



# ANNUAL REPORT 2018-19



*Stunning  
Blouses*



*Trendy  
Dresses*



*One fabric. Many avataars.*

THE ORIGINAL



**BUSY LIZZIE**

100% AUTHENTIC



*Corgeous  
Fndian Wear*



*Elegant  
Fndo-westerns*



## THE RUBY MILLS LIMITED

### Board of Directors

Shri Hiren Manharlal Shah  
Shri Bharat Manharlal Shah  
Shri Viraj Manharlal Shah  
Shri Purav Hiren Shah

### Independent Directors

Shri Shardul J. Thacker  
Shri Deepak R. Shah  
Shri Yogen S. Lathia  
Shri Mehernosh R. Currawalla  
Shri Pradip N. Kapasi

### Non-Executive Non - Independent Director

Smt. Aruna Manharlal Shah

### Chief Financial Officer

Shri S. Jayaraman

### Company Secretary & Compliance Officer

Ms. Naina Rajat Kanagat

### Solicitors

M/s. Federal & Company  
M/s. Rashmikant & Partners

### Statutory Auditors

M/s. C N K & Associates LLP, Chartered Accountants, Mumbai

### Bankers to the Company

State Bank of India	Indusind Bank Limited
Bank of India	IDBI Bank Limited
Bank of Baroda	

### Registered Office

Ruby House, J. K. Sawant Marg, Dadar West, Mumbai - 400 028,  
Email: [info@rubymills.com](mailto:info@rubymills.com); Phone: +91-22-24387800; Website: [www.rubymills.com](http://www.rubymills.com)

### Plant Locations

Dhamni Complex	Kharsundi Complex
Village Dhamni	Village Kharsundi
Taluka Khalapur	Taluka Khalapur
Dist. Raigad	Dist. Raigad

### Registrar and Share Transfer Agent

Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building,  
Opp.Vasant Oasis Makwana Road, Marol Andheri (E), Mumbai - 400 059  
Tel.: 022-62638200, Fax: 022-62638299

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## SUMMARISED FINANCIAL DATA

Amount (In ₹ Lakhs)

Sr. No	Particular	2013-14 (IGAAP)	2014-15 (IGAAP)	2015-16 (IGAAP)	2016-17 (Ind AS)	2017-18 (Ind AS)	2018-19 (Ind AS)
1	Total Revenue	22,680	23,948	22,907	21,830	20,798	20,090
2	Profit Before Depreciation and interest	9,191	9,963	8,265	7,366	6,297	4,817
3	Finance Costs	1,882	1,490	1,305	1,249	1,051	929
4	Depreciation and amortization Expense	2,256	1,878	1,956	1,499	1,547	1,363
5	Profit Before Tax	5,053	6,595	5,004	4,618	3,699	2,525
6	Provision for Tax including Current tax and Adjustment of earlier Years	815	1,305	1,078	1,400	1,237	911
7	Provision for Deferred tax	(251)	(104)	(51)	(523)	(1,054)	(166)
8	Profit After Tax and Before Prior Period and Exceptional Items	4,490	5,394	4,078	3,741	3,516	1,780
9	Prior Period and Exceptional Items	-	-	-	-	-	-
10	Profit After Tax, Prior Period and Exceptional Items	4,490	5,394	4,078	3,741	3,516	1,780
11	Other Comprehensive Income	-	-	-	6	34	(15 )
12	Total Comprehensive Income for the period	4,490	5,394	4,078	3,747	3,551	1,765
	Add : Surplus Brought Forward	15,570	9,865	5,007	4,325	8,071	11,270
	Balances available for Appropriation	20,060	15,259	9,085	8,072	11,622	13,035

**THE RUBY MILLS LIMITED**

(CIN: L17120MH1917PLC000447)

**Registered Office:**

Ruby House, J. K. Sawant Marg, Dadar (W), Mumbai-28

Email : - [info@rubymills.com](mailto:info@rubymills.com), Website : - [www.rubymills.com](http://www.rubymills.com)

Phone : 022-24387800/30997800, Fax: +91-22-24378125.

**NOTICE**

Notice is hereby given that the **HUNDRED AND THIRD** Annual General Meeting (AGM) of the Members of The Ruby Mills Limited will be held on Friday, 20<sup>th</sup> day of September, 2019 at 4:30 p.m. at the Registered office of the Company at Ruby House, J. K. Sawant Marg, Dadar(W), Mumbai-400028 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Report of the Board of Directors and Auditors thereon.
2. To declare the final dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Shri. Bharat M. Shah (DIN - 00071248) who retires by rotation and being eligible for re-appointment, offers himself for re-appointment.

**SPECIAL BUSINESS****4. Ratification of Cost Auditor Remuneration**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules framed thereunder, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Company hereby ratifies the remuneration of ₹ 1,25,000/- (Rupees One Lac and Twenty Five Thousand Only) plus taxes, if any, as applicable and re-imbursement of out of pocket expenses, payable to Shri Dakshesh H. Zaveri, Cost Accountant, (Firm Registration Number-102183), who has been appointed by the Board of Directors as Cost Auditor of the Company to conduct the audit of the cost records of the Company's Textile manufacturing units at Dhamni and Kharsundi Plant unit for the financial year 2019-20.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, all the Directors of the Company or the Chief Financial Officer or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings, including any agreements related thereto, as may be necessary, proper, desirable or expedient.”

**5. Re-appointment of Shri. Shardul J. Thacker (DIN: 00153001) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Shardul J. Thacker (DIN: 00153001), who was appointed as an Independent Director of the Company for a term of five years up to 23<sup>rd</sup> September, 2019, by the members at 98<sup>th</sup> Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 24<sup>th</sup> September, 2019 upto 23<sup>rd</sup> September, 2024, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, all the Directors of the Company or the Chief Financial Officer or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings, including any agreements related thereto, as may be necessary, proper, desirable or expedient.”

**By order of the Board  
For The Ruby Mills limited**

**Place: Mumbai  
Dated: 6<sup>th</sup> August, 2019**

**Hiren M. Shah  
Executive Chairman  
DIN 00071077**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the **Item No. 4 to Item No. 5** of the Notice is appended hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE HUNDRED AND THIRD ANNUAL GENERAL MEETING (hereinafter referred to as 'AGM') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the Proxy in order to be effective should be deposited at the Registered Office of the Company duly completed and signed, not less than forty-eight hours before the commencement of the AGM. A Proxy form is sent herewith. Proxies submitted on behalf of Limited Companies, Corporate Members, Societies etc, must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate members are requested to send to the Registered Office of the Company a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the general meeting.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 13<sup>th</sup> September, 2019 to Friday, 20<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
5. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF): Pursuant to the provisions of Section 123 of the Companies Act, 2013, the Company has transferred the unclaimed final dividend for the year 2010-11 on due date to the Investor Education and Protection Fund established by the Central Government. The Company will accordingly transfer unclaimed dividend amount pertaining to Dividend for the year 2011-12 to the Investors Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company (<http://www.rubymills.com/investors/investors-iepf-information>) and on the website of the Ministry of Corporate Affairs.

*Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.*

6. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting will be paid within a period of 30 days from the date of declaration, to those members whose name appear on the Register of Member as on Thursday, 12<sup>th</sup> September, 2019
7. Member/proxies should bring duly filled Attendance Slip sent herewith to attend the meeting.
8. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company or its Registrar.
9. Route map and prominent land mark for easy location of venue of the Annual General Meeting is provided in the Annual Report and the same shall also be available on the Company's website [www.rubymills.com](http://www.rubymills.com).
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act') and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.



11. Pursuant to Section 108 of the Companies Act, 2013 and relevant Rules framed there under as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at Annual General Meeting by electronic means.

The Members whose name is appearing in the Registers of Members / list of Beneficial Owners as on Friday, 13<sup>th</sup> September, 2019 i.e. prior to the commencement of book closure, being the cut-off date, are entitled to vote on Resolutions set forth in the Notice. Members may cast their votes on electronic system from any place other than venue of the meeting (remote-e-voting). The remote e-voting period will commence at 9.00 A.M. on Monday, 16<sup>th</sup> September, 2019 and will end at 5.00 P.M. on Thursday, 19<sup>th</sup> September, 2019. In addition, the facility for voting through Ballot Paper shall be made available at the venue of Annual General Meeting and the members attending who have not already cast their vote by remote e-voting shall be eligible to vote at the Annual General Meeting.

12. The Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote.
13. Shri Makarand M. Joshi, Partner, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries is appointed as a Scrutinizer to scrutinize the voting and remote e-voting process and ballot forms received, in a fair and transparent manner.
14. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Form for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.rubymills.com](http://www.rubymills.com) The Company shall simultaneously forward the results to the Stock Exchanges where the Company's shares are listed.
17. Member who is desirous of getting any information as regard to the business to be transacted at the meeting are requested to write their queries to the Company at least seven days in advance of the meeting in order to keep the information required, readily available at the meeting.
18. The Annual Report duly circulated to the members of the Company, is available on the Company's Website at [www.rubymills.com](http://www.rubymills.com).
19. The documents pertaining to Special Business are available for inspection at the registered office of the Company between 10.30 a.m. and 12.30 p.m. on any working day prior to the meeting.
20. M/s. Big Share Services Private Limited having its office at 1<sup>st</sup> Floor, Bharat tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri (E), Mumbai - 400059 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.

#### **Important Communication to Members**

1. The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs of India has by its circular Nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29<sup>th</sup> April, 2011 respectively, permitted companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, documents like Notice convening the General Meetings, Financial statements, Directors' Report, Auditors' Reports, etc. are being sent by e-mail to those shareholders whose email addresses have been made available to the Company / Depository Participant(s).

Members who have not registered their e-mail addresses with the Company/ Depository Participant(s) are requested to contribute to the Green Initiative by registering their e-mail address for receiving any future communication through e-mail.

2. Electronic copy of the Notice of the 103<sup>rd</sup> (Hundred and Third) Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Hundred and Third Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant(s) in the securities market. Members holding shares in electronic forms are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical forms shall submit their PAN details to the RTA or the Company.

#### 4. Voting by electronic means

##### I. How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

##### II. Details on Step 1 is mentioned below:

##### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on **"Forgot User Details/Password?"** If you are holding shares in your demat account with NSDL or CDSL option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### III. Details on Step 2 are given below:

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [makarandjoshi@mmjc.in](mailto:makarandjoshi@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **“Forgot User Details/Password?”** or **“Physical User Reset Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**By order of the Board  
For The Ruby Mills Limited**

**Hiren M. Shah  
Executive Chairman  
DIN: 00071077**

**Place: Mumbai  
Dated: 6<sup>th</sup> August, 2019**



**Additional Information on Director Recommended for Appointment/Reappointment as required under Regulation 36 of SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015**

<b>Name of the Director</b>	<b>Shri. Bharat M. Shah</b>
Date of Birth	15/08/1959
Date of Appointment as Director	28/11/1994
Qualification	B.Com
Brief resume & Expertise in specific functional areas	He has been associated with the Company for more than 35 years having experience in Finance, Administration, Materials Management and Taxation. He has been instrumental for Treasury operations carried out reducing the interest burden on the Company in 2005-06. He is a permanent invitee on the Mills Owners Association, Mumbai. He was appointed by Bharat Petroleum Ltd. on the Local Advisory Board. As the Managing Director of the Company, he is in overall charge of day-to-day control of legal, secretarial, taxation, accounts, finance including interaction with Banks and Institutions. He is overall in charge of administration and interaction with various local authorities at all levels.
*Directorships in other Public Limited Companies	Nil
*Directorships in Private Limited Companies	1. Manubhai & Sons Investment Co. Pvt. Ltd. 2. Ruby Travels Pvt. Ltd. 3. Galore International Projects Pvt. Ltd. 4. Ruby Sales & Services Pvt. Ltd.
* Committee Positions held in other Companies C - Chairman M - Member	Nil
No.of shares held in the Company	6,55,000 (3.92)%
Relationship between Director inter-se	Mother - Smt. Aruna M. Shah (Non-Executive Director) Brother- Shri Hiren M. Shah (Executive Chairman) Shri Viraj M. Shah (Managing Director) Brother's Son - Shri Purav H. Shah (CEO & Whole time Director)

<b>Name of the Director</b>	<b>Shri. Shardul J. Thacker</b>
Date of Birth	17/11/1947
Date of Appointment as Director	19/12/1984
Qualification	B.Com & LLB
Brief resume & Expertise in specific functional areas	Shri Shardul J. Thacker is a graduate in Commerce and in Law from the University of Bombay. Besides, he is a Solicitor of Bombay High Court, Supreme Court of England and Supreme Court of Hong Kong. He is a partner of the leading Indian law firm, Mulla & Mulla & Craigie Blunt & Caroe and heads the firm's banking, maritime and arbitration practice group. With an illustrious practice of over 40 years, he is the Indian counsel to leading Indian and international banks. He has extensively advised banks and international lenders in respect of various term loan facilities, acquisitions and banking frauds, and is reputed in the international finance and legal circles for having structured some of the most interesting and highly-gearred finance deals in relation to infrastructure projects, energy, ports and ships.
*Directorships in other Public Limited Companies	1. RPG Enterprises Ltd 2. Fomento Resorts and Hotels Limited (resigned w.e.f. 31/03/2019)
*Directorships in Private Limited Companies	1. Barnes Industrial Group India Pvt. Ltd. 2. Miclyn Express Offshore (India) Private Limited 3. DOF Offshore India Private Limited 4. Paragon Testing Enterprises India Private Limited (Appointed w.e.f 14/06/2019)
*Committee Positions held in other Companies C - Chairman M - Member	1. Fomento Resorts and Hotels Limited (resigned w.e.f. 31/03/2019) • Chairman of Stakeholders Relationship Committee • Member of Audit Committee
No.of shares held in the Company	NIL
Relationship between Director inter-se	NA

## **EXPLANATORY STATEMENT**

### **(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

As required by the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 4 to Item Nos. 5 of the accompanying Notice.

#### **Item No.4**

##### **Ratification of Cost Auditor Remuneration**

The Board of Directors of the Company on recommendation of the Audit Committee approved the appointment and remuneration of Shri Dakshesh H. Zaveri of M/s. D.H. Zaveri, Cost Accountants, to conduct the audit of the Cost records of the Company's Textile manufacturing units at Dhamni and Kharsundi for the financial year ending 31<sup>st</sup> March, 2020.

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules framed thereunder, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2019-20, as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said Resolution except to the extent of their shareholding in the company, if any.

#### **Item No. 5**

##### **Re-appointment of Shri. Shardul J. Thacker (DIN: 00153001) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013**

Shri Shardul J. Thacker (DIN: 00153001) was appointed as a Director on the Board of the Company on 19<sup>th</sup> December, 1984. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 98<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2014 approved the appointment of Shri Shardul J. Thacker as an Independent Director of the Company for a period of 5 years upto 23<sup>rd</sup> September, 2019.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

The Company has received intimation in Form DIR-8 from Shri Shardul J. Thacker that he is not disqualified from being re-appointed as Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and his consent to continue as Independent Director.

The resolution seeks the approval of members for re-appointment of Shri. Shardul J. Thacker as an Independent Director of the Company commencing from 24<sup>th</sup> September, 2019 upto 23<sup>rd</sup> September, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Shri. Shardul J. Thacker fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

The Nomination & Remuneration Committee and the Board evaluated the performance of Shri Shardul J. Thacker, rated him satisfactory on all parameters and recommended his re-appointment. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Shri Shardul J. Thacker, the Board of Directors at its meeting held on 6<sup>th</sup> August, 2019 approved the continuance of office of Shri Shardul J. Thacker as mentioned in the resolution.

The Board of Directors recommends the Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said Resolution except to the extent of their shareholding in the company, if any.

**By order of the Board  
For The Ruby Mills Limited**

**Hiren M. Shah  
Executive Chairman  
DIN 00071077**

**Place: Mumbai  
Dated: 6<sup>th</sup> August, 2019**

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 103<sup>rd</sup> Annual Report of your company together with the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL RESULTS

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2019 is summarized below:

SR. No.	Particulars	For the year ended ( ₹ In Lakh)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
1.	Total Revenue	20,090	20,798
2.	Finance Costs	929	1,051
3.	Depreciation and Amortization Expense	1,363	1,547
4.	Profit before Tax	2,525	3,699
5.	Provision for Tax including Current Tax adjustments of Earlier Years	911	1,237
6.	Provision for Deferred Tax	(166)	(1,054)
7.	Profit after Tax, Prior period and Exceptional Items	1,780	3,516
8.	Total comprehensive income for the period	1,765	3,551

### 2. STATE OF COMPANY'S AFFAIR

#### i) Textiles and Real Estate Division

The revenue from the textiles activity was ₹ 16,279 Lakh as compared to ₹ 16,840 Lakh in the previous year. The operating profit for the year was ₹ 719 Lakh against ₹ 1,935 Lakh in the previous year.

The revenue from real estate and related activity was ₹ 2,996 Lakh as compared to ₹ 3,097 Lakh in the previous year. The operating profit for the year was ₹ 2,353 Lakh as against ₹ 2,197 Lakh in the previous year.

#### ii) Land Development at Dadar

As informed in the earlier meeting, the approval of the Municipal Commissioner to convert the building proposal in compliance of the Development Control Regulations was received in 2018. However, by the time the Company could make the requisite premium payment to the MCGM and Government, the Development Plan 2034 was sanctioned for Mumbai and became effective in September, 2018. Hence, the Company resubmitted its proposal as per Development Plan 2034, and has received the necessary approval in August, 2019. Further compliances will enable further occupation permission for the entire building.

### 3. DIVIDEND

Your Directors have after assessing the need for corporate requirement, recommended a dividend at the rate of 35% i.e of ₹ 1.75 (One Rupee Seventy Five paise) per share on 1,67,20,000 equity shares of ₹ 5/- each aggregating to ₹ 292.60 lakh. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be ₹ 352.17 lakh (inclusive of Dividend Tax of ₹ 59.56 lakh).



#### 4. TRANSFER TO RESERVES:

No amount has been transferred to General Reserve.

#### 5. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

#### 6. PUBLIC DEPOSITS

The Company has not accepted deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and rules framed there under.

#### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### (i) Directors

###### Appointment / Reappointment

- **Shri. Bharat M. Shah (DIN: 0071248)** Managing Director of the Company will retire by rotation and being eligible for re-appointment and not being disqualified under section 164 of the Companies Act, 2013, offers himself for re-appointment. The Board recommends his re-appointment.
- Approval of members required at the ensuing Annual General Meeting for re-appointment of **Shri. Shardul J. Thacker (DIN: 00153001)** as an Independent Director of the Company for a second term of five consecutive years commencing from 24<sup>th</sup> September, 2019 upto 23<sup>rd</sup> September, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under.

###### Resignation/ Cessation:

There are no changes in the composition of the Board of Directors.

##### (ii) Key Managerial Personnel

###### Appointment / Reappointment

The Board on recommendation of Nomination and Remuneration Committee appointed Ms. Naina R. Kanagat as the Company Secretary and Compliance officer of the Company with effect from 30<sup>th</sup> May, 2018.

###### Resignation / Cessation

Mrs. Kanika Kabra, erstwhile Company Secretary and Compliance Officer of the Company resigned w.e.f. 3<sup>rd</sup> April, 2018.

##### (iii) Declaration by Independent Directors

The Company has received the necessary declarations from each of the Independent Directors of the Company pursuant to Section 149(7) and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Each of them meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year.

#### **(iv) Annual Evaluation of Board**

Pursuant to the provisions of the Companies Act, 2013 and relevant regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board has carried out the annual performance evaluation of its own performance and other Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment.

Performance evaluation of independent directors was done by the entire board, excluding the independent director.

In a separate meeting of independent directors held on 26<sup>th</sup> March, 2019, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was reviewed and evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors.

#### **v) Number of Board Meetings**

During the year 2018-19, the Board met 5 (Five) times on the following dates 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 28<sup>th</sup> September, 2018, 2<sup>nd</sup> November, 2018 and 13<sup>th</sup> February, 2019. The Company has complied Secretarial Standards in respect of all the above Board Meetings. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

### **9. DIRECTOR'S RESPONSIBILITY STATEMENT**

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31<sup>st</sup> March, 2019 and state that:-

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies 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 as at 31<sup>st</sup> March, 2019 and of the profit of the Company for the year on that date;
- iii. The Directors had taken proper and sufficient care 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. The Directors had prepared the annual accounts on a going concern basis;
- v. The Directors had laid down proper systems of internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **10. NOMINATION AND REMUNERATION POLICY**

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The policy which has been uploaded on the Company's website is at the following link-<http://www.rubymills.com/investors/policies/nomination-cum-remuneration-policy>.

## 11. AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report which forms part of this report

## 12. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal and unethical behavior.

The Board of Directors of the Company has pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. which has been uploaded on the Company's website at the following link - <http://www.rubymills.com/investors/policies/vigil-mechanismwhistle-blower-policy>.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

During the year under review no employee was denied access to the Chairman of the Audit Committee.

## 13. RISK MANAGEMENT

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and has defined a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. At present there is no identifiable risk which in the opinion of the Board may threaten the existence of the Company.

## 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished in "Annexure A" which forms part of this Report.

## 15. EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return in Form MGT-9 for the financial year ended 31<sup>st</sup> March, 2019 made under the provisions of Section 92(3) of the Act is attached as "Annexure B" which forms part of this Report.

## 16. CORPORATE SOCIAL RESPONSIBILITY:

The Annual Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 on CSR activities is attached as "Annexure C" and forms a part of this Report. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. The Corporate Social Responsibility policy has been uploaded on the Company's website at the following link - <http://www.rubymills.com/investors/policies/corporate-social-responsibility-philosophy>

## 17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

## 18. AUDITORS

### (i) Statutory Auditors

At the 101<sup>st</sup> Annual General Meeting held on 27<sup>th</sup> September, 2017, the Members approved the appointment of M/s. CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W-100036) to hold office from the conclusion of the 101<sup>st</sup> Annual General Meeting until the conclusion of the 106<sup>th</sup> Annual General Meeting subject to ratification at every Annual General Meeting on such remuneration as may be fixed by the Board apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

On 7<sup>th</sup> May, 2018, Section 40 of the Companies Amendment Act, 2017 (amending Section 139 of the Companies Act, 2013) has been notified whereby ratification of Statutory Auditor's appointment is not required at every Annual General Meeting.

### (ii) Secretarial Auditor

The Board has appointed M/s. Vikas R. Chomal & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Report of the Secretarial Audit Report is annexed herewith as **"Annexure D"**.

### (iii) Cost Auditor and Cost Audit Report

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain Cost Records under Rule 3 of the said Rules. Accordingly, the company has duly maintained the Cost Records in the format prescribed in Form CRA-1 under Rule 5 of the said Rules.

During the year under review, Shri. Dakshesh H. Zaveri, Cost Accountant has been appointed as Cost Auditor of the Company for the F.Y. 2018-2019, to carry out the Cost Audit, for auditing cost accounting Records in respect of the Textile Segment of the Company and to submit Cost Audit Report to the Board as required under Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Amendment Rules, 2014.

## 19. (i) Green Initiatives

Pursuant to Sections 101 and 136 of the Companies Act, 2013 the Company will be sending Annual Report through electronic mode i.e. email to all the shareholders who have registered their email addresses with the Company or with the Depository to receive Annual Report through electronic mode and initiated steps to reduce consumption of paper.

### (ii) Human Resources

Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's policies and systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

### (iii) Environment and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned compliances, environmental regulations and preservation of natural resources. There was no major accident during the year.

## 20. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

## **21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls.

## **22. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All Related Party Transactions entered into by your Company during the Financial Year 2018-19 were on arm's length basis and in the ordinary course of business. There are no material significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons which may have a potential conflict with the interest of the Company. Prior approval of the Audit Committee and the Board of Directors of the Company was obtained for all the Related Party Transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. Attention of Shareholders is also drawn to the disclosure of transactions with related parties as set out in Note No. 42 of Financial Statements, forming part of the Annual Report.

## **23. PARTICULARS OF EMPLOYEES:**

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **"Annexure E"** and forms part of this Report of the Directors.

There were no employees drawing remuneration of Rupees One Crore and Two Lakh per annum or more or Rupees Eight Lakh Fifty Thousand per month or more during the year under review. However, Late Shri Manharlal Shah drew a remuneration of ₹ 12,50,000/- per month as Chairman Emeritus of the Company and Shri. Hiren M. Shah, Executive Chairman, Shri. Bharat M. Shah, Managing Director and Shri. Viraj M. Shah, Managing Director drew a remuneration of ₹ 1,29,90,400/- per annum each during the year under review.

## **24. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.**

The Company has set up an Internal Complaints Committee (ICC) for providing a Redressal mechanism pertaining to Sexual harassment of women employees at workplace. There were no cases/ complaint received during the year under review.

## **25. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186:**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to financial statements provided in this Annual Report.

## **26. DISCLOSURE REQUIREMENTS:**

As per relevant regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report and Corporate Governance Report with auditor's certificate thereon forms part of this Annual Report.

## **27. GENERAL DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- I. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- II. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- III. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- IV. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- V. No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

## **28. CHANGE IN THE NATURE OF BUSINESS:**

There was no change in the nature of Company's business during the year under review.

## **29. SEGMENTS:**

The Company has two segments namely Textile and Real Estate and related. The Statement of accounts prepared and submitted are therefore of two segments.

## **30. ACKNOWLEDGEMENT**

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

You Directors look forward to their continued support in future.

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

**Place: Mumbai  
Dated: 6<sup>th</sup> August, 2019**

**Hiren M. Shah  
Executive Chairman  
DIN: 00071077**

## ANNEXURE TO THE DIRECTORS' REPORT

### Annexure 'A'

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#### **(A) CONSERVATION OF ENERGY:**

This is a continuous process; new developments in energy saving Projects are studied and implemented from time to time. Future plans entail rain water harvesting and use of solar power for street lighting. Energy Audits are carried out from time to time and staff is encouraged to attend lectures and seminars on energy savings.

##### **a) Energy Conservation Measures Taken:**

Following measures are continuously undertaken to conserve energy during the year under report:

- Replaced sodium vapor street lights with power saving LED lights. Also regular tube lights with LED tube lights.
- Maintaining unity power factor regularly.
- Use of harmonic filters
- Regular Energy Audit to save power
- Air Audit to identify and control leakages in compressor Air Line.
- Optimize use of chillers based on weather condition.
- Creating awareness among staff and workers.
- Use of Transparent PVC Roof in Godown to maximize use of natural day light in the godown.
- Proper and regular use of lubricants.
- Using VFD operated air compressor to reduce the power consumption.

##### **b) Steps taken by the Company for utilizing alternate sources of energy:**

- Replaced 40 Watt tube lights with 18 watt LED tube lights in all departments.
- Company is currently evaluating installation and use of solar energy.
- Automatic monitoring and control of ID & RD fan of Boiler and control blow down for final saving and optimization of Boiler Operator.

##### **c) The capital investment on energy conservation equipment: NIL**

#### **(B) TECHNOLOGY ABSORPTION AND INNOVATION:**

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

- Company is encouraging staff to attend seminars, exhibitions, visit to research institutes and workshops on skill development
- After studying modern sumum Airjet looms, Company is evaluating the option of further investment
- Evaluating Automatisation in Ring frame and winding department
- Actively considering retro fitting of contamination clearer in second blowroom line



**b) Benefits derived like product improvement, cost reduction, etc.**

- The Company is actively engaged in new product line in fabric manufacturing.
- Development of new finishes is a continuous process.

**c) The Expenditure incurred on Research & Development:**

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

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and the foreign actual outgo during the year in terms of actual outflows:

	<b>Current Year 2018-2019 (₹ in Lakh)</b>	<b>Previous Year 2017-2018 (₹ in Lakh)</b>
<b>Value of Direct Imports calculated on CIF Basis:</b>		
(i) Stores, Spares	<b>120.55</b>	83.64
(ii) Raw Materials	<b>30.05</b>	0.00
(iii) Capital Goods	<b>2.45</b>	0.00
<b>Earnings in Foreign Exchange on account of export of goods :</b>		
Direct Export on FOB Basis	<b>419.85</b>	434.87
<b>Expenditure in Foreign Currency :</b>		
Travelling	<b>20.54</b>	72.37
Others	<b>1.86</b>	14.09

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

**Place: Mumbai  
Date: 6<sup>th</sup> August, 2019**

**Hiren M. Shah  
Executive Chairman  
DIN: 00071077**

# Annexure 'B'

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended 31<sup>st</sup> March, 2019**  
**[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

## I. REGISTRATION AND OTHER DETAILS:

<b>I</b>	<b>CIN</b>	L17120MH1917PLC000447
<b>II</b>	<b>Registration Date</b>	09.01.1917
<b>III</b>	<b>Name of the Company</b>	The Ruby Mills Limited
<b>IV</b>	<b>Category/Sub-Category of the Company</b>	Company Limited by shares / Indian Non-Government Company
<b>V</b>	<b>Whether listed Company (Yes/No)</b>	Yes
<b>VI</b>	<b>Address of the Registered Office and contact details</b>	Ruby House, J.K. Sawant Marg, Dadar West, Mumbai-400028.
<b>VII</b>	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Bigshare Services Pvt. Ltd. <b>Address:</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai-400 059, Maharashtra, India <b>Tel. :</b> +91-22-6263 8200 <b>Fax :</b> +91-22-6263 8299 <b>Email :</b> investor@bigshareonline.com <b>Website:</b> www.bigshareonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<b>Sr. No.</b>	<b>Name and Description of Main Product/Services</b>	<b>NIC Code of the Product / Service</b>	<b>% to total turnover of the Company</b>
1.	Textile Manufacturing	13131	84%
2.	Renting of Properties	68100	16%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

<b>Sr.</b>	<b>Name and Address of the Company</b>	<b>CIN/GIN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
	N.A.		N.A.		

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2898340	-	2898340	17.33	2898340	-	2898340	17.33	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7544140	-	7544140	45.12	7544140	-	7544140	45.12	0.00
e) Bank/ FI	-	-	-	-	-	-	-	-	-
f) Any Other Directors Relatives	2080940	-	2080940	12.45	2080940	-	2080940	12.45	0.00
<b>Sub-Total (A)(1)</b>	<b>12523420</b>	<b>-</b>	<b>12523420</b>	<b>74.90</b>	<b>12523420</b>	<b>-</b>	<b>12523420</b>	<b>74.90</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>12523420</b>	<b>-</b>	<b>12523420</b>	<b>74.90</b>	<b>12523420</b>	<b>-</b>	<b>12523420</b>	<b>74.90</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/ FI	37179	-	37179	0.22	44088	-	44088	0.26	0.04
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>37179</b>	<b>-</b>	<b>37179</b>	<b>0.22</b>	<b>44088</b>	<b>-</b>	<b>44088</b>	<b>0.26</b>	<b>0.04</b>

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp</b>									
i) Indian	715635	200	715835	4.28	741838	200	742038	4.44	0.16
ii) Overseas	-	-	-	-					
<b>b ) Individuals</b>									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	2144105	47164	2191269	13.11	2078098	37084	2115182	12.65	(0.46)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	934242	20260	954502	5.71	1033327	20260	1053587	6.30	0.59
<b>c) Others (specify)</b>									
Trust	-	-	-	-	-	-	-	-	-
Clearing Members	116355	-	116355	0.70	95392	-	95392	0.57	(0.13)
Non-resident Indian(Repat)	110040	-	110040	0.66	115661	-	115661	0.69	(0.03)
Non-resident Indian(Non Repat)	63539	-	63539	0.38	30557	-	30557	0.18	(0.20)
<b>e) NBFC registered with RBI</b>	7861	-	7861	0.05	75	-	75	0.00	(0.05)
<b>Sub-Total (B) (2)</b>	4091777	67624	4159401	24.88	<b>4094948</b>	<b>57544</b>	<b>4152492</b>	<b>24.84</b>	(0.04)
<b>Total Public shareholding (B)= (B)(1) + (B)(2)</b>	4128956	67624	4196580	25.10	<b>4139036</b>	<b>57544</b>	<b>4196580</b>	<b>25.10</b>	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	16652376	67624	16720000	100.00	<b>16662456</b>	<b>57544</b>	<b>16720000</b>	<b>100.00</b>	0.00

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manubhai and Sons Investment Company Private Limited	2388900	14.29	-	2388900	14.29	-	0.00
2	Hiren Brothers Investments Company Private Limited	2388900	14.29	-	2388900	14.29	-	0.00
3	M. C. Shah and Sons Investment Company Private Limited	2388340	14.28	-	2388340	14.28	-	0.00
4	Executors and Trustee of late Chunilal Narbheram	378000	2.26	-	378000	2.26	-	0.00
5	Manharlal Chunilal Shah*	733320	4.39	-	-	-	-	(4.39)
6	Aruna Manharlal Shah*	594400	3.56	-	1327720	7.94	-	4.39
7	Hiren Manharlal Shah	364300	2.18	-	364300	2.18	-	0.00
8	Bharat Manharlal Shah	655000	3.92	-	655000	3.92	-	0.00
9	Viraj Manharlal Shah	551320	3.30	-	551320	3.30	-	0.00
10	Purav Hiren Shah	384508	2.30	-	384508	2.30	-	0.00
11	Rishabh Viraj Shah	313112	1.87	-	313112	1.87	-	0.00
12	Hiren Manharlal HUF	235200	1.41	-	235200	1.41	-	0.00
13	Bharat Manharlal HUF	228200	1.36	-	228200	1.36	-	0.00
14	Viraj Manharlal HUF	235200	1.41	-	235200	1.41	-	0.00
15	Jayshree Hiren Shah	312620	1.87	-	312620	1.87	-	0.00
16	Aabha Bharat Shah	173000	1.03	-	173000	1.03	-	0.00
17	Dipti Viraj Shah	197000	1.18	-	197000	1.18	-	0.00
18	Asha Yogesh Mehta	2100	0.01	-	2100	0.01	-	0.00
	<b>Total</b>	<b>12523420</b>	<b>74.90</b>	<b>-</b>	<b>12523420</b>	<b>74.90</b>	<b>-</b>	<b>0.00</b>

\*Subsequent to demise of Late Shri Manharlal C. Shah, Chairman Emeritus of the Company, shares of Shri Manharlal C. Shah jointly held with Smt. Aruna M. Shah were transmitted to Smt. Aruna M. Shah.

