	2,80,16,838	34,44,462	20,49,041	2,94,12,259
<b>Total</b>	<b>3,12,09,283</b>	<b>37,83,497</b>	<b>23,39,241</b>	<b>3,26,53,539</b>

16) Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act,2006

Sr. No.	Particulars	As At March 31, 2010 (Rupees)	As At March 31, 2009 (Rupees)
a.	Principal amount remaining unpaid and interest due thereon	68,31,600	13,24,257
b.	Interest paid in term of Section 16	NIL	NIL
c.	Interest due and payable for the period of delay in payment	NIL	NIL
d.	Interest accrued and remaining unpaid	NIL	NIL
e.	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.

17) The Company had entered into an agreement dated September 12, 2008 for sale of a specified immovable property for a sum of Rs. 55 Crore on the various terms and conditions under that agreement and had received as advance a sum of Rs.15 Crore. However, in February 2009, the intending purchaser purported to back out of the deal and had sought a refund of such advance, the Company contesting the claim for such refund. The Company was legally advised that on the failure of the purchaser to perform the terms and conditions of the agreement, the Company, inter alia, has the right to forfeit such advance and accordingly, the said sum of Rs. 15 Crore was forfeited and on forfeiture was reflected as ‘Other Income’ (which is now reclassified as Exceptional item in the Profit and Loss Account for the year ended March 31, 2009).

During the current financial year, the intending purchaser and the Company jointly referred the dispute to the sole arbitrator as permitted under the aforesaid agreement for sale and on the basis of the sole arbitrator’s award, the said advance was refunded to the intending purchaser which is shown as charge under ‘Exceptional item’ in the Profit and Loss Account.

**18) Additional Information pursuant to the provision of Paragraphs 3, 4C And 4D of Part II Of Schedule VI Of The Companies Act, 1956 (As Certified By Management)**

		For the year ended on March 31, 2010		For the year ended on March 31, 2009		
		Quantity	Value Rupees	Quantity	Value Rupees	
<b>a. Sales</b>						
i)	Fabric	Mtrs.	2,01,18,415	117,97,33,222	1,96,85,623	113,15,71,376
ii)	Yarn	Kgs	28,140	37,04,234	24,600	34,97,443
iii)	Waste	Kgs	2,81,959	66,53,261	3,54,466	80,98,574
iv)	Others	---	—	3,12,248	—	1,31,989
			<b>119,04,02,965</b>			<b>114,32,99,382</b>
<b>b) Finished Stocks</b>						
i) Opening Stock						
	Fabric (packed)	Mtrs.	7,11,611	2,73,93,518	7,95,302	2,48,91,264
	Yarn (packed)	Kgs.	7,109	11,24,998	7,640	8,26,414
	Waste	Kgs.	4,740	1,21,560	14,884	2,76,230
			<b>2,86,40,076</b>			<b>2,59,93,908</b>
ii) Closing stock						
	Fabric (packed)	Mtrs.	2,91,355	1,02,32,008	7,11,611	2,73,93,518
	Yarn	Kgs.	-	-	7,109	11,24,998
	Waste	Kgs	15,160	4,26,489	4,740	1,21,560
			<b>1,06,58,497</b>			<b>2,86,40,076</b>
<b>c) Capacities and Production</b>						
i) Licenced and Registered Capacity.						
	Spindles	Nos.	57,010	57,010		
	Looms	Nos.	613	613		
ii) Installed Capacity (As certified by Technical expert)						
	Spindles	Nos.	26,992	26,992		
	Looms	Nos.	128	128		
	Autocoro	Nos.	360	360		
iii) Actual production						
	Fabric (packed)	Mtrs.	1,96,98,159	1,96,01,932		
	Yarn (packed)	Kgs	21,031	24,069		
	Waste	Kgs	2,92,379	3,44,322		
iv) Purchase for Resale – Cloth						
	Fabric (packed)	Mtrs.			16,029	9,00,272
<b>d) Cost of materials.</b>						
i) Raw Material consumed.						
	Cotton	Kgs	11,48,338	6,80,94,044	14,13,159	9,30,70,566
	Man-made Fibres	Kgs	11,72,111	10,18,75,345	11,34,268	9,36,42,714
	Yarn**	Kgs	5,45,201	8,18,66,366	2,56,857	5,22,99,358
	Grey Cloth	Mtrs.	14,94,569	8,07,80,571	9,01,024	6,37,59,170
			<b>33,26,16,326</b>			<b>30,27,71,808</b>

