



# The Ruby Mills Ltd.

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

## Quarterly Compliance Report on Corporate Governance under Clause 49 of the Listing Agreement

Name of the Company : The Ruby Mills Limited

Quarter ending on : 31st December, 2011

Particulars	Clause of Listing agreement	Compliance Status Yes/No/NA	Remarks
<b>I Board of Directors</b>	49 I		Company is in process of appointing of Independent Director to fill in the vacancy caused due to resignation.          Please refer to Details given in the Annexure
(A) Composition of Board	49(IA)	No	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	(49 (ID)	Yes	
<b>II. Audit Committee</b>	49 (II)	-	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	N. A.	
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions.	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N. A.	
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
<b>V.CEO/CFO Certification</b>	49 (V)	Yes	
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	

For THE RUBY MILLS LIMITED

Managing Director

Place: Mumbai

Date : 10<sup>th</sup> January, 2012

**ANNEXURE**

**Details under each head are given hereunder:**

**I. Board of Directors**

**(A) Composition of Board**

The Board of Directors of the Company has not an optimum combination of executive and nonexecutive directors. As on December 31, 2011 the Board of Directors consisted of 9 members, comprising of the Executive Chairman of the Company, Managing Director, Jt. Managing Director and Executive Director. The remaining five directors are non-executive directors, amongst which four of them are Independent Directors. As the Chairman is an Executive Director, at least one-half of the Board should comprise of independent directors. This has not been complied with in view of the Four Independent Directors out of a total of Nine Directors comprised in the Board.

Company is in process of appointing of Independent Director to fill in the vacancy caused due to resignation.

**(B) Non-Executive Directors' compensation & disclosures**

The sitting fees paid to the non-executive directors, including independent directors, is fixed by the Board of Directors of the Company from time to time, within the limits specified by the Companies Act, 1956.

**(C) Other provisions as to Board and Committees**

1. The Board of Directors of the Company meets atleast four times a year and the maximum time gap between any two meetings does not exceed four months.
2. The Company provides to the Board, all the information prescribed in the Listing Agreement in addition to the other agenda items.
3. As prescribed in the Listing Agreement, none of the Directors of the Company is a member in more than 10 committees or acting as a Chairman of more than 5 committees across all companies in which he/she is a director.
4. The Board periodically reviews the statutory compliance report of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

**(D) Code of Conduct**

The Board has prescribed a code of conduct for all Board members and senior management of the Company. The Board members and senior management of the Company give on an annual basis a certificate on compliance with the code of conduct. A declaration to this effect as prescribed in the Listing Agreement was provided in the Annual Report for the year 2010-11.

**II. Audit Committee**

**(A) Qualified & Independent Audit Committee**

The Company has a qualified and independent Audit Committee comprising of two non-executive independent directors. The names of these directors are as under:

- a) Mr. J.D. Masani (Chairman-Independent Director)
- b) Mr. S.J. Thacker
- c) Mr. Bharat M. Shah

The constitution of the Audit Committee including its terms of reference meets all the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement.

The Chairman of the Audit Committee remains present at the Annual General Meetings including the last Annual General Meeting held on September 29, 2011.



(B) Meeting of Audit Committee

The Audit Committee meets at least four times in a year and the maximum time gap between any two meetings does not exceed four months. Further, the requirements relating to quorum are complied at each meeting.

(C) Powers of Audit Committee

The Audit Committee of the Company has all the powers as prescribed in Clause 49 of the Listing Agreement.

(D) Role of Audit Committee

The terms of reference of the Audit Committee includes all the matters as prescribed in Clause 49 of the Listing Agreement.

(E) Review of information by Audit Committee

The Audit Committee reviews from time to time all the information prescribed in Clause 49 of the Listing Agreement for review of audit committee.

**III. Subsidiary Companies**

The Company does not have a subsidiary and hence the requirements of Clause 49 of the Listing Agreement in this regard are not applicable to it.

**IV. Disclosures**

(A) Basis of related party transactions

The details of the transactions with related parties or others, as prescribed in the Listing Agreement, are being placed before the Audit Committee from time to time.

(B) Disclosure of Accounting Treatment

The Company, while preparing its financial statements, follows the treatment prescribed in applicable Accounting Standards.

(C) Board Disclosures

The Company has laid down the procedures to inform the Board members about the risk assessment and minimization procedures.

(D) Proceeds from public issues, rights issues, preferential issues etc.

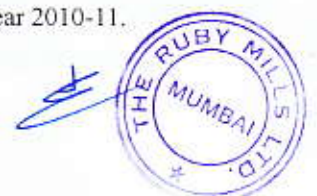
At present, the requirement stipulated in clause 49(IV)(D) is not applicable as the Company does not have any money raised through an issue (public issues, rights issues, preferential issues etc.) which has not been fully spent.

(E) Remuneration of Directors

The details of pecuniary relationship/ transactions with the non-executive directors, if any, remuneration etc. given to the directors, the criteria of making payments to non-executive directors and the number of shares held by them, etc. was provided in the Annual Report for the year 2010-11.

(F) Management

The Managements' Discussion and Analysis Report has been given in the Annual Report for the year 2010-11.



Further, the Company, on annual basis, places before the Board, the disclosures received from the Board members and the senior management on the material and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large. The Board members and senior management have also been advised to disclose such transactions from time to time so as to place the same before the Board of Directors of the Company.

(G) Shareholders

1. The Company provides the requisite information to its shareholders, as prescribed in Clause 49 of the Listing Agreement, in case of appointment of a new director or reappointment of a director.
2. The quarterly results and presentations made by the Company to analysts are being sent to the stock exchanges, where the shares of the Company are listed, from time to time.
3. The Company has formed the Share Transfer and Shareholders/Investors Grievance Committee consisting of the following members:
  - a) Mr. Manharlal C. Shah (Executive Chairman)
  - b) Mr. Hiren M. Shah (Managing Director)
  - c) Mr. Bharat M. Shah (Jt. Managing Director)
  - d) Mr. Viraj M. Shah (Executive Director)

The Share Transfer and Shareholders/Investors Grievance Committee undertakes the following activities:

- a) To review and take all necessary actions for redressal of investors' grievances and complaints as may be required in the interests of the investors.
- b) To approve requests for re-materialisations, split and duplicate shares.
- c) To review and approve share transfers.

**V. CEO/CFO Certification**

The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the financial statements for the year ended March 31, 2011 and published in the Annual Report for the year 2010-11.

**VI. Report on Corporate Governance**

A report on Corporate Governance was given in the Annual Report for the year 2010-11, providing all the requisite information prescribed in the Listing Agreement.

Further, the Company has been submitting a quarterly compliance report prescribed in the Listing Agreement to the stock exchanges, where the shares of the Company are listed, within 15 days from the close of quarter.

**VII. Compliance**

The Company obtained a certificate from the statutory auditors regarding compliance of conditions of corporate governance for the year 2010-11, as stipulated in Clause 49 of the Listing Agreement, and the same was annexed with the directors' report, which is sent annually to all the shareholders of the Company. The annual report for the year 2010-11 comprising the said certificate was also sent to the Stock Exchanges.

Disclosures of the compliance with mandatory requirements and adoption of non-mandatory requirements have been made in Corporate Governance Report which forms part of the Annual Report for the year 2010-11.

**For THE RUBY MILLS LIMITED**



**Managing Director**