**(iii) Change in Promoter's Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year(as on 1.04.2018)		Cumulative Shareholding during the year(as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	There is no change	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1.04.2018)		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>1.</b>	<b>Adrik Traders Pvt. Ltd</b>				
	At the beginning of the year	4,88,832	2.92	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	4,88,832	2.92
<b>2.</b>	<b>Umesh Kishorekant Sanghvi</b>				
	At the beginning of the year	1,73,056	1.04	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	1,73,056	1.04
<b>3.</b>	<b>Kishorekant Bhimji Sanghvi</b>				
	At the beginning of the year	1,24,812	0.75	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	1,24,812	0.75
<b>4</b>	<b>Rajendra J. Saboo</b>				
	At the beginning of the year	55,933	0.33	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	Transfer:20/04/2018	25,248		81,181	0.49
	Transfer:27/04/2018	4,338		85,519	0.51
	Transfer:07/09/2018	1,190		86,709	0.52
	Transfer:05/10/2018	2,593		89,302	0.53
	Transfer:12/10/2018	6,743		96,045	0.57
	Transfer:19/10/2018	3,825		99,870	0.60
	Transfer:26/10/2018	675		1,00,545	0.60
	Transfer:25/01/2019	3,000		1,03,545	0.62
	Transfer:15/02/2019	5,000		1,08,545	0.65
	Transfer:01/03/2019	3,392		1,11,937	0.67
	Transfer:08/03/2019	608		1,12,545	0.67
	At the end of the year	-	-	1,12,545	0.67

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1.04.2018)		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>5.</b>	<b>Shashikant Gordhandas Badani</b>				
	At the beginning of the year	1,04,216	0.62	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	Transfer:20/04/2018	(200)		1,04,016	0.62
	Transfer:27/04/2018	(1,000)		1,03,016	0.62
	Transfer:04/05/2018	1,200		1,04,216	0.62
	Transfer:11/05/2018	(435)		1,03,781	0.62
	Transfer:25/05/2018	750		1,04,531	0.63
	Transfer:05/10/2018	162		1,04,693	0.63
	Transfer:26/10/2018	500		1,05,193	0.63
	Transfer:07/12/2018	250		1,05,443	0.63
	At the end of the year	-	-	1,05,443	0.63
<b>6.</b>	<b>Champaklal Chatrabhuj Sheth</b>				
	At the beginning of the year	95,940	0.57	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	Transfer:13/04/2018	(2,500)		93,440	0.56
	At the end of the year	-	-	93,440	0.56
<b>7.</b>	<b>K B Sanghvi</b>				
	At the beginning of the year	59,492	0.36	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	59,492	0.36
<b>8.</b>	<b>Risha Dyeing And Printing Pvt. Ltd</b>				
	At the beginning of the year	56,760	0.34	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	56,760	0.34



Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1.04.2018)		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. Shares of	% of total Shares of the company
<b>9.</b>	<b>Anil J Saboo</b>				
	At the beginning of the year	46,503	0.28	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	46,503	0.28
<b>10.</b>	<b>Nagindas Jaysukhlal Doshi</b>				
	At the beginning of the year	40,000	0.24	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	-	-	40,000	0.24

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1.04.2018)		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>1</b>	<b>Shri Hiren M. Shah, Executive Chairman</b>				
	At the beginning of the year	3,64,300	2.18	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	-	-	3,64,300	2.18
<b>2</b>	<b>Shri Bharat M. Shah, Managing Director</b>				
	At the beginning of the year	6,55,000	3.92	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	-	-	6,55,000	3.92

Sr. No	For each of the Directors and KMP	Shareholding at the beginning the year (as on 1.04.2018)		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>3.</b>	<b>Shri Viraj M. Shah, Managing Director</b>				
	At the beginning of the year	5,51,320	3.30	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	-	-	5,51,320	3.30
<b>4.</b>	<b>Smt. Aruna M. Shah, Non-Executive Director</b>				
	At the beginning of the year	5,94,400	3.55	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	Transmission*: 7/02/2018	73,3320	4.39	13,27,720	7.94
	At the end of the year	-	-	13,27,720	7.94
<b>5.</b>	<b>Shri Deepak Shah, Non-Executive Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
<b>6.</b>	<b>Shri Shardul Thacker, Non-Executive Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
<b>7.</b>	<b>Shri Purav Hiren Shah, Whole-time Director and Chief Executive Officer</b>				
	At the beginning of the year	3,84,508	2.30	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	3,84,508	2.30

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1.04.2018)		Shareholding at the end of the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>8.</b>	<b>Shri Mehernosh Rusi Currawala, Independent Director</b>				
	At the beginning of the year	5,000	0.03	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	5,000	0.03
<b>9.</b>	<b>Shri Yogen Shivlal Lathia, Independent Director</b>				
	At the beginning of the year	2,020	0.01	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	2020	0.01
<b>10.</b>	<b>Shri Pradip Narottamdas Kapasi, Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
<b>11.</b>	<b>Jayaraman Seshadrinathan</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-
<b>12.</b>	<b>Ms. Naina R. Kanagat**</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

\*Subsequent to demise of Late Shri Manharlal C. Shah, Chairman Emeritus of the Company on 21<sup>st</sup> July, 2018, shares of Shri Manharlal C. Shah jointly held with Smt. Aruna M. Shah were transmitted to Smt. Aruna M. Shah.

\*\*Ms. Naina R. Kanagat was appointed as Company Secretary and Compliance Officer of the Company with effect from 30<sup>th</sup> May, 2018.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,76,87,93,722	90,17,91,000	-	3,67,05,84,722
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	86,77,606	-	-	86,77,606
<b>Total (i+ii+iii)</b>	<b>2,77,74,71,328</b>	<b>90,17,91,000</b>	<b>-</b>	<b>3,67,92,62,328</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	32,03,68,886	60,76,21,000	-	92,79,89,886
• Reduction	62,39,71,214	26,99,29,000	-	89,39,00,214
<b>Net Change</b>	<b>(30,36,02,328)</b>	<b>33,76,92,000</b>	<b>-</b>	<b>3,40,89,672</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,46,20,32,000	1,23,94,83,000	-	3,70,15,15,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,18,37,000	-	-	1,18,37,000
<b>Total (i+ii+iii)</b>	<b>2,47,38,69,000</b>	<b>1,23,94,83,000</b>	<b>-</b>	<b>3,71,33,52,000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Amount In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Hiren M. Shah (Executive Chairman)	Bharat M. Shah (Managing Director)	Viraj M. Shah (Managing Director)	Purav H. Shah (Whole time Director & CEO)*	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,15,14,000	1,15,14,000	1,15,14,000	62,22,000	4,07,64,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	14,76,400	14,76,400	14,76,400	6,75,600	51,04,800
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Commission - As % of Profit - Others, specify	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>1,29,90,400</b>	<b>1,29,90,400</b>	<b>1,29,90,400</b>	<b>68,97,600</b>	<b>4,58,68,800</b>
	<b>Ceiling as per the Act</b>	(Remuneration paid is within the ceiling limits of 11% of the net profit of the Company as per section 198 of the Companies Act, 2013)				

\*Remuneration of Shri Purav H. Shah was approved by members through Postal Ballot, results of which were declared on 30<sup>th</sup> March, 2019.

## B. REMUNERATION TO OTHER DIRECTORS

(Amount In ₹)

Sr. No	Particulars of Remuneration	Fee for attending board committee meetings	Commission	Others, please specify	Total Amount
<b>1.</b>	<b>Independent Directors</b>				
	Shri Shardul J. Thacker	2,50,000	-	-	2,50,000
	Shri Deepak R. Shah	2,42,500	-	-	2,42,500
	Shri. Yogen S. Lathia	2,02,500	-	-	2,02,500
	Shri. Mehernosh Currawalla	1,27,500	-	-	1,27,500
	Shri. Pradip Kapasi	1,07,500	-	-	1,07,500
	<b>Total (1)</b>	<b>9,30,000</b>	<b>-</b>	<b>-</b>	<b>9,30,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>				
	Smt. Aruna. M. Shah	1,00,000	-	-	1,00,000
	<b>Total (2)</b>	<b>1,00,000</b>	<b>-</b>	<b>-</b>	<b>1,00,000</b>
	<b>Total (B) = (1+2)</b>	<b>10,30,000</b>	<b>-</b>	<b>-</b>	<b>10,30,000</b>
	<b>Total Managerial Remuneration (A) + (B)</b>				<b>4,68,98,800</b>

## C. REMUNERATION TO KMP OTHER THAN MD/MANAGER/WTD

(Amount In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chairman Emeritus*	Company Secretary**	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	40,42,484	4,70,921	19,82,745	64,96,150
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	5,13,968	NIL	6,60,273	11,74,241
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of Profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-	8,992	8,992
	<b>Total (A)</b>	<b>45,56,452</b>	<b>4,70,921</b>	<b>26,52,010</b>	<b>76,79,383</b>

\*Shri Manharlal Chunilal Shah, Chairman Emeritus of the Company expired on 21<sup>st</sup> July, 2018.

\*\*Ms. Naina R. Kanagat was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 30<sup>th</sup> May, 2018 pursuant to resignation of Mrs. Kanika Kabra on 3<sup>rd</sup> April, 2018.

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compound- ing fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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

**Place: Mumbai  
Date: 6<sup>th</sup> August, 2019**

**Hiren M. Shah  
Executive Chairman  
DIN: 00071077**

## Annexure 'C'

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2018-19 [Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

Particulars	Details
1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	<p>The Ruby Mills Limited strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing food, clothes, etc., keeping the environment clean and safe for the society by adhering to the best practices and technologies, and so on. It is the Company's intent to make a positive difference to society in which the Company lives and operates.</p> <p>The Projects / Programmes undertaken or proposed to be undertaken either by an Implementation Agency or the Company directly are in line with the activities enumerated in Schedule VII of the Companies Act, 2013 with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended from time to time).</p> <p>The detailed Corporate Social Responsibility Policy is available on the website of the Company at the following link-<a href="http://www.rubymills.com/investors/policies/corporate">http://www.rubymills.com/investors/policies/corporate</a> that gives an overview of the projects or programmes undertaken during the financial year 2018-19.</p>
2. The Composition of the CSR Committee.	<p>The Company has a CSR Committee of directors comprising of :</p> <p>Shri Hiren M. Shah - Chairman, Executive Chairman</p> <p>Mr. Shardul J. Thacker- Member, Independent Director</p> <p>Smt. Aruna M. Shah- Member, Non- Executive Director</p>
3. Average net profit of the company for last three financial years	₹ 40,01,78,602/-
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 80,03,572/-
5. Details of CSR spent during the financial year:	
(a) Total amount spent for the financial year	₹ 80,21,000/-
(b) Amount unspent , if any	NIL
(c) Manner in which the amount spent during the financial year is detailed below.	



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative Expenditure up to the reporting period (as on 31-03-2019) (₹)	Amount spent: Direct or through implementing agency
1	Towards CSR Activites for old age home	promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Khopoli (District Raigad)	10,00,000	10,00,000	10,00,000	Direct
2.	Towards CSR Activity for Annual Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna animal welfare, agro forestry conservation of natural resources and maitaining quality of soil, air and water (including contribution to the clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga)	Mumbai	25,00,000	25,00,000	25,00,000	Direct
3.	Towards CSR activity for medical relief	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Girgaum, Mumbai	45,00,000	45,00,000	45,00,000	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative Expenditure up to the reporting period (as on 31-03-2019) (₹)	Amount spent: Direct or through implementing agency
4.	Towards CSR Activity For education of under privileged children and livelihood for those who is threatened due to regressive sight loss	Promoting education, including special education and employment enhancing vocation skills especially among children	Chembur, Mumbai	21,000	21,000	21,000	Direct
	<b>Direct Expenditure</b>			<b>80,21,000</b>	<b>80,21,000</b>	<b>80,21,000</b>	
	<b>Overhead</b>			-	-	-	
	<b>Total</b>			<b>80,21,000</b>	<b>80,21,000</b>	<b>80,21,000</b>	
5.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.				N.A		
6.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the company.				We hereby affirm that the CSR Policy, as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR Objectives.		

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

**Hiren M. Shah  
Executive Chairman  
DIN: 00071077**

**Place: Mumbai  
Date: 6<sup>th</sup> August, 2019**

**Annexure 'D'****SECRETARIAL AUDIT REPORT****Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31.03.2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**THE RUBY MILLS LIMITED**  
Ruby House, J. K. Sawant Marg,  
Dadar West, Mumbai - 400 028.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Ruby Mills Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by The Ruby Mills Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during Audit Period)**;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during Audit Period)**;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during Audit Period as the Company)**;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period);**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period);**
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (VI) Management has identified two business segments i.e. Textiles and Real Estate and accordingly, the sector specific compliances of the following laws applicable specifically to the Company have been audited:
1. The Textiles Committee Act, 1963;
  2. The Textiles (Consumer Protection) Regulation, 1988;
  3. The Textiles (Development and Regulation) Order, 2001.
  4. Maharashtra Ownership Flats Act, 1963
  5. Development Control Regulations, 2009
  6. Maharashtra Regional and Town Planning Act, 1956
  7. Transfer of Property Act, 1882
  8. Maharashtra Rent Control Act, 1999
  9. The Real Estate (Regulation And Development) Act, 2016
- (VII) and all other Acts as are generally applicable to the Company.

We have also examined compliance with the applicable clauses/regulations of the following:

- (A) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (B) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has not made:

- (i) Redemption / buy-back of securities
- (ii) Merger / amalgamation / reconstruction, etc.
- (iii) Foreign technical collaborations
- (iii) Preferential/Private Placement or Rights issue of Shares.

**We further report that** Company has given advertisement in news-papers as per rule 6(3) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**For Vikas R. Chomal & Associates**

**Vikas R. Chomal**  
**(Proprietor)**  
**ACS No. 24941**  
**C P No.: 12133**

**Place: Mumbai**  
**Date: 6<sup>th</sup> August, 2019**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure A

**To,  
The Members  
The Ruby Mills Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Company was following system of obtaining reports from various departments to ensure compliance with applicable laws and now is in the process of implementing electronic system for compliance management to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Vikas R. Chomal & Associates**

**Vikas R. Chomal  
Proprietor  
ACS No. 24941  
C P No.: 12133**

**Place: Mumbai  
Date: 6<sup>th</sup> August, 2019**

**Annexure 'E'**
**Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Requirements	Details
1.	the ratio of the remuneration of each director to the median employee's remuneration for the financial year 2018-19	Mr. Hiren M Shah 39.00:1 Mr. Bharat M Shah 39.00:1 Mr. Viraj M Shah 39.00:1 Mr. Purav Shah 20.71:1
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19	Mr. Hiren M Shah 24.34% Mr. Bharat M Shah 24.34% Mr. Viraj M Shah 24.34%
3.	the percentage increase in the median remuneration of employees in the financial year 2018-19	3.76 %
4.	The number of permanent employees on the roll of company as on 31st March, 2019	151
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil
6.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid during the year ended 31 <sup>st</sup> March, 2019 was as per the Nomination and Remuneration Policy of the Company.

1. The Non Executive Directors are entitled for sitting fees as per the statutory provisions. The details of remuneration paid to Non Executive Directors are disclosed in the Corporate Governance Report. Hence, the ratio of remuneration and percentage increase for Non Executive Director's remuneration is not considered for the above purpose.
2. Employees for the above purpose include all employees excluding employees governed under collective bargaining and on contract.
3. Mrs. Kanika Kabra who was appointed as Company Secretary and Compliance Officer of the Company with effect from 14<sup>th</sup> August, 2017 resigned on 3<sup>rd</sup> April, 2018. Thereafter, Ms. Naina R. Kanagat has been appointed as the Compliance Officer with effect from 2<sup>nd</sup> May, 2018 and Company Secretary of the Company with effect from 30<sup>th</sup> May, 2018.

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

**Hiren M. Shah  
Executive Chairman  
DIN: 00071077**

**Place: Mumbai  
Dated: 6<sup>th</sup> August, 2019**



## MANAGEMENT DISCUSSION AND ANALYSIS

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This report covers the operations and financial performance of the Company for the year ended 31<sup>st</sup> March, 2019 and forms part of the Directors' Report.

### 1. Overall Review:

India's textile sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile export during FY 2017-18 stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 31.65 billion in FY19.

The Indian textile industry is extremely varied, with the hand-spun and hand-woven textile sector at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector forms the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textile sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The Company derives its income from the business of manufacturing of textile and the real estate segments. The Company has achieved an overall turnover of ₹ 20,090 lacs.

### 2. Segment Review

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

##### a) Industry Structure and Development:

India is the world's second largest producer of textiles and garments after China. It is the world's third largest producer of cotton after China and the USA and the second largest cotton consumer after China. Indian textile industry currently estimated to be US \$108 billion and expected to reach US \$209 billion in the year 2021. The industry is the second largest employment generator after agriculture by employing 45 million people directly and 60 million people indirectly. The Indian textile industry presently contributes around 14 percent to industrial production, 4 percent to GDP, 17 percent to the country's exports and 21 percent to employment. India has abundance of natural resources like cotton, jute and silk. Indian products are preferred for their fine designing, embellishment and craft. From the ages the Indian fabric designers and weavers are recognized as one of the best in the world. At present industry is growing at 9-10 percent with Indian economy. Indian textile industry currently possesses a share of 4.7% in world market of textiles and clothing.

Some of the important and positives for the Indian textile industry are:

- As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunity and attract investments worth ₹ 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018 it generated additional investments worth ₹ 25,345 crore (US\$ 3.78 billion) and exports worth ₹ 57.28 billion (US\$ 854.42 million).
- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of ₹ 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.

##### b) Opportunities and Threats:

India Ratings has maintained a stable outlook for the textile sector for 2019-20 on domestic demand, waning impact of the disruptions due to GST and demonetisation and rising exports aided by a weak rupee.

Textile companies are likely to improve cash-flow from operations in FY20, as their working capital would stabilise as challenges related to demonetisation and the GST subsidy. The sector is likely to continue deleveraging gradually in FY20 in view of strong annual growth generation and some moderation in the debt level. Liquidity of the majority of players in the sector is likely to remain adequate, along with an improvement in operational cash generation, backed by steady raw material costs and strong demand from end-user segments.

The domestic and global stock-to-use ratios will remain under pressure during cotton year 2019-20. Global cotton production is likely to decline in cotton year 2019-20 owing to a low acreage and global warming causing adverse weather conditions in key cotton-growing nations. Meanwhile, India's textile exporters are likely to continue to benefit from improved cost competitiveness due to a weak rupee, which would drive volume growth.

#### **c) Review and Analysis:**

The financial performance of the company's textile is expected to stabilise after the downs of demonetization and implementation of Goods and Service Taxes and high raw material costs in 2018-19. With the introduction of GST, a more or less level playing field with the unorganized sector.

The Company and Birla Cellulose, have joined hands to promote the high quality fabrics created by Ruby and made fluid with Liva a new age fabric from Birla Cellulose, in a three-pronged approach i.e. Building awareness, Creating Innovative fabrics for fashion & garment industry and Strengthening Distribution. As Ruby and Liva come together to take the iconic fabrics from Ruby Mills made fluid with Liva, to the end users, awareness plays the first and the most critical part. Ruby and Liva, together have identified key Ruby brands which can change the way people look at fabrics. Through press, outdoor campaigns, Sampling, PR and digital outreach, the association, plans to reach out to the end users and influencers to make them understand the value of a quality fabric delivers by tapping the entire gamut of marketing activities over a period of time. With these three strategic focus areas, the Ruby Liva association will ensure that the Indian consumers can now get fabrics with world-class quality, without any compromise.

#### **d) Outlook:**

The slowdown in the Chinese economy has rendered the cost of textile production in China high. Chinese textile manufacturers have lost competitive advantages of lower cost of production over the last few years. This has offered an opportunity for Indian textile sector to grab the market share of China in the developed world especially the European Union and the United States, which cumulatively comprise around 60% of the global market.