\*\* Excludes yarn captively consumed

## Ninety Fourth Annual Report 2009-2010

### ii) Consumption of Raw Materials

Imported	7.86%	2,61,58,505	6.78%	2,05,19,057
Indigenous	92.14%	30,64,57,821	93.22%	28,22,49,751

**33,26,16,326**

**30,27,68,808**

### e) Stores and Spares Consumed

Imported	16.75%	2,50,48,530	15.37%	2,58,03,966
Indigenous	83.25%	12,45,20,022	84.63%	14,21,34,565

**14,95,68,552**

**16,79,38,531**

### f) Value of imports calculated on C.I.F. basis

Raw Materials	2,41,12,275	81,04,050
Stores , Spares & Colour Chemicals	2,51,42,603	1,87,62,038
Capital Goods	20,66,41,876	10,24,78,781

**25,58,96,754**

**12,93,44,869**

### g) Expenditure in Foreign Currency

Travelling	19,96,775	54,40,972
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### h) Earnings in Foreign Exchange

Export of Goods At F.O.B. Value	75,24,816	70,22,194
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As per our Report of even date attached

For and on behalf of the Board of Directors

**FOR B.S.MEHTA & CO.**  
Chartered Accountants  
Firm Registration Number 106190W

**KRUPA R. GANDHI (MS.)**  
Partner  
Membership No. 49392

PLACE : Mumbai,  
DATED : August 12, 2010

**M. C. SHAH**

**H. M. SHAH**

**B. M. SHAH**

**D. S. SOMAN**

**D.V. PARMAR**

Executive Chairman

Managing Director

Jt. Managing Director

Director

Company Secretary &  
Financial Controller

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<u>2009-10</u> <u>Rupees in Lacs</u>	<u>2008-09</u> <u>Rupees in Lacs</u>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax ,but after Prior period Expenses & Extraordinary items	2,252.40	2,515.39
Adjustments for :		
Depreciation	1,591.41	1,350.79
Interest and Finance Charges	640.42	428.82
(Profit)/Loss on sale of Investments	107.46	-
(Profit)/Loss on sale of assets	(8.58)	(9.17)
Interest and Dividend Income	(75.25)	(160.61)
Foreign Exchange (Gain) / Loss Unrealized	(384.60)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>A</b> <u>4,123.26</u>	<u>4,125.22</u>
(Increase) / Decrease in Working Capital:		
Trade and other receivables	(39,612.85)	(690.66)
Inventories( Increase)	(358.14)	(78.81)
Trade payable and other liabilities	3,933.36	2,474.51
	<b>B</b> <u>(36,037.63)</u>	<u>1,705.04</u>
<b>Cash generated from Operations</b>	<b>A+B</b> <u>(31,914.37)</u>	<u>5,830.27</u>
Interest Paid	(385.21)	(408.83)
Direct Taxes (Paid)/ Received including Fringe Benefit Tax	(323.20)	(502.31)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<u>(32,622.78)</u>	<u>4,919.13</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets / Capital Advances paid	(8,460.27)	(1,942.64)
Sale of Fixed Assets	21.59	66.96
(Increase)/Decrease in Work in Progress (Net)	25,028.66	(10,160.08)
Interest & Dividend Received	63.35	160.61
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>	<u>16,653.33</u>	<u>(11,875.15)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term and short term borrowings (net)	15,251.85	9,283.35
Dividends paid	(124.95)	(125.40)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>15,126.90</u>	<u>9,157.95</u>
Net (Decrease) / Increase in Cash & Cash Equivalents	556.60	2,201.93
Cash & Cash Equivalents - At beginning of the Year	207.10	187.31
Cash & Cash Equivalents - At the end of the Year (net of interest accrued of Rs. 8,26,313)	<u>763.70</u>	<u>207.10</u>

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	As on March 31, 2010	As on March 31, 2009
<b>Cash &amp; Cash Equivalents comprise of :</b>		
Cash on Hand	2.37	6.91
Cheques on Hand	26.87	58.45
Balances with Banks		
- In Current Accounts	346.81	10.05
- Deposit Accounts as Margin Money (net of interest accrued of Rs. 5,74,496)	337.23	121.69
- Fixed Deposit Account (net of interest accrued of Rs. 2,51,817)	50.42	10.00
	<u>763.70</u>	<u>207.10</u>

### For and on behalf of the Board

<b>M. C. SHAH</b>	Executive Chairman
<b>H. M. SHAH</b>	Managing Director
<b>B. M. SHAH</b>	Jt. Managing Director
<b>D. S. SOMAN</b>	Director
<b>D. V. PARMAR</b>	Company Secretary & Financial Controller

### AUDITORS' CERTIFICATE

To  
The Board of Directors  
The Ruby Mills Limited  
Mumbai.