#### **e) Risks and Concerns:**

Presently, the Indian textile industry is facing a problem to compete in the world textile market. This is because of weaknesses like fragmented infrastructure, rigid labour laws, technology obsolescence, high cost of capital and many others. Due to fragmented infrastructure, India is unable to diversify. In fabric production, large part of the industry is engaged in unorganized sectors like power looms and handlooms. Inflexible labour laws of India are one of the major reasons for the low labour productivity. Also there is slow demand, high cost of manufacturing & power and labour shortage. Another drawback of the Indian textile industry is use of outdated technology which resulted in low production capacities as compared to China.

Indian industry has the longest supply chain in the world. The average time taken by all the nations from the procurement of raw material to production of finished goods and finally exporting it is 45 days, whereas India takes around 80 days. Another area where India lacks is cost competitiveness. The Indian industry does not have efficient economies of scale. Also the expenses like indirect taxes, power and interests are comparatively high in India.

## 2.2 Business Segment – Real Estate.

### a) Industry Structure and Development:

The real estate industry in India which is getting regulated is going through what can be described from autocrat to a regulated regime during last 2-3 years. The realty sector especially Housing with its own supply has witnessed an unprecedented sluggishness due to effects of demonetization and commercial offices due to slowdown in the Economy, macro policy initiatives such as GST and RERA. The overall credit squeeze has not helped the situation either. While policy change like GST & RERA were essential and these would support the long-term growth vision of our economy, these measures in the short run have led to slow down in the sector. Even then, the organized players are gradually getting equipped to attend the intricacies of compliances associated with GST and RERA. But still, challenges continue to haunt the SME and unorganized players, who continue to struggle for aligning with the new ground realities.

With the elections over and after first half of 2019, commercial realty shall see some surge off late in the leasing activities of corporate offices. As per recent reports, office absorption in 2020-21 is expected to exceed 2011's historic high of 37 million sq. ft.

### b) Opportunities and Threats:

There will be a huge scope for the commercial real estate due to the increasing number of grade-A office spaces for start-ups, co-working places and e-commerce. IT parks and commercial offices are now at par with the DCPR2034 and new project location with modern amenities will emerge as an exemplary trend for commercial real estate growth. Rentals in commercial realty will catalyse growth as investors tend to rent a commercial space rather than buying it.

The demonetization exercise in November 2016 put brakes on the growth of the real estate market as it made the rampant use of cash in real estate transactions (prevalent earlier) more difficult. Further, the Real Estate Regulation Act (RERA) that was passed by the Centre in 2016 and most states in 2017 put a lot of onus on builders which further halted new offerings in the residential space.

In addition, the demand-supply gap more in residential in quality commercial development has been an issue with most of the key real estate markets such as Mumbai, Bengaluru and Gurugram facing a serious oversupply of properties. However, the big funding challenge came in 2018 after the IL&FS debate. The implosion of IL&FS raised serious questions about the asset-liability mismatch in the books of NBFCs, which have been the principal financiers for the real estate sector. It is in this context that the current real estate scenario in India needs to be understood.

### c) Risks and Concerns:

The rapid increase of non-performing assets (NPAs), significantly reduced profit margins in the real estate sector and the RBI identifying the real estate sector as a 'high-risk' business have made banks wary of too much exposure to this sector.

Ultimately, funding sources like private equity, financial institutions, pension funds and sovereign wealth funds have to step in and these are now the predominant funding avenues for the real estate sector. PEs and other institutions have contributed nearly 75% of the total funding coming into the sector in recent times.

However, private equity players are now conducting thorough due diligence and investing only in 'clean' and viable projects by established developers with strong track records for compliance and completion. Government interventions like RERA and GST have served as weeding-out mechanisms which will ultimately leave only strong, credible developers with the clout required to attract institutional funding in the fray

Overall, it has been a consolidation and maturing process for the Indian real estate, but it is largely so because there are decades of discretionary business practices to be cleaned. Judging by the levels of pain and consolidation the process has induced in the sector, it is doubtlessly effective - and we may yet see 'Acche Din' in the Indian real estate sector.

## CORPORATE GOVERNANCE REPORT

### 1. Company's philosophy on Corporate Governance:

The Ruby Mills Limited has a governance framework that is driven by the objective of enhancing long term stakeholder value without compromising on integrity, social obligation, regulatory compliances, ethical standards and corporate social responsibilities. Ethical dealings, transparency, fairness, disclosure and accountability are the main virtue set by our beloved Chairman Emeritus, Late Shri Manharlal Chunilal Shah who has devoted 65 years of his life working towards the growth of The Ruby Mills Limited. As a Company with a strong sense of values and commitment, we believe that profitability must go hand in hand with a sense of responsibility towards all stakeholders. The Company believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices such as managing its affairs with diligence, transparency, responsibility and accountability. The Company's corporate governance is therefore based on the following principles:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Availability of information to the members of the Board and Board Committee to enable them to discharge their fiduciary duties.
- Adequate risk management and Internal Control.
- Protection of shareholders rights and priority for investor relations.
- Timely and accurate disclosure on all matters concerning operations and performance of the Company.

The Company understands and respects its fiduciary role and responsibility towards its shareholders. The report on the Company's corporate governance, as per the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

### 2. Board of Directors :

Your Company's Board is a professionally managed Board, consisting of 10 (Ten) Directors in all, categorized as under:

#### i. Composition of Board of Directors:

During the financial year 2018-19, the Board of Directors comprised of Executive Chairman, 2 (Two) Managing Directors, 1 (One) Executive Director along-with 6 (Six) Non-Executive Directors.

Since the Chairman is an Executive Chairman, the requirement of half of the Board of Directors as Independent Directors is met with by the Company in view of 5 (Five) Independent Directors out of a total of 10 (Ten) Directors. The Non-Executive Independent Directors are eminent professionals and have experience in the field of finance, taxation, management, administration and law, bringing a wide range of expertise and experience to the Board.

The Board does not have any Nominee Director on its board representing any institution.  
Composition of the Board and category of Directors:-

Sr. No.	Name	Category
1.	Shri Hiren M. Shah	Executive Chairman
2.	Shri Bharat M. Shah	Managing Director
3.	Shri Viraj M. Shah	Managing Director
4.	Smt. Aruna M. Shah	Non-Executive Director
5.	Shri Shardul J. Thacker	Independent Director
6.	Shri Deepak R. Shah	Independent Director
7.	Shri Yogen S. Lathia	Independent Director
8.	Shri Purav Hiren Shah	Whole time Director & CEO
9.	Shri Mehernosh Rusi Currawalla	Independent Director
10.	Shri Pradip Narottamdas Kapasi	Independent Director

## ii. Key Board Qualifications, Expertise and Attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

In view of the objectives and activities of our Business, the Company requires skills/expertise/competencies in the areas of Textile, Finance, Banking, Taxation, Accounts, Secretarial, Legal, Business Strategy, Business Leadership, Sales and Marketing.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively.

## iii. Board Procedure and Access to information

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

The Board of Directors of the Company reviews all information provided periodically for discussion and consideration at its meetings in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the year 2018-19, the Board met 5 (Five) times on the following dates 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 28<sup>th</sup> September, 2018, 02<sup>nd</sup> November, 2018, and 13<sup>th</sup> February, 2019.

Attendance of each Director at the Board Meeting and last Annual General Meeting and number of Chairmanship/membership in other companies Board committees are given in following table.

Name of Director	Status Executive/ Non-Executive	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorship in other Cos.		No. of Chairmanship/ membership in other Board/ Committee	
					Public	Pvt.	Chairman-ship	Member-ship
Shri. Hiren M. Shah	EC	5	5	Yes	-	4	-	-
Shri Bharat M. Shah	MD	5	5	Yes	-	4	-	-
Shri. Viraj M. Shah	MD	5	5	Yes	-	4	-	-
Smt. Aruna M. Shah	NED	5	4	Yes	-	-	-	-
Shri Shardul J. Thacker	NED/ ID	5	5	Yes	1	3	-	1
Shri Deepak R. Shah	NED/ID	5	5	Yes	1	-	1	1
Shri Yogen S. Lathia	NED/ ID	5	4	Yes	-	4	-	1
Shri Purav H. Shah	ED	5	5	Yes	-	3	-	-
Shri Mehernosh R. Currawalla	NED/ ID	5	5	Yes	-	6	-	-
Shri Pradip N. Kapasi	NED/ ID	5	4	Yes	-	1	-	-

\*Shri. Shardul Thacker resigned as a Director from Fomento Resorts and Hotels Limited w.e.f 31<sup>st</sup> March, 2019

**Note:**

1. The Directorships held by Directors mentioned above; do not include Alternate Directorship, Directorship in Foreign Companies and Section 8 Companies.
2. In accordance with Regulation 26 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only the Audit Committees and Shareholders/Investors Grievance Committee in all Public Limited Companies (excluding The Ruby Mills Limited) have been considered.
3. Membership Includes Chairmanship of Committee.

**iv. Inter-se relationships among Directors**

Our beloved and respected Late Shri M. C. Shah, Chairman Emeritus of the Company and husband of Smt. Aruna M. Shah, Non Executive Director of the Company held the family together and set strict discipline amongst his sons. The legacy will be continued by his son, Shri Hiren M. Shah – Executive Chairman who is assisted by his brothers Shri Bharat M. Shah – Managing Director, Shri Viraj M. Shah – Managing Director and his son, Shri. Purav H. Shah – Chief Executive Officer and Whole time Director of the Company. Except the above, there are no inter-se relationships among the Directors.

**v. Code of Conduct**

The Company has adopted a Code of Conduct for the Members of the Board and the Senior Managements. All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code of Conduct as on 31<sup>st</sup> March, 2019 and a declaration to that effect signed by the Chief Executive Officer is given below.

I hereby confirm that:

“The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2018-19.”

**Purav H. Shah**

**Chief Executive Officer & Whole Time Director**  
**DIN No. 00123460**

**vi. Confirmation:**

In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

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

- The provisions of Section 149 and 152(6) of the Companies Act, 2013 and rules made thereunder, stipulate that at least 1/3<sup>rd</sup> of the 2/3<sup>rd</sup> of the Directors of the Company other than Independent Directors, are liable to retire by rotation every year. Accordingly, **Shri. Bharat M. Shah (DIN: 00071248)** retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- Approval of members required at the ensuing Annual General Meeting for re-appointment of **Shri. Shardul J. Thacker (DIN: 00153001)** as an Independent Director of the Company for a second term of five consecutive years commencing from 24<sup>th</sup> September, 2019 upto 23<sup>rd</sup> September, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under.

### 3. Board Committees

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/ scope. The Board has established various Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee. The minutes of the meetings of all committees are placed before the Board for discussion/noting.

#### i. Audit Committee

**The terms of reference of the Audit Committee are broadly as under:**

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval;
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices along with reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments



- Valuation of undertaking or assets of the company, whenever it is necessary
- Evaluation of internal financial controls and risk management systems
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approving the appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

**The Audit Committee shall mandatorily review the following:**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the internal auditor.

Further, the audit committee ensures that it has reviewed each area that is required to review under its terms of reference and under applicable regulation or by way of good practice. This periodic review ensures that all areas within the scope of committee are reviewed.

The Audit Committee of the Company met 5 (Five) times during the year as per the dates mentioned below: 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 28<sup>th</sup> September, 2018, 02<sup>nd</sup> November, 2018 and 13<sup>th</sup> February, 2019.

The Audit Committee of the Board comprises of 1(One) Executive Director and 3 (Three) Non-Executive Independent Directors. Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.



The Composition of Audit Committee and the details of meetings attended by its members are given below:

<b>Name of the Audit Committee Member</b>	<b>Category of Directorship</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Shri. Deepak R. Shah	Independent Director	Chairman	5/5
Shri. Shardul J. Thacker	Independent Director	Member	5/5
Shri. Yogen Lathia	Independent Director	Member	4/5
Shri. Bharat M. Shah	Managing Director	Member	5/5
Shri. Hiren M. Shah	Executive Chairman	Member	1/1

\*Shri Hiren M. Shah resigned as a Member of Audit Committee w.e.f. 30<sup>th</sup> May, 2018.

The Chief Financial Officer, Chief Executive Officer and the representative of Statutory Auditor, Internal Auditor were also invited to attend the Audit Committee meetings. Shri Deepak R. Shah, Chairman of the Audit Committee was present at the 102<sup>nd</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 to attend and reply to the shareholders queries.

The Company generally considers and reviews all items listed in the applicable acts and regulations. The Committee mandatorily reviews information as per the requirement of applicable acts and regulations and such other matters as considered appropriate by it or referred to it by Board.

## **ii. Nomination and Remuneration Committee:**

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee in conformity with and keeping a good balance with the requirements under provisions of Section 178 of the Companies Act, 2013 and is in line with the provisions of the relevant requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations) Regulations, 2015 to determine and review the remuneration package of Managing/Whole-time/Executive/Independent Directors, Key Managerial Personnel of the Company, evaluating performance of directors/Key Managerial Personnel and to deal with other matters related to appointment and removal of managerial/ directors/ senior personnel.

### **Brief description of Terms of Reference:**

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

Further, the Nomination and Remuneration committee ensures that it has reviewed each area that is required to review under its terms of reference and under applicable acts/ regulation or by way of good practice.

Nomination and Remuneration Committee Meeting of the Company was held on 30<sup>th</sup> May, 2018 and 13<sup>th</sup> February, 2019 during the financial year ended 31<sup>st</sup> March, 2019. Presently, the Company does not have any Stock Option Scheme.

The Composition of Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Nomination & Remuneration	Category of Directorship	Status	No. of Meetings Attended
Shri. Yogen S. Lathia	Independent Director	Chairman	2/2
Shri. Shardul J. Thacker	Independent Director	Member	2/2
Shri. Deepak R. Shah	Independent Director	Member	2/2

### Remuneration Policy

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

The performance evaluation criteria for Independent Directors and criteria of making payments to Non-Executive Directors forms part of Nomination cum Remuneration Policy which has been uploaded on the Company's website at the following link- <http://site.rubymills.com/investors/policies/nomination-cum-remuneration-policy>.

### Directors Remuneration

**Details of remuneration paid to Managing Directors and Whole-time Directors for the year ended 31<sup>st</sup> March, 2019 are as follows:-**

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

(Amount In ₹)

Name of Director	Shri H. M. Shah	Shri B. M. Shah	Shri V. M. Shah	**Shri P. H. Shah
Designation	Executive Chairman	Managing Director	Managing Director	Whole time Director & CEO
Salary (₹)	1,15,14,000	1,15,14,000	1,15,14,000	62,22,000
*Value of Perquisite (₹)	94,720	94,720	94,720	2,36,400
Contribution to PF (₹)	13,81,680	13,81,680	13,81,680	4,39,200
details of fixed component and performance linked incentives, along with the performance criteria;	-	-	-	-
service contracts, notice period, severance fees;	-	-	-	-
stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	-	-	-	-
<b>Total</b>	<b>1,29,90,400</b>	<b>1,29,90,400</b>	<b>1,29,90,400</b>	<b>68,97,600</b>

\* Value of perquisites include Telephone, vehicle expense etc.

\*\*Remuneration of Shri Purav H. Shah was approved by members through Postal Ballot, results of which were declared on 30<sup>th</sup> March, 2019

### Sitting Fees & Commission paid to Non-executive Directors

The Non-Executive Directors are paid sitting fees at the rate of ₹ 20,000/- for attending each meeting of the Board and Audit Committees and ₹ 7,500/- for attending each meeting of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship/ Shareholders/ Investor Grievance Committee respectively.

In respect of the financial year 2018-19 the sitting fees paid/payable to the Non-Executive Directors are as detailed below.

(Amount In ₹ )	
Name	Total Sitting fees paid
Smt Aruna M. Shah	1,00,000/-
Shri Shardul J. Thacker	2,50,000/-
Shri Deepak R. Shah	2,42,500/-
Shri Yogen S. Lathia	2,02,500/-
Shri Mehernosh Rusi Currawalla	1,27,500/-
Shri Pradip Narottamdas Kapasi	1,07,500/-

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

### iii. Stakeholders Relationship Committee:

#### Brief Description of Terms of Reference:

The brief terms of reference of the Committee includes resolving grievances of all the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend. Stakeholders Relationship Committee has the mandate to review and redress shareholder grievances.

As all the stakeholders grievances were redressed within the stipulated time, there was no meeting of Stakeholder Relationship committee held in the year 2018-19.

The Composition of Stakeholders Relationship Committee of the Board comprises of 4 (four) members and the details are given below:-

Name of the Stakeholders Relationship Committee Member	Category of Directorship	Status
Shri. Deepak R. Shah	Independent Director	Chairman
Shri. Hiren M. Shah	Executive Chairman	Member
Shri. Bharat M. Shah	Managing Director	Member
Shri. Viraj M. Shah	Managing Director	Member

#### Name & Designation of Compliance Officer:

The Board on recommendation of Nomination and Remuneration Committee appointed Ms. Naina R. Kanagat as Compliance Officer with effect from 2<sup>nd</sup> May, 2018 and Company Secretary with effect from 30<sup>th</sup> May, 2018 pursuant to resignation of Mrs. Kanika Kabra w.e.f. 3<sup>rd</sup> April, 2018.

A statement of various complaints received and redressed by the Company during the financial year ended on 31<sup>st</sup> March, 2019 is given below:

<b>Name of Complaint</b>	<b>Number of Investors' Complaint pending at the beginning of the year</b>	<b>Number of Investors' Complaint received during the year</b>	<b>Number of Investors' Complaints disposed of during the year</b>	<b>Number of Investors' Complaints remaining unresolved at the end of the year</b>
Non Receipt of Annual Report	-	-	-	
Non Receipt of Dividend Warrants	-	1	1	-
Non Receipt of Bonus Shares	-	-	-	-
Request for Duplicate Share Certificates	-	-	-	-
Non Receipt of Share Transferred	-	-	-	-
Others	-	-	-	-
Letters from Stock Exchanges/SEBI	-	1	1	-
Ministry of Corporate Affairs	-	-	-	-
<b>Total</b>	<b>NIL</b>	<b>1</b>	<b>1</b>	<b>NIL</b>

#### **Compliance Certificate**

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed to this report.