We have verified the above Cash Flow Statement of The Ruby Mills Limited for the year ended March 31,2010. The Statement has been prepared by the Company in accordance with requirements or listing agreement clause 32 of Stock Exchange and is based on and in agreement with the corresponding profit and loss account and balance sheet of Company covered by our report of August 12,2010 to the Members of the Company.

**For B. S. Mehta & Co.**  
Chartered Accountants  
Firm Registration Number 106190W

**KRUPA R. GANDHI (MS.)**  
Partner  
Membership No. 49392

PLACE : Mumbai  
DATED : August 12, 2010

**Balance Sheet Abstract & Company's General Business Profile**

**I. Registration Details**

Registration No.   
 State Code   
 Balance Sheet Date   
 Date Month Year

**II. Capital raised during the period (Amount in Rs. Thousands)**

Public Issue   
 Rights Issue   
 Bonus Issue   
 Private Placement (Preference Shares)

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

Total Liabilities   
 Total Assets   
 Source of Funds  
 Paid-up Capital   
 Reserves & Surplus   
 Secured Loans   
 Unsecured Loans   
 Application of Funds  
 Net Fixed Assets   
 Investments   
 Net Current Assets   
 Miscellaneous Expenditure   
 Accumulated Losses

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover & Other Income   
 Total Expenditure   
 +/- Profit / Loss Before Tax   
 +/- Profit / Loss After Tax   
 (Please tick (✓) appropriate box + for profit, — for loss)  
 Earning per Share in Rs.   
 (Annualised)  
 Dividend rate %

**V. Generic names of Three Principal Products / Services of the Company (as per monetary terms)**

	Item Code No. (ITC Code)	Product Description
1.	<input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value="C"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="W"/> <input type="text" value="O"/> <input type="text" value="V"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="F"/> <input type="text" value="A"/> <input type="text" value="B"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="S"/>
2.	<input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value="B"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value="F"/> <input type="text" value="A"/> <input type="text" value="B"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="S"/>
3.	<input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value="C"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="Y"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="N"/>
4.	<input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value="B"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value="Y"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="N"/>

**Book Post**

*If not delivered, please return to :*

**The Ruby Mills Limited**

Ruby House, J. K. Sawant Marg,  
Dadar, MUMBAI - 400 028.

Saroj Indl. Co-op. Prod. Soc. Ltd.  
2309 1252, 2308 3635

**ATTENDANCE SLIP**

*The Ruby Mills Ltd.*

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP. Id*	
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Folio No.	
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Client Id*	
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NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_  
\_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 94th ANNUAL GENERAL MEETING of the Company held on Saturday, the 25th September, 2010 at 11.30 a.m. at Ruby House, J. K. Sawant Marg, Dadar (W), Mumbai-400 028.

\* Applicable for investors holding shares in electronic form.

\*\* Strike out whichever is not applicable.

\_\_\_\_\_  
SIGNATURE OF THE SHAREHOLDER OR PROXY \*\*

**PROXY FORM**

*The Ruby Mills Ltd.*

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

DP. Id*	
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Folio No.	
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Client Id*	
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I/We \_\_\_\_\_ being a Member/Members

of THE RUBY MILLS LIMITED hereby appoint Mr./Mrs. \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

(or failing him) \_\_\_\_\_ of \_\_\_\_\_

(or failing him) \_\_\_\_\_ of \_\_\_\_\_

as my / our Proxy to attend and vote for me/us and on my/our behalf at the 94th Annual General Meeting of the Company to be held on Saturday, the 25th September, 2010 at 11.30 a.m. and at any adjournment thereof.

AS WITNESS my hand / our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature \_\_\_\_\_



• Applicable for investors holding share in electronic form.

Note : The Proxy form must be deposited at the Registered Office of the Company at Ruby House, J.K. Sawant Marg, Dadar (W), Mumbai-400 028 not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

**94th ANNUAL REPORT  
2009-2010**