#### **iv. Corporate Social Responsibility Committee**

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee in line with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

##### **Brief description of Terms of Reference:**

To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 to recommend the amount of expenditure to be incurred on the activities; and monitor the Corporate Social Responsibility Policy of the Company from time to time.

Corporate Social Responsibility Committee Meeting of the Company was held on 30<sup>th</sup> May, 2018 during the financial year 2018-19.

The Composition of Corporate Social Responsibility Committee of the Board comprises of 3 (three) members and the details of meetings attended by its members are given below:

<b>Name of the Corporate Social Responsibility Committee Member</b>	<b>Category of Directorship</b>	<b>Status</b>	<b>No. of meetings attended</b>
Shri Shardul J. Thacker	Independent Director	Member	1/1
Smt. Aruna M. Shah	Non-executive Director	Member	0/1
Shri Hiren M. Shah	Executive Chairman	Chairman	1/1

#### v. Risk Management Committee

The Risk Management Committee is responsible for formulating a Risk Management Policy which shall indicate the procedure and measures to be taken to identify and minimize the risks impacting the Company's business; to recommend the Board members about risk assessment and minimization procedure; and to monitor the implementation of recommendations made by committee to the Board.

As the Risk Management Committee is not applicable to the company and as at present there is no identifiable risk which in the opinion of the Board may threaten the existence of the company, there was no meeting held for Risk Management Committee in the year 2018-19.

The Risk Management Committee of the Board comprises of 3 (Three) executive directors of the Company:-

Name of the Risk Management Committee Member	Category of Directorship	Status
Shri. Hiren M. Shah	Executive Chairman	Chairman
Shri. Viraj M. Shah	Managing Director	Member
Shri. Purav H. Shah	Whole time Director & Chief Executive Officer	Member

#### 4. Independent Directors Meeting:

In a separate meeting of Independent Directors held on 26<sup>th</sup> March, 2019, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was reviewed and evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

#### 5. General Body Meetings:

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

AGM	DAY	DATE	TIME	VENUE	Details of the Special Resolutions
102 <sup>nd</sup>	Friday	28/09/2018	4:30 p.m	Ruby House J.K. Sawant Marg, Dadar (W), Mumbai-400028	<ol style="list-style-type: none"> <li>Continuation of term of Smt. Aruna Manharlal Shah as Non-Executive Director due to attainment of age of 75 years.</li> <li>Ratification of Cost Auditor Remuneration.</li> <li>Appointment of Shri Mehernosh Rusi Currawalla as an Independent Director of the Company</li> <li>Appointment of Shri Pradip Narottamdas Kapasi as an Independent Director of the Company.</li> <li>Appointment of Shri Purav Hiren Shah, Chief Executive Officer as an Executive Director of the Company and to fix his remuneration.</li> <li>Revision in remuneration payable to Shri Hiren M. Shah, Executive Chairman of the Company, with effect from 1<sup>st</sup> June, 2018.</li> <li>Revision in remuneration payable to Shri Bharat M. Shah, Managing Director of the Company, with effect from 1<sup>st</sup> June, 2018.</li> <li>Revision in remuneration payable to Shri Viraj M. Shah, Managing Director of the Company, with effect from 1<sup>st</sup> June, 2018</li> </ol>

					<p>9. Re-appointment of Shri Hiren M. Shah as the Executive Chairman of the Company w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 and to fix his remuneration w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</p> <p>10. Re-appointment of Shri Bharat M. Shah as Managing Director of the Company w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 and to fix his remuneration w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024</p> <p>11. Re-appointment of Shri Viraj M. Shah as Managing Director of the Company w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 and to fix his remuneration w.e.f 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</p>
101 <sup>st</sup>	Wednesday	27/09/2017	4:30 p.m	Ruby House, J.K. Sawant Marg, Dadar (W), Mumbai-400028	<p>1. Ratification of Cost Auditor Remuneration.</p> <p>2. Re-designation of Shri Hiren M. Shah as Executive Chairman of the Company and approval for remuneration for two years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2019.</p> <p>3. Re-designation of Shri Bharat M. Shah as Managing Director of the Company and approval for remuneration for two years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2019.</p> <p>4. Re-designation of Shri Viraj M. Shah as Managing Director of the Company and approval for remuneration for two years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2019.</p> <p>5. Alteration of Articles of Association of the Company.</p>
100 <sup>th</sup>	Monday	19/09/2016	4:30 p.m	Ruby House, J.K. Sawant Marg, Dadar (West), Mumbai-400028	No Special Resolution

a. Whether special resolutions were put through postal ballot last year? No

b. Whether special resolutions were put through postal ballot this year? Yes

**i. Particulars of Resolution passed through Postal Ballot:**

Sr. No.	Date of passing Resolution	Particular
1.	30 <sup>th</sup> March, 2019	1. Approval of Remuneration payable to Shri Purav H. Shah, Chief Executive Officer & Whole time Director of the Company, with effect from April 1, 2018 to March 31, 2021

**ii. Details of voting pattern:**

Sr. No.	Particulars	Votes Polled in favour	Votes polled in against
1.	Promoter and Promoter Group	1,25,23,420	0
2.	Public Institutions	0	0
3.	Public Non Institutions	6,53,820	3,077
	<b>Total</b>	<b>1,31,77,240</b>	<b>3,077</b>

**iii. Details of person who conducted the postal ballot exercise:**

Shri Makarand M. Joshi, Patner, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, Mumbai was appointed as Scrutinizer for overseeing the Postal Ballot process for the above mentioned Postal Ballot resolution. The procedure prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 has been followed for the Postal Ballot conducted during the year for the resolution mentioned above.

**iv. Procedure for Postal Ballot:**

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of “Bigshare Services Private Limited”, for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut off date. The postal ballot notice is sent to members in electronic form to the email address registered with their depository participants (in case of dematerialised shareholding)/the Company’s registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits their report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman or in his absence by any of Directors duly authorized by the Company. The results are also displayed on the website of the Company, [www.rubymills.com](http://www.rubymills.com), besides being communicated to the Stock Exchanges, Registrar and Share Transfer Agent. The last date specified by the company for receipt of duly completed postal ballot forms or for e-voting is deemed to be the date of passing of the resolution. The requisite electronic voting facility is also made available for annual general meetings as explained in respective notices.

**v. Special Resolution proposed to be passed by way of Postal Ballot at AGM**

None of the business proposed to be transacted at the ensuing AGM, require the passing of a special resolution by way of postal ballot.

**6. No Extra Ordinary General Meeting was held.**

## **7. Familiarisation Programme**

The Policy on the Company's Familiarisation Programme for Independent Directors can be accessed at <http://site.rubymills.com/investors/familiarisation-programme-for-independent-directors>

## **8. Disclosures**

### **a. Disclosure regarding materially significant related party transactions :**

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

All the transactions with related parties are periodically placed before the Audit Committee. Transactions with related parties, as per the requirements of Companies Act, 2013 and Ind AS 24, are disclosed in Note No. 42 to the Accounts and in the Directors Report forming part of the Annual Report and they are not in conflict with the interest of the Company at large. The board has approved a policy on related party transactions which has been uploaded on the Company's website at the following link <http://site.rubymills.com/investors/policies/related-party-transactions>

### **b. 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.

### **c. Whistle blower and Vigil Mechanism policy:**

The Company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the Audit Committee. It is affirmed that no person has been denied access to the Audit Committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice. The said policy has been also put up on the website of the Company at the following link - <http://site.rubymills.com/investors/policies/vigil-mechanismwhistle-blower-policy>

### **d. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance in respect of non-mandatory requirement as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:**

#### **i. Maintenance of the Chairman's Office:**

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

#### **ii. Shareholders' Rights:**

Un Audited quarterly financial results are sent to the stock exchanges and published in the newspapers as per the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

#### **iii. Modified opinion(s) in audit report:**

There are no qualifications in the Auditor's Report on the financial statements to the Shareholders of the Company.



#### iv. Reporting of internal auditor:

The Internal Auditor directly reports to the Audit Committee.

#### e. Hedging of Risk:

Company is not having material exposure to foreign exchange and there is a natural hedging party available in terms of exports made by the Company.

In respect of price risk of raw materials used for manufacturing purpose the same is taken care of as per industry requirement.

#### 9. Disclosures of the Compliances:

The Company has disclosed about the Compliance of regulations in respect of Corporate Governance under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on its website i.e. [www.rubymills.com](http://www.rubymills.com)

#### 10. CEO/CFO Certification:

Chief Executive Officer and Chief Financial Officer have issued necessary certificate in accordance with Regulation 17(8) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the financial year ended 31<sup>st</sup> March, 2019 and the same is annexed and forms part of the Annual Report.

#### 11. Declaration regarding Code of Conduct:

Board has laid down a Code of Conduct and Ethics for all Board Members and Senior Management Personnel of the Company. The code has been circulated to all the Board Members and senior management and the same is available on the Company's website at the following link - <http://www.rubymills.com/investors/code-of-conduct>. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2018-19.

#### 12. Shareholding of the Non- executive Directors in the Company:-

Sr. No.	Name of Non-Executive Director	No. of Shares Held
a)	Smt. Aruna M. Shah*	13,27,720
b)	Shri . Shardul J. Thacker	Nil
c)	Shri. Deepak R. Shah	Nil
d)	Shri. Yogen S. Lathia	2,020
e)	Shri. Mehernosh Rusi Currawalla	5,000
f)	Shri. Pradip Narottamdas Kapasi	Nil

\*Subsequent to demise of Late Shri Manharlal C. Shah, Chairman Emeritus of the Company, shares of Shri Manharlal C. Shah jointly held with Smt. Aruna M. Shah were transmitted to Smt. Aruna M. Shah. The same was further duly intimated to the Stock Exchanges.

#### 13. Means of Communication Quarterly results:

The quarterly, half yearly and annual results of the Company are published in newspapers viz The Financial Express and in Navshakti for the quarter ended, 30.06.2018, 30.09.2018, 31.12.2018 and 31.03.2019 respectively for the F.Y 2018-19.

#### 14. Website:

In compliance with Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining a website i.e <http://www.rubymills.com/investors>, containing financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The company updates the contents of the website on a regular basis.

#### 15. General Shareholder Information

##### a. Annual General Meeting to be held :

Day : Friday  
Date : 20th September, 2019  
Time : 4.30 p.m.  
Venue : Ruby House, J.K. Sawant Marg, Dadar (W), Mumbai - 400 028

##### b. Calendar of Financial Year: 2019-20

The Company follows April- March as the financial year.

First Quarterly Unaudited Results	Within 45 days of the end of the quarter
Second Quarterly Unaudited Results	Within 45 days of the end of the quarter
Third Quarterly Unaudited Results	Within 45 days of the end of the quarter
Audited Yearly Results for the Year Ended 31 <sup>st</sup> March, 2020	Before 30 <sup>th</sup> May 2020

##### c. Dividend:

The Board in its meeting held on 30<sup>th</sup> May, 2019 has recommended final dividend of ₹ 1.75 per Equity share for the Financial Year ended 31<sup>st</sup> March, 2019. The proposal is subject to the approval of Shareholders at General Meeting to be held on Friday, 20<sup>th</sup> September, 2019.

##### d. Listing on Stock Exchanges at:

The Equity Shares of the Company are listed at

- i. BSE Limited - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- ii. National Stock Exchange of India Ltd - Exchange Plaza, C-1, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

**Note:** Listing fees have been paid to the above Stock Exchanges for the year 2019-20.

##### e. Stock / Company / Security / Common Code : Equity Shares.

- i. Bombay Stock Exchange, Mumbai : 503169
- ii. National Stock Exchange of India Limited : RUBYMILLS
- iii. ISIN : INE301D01026

##### f. Market price Data :

The monthly high and low quotations and volume of shares traded at the National Stock Exchange of India Ltd and BSE Limited during the financial year 2018-19 are given below:

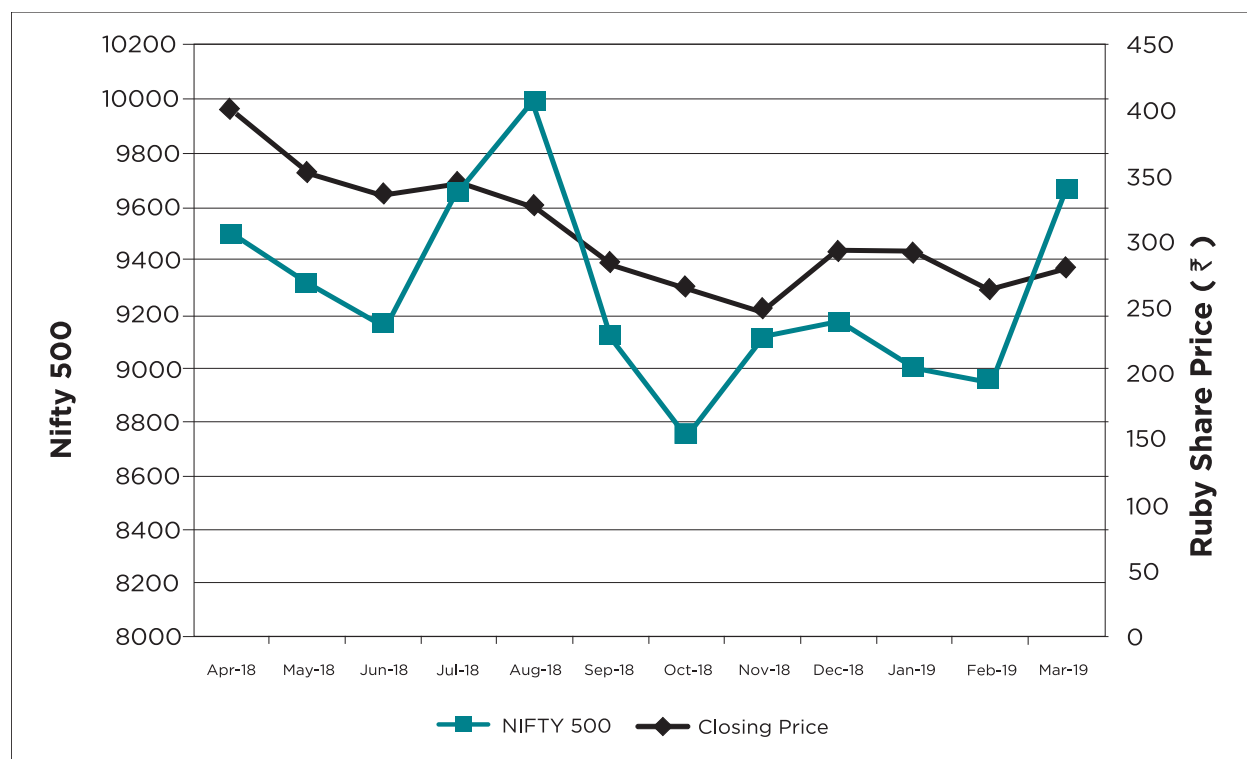
**Stock Price**  
**For the period: 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019**  
**Script Code: RUBYMILLS (NSE) 503169 (BSE)**

Month	NSE			BSE		
	High Price ₹	Low Price ₹	Volume Traded (No. of Shares)	High Price ₹	Low Price ₹	Volume Traded (No. of Shares)
Apr-18	447.00	290.00	28,15,564	447.25	292.70	4,49,746
May-18	421.35	347.50	4,74,772	422.00	344.30	98,785
Jun-18	409.50	316.10	5,71,566	408.00	318.00	77,585
Jul-18	359.75	292.05	2,34,394	358.55	294.45	27,064
Aug-18	353.40	321.00	1,06,303	355.00	308.55	24,830
Sep-18	340.00	271.55	88,950	343.45	285.05	17,893
Oct-18	318.00	230.00	2,41,687	318.00	233.25	54,454
Nov-18	294.00	242.00	58,847	303.00	247.00	14,610
Dec-18	306.50	230.00	5,14,994	309.00	238.00	60,517
Jan-19	331.70	255.80	16,63,224	334.00	255.25	2,22,146
Feb-19	299.00	251.65	1,97,435	300.80	250.50	37,036
Mar-19	307.00	264.95	2,35,846	307.00	265.10	38,528

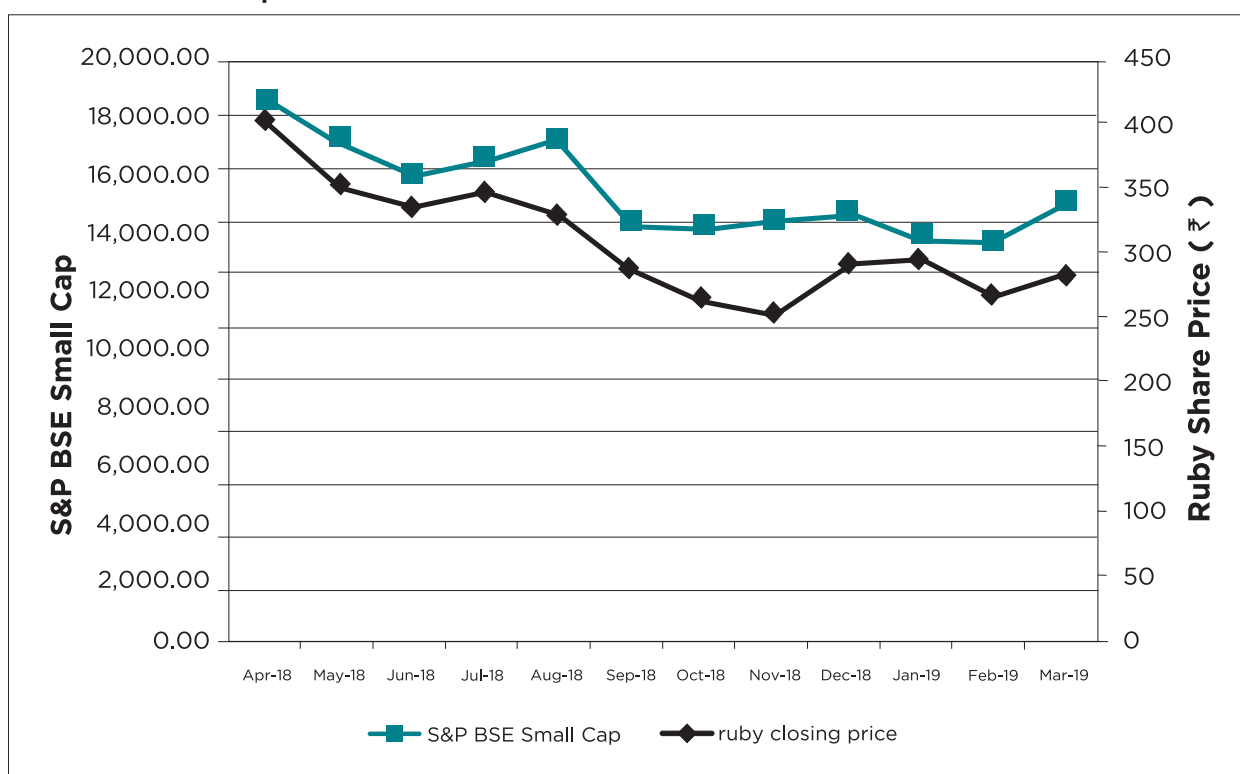
#### g. Liquidity

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

#### Performance in Comparison to broad-based indices such as NSE Nifty



#### Performance in Comparison to broad-based indices such as BSE Sense



#### h. Registrar to issue and Share Transfer Agents :

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

#### i. Share Transfer System:

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

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

The Company obtains from a Company Secretary in Practice, half yearly certificates of Compliance with the Share transfer facilities as required under relevant regulations issued by Securities of Exchange Board of India and files a copy of certificate with the Stock Exchanges.

#### j. Secretarial Audit for Reconciliation of Share Capital:

A qualified Practicing Company Secretary carried out the Secretarial Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued/paid-up listed equity capital of the Company.

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

**k. Outstanding GDRs / ADRs / Warrants or any Convertible instruments and their impact on equity**

The Company does not have any outstanding GDRs / ADRs / warrants /convertible instruments.

**l. Distribution of Share holding**

**i. The shareholding distribution of equity shares as of 31<sup>st</sup> March, 2019 is given below:**

Sr. No.	Range	Total Holders	% of Total Holders	Share Amount	Percentage of shareholding
1	1 – 5000	6,571	92.98	46,31,540	5.54
2	5001 – 10000	218	3.08	16,70,155	2.00
3	10001 – 20000	132	1.87	19,18,615	2.30
4	20001 – 30000	46	0.65	11,11,525	1.33
5	30001 – 40000	24	0.34	8,21,785	0.98
6	40001 – 50000	12	0.17	5,39,530	0.65
7	50001 – 100000	18	0.25	11,96,835	1.43
8	100001 and above	46	0.65	7,17,10,015	85.77
	<b>TOTAL</b>	<b>7,067</b>	<b>100</b>	<b>8,36,00,000</b>	<b>100.00</b>

**ii. Shareholding pattern as on 31<sup>st</sup> March 2019:**

Sr. No.	Category	No. of Shares held	% of Share holding
1	Promoters/Directors/Directors Relative	1,25,23,420	74.90
2	Resident Individuals	31,68,769	18.95
3	Private Corporate Bodies	7,42,113	4.45
4	NRIs	1,46,218	0.87
5	Clearing Members	95,392	0.57
6	Financial Institutions and Banks	44,088	0.26
	<b>TOTAL</b>	<b>1,67,20,000</b>	<b>100.00</b>

**m. Dematerialisation of equity Shares**

As on 31<sup>st</sup> March, 2019, 99.66% of the Company's total equity shares representing 1,66,62,456 shares are held in dematerialised form and the balance 0.34 % representing 57,544 shares are in physical form.

**n. Plant Locations (Manufacturing Units)**

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

**o. Address for Correspondence**

Any query on Annual Report or Investors Grievance Redressal:  
By email: [info@rubymills.com](mailto:info@rubymills.com)  
By telephone: 022-24387800

**p. Investor Correspondence**

For shares held in physical form	For shares held in Demat form
Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai - 400059 Tel : 022- 62638204 Email : <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>	Investors' concerned Depository Participant(s) and/or Bigshare Services Private Limited

**q. Unclaimed Dividends**

Section 124 of Companies Act 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Date of declaration of dividend	Dividend (%)	Dividend Per Share in (₹)*	Amount (₹)#
2011-12	24 <sup>th</sup> September, 2012	50	5.00	44,680.00
2012-13	23 <sup>rd</sup> September, 2013	40	2.00	43,736.00
2013-14	24 <sup>th</sup> September, 2014	40	2.00	14,124.00
2014-15	30 <sup>th</sup> September, 2015	50	2.50	1,30,382.50
2015-16	5 <sup>th</sup> March, 2016	25	1.25	1,76,555.00
2016-17	27 <sup>th</sup> September, 2017	35	1.75	79,938.25
2017-18	28 <sup>th</sup> September 2018	35	1.75	76,132.00

\* Share of paid - up value of ₹ 5.00 each from 2012-13

# Amount unclaimed as on 31<sup>st</sup> March, 2019

Members who have so far not encashed their dividend warrants/DD are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF.

Members are also requested to note that in accordance with Section 124(6) of the Act read with the IEPF Rules, as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. Hence members who have so far not encashed dividend warrant for the aforesaid years are requested to approach the Company's Registrar and Transfer Agent immediately.

Members are requested to note that no claim shall lie against the Company in respect of unclaimed dividend amount and/or shares transferred to IEPF Authority pursuant to the said Rules. For the information of shareholders, the Company regularly uploads the details of unpaid and unclaimed dividend on the website of the Company, as mandated by Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amount lying with Companies) Rules, 2012. Shareholders may refer the same for information pertaining to their unclaimed dividends.

**16. Certification from Company Secretary in Practice**

Certificate from a Company Secretary in Practice M/s. Makarand M. Joshi & Co. Mumbai (FCS No. 5533; CP No. 3662) has been received confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority,

## **17. Remuneration to Statutory Auditors**

M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W-100036) the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the total fees paid by the Company to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part is ₹ 10.75 lakh.

## **18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under for prevention and redressal of complaints of sexual harassment at workplace. The Company also has an Internal Committee comprising of two male and two female members. During the year under review:-

- a. number of complaints filed during the financial year : NIL
- b. number of complaints disposed of during the financial year : NIL
- c. number of complaints pending as on end of the financial year: NIL

## **19. Subsidiary Company**

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

**Annexure A****CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER COMPLIANCE CERTIFICATE**

Declaration by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, hereby certify that:-

- A. We have reviewed financial statements and the cash flow statement for the financial year ended on 31<sup>st</sup> March, 2019 and that to the best of their knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31<sup>st</sup> March, 2019 which are fraudulent, illegal or violating the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- 1) significant changes in internal control over financial reporting during the financial year ended 31<sup>st</sup> March, 2019;
  - 2) significant changes in accounting policies during the financial year ended 31<sup>st</sup> March, 2019 and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is given by the undersigned with best of our knowledge and belief, that on its faith and strength, full reliance is placed by the Audit Committee / Board of Directors of the Company.

**For The Ruby Mills Limited**

**Place : Mumbai**  
**Date : 30<sup>th</sup> May, 2019**

**Purav H. Shah**  
**Chief Executive Officer &**  
**Whole Time Director**  
**DIN : 00071248**

**S. Jayaraman**  
**Chief Financial Officer**  
**PAN-AAOPS8092C**



## INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of The Ruby Mills Limited

1. We have examined the compliance of conditions of Corporate Governance by The Ruby Mills Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to(i) of Regulation 46(2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI Listing Regulations").

#### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

#### Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

7. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable during the year ended 31<sup>st</sup> March, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restrictions on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

#### For C N K Associates & LLP

Chartered Accountants

Firm Registration No.101961W/W-100036

#### Himanshu V. Kishnadwala

Partner

Membership No.37391

UDIN:19037391AAAABN7859

Place: Mumbai

Date: 6<sup>th</sup> August, 2019.

## INDEPENDENT AUDITOR'S REPORT

To the members of  
THE RUBY MILLS LIMITED

### Report on the audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of The Ruby Mills Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, the statement of Profit and Loss (including Other comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company (financial position) as at 31<sup>st</sup> March, 2019, the profit and total Comprehensive Income (financial performance), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<b>IT Systems and controls</b>	
	<p>The Company uses different IT systems for different functions. These systems are not very user-friendly, are not fully integrated and require manual intervention to determine the final figures for financial reporting.</p> <p>We identified IT system as a KAM since:</p> <ul style="list-style-type: none"> <li>- In audit plan we put significant reliance on the IT system which impacts account balances reflected in the Financial statements (FS) of the Company.</li> <li>- Management's remedial plan in form of manual intervention is prone to risk of misstatement on account of complexity of the business functions.</li> </ul>	<p>Audit procedures followed by us include:</p> <ul style="list-style-type: none"> <li>- Assessment of the design and implementation of the Company's control over the IT system especially those related to financial reporting;</li> <li>- Testing / walk through of manual control implemented by the management to overcome the weakness in the IT system;</li> <li>- Assessment of management's remedial plan in form of manual control to address our concern;</li> <li>- Extending scope of our substantive audit procedures, wherever manual controls were used to integrate the various IT systems which affect financial reporting.</li> </ul>

<b>2</b>	<b>Development agreement</b>	
	<p>In an earlier year, the Company entered into Development Agreement ("the DA") with a Developer whereby the Company granted the development rights to develop approximate 36,000 square meters of constructed area ("the Development Rights") on 12,204 square meters out of its Freehold Land At Dadar.</p> <p>We identified DA as a KAM since:</p> <ul style="list-style-type: none"> <li>- As per the DA, cost of construction incurred by the Company for the development of property covered under the DA agreement is reimbursed by the Developer. The Company has incurred huge amount of expenses / taken loan for the Construction of the property which has resulted in the significant amount receivable from the Developer;</li> <li>- The amount receivable from the developer represents a major portion of the total assets of the Company;</li> <li>- Recoverability of the said amount depends on obtaining of the various approval from competent authorities, timeline of which are not within the control of the Company / Developer.</li> </ul> <p>Refer Note No. 10 and 18 to the accompanying financial statements.</p>	<p>Audit procedures followed by us include:</p> <ul style="list-style-type: none"> <li>- Understanding of the arrangement entered for the Development of the property;</li> <li>- Understanding of various terms of the DA and amendments thereto;</li> <li>- Co-relation of terms of the agreement with the entries made in the books of accounts by the Company for accounting of Income and amounts receivable from the Developer;</li> <li>- Review of procedures followed / steps taken by the Company / Developer for obtaining approval from the authorities;</li> <li>- Review of legal opinion taken by the Company and decision taken on that basis for any dispute arises on account of DA;</li> <li>- Obtaining of balance confirmation from the Developer at each period end / year end;</li> <li>- Assessment of recoverability of outstanding amount from developer on the basis of: <ul style="list-style-type: none"> <li>o valuation report obtained by the Company for the vacant property covered by the DA; and</li> <li>o Sharing arrangement entered between the Company and the Developer in the DA for sharing of gross revenue arises from the property covered under DA.</li> </ul> </li> </ul>
<b>3</b>	<b>Evaluation of uncertain tax and other litigations</b>	
	<p>The Company has various pending litigations which include litigation on account of Income Tax, Indirect Taxes, development activities, FEMA etc. the outcome of which is uncertain and requires significant judgement.</p> <p>Refer Note No. 31 and 50(a) to the accompanying financial statements.</p>	<p>Audit procedures followed by us include:</p> <ul style="list-style-type: none"> <li>- Obtained details of various pending litigations and outstanding demands for the year ended March 31, 2019 from management;</li> <li>- Read and analysed orders, key correspondence, external legal opinions/ consultation by management for key legal disputes;</li> <li>- Discussed with appropriate senior management and evaluate management's underlying key assumptions in estimating the likely demand/ possible outcome of the various litigations.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance Report, but does not include the financial statements and our auditor's report thereon. The Management Discussion and Analysis, Director's Report including Annexures to Director's Report, and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls system with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 50(a) to the financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

**Himanshu Kishnadwala**

Partner

Membership No.: 37391

Place: Mumbai:

Date: 30<sup>th</sup> May, 2019

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of The Ruby Mills Limited ("the Company") on the financial statements for the year ended 31<sup>st</sup> March, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- (b) The fixed assets have been physically verified by the management according to a phased programme designed to cover all the fixed assets over a period of three years, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Pursuant to the programme, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title deeds of immovable properties which are freehold, are held in the name of the Company as at the balance sheet date except the following where the documents are lodged with the relevant bankers IDBI who have communicated that the same are not traceable at their end.

Particulars	Number of Cases	Gross Block (₹ In Lakhs)	Net Block (₹ In Lakhs)
Freehold Land	1	31.80	31.80

- (ii) Inventories other than stocks lying with third parties, have been physically verified by the Management on half yearly basis. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, with respect to grant of loans, making investments, providing guarantees and securities, as applicable;
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act and therefore, the provision of the clause 3(v) of the Order are not applicable to the Company;
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under section 148(1) of the Act in respect of the Company's product and are of the opinion that prima-facie, the prescribed account and records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determining whether they are accurate or complete;
- (vii) (a) According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise, Value added tax, Cess and any other material statutory dues applicable to it with appropriate authorities;



There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise, Value Added tax, Cess and any other material statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable;

- (b) According to the information and explanation given to us, the dues outstanding with respect to Income-tax, Sales-tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise, Value Added tax have not been deposited on account of any dispute, are as under;

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount is relates</b>	<b>Amount (In ₹ Lakhs)</b>
The Income Tax Act, 1961	Income Tax and Interest	Commissioner of Income Tax (Appeal)	Assessment Year 2007-08, 2008-09, 2014-15, 2015-16 and 2016-17	342.64
Finance Act, 1994 (Service Tax)	Service Tax	Principal Commissioner CGST & Excise	Financial Year 2011-12	260.07
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Excise	Financial Year 1 <sup>st</sup> April, 1993 to 31 <sup>st</sup> October, 1993, 2001-01 and 2001-02	9.76
Customs Act, 1962	Custom Duty	Commissioner of Appeals (Customs)	Financial Year 2012-13	16.21

- (viii) According to the information and explanations given to us, as also on the basis of the books of accounts and records examined by us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions and banks. The Company does not have any loans and borrowings from government and has not issued any debentures;
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order in respect thereof is not applicable. Money raised by way of term loans during the year have been applied for the purpose for which those were raised;
- (x) 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, no instances of fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year;
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act;
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standard;
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable;



- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered during the year into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable;
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For C N K & Associates LLP**

Chartered Accountants

ICAI FRN 101961W/W-100036

**Himanshu Kishnadwala**

Partner

Membership No.: 37391

Place : Mumbai

Date: 30<sup>th</sup> May, 2019

## **ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of The Ruby Mills Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2019]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of The Ruby Mills Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **For C N K & Associates LLP**

Chartered Accountants

ICAI FRN. 101961W/W-100036

#### **Himanshu Kishnadwala**

Partner

Membership No.: 37391

Place: Mumba

Date : 30<sup>th</sup> May, 2019

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	6,027.97	7,165.05
(b) Capital work-in-progress	5	3,455.87	3,370.11
(c) Investment property	6	3,774.56	4,027.68
(d) Biological assets other than bearer plants	7	8.70	8.70
(e) Financial assets			
(i) Investments	8	0.28	0.28
(ii) Loans	9	8,757.94	8,504.39
(iii) Other financial assets	10	56,326.93	52,946.29
(f) Non current Tax Asset (Net )	11	554.46	517.26
(g) Deferred Tax Assets (Net )	12	205.81	190.91
(h) Other non-current assets	13	489.57	479.03
<b>Total Non current assets</b>		<b>79,602.09</b>	<b>77,209.70</b>
<b>(2) Current assets</b>			
(a) Inventories	14	3,714.63	4,062.75
(b) Financial Assets			
(i) Trade receivables	15	1,666.58	1,823.15
(ii) Cash and cash equivalents	16	80.17	805.80
(iii) Bank balances other than (ii) above	17	3,138.75	2,878.13
(iv) Other Financial Assets	18	10,495.00	10,715.37
(c) Other current assets	19	395.76	462.65
<b>Total Current Assets</b>		<b>19,490.89</b>	<b>20,747.85</b>
<b>(3) Assets held for sale</b>	20	87.69	-
<b>Total Assets</b>		<b>99,180.67</b>	<b>97,957.55</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	21	836.00	836.00
(b) Other Equity	22	44,417.36	43,004.29
<b>Total Equity</b>		<b>45,253.36</b>	<b>43,840.29</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	33,512.16	27,520.76
(ii) Other Financial Liabilities	24	2,253.25	2,319.12
(b) Provisions	25	27.85	20.63
(c) Other non-current liabilities	26	9.64	31.99
<b>Total Non Current Liabilities</b>		<b>35,802.90</b>	<b>29,892.50</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	3,736.08	6,213.43
(ii) Trade payables	28		
Total outstanding dues of micro and small enterprises.		109.86	61.13
Total outstanding dues of creditors other than micro and small enterprises.		2,063.52	2,373.71
(iii) Other financial liabilities	29	1,802.32	5,066.48
(b) Provisions	30	44.37	24.44
(c) Other Current Liabilities	31	10,368.25	10,485.57
<b>Total Current Liabilities</b>		<b>18,124.40</b>	<b>24,224.76</b>
<b>Total Liabilities</b>		<b>53,927.30</b>	<b>54,117.26</b>
<b>Total Equity and Liabilities</b>		<b>99,180.67</b>	<b>97,957.55</b>

Notes forming part of Financial Statements

1 to 53

As per our attached report of even date

**C N K & Associates LLP**

Chartered Accountants

ICAI Firm No: 101961W/W-100036

**Himanshu Kishnadwala**

Partner

Membership No. 37391

Place : Mumbai

 Dated: 30<sup>th</sup> May, 2019

**For and on behalf of the Board of Director**
**Hiren M. Shah**

Executive Chairman

DIN : 00071077

**S Jayaraman**

Chief Financial Officer

**Naina R. Kanagat**

Company Secretary

**Bharat M Shah**

Managing Director

DIN : 00071248

**Purav H. Shah**

Chief Executive Officer &amp;

Whole time Director

DIN : 00123460

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2018
I Revenue from operations	32	19,275.63	19,937.22
II Other income	33	814.28	860.41
III <b>Total Income (I + II)</b>		<b><u>20,089.91</u></b>	<b><u>20,797.63</u></b>
<b>IV EXPENSES</b>			
Cost of materials consumed	34	4,924.54	4,559.27
Changes in inventories of finished goods and work-in-progress	35	226.74	(146.36)
Employee benefits expense	36	2,160.78	2,157.20
Finance costs	37	928.80	1,050.58
Depreciation and amortisation expense	38	1,363.36	1,547.43
Other expenses	39	7,960.56	7,930.39
<b>Total Expenses (IV)</b>		<b><u>17,564.78</u></b>	<b><u>17,098.51</u></b>
<b>V Profit before tax (III - IV)</b>		<b>2,525.13</b>	3,699.12
<b>VI Tax Expense</b>	40A		
(1) Current Tax		753.00	1,254.00
(2) Deferred Tax		(166.22)	(1,053.69)
(3) Adjustments for earlier years		157.99	(17.43)
<b>VII Profit for the Year</b>		<b><u>1,780.36</u></b>	<b><u>3,516.24</u></b>
<b>VIII Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	40B	(21.32)	48.98
(ii) Income tax related to items that will not be reclassified to profit or loss		6.21	(14.26)
<b>Total other comprehensive income (net of tax)</b>		<b><u>(15.11)</u></b>	<b><u>34.72</u></b>
<b>IX Total comprehensive income for the Period (VII + VIII)</b>		<b><u>1,765.25</u></b>	<b><u>3,550.96</u></b>
<b>X Earnings per equity share of ₹ 5 each</b>			
Basic and Diluted (₹)	44	<b>10.65</b>	21.03
Notes forming part of Financial Statements	1 to 53		

As per our attached report of even date

**C N K & Associates LLP**

 Chartered Accountants  
ICAI Firm No: 101961W/W-100036

**Himanshu Kishnadwala**

 Partner  
Membership No. 37391

Place : Mumbai

 Dated: 30<sup>th</sup> May, 2019

**For and on behalf of the Board of Director**
**Hiren M. Shah**

 Executive Chairman  
DIN : 00071077

**S Jayaraman**

Chief Financial Officer

**Naina R. Kanagat**

Company Secretary

**Bharat M Shah**

 Managing Director  
DIN : 00071248

**Purav H. Shah**

 Chief Executive Officer &  
Whole time Director  
DIN : 00123460

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

**Statement of Changes in Equity**
**A Equity share capital (note 21)**

Particulars	Amount
<b>Balance as at 31<sup>st</sup> March, 2017</b>	836.00
Changes in equity share capital during the year 2017-18	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	836.00
Changes in equity share capital during the year 2018-19	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	836.00

**B Other Equity (note 22)**

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>1,695.20</b>	<b>30,039.35</b>	<b>8,070.95</b>	<b>39,805.50</b>
Profit for the year			3,516.24	3,516.24
Other comprehensive Income "OCI" (net of tax)			34.72	34.72
<b>Total comprehensive income</b>	<b>1,695.20</b>	<b>30,039.35</b>	<b>11,621.91</b>	<b>43,356.46</b>
Dividends including tax on dividend			(352.17)	(352.17)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>1,695.20</b>	<b>30,039.35</b>	<b>11,269.74</b>	<b>43,004.29</b>
Profit for the year			1,780.36	1,780.36
Other comprehensive Income "OCI" (net of tax)			(15.11)	(15.11)
<b>Total comprehensive income</b>			<b>13,034.99</b>	<b>13,034.99</b>
Dividends including tax on dividend			(352.17)	(352.17)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1,695.20</b>	<b>30,039.35</b>	<b>12,682.82</b>	<b>44,417.37</b>

Notes forming part of Financial Statements - 1 to 53

As per our attached report of even date

**C N K & Associates LLP**

Chartered Accountants  
ICAI Firm No: 101961W/W-100036

**Himanshu Kishnadwala**

Partner  
Membership No. 37391

Place : Mumbai

Dated: 30<sup>th</sup> May, 2019

**For and on behalf of the Board of Director**
**Hiren M. Shah**

Executive Chairman  
DIN : 00071077

**S Jayaraman**

Chief Financial Officer

**Naina R. Kanagat**

Company Secretary

**Bharat M Shah**

Managing Director  
DIN : 00071248

**Purav H. Shah**

Chief Executive Officer &  
Whole time Director  
DIN : 00123460

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,2019

(All amounts in ₹ lakhs, unless otherwise stated)

Statement of Cash flow For the year ended	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	<b>2,525.13</b>	3,699.12
<b>Adjustments for :</b>		
Depreciation and amortisation	1,363.36	1,547.43
Finance Costs	928.80	1,050.58
Dividend income	-	(0.27)
Interest Income	(641.47)	(625.82)
Loss /(Profit) on sale of property, plant and equipment	(0.45)	(0.79)
Provision for Doubtful Debts (reversed)/ written off	(2.18)	4.99
Other Non Cash Adjustments	(47.26)	(198.50)
Provision for Significant credit risk	250.00	-
<b>Operating Profit Before Working Capital Changes</b>	<b>4,375.93</b>	5,476.74
<b>Adjustments for:</b>		
Inventories	348.12	(21.37)
Trade receivables, loans, other financial assets and other assets	(2,941.90)	(64.93)
Trade Payables, Other financial liabilities, provisions and other liabilities	(366.02)	389.87
<b>Cash generated from operations</b>	<b>1,416.13</b>	5,780.31
Taxes Paid (Net of refund)	(790.67)	(923.52)
<b>Net cash generated from operating activities</b>	<b>625.46</b>	4,856.79
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(110.39)	(159.45)
Acquisition of Investment property	-	(1.13)
Acquisition of Biological Assets	-	-
Proceeds on sale of Investment Property	1.65	-
Proceeds on sale of Property, plant and equipment (including adjustment for duty)	1.60	29.21
Proceeds on sale of current investments	-	-
Dividend received	-	0.27
Interest received	136.47	147.52
<b>Net cash from / (used) in Investing activities</b>	<b>29.33</b>	16.42
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of borrowings	(9,145.91)	(7,140.18)
Proceeds of borrowings	9,276.21	4,653.42
Bank balances in divided and restricted account	(0.01)	(0.55)
Fixed deposits with banks	(260.64)	(523.03)
Finance Costs paid	(897.90)	(762.14)
Dividend Paid including distribution tax	(352.17)	(352.17)
<b>Net cash from / (used) in Financing activities</b>	<b>(1,380.42)</b>	(4,124.65)

**Statement of Cash flow for the year ended 31<sup>st</sup> March,2019**

(All amounts in ₹ lakhs, unless otherwise stated)

Increase / (Decreased) in Cash and Cash Equivalents (A+B+C)	<b>(725.63)</b>	748.56
Cash and Cash Equivalents at the beginning of the Year	805.80	57.24
Cash and Cash Equivalents at the end of the Year	<b>80.17</b>	<b>805.80</b>
Components of Cash and Cash Equivalents :		
Cash on hand	4.41	7.66
Balances with Banks	75.76	798.14
	<b>80.17</b>	<b>805.80</b>

Notes forming part of Financial Statements - 1 to 53

**Notes**

- I. The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
- II. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
- III. "Other Non-Cash items" include amortization of Capital grant, write off of investments, fair valuation / amortisation of security deposits and miscellaneous adjustments not affecting Cash Flow.

As per our attached report of even date

**C N K & Associates LLP**

Chartered Accountants

ICAI Firm No: 101961W/W-100036

**Himanshu Kishnadwala**

Partner

Membership No. 37391

Place : Mumbai

 Dated: 30<sup>th</sup> May,2019

**For and on behalf of the Board of Director**
**Hiren M. Shah**

Executive Chairman

DIN : 00071077

**Bharat M Shah**

Managing Director

DIN : 00071248

**S Jayaraman**

Chief Financial Officer

**Purav H. Shah**

Chief Executive Officer &amp;

Whole time Director

DIN : 00123460

**Naina R. Kanagat**

Company Secretary



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 1. CORPORATE INFORMATION

The Ruby Mills limited ('RML' or 'the Company') is a public limited company domiciled in India incorporated on 9<sup>th</sup> January 1917. Registered office of the Company is located at Mumbai. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Company is an integrated textile mill. The Company has two plants. The spinning and weaving plant is located at Dhamni and the process house at Kharsundi both at Khopoli close to Bombay - Pune Highway. The Company had entered into a Development Agreement ("the DA") to develop part of its vacant mill land at Dadar. In terms of the DA, any cost of construction incurred by the Company incurred for the development of the above is to be reimbursed by the Developer. The consideration for the Grant of the Development Rights is based on the specified percentage of the revenue received by the Developer.

### 2. BASIS OF COMPLIANCE, BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of Compliance:

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

#### 2.2. Basis for preparation and presentation:

The financial statements have been prepared under the historical cost convention using the accrual method of accounting basis, except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the significant accounting policies below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2019 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 30<sup>th</sup> May, 2019

#### Application of new Accounting Standard

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from 1<sup>st</sup> April, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant

#### 2.3. Use of Judgement and Estimates

The preparation of the Financial Statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the Financial Statements and the reported amounts of income and expense for the periods presented.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Measurement of Defined Benefit Obligations ;
- Measurement and likelihood of occurrence of Provisions and contingencies
- Recognition of deferred tax assets; and
- Measurement of recoverable amounts of cash-generating units;

### 2.4. Property, plant and equipment

- 2.4.1.** Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 2.4.2.** The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 2.4.3.** Machinery spares that meet the definition of property, plant and equipment are capitalised.
- 2.4.4.** Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work – in – progress".
- 2.4.5.** Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.
- 2.4.6.** An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 2.4.7.** Depreciation is provided on a pro-rata basis on the straight line method for plant and machinery and for all other assets on written down value method based on estimated useful life prescribed under Schedule II to the Act.
- 2.4.8.** Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.
- 2.4.9.** Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 2.4.10.** Other assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

**2.4.11.** Freehold land is not depreciated.

**2.4.12.** The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

### 2.5. Biological Assets

**2.5.1.** Biological assets i.e. living animals or plants (other than bearer plants which are included in property, plant and equipment) are measured at fair value less cost to sell, with any change therein recognised in profit or loss.

### 2.6. Intangible Assets

**2.6.1.** Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

**2.6.2.** Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

**2.6.3.** The intangible assets with a finite useful life are amortised using Written Down Value Method over their estimated useful lives.

**2.6.4.** An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**2.6.5.** The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

### 2.7. Investment Property

**2.7.1.** Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

**2.7.2.** Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

**2.7.3.** Depreciation on building is provided over its useful life using written down value method. These useful life determined are in line with the useful lives as prescribed in the Schedule II of the Act.

### 2.8. Non-currents assets held for sale

**2.8.1.** Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

**2.8.2.** Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

**2.8.3.** Non – current assets classified as held for sale are not depreciated or amortized from the date when they are classified as held for sale.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

**2.9. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**2.9.1. Company as a lessee**Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating Lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

**2.9.2. Company as a lessor**Finance lease

Finance leases are recognised at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

Operating Lease

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase. Contingent rents are recognised as revenue in the period in which they are earned.

**2.10. Impairment of Non-financial Assets**

- 2.10.1.** Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets/cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**2.11. Inventories**

- 2.11.1.** Inventories are valued at lower of cost and net realisable value. The cost of inventories, in case of

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

inventories of raw material with specific identification is arrived on first in first out basis and for inventories of other items on weighted average basis.

- 2.11.2.** Cost includes all charges incurred in bringing the goods to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads.
- 2.11.3.** Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.12. Fair Value measurement

- 2.12.1.** The Company measures certain financial instruments at fair value at each reporting date.
- 2.12.2.** Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.
- 2.12.3.** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.
- 2.12.4.** The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.
- 2.12.5.** While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
  - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
  - Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)
- 2.12.6.** When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- 2.12.7.** If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
- 2.12.8.** The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

**2.13. Financial Instruments****2.13.1. Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets

**Trade Receivables and Loans**

Trade receivables and loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**Debt instruments**

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through profit or loss

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### 2.13.2. Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### 2.13.3. Financial guarantees

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

### 2.13.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 2.14. Revenue Recognition

#### 2.14.1. Sale of goods:

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

#### 2.14.2. Rendering of Services

**2.14.3.** Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

**2.14.4.** Income from sale of scrap is accounted upon transfer of control of promised goods to customers.

**2.14.5.** Lease license fees are recognised on straight line basis over the terms of the lease except where the license fees are structured to increase in line with expected general inflation.

**2.14.6.** Income from export incentives such as duty drawback are recognised on accrual basis.

**2.14.7.** Revenue from the sale of Development rights is recognised in terms of agreement entered into by the Company with the Developer.

**2.14.8.** Interest income is recognized using the effective interest rate (EIR) method.

**2.14.9.** Dividend income on investments is recognised when the right to receive dividend is established.

### 2.15. Employee Benefits

#### 2.15.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

#### 2.15.2. Post-employment benefits

The Company operates the following post – employment schemes:

- Defined contribution plans such as provident fund and Family pension fund; and
- Defined benefit plans such as gratuity



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### **Defined Contribution Plans:**

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

### **Defined Benefit Plans:**

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

### **2.15.3. Other long-term employee benefits**

Liability towards other long term employee benefits - leave encashment are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurements are recognised in the Statement of Profit and Loss.

## **2.16. Borrowing costs**

- 2.16.1.** Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- 2.16.2.** Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

**2.17. Foreign Currency Transactions**

**2.17.1.** The financial statements are presented in INR, the functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates).

**2.17.2. Monetary items:**

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

**2.17.3. Non - Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**2.18. Government Grants**

**2.18.1.** Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

**2.18.2.** When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

**2.18.3.** Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

**2.19. Provisions and Contingent Liabilities**

**2.19.1.** Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**2.19.2.** The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

**2.19.3.** If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**2.19.4.** Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

**2.19.5.** Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 2.20. Taxes on Income

#### 2.20.1. Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

#### 2.20.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.21. Segment reporting

**2.21.1.** The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance

**2.21.2.** The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹. lakhs, unless otherwise stated)

relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

### 2.22. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### 2.23. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 2.24. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### 2.25. Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 3. RECENT ACCOUNTING PRONOUNCEMENTS

On 30<sup>th</sup> March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which is effective from 1<sup>st</sup> April 2019:

### Ind AS 116: Leases

It will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is in process of evaluating the impact of the same.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 4. Property, plant and equipment (Refer Note 1 below)

Particulars	Freehold Land	Freehold Land under development	Buildings	Plant & Machinery* (Refer Note 2 below)	Furniture & Fixtures (Refer Note 2 below)	Vehicles	Office Equipments	Total
<b>Gross Block</b>								
Balance as at 1 <sup>st</sup> April, 2017	491.02	0.93	3,504.60	5,270.49	12.02	72.95	240.13	9,592.14
Additions / adjustments	-	-	41.76	222.82	-	-	17.50	282.08
Disposals / adjustments	-	-	-	25.35	-	7.64	-	32.99
Balance as at 31 <sup>st</sup> March, 2018	491.02	0.93	3,546.36	5,467.95	12.02	65.31	257.63	9,841.23
Additions / adjustments	-	-	30.42	3.45	-	16.97	11.16	62.00
Disposals / adjustments	-	-	-	-	-	11.83	-	11.83
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>491.02</b>	<b>0.93</b>	<b>3,576.78</b>	<b>5,471.40</b>	<b>12.02</b>	<b>70.45</b>	<b>268.80</b>	<b>9,891.39</b>
<b>Accumulated Depreciation</b>								
Balance as at 1 <sup>st</sup> April, 2017	-	-	313.05	931.52	3.26	14.27	45.46	1,307.56
Depreciation for the year	-	-	290.59	1048.97	2.05	18.11	13.45	1,373.18
Disposals / adjustments	-	-	-	-	-	4.57	-	4.57
Balance as at 31 <sup>st</sup> March, 2018	-	-	603.64	1,980.49	5.31	27.82	58.91	2,676.17
Depreciation for the year	-	-	265.62	902.35	1.77	14.63	13.56	1,197.93
Ind AS adjustments	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	10.69	-	10.69
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>-</b>	<b>869.26</b>	<b>2,882.85</b>	<b>7.08</b>	<b>31.75</b>	<b>72.47</b>	<b>3,863.41</b>
<b>Net Block</b>								
Balance as at 31 <sup>st</sup> March, 2018	491.02	0.93	2,942.72	3,487.46	6.71	37.51	198.73	7,165.05
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>491.02</b>	<b>0.93</b>	<b>2,707.51</b>	<b>2,588.56</b>	<b>4.94</b>	<b>38.69</b>	<b>196.33</b>	<b>6,027.97</b>

#### Notes:

- Property plant and equipment pledged as securities for borrowing as detailed in note no 23.
- These include assets which are given on operating leases, the details thereof are included in note no.43.B

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 5. Capital work in progress

Particulars	Amount
31 <sup>st</sup> March 2018	3,370.11
<b>31<sup>st</sup> March 2019</b>	<b>3,455.87</b>

### 6. Investment Property

Particulars	Freehold Land	Leasehold Land	Buildings (Refer Note 1 below)	Total
<b>Gross Block</b>				
Balance as at 1 <sup>st</sup> April, 2017	553.98	86.56	3,743.05	4,383.59
Additions / adjustments	-	1.13	-	1.13
Disposals / adjustments	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2018	553.98	87.69	3,743.05	4,384.72
Additions / adjustments	-	-	-	-
Disposals / adjustments (Transfer to assets held for sales refer note 20)	-	87.69	-	87.69
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>553.98</b>	<b>-</b>	<b>3,743.05</b>	<b>4,297.03</b>
<b>Accumulated Depreciation</b>				
Balance as at 1 <sup>st</sup> April, 2017	-	-	182.78	182.78
Depreciation for the year	-	-	174.25	174.25
Disposals	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2018	-	-	357.04	357.04
Depreciation for the year	-	-	165.43	165.43
Disposals	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>-</b>	<b>522.47</b>	<b>522.47</b>
<b>Net Block</b>				
Balance as at 31 <sup>st</sup> March, 2018	553.98	87.69	3,386.02	4,027.68
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>553.98</b>	<b>-</b>	<b>3,220.58</b>	<b>3,774.56</b>

#### Notes:

1. These include assets which are given on operating leases, the details thereof are included in note no.43.B

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### Fair value

Particulars	Freehold Land	Leasehold Land	Buildings
As at 31 <sup>st</sup> March, 2018	7,946.98	696.74	16,483.23
<b>As at 31<sup>st</sup> March, 2019</b>	<b>7,947.48</b>	<b>769.04</b>	<b>16,483.23</b>

The fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers / Ready Reckoner.

### Information regarding Income and Expenditure of Investment Property

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Rental Income derived from Investment Property	2,918.97	2,883.83
<u>Less:</u> Direct operating expenses (including repairs and maintenance) generating rental income	352.57	337.21
Direct operating expenses (including repairs and maintenance) not generating rental income	-	-
<b>Income arising from investment property before depreciation</b>	<b>2,566.40</b>	2,546.62
<u>Less:</u> Depreciation	165.43	174.25
<b>Income from Investment property (Net)</b>	<b>2,400.97</b>	2,372.37

### 7 Biological assets other than bearer plants

Particulars	Live stock
<b>Gross Block</b>	
Balance as at 1 <sup>st</sup> April, 2017	8.70
Additions / adjustments	-
Disposals / adjustments	-
Balance as at 31 <sup>st</sup> March, 2018	8.70
Additions / adjustments	-
Disposals / adjustments	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>8.70</b>
<b>Net Block</b>	
Balance as at 31 <sup>st</sup> March, 2018	8.70
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>8.70</b>

Fair values of the Biological assets are categorised as level 3 in the fair valuation hierarchy and the same has been determined by the management after considering the relevant factors.

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

## 8. Investments

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unquoted</b>		
<b>Investment in equity instrument (fully paid up)</b>		
- 90 (31 <sup>st</sup> March, 2018: 90) shares of The New Piece Goods Bazar Company Limited	0.28	0.28
<b>Total</b>	<b>0.28</b>	0.28
Aggregate amount of Unquoted security	0.28	0.28

## 9 Loans

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	112.36	113.82
Loan - Inter Corporate (refer Note 45.C.c)	8,895.58	8,390.58
<b>Total</b>	<b>9,007.94</b>	8,504.39

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Loans considered good - Secured	-	-
Loans considered good - Unsecured	112.36	113.82
Loans which have significant increased In credit risk	8,895.58	8,390.58
Loans - credit impaired	-	-
<b>Total</b>	<b>9,007.94</b>	8,504.39
Less: Loss allowance	(250.00)	-
<b>Total</b>	<b>8,757.94</b>	8,504.39

## 10 Other financial assets - Non current

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Due from a developer (Refere Note 10.1)	56,326.93	52,946.29
<b>Total</b>	<b>56,326.93</b>	52,946.29

- 10.1** a. In an earlier year, the Company entered into a Development Agreement ("the DA") with a Developer whereby the Company granted the development rights to develop approximately 36,000 square metres of constructed area ("the Development Rights") on 12,204 square metres out of its Freehold Land at Dadar ("the said property").



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

- b. In terms of the DA and further agreements / understandings between the Company and the Developer, any cost of construction incurred by the Company and such further costs (including interest on borrowings for the said construction) that may be incurred by the Company for the development of the above referred to area is to be reimbursed by the Developer. Accordingly, the cost incurred by the Company upto 31<sup>st</sup> March, 2019 for the construction (net of amounts received from the developer in terms of the DA) amounting to ₹ 56,326.93 lakhs (31<sup>st</sup> March, 2018 ₹ 52,946.29 lakhs) is shown as "Due from developer" under Note 10 and ₹ 7,487.01 lakhs (31<sup>st</sup> March, 2018 ₹ 9,958.13 lakhs) is shown as "Due from developer" under Note 18.
- c. The Company has Subsequently received from the Government of Maharashtra, the approval for the development of additional constructed area of approximately 5,000 square metres over and above the area covered under the DA ; the Developer and the Company have agreed that such additional area is to be owned by the Company is mutually agreed upon with the Developer on an appropriate basis. The Company has also carried forward the amount of ₹ 2,905.14 lakhs (31<sup>st</sup> March, 2018 ₹ 2,825.16 lakhs) in Capital Work-in-progress. The said cost may be adjusted / increased when the Developer completes the construction of the total area including the construction of the common areas.
- d. The proportionate carrying cost of 12,204 square meters of land of ₹ 0.93 lakhs (31<sup>st</sup> March, 2018 ₹ 0.93 lakhs), in respect of which the Development Rights are granted, is shown as "Freehold Land (under development)" under "Property, plant and equipments" in Note 4.
- e. Further, the consideration for the Grant of the Development Rights is based on the specified percentage of the revenue received by the Developer (in terms of the DA in force), irrespective of the completion of construction / handing over the possession of the said constructed area to the Purchasers / Licensees and reflected as "Grant of Development Rights" in the Statement of Profit and Loss. The DA does not contemplate a transfer or an intention to transfer the ownership or possession of the said property at present and the same continues to remain with the Company.

### 11 Income tax assets (Net)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Taxes Paid - (net of provisions)	554.46	517.26
<b>Total</b>	<b>554.46</b>	517.26

While making the provision for Current tax, the company has relied on the opinion of an expert for the tax treatment of gains earned for the Grant of development rights and availability of certain tax benefits in respect of the capital expenditure incurred on shifting of the industrial undertaking, as per the provision of the Income - Tax Act, 1961.

### 12 Deferred tax assets and liabilities

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Deferred tax assets	340.30	445.15
Deferred tax liabilities	(134.49)	(254.25)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>205.81</b>	190.91

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

## 12.1 Movement in deferred tax balances

Particulars	Net balance as at 1 <sup>st</sup> April, 2018	Recognised in profit or loss	Recognised in OCI	As at 31 <sup>st</sup> March, 2019		
				Net Balance	Deferred tax asset	Deferred tax liability
<b>Deferred tax assets / (liabilities)</b>						
Property, plant and equipment	(226.84)	110.22		(116.62)		(116.62)
Capital work-in-progress	1.19	(0.21)		0.98	0.98	
Loans	-	72.80		72.80	72.80	
Inventories	2.62	-		2.62	2.62	
Trade and other receivables	56.47	(8.96)		47.51	47.51	
Loans and borrowings	(27.42)	9.55		(17.87)		(17.87)
Employee benefits	10.65	(3.21)	6.21	13.65	13.65	
Deferred income	23.28	(13.96)		9.32	9.32	
	<b>(160.04)</b>	<b>166.22</b>	<b>6.21</b>	<b>12.39</b>	<b>146.88</b>	<b>(134.49)</b>
Unused tax assets (MAT credit entitlement)	350.95			350.95	350.95	-
less: Utilised during the year	-	-	-	(157.53)	(157.53)	-
<b>Net deferred tax assets / (Liabilities)</b>	<b>190.91</b>	<b>166.22</b>	<b>6.21</b>	<b>205.81</b>	<b>340.30</b>	<b>(134.49)</b>

## Movement in deferred tax balance

Particulars	Net balance as at 1 <sup>st</sup> April, 2017	Recognised in profit or loss	Recognised in OCI	As at 31 <sup>st</sup> March, 2018		
				Net Balance	Deferred tax asset	Deferred tax liability
<b>Deferred tax assets / (liabilities)</b>						
Property, plant and equipment	(436.28)	209.45	-	(226.84)		(226.84)
Capital work-in-progress	1.53	(0.33)	-	1.19	1.19	-
Inventories	3.12	(0.49)		2.62	2.62	-
Trade and other receivables	98.10	(41.63)	-	56.47	56.47	-
Loans and borrowings	(41.65)	14.23	-	(27.42)		(27.42)
Employee benefits	13.74	11.17	(14.26)	10.65	10.65	-
Deferred income	96.44	(73.16)		23.28	23.28	
Other financial liabilities	(128.83)	128.83	-	-		-
Unused tax assets (MAT credit entitlement)	-	805.63	-	350.95	350.95	-
Net deferred tax assets / (Liabilities)	(393.84)	1,053.69	(14.26)	190.91	445.16	(254.25)

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### 13 Other non current assets

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, considered good</b>		
Deposits	11.29	11.24
Capital advances	429.55	458.54
Advances recoverable	25.77	5.92
Advance to gratuity trust (Refer note 41)	22.96	3.34
<b>Total</b>	<b>489.57</b>	<b>479.03</b>

### 14 Inventories

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	254.78	339.55
Work-in-Progress	2,895.71	2,849.48
Finished Goods	366.77	637.57
Fuel	43.55	25.08
Stores and Spares	146.90	201.98
Others	6.92	9.09
<b>Total</b>	<b>3,714.63</b>	<b>4,062.75</b>

For accounting policy on inventories Refer note 2.11

Inventories pledged as securities for borrowings - Refer note 23

### 15 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	1,685.51	1,844.25
Trade receivable which have significant increase in credit risk	13.61	13.61
Trade Receivables Credit impaired	-	-
	<b>1,699.12</b>	<b>1,857.87</b>
less: Loss allowances	(32.54)	(34.72)
<b>Total</b>	<b>1,666.58</b>	<b>1,823.15</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

- 15.1 The credit period for trade receivable for textile related is 21 days and for garment related ranges from 60 days to 121 days.
- 15.2 Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality. Credit limits scoring attributed to customers are reviewed periodically by the Management.
- 15.3 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade or other receivables are also not due from firms or private companies respectively in which any director is a partner, a director or a member
- 15.4 Details for the trade receivables whose credit risk has been assessed individually

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade receivables on which credit risk assessed on Individual basis	13.61	13.61
Less: Loss allowance on above	(13.61)	(13.61)
<b>Total</b>	-	-

### 15.5 Movement in the expected credit loss allowance

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balance at the beginning of the year	21.10	16.11
Add: provision during the year	-	4.99
Less: Reversal during the year	(2.18)	-
Balance at the end of the year	<b>18.92</b>	21.10

## 16 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Cash and Cash Equivalents</b>		
Balance with Banks	75.76	798.14
Cash on hand	4.41	7.66
<b>Total</b>	<b>80.17</b>	805.80

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 17 Bank balances other than cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Balances with Banks</b>		
Unpaid dividend	5.71	4.97
<b>Other Bank Balances</b>		
Fixed deposits with banks with original maturity of more than twelve months		
Held as Marigin money	538.86	436.43
Held under the contract	2,594.18	2,436.73
	<b>3,133.04</b>	2,873.16
<b>Total</b>	<b>3,138.75</b>	2,878.13

### 18 Other financial assets - Current

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Due from developer (Refer note 10.1)	7,487.01	9,958.13
Interest receivable on security / fixed deposits	4.12	3.36
Capital subsidy receivable under TUFS	29.47	29.47
Interest subsidy receivable under TUFS	413.32	413.32
Foreign exchange subsidy receivable	311.08	311.08
Deposit with Schedule Bank (Refer note 31.1)	2,250.00	-
	<b>10,495.00</b>	10,715.37

### 19 Other current assets

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Advances other than capital advances</b>		
Advances to Suppliers	274.69	233.17
Others - current assets	121.07	229.47
<b>Total</b>	<b>395.76</b>	462.65

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 20 Assest held for sale

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Assets held for disposal	87.69	-
<b>Total</b>	<b>87.69</b>	-

On 31<sup>st</sup> March 2019, the company classified certain investment property of ₹ 87.69 lakhs (31<sup>st</sup> March 2018 ₹ Nil) retire from active use and held for sale recognised and measured in accordance with Ind-AS105. "Non Current Assets Held for Sale and Discontinued Operations at lower of its carrying amount and fair value less cost to sell. The Company expect to complete the sale in Financial Year 2019-20.

### 21 Equity share capital

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorised :</b>		
2,00,00,000 (31 <sup>st</sup> March,2018: 2,00,00,000)	1,000.00	1,000.00
Equity shares of ₹ 5 par value	<b>1,000.00</b>	1,000.00
<b>Issued, Subscribed and Paid up :</b>		
1,67,20,000 (31 <sup>st</sup> March, 2018: 1,67,20,000)	836.00	836.00
Equity Shares of ₹ 5 par value fully paid	<b>836.00</b>	836.00
<b>Total</b>	<b>836.00</b>	836.00

#### 21.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares:</b>				
Balance as at the beginning of the year	1,67,20,000	836.00	1,67,20,000	836.00
Changes during the year	-	-	-	-
Balance as at the end of the year	<b>1,67,20,000</b>	<b>836.00</b>	1,67,20,000	836.00

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 21.2 Rights, preferences and restrictions :

- i. The Company has only one class of shares referred to as equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- ii. The Company declares and pays dividend in Indian Rupees. The final dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Number of shares	% Held	Number of shares	% Held
Manubhai and Sons Investment Company Private Limited	23,88,900	14.29	23,88,900	14.29
Hiren Brothers Investment Company Private Limited	23,88,900	14.29	23,88,900	14.29
M C Shah and Sons Investment Company Private Limited	23,88,340	14.28	23,88,340	14.28
Smt Aruna Manharlal Shah	13,27,720	7.94	5,94,400	3.56

### 21.4 Shares allotted as fully paid up by way of Bonus Shares during the financial year 2015-16 :

Particulars	Amount
83,60,000 Equity Shares allotted as fully paid up bonus Shares in the ratio of 1:1 by capitalisation of following reserves:	
- Capital Reserve	29.81
- Securities Premium	388.19
	<b>418.00</b>

### 22. Other equity

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Securities Premium	1,695.20	1,695.20
General Reserve	30,039.35	30,039.35
Retained Earning	12,682.82	11,269.74
<b>Total</b>	<b>44,417.36</b>	43,004.29

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### Movement in other equity

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Securities Premium</b>		
Balance at the beginning of the year	1,695.20	1,695.20
<u>Less:</u> Capitalised for Issue of Bonus Shares	-	-
<b>Balance at the end of the year</b>	<b>1,695.20</b>	1,695.20
<b>General Reserve</b>		
Balance at the beginning of the year	30,039.35	30,039.35
<u>Add:</u> Transferred from retained earnings	-	-
<b>Balance at the end of the year</b>	<b>30,039.35</b>	<b>30,039.35</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	11,269.74	8,070.95
<u>Add:</u> Profit for the year as per Statement of Profit and Loss	1,780.36	3,516.24
<u>Less:</u> Remeasurement of defined employee benefit plans	(15.11)	34.72
<u>Less:</u> Final dividend for FY 2017-18: ₹ 1.75 per share (FY 2016-17: ₹ 1.75 per share)	(292.60)	(292.60)
<u>Less:</u> Corporate dividend tax on final dividend for previous year	(59.57)	(59.57)
<b>Balance at the end of the year</b>	<b>12,682.82</b>	11,269.74
<b>Total other equity</b>	<b>44,417.36</b>	43,004.29

### 22.1 Nature and Purpose of reserves

#### i Securities Premium Reserve

Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

#### ii General Reserve

The general reserve represents amounts appropriated out of retained earnings and are available for distribution to shareholders.

#### iii Retained Earnings

Retained Earnings represents surplus / accumulated earnings of the company and are available for distribution to shareholders.



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 23. Borrowings - Non - current

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured - at amortised cost</b>		
Term Loans		
- From Banks - Under Textile upgradation fund scheme (TUFS)	57.17	286.06
- From Banks - other than above	2,781.88	-
- From other parties	20,723.54	22,989.70
<b>Unsecured - at amortised cost</b>		
Loan from related parties (Refer Note 42)	5,424.57	1,445.00
Inter corporate deposits		
- From Related parties (Refer Note 42)	3,525.00	1,800.00
- From Others	1,000.00	1,000.00
<b>Total</b>	<b>33,512.16</b>	<b>27,520.76</b>

#### i Term Loan From Banks:

Sr. No	Nature of Security	Rate of Interest	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
i	Term Loan from IDBI Bank of ₹ 1,875.00 lakhs for TUFS repayable in 98 equal monthly instalments commencing from May 2012 is secured by:	13.75 % - 14.5%	286.06	514.96
a	First charge on the machinery acquired out of this Term Loan.			
b	First charge on pari passu basis on the Fixed Assets of the Company situated at Dhamni and Kharsundi.			
c	Personal guarantee of two promoter directors of the Company.			
ii	Term Loan from Axis Bank of ₹ 8,500.00 lakhs under Loan Against property repayable in 10 equal quarterly instalments commencing from December 2016 is secured by	11.45% - 13.365%	-	3,369.45
a	First pari passu Charge EM/RM over land and building of The Ruby except for area for which NOC has been issued by the bank for Term Loan of ₹ 33,700.00 lakhs as covered in Appendix -I of loan agreement.			
b	First pari passu Charge over development rights of the project sold by Ruby Mills Limited to Mindset Estate Private Limited (Developer) - Refer Note 10.1			
c	First pari passu hypothecation charge on entire movable Property, Plant and Equipments and current assets (including cash flows) of Project both present and future except area already leased / sold.			

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

d	Pari passu Escrow and charge of cash flows from additional sales / Leasing of area LRD Loans against leased area (over and above sales / Leasing / Lease securitisation loans already completed) by way of agreement between Borrower, Escrow Bank (representing Lender) and Developer.			
e	First pari passu charge on balance open land with Mill structure and FSI there on in the Mill compound from which additional FSI for "The Ruby" is being used for the enhanced scope of the project. The release of charge of the balance open land with Mill structure may be done on receipt of certificate from the Company's Architect that the conditions as specified in the revised IOD/IOA for the project are being complied with. The Company's Architect shall issue further confirmation that the FSI from the vacant plot with Mill structure is utilised in the plan/approval to be issued and such further FSI thus generated has been proposed to be utilised on obtaining revised OC from MCGM for "The Ruby" in IT Park at Dadar, Mumbai, Maharashtra.			
f	First pari passu charge by way of hypothecation/ mortgage/ assignment, as the case may be of all the FSI, rights, title, interest, benefit, claims and demands whatsoever of the Company in respect of the Project.			
g	Personal guarantee of two promoter directors of the Company.			
<b>II.</b>	<b>Term Loan From Other Parties:-</b>			
i	Loan from Daimler Financial Services India Private Limited of ₹ 50.12 lakhs is repayable in 48 equal monthly instalment commencing from 22 <sup>nd</sup> May, 2014, secured against hypothecation of specified vehicle in the relevant agreement.	10.67%	16.98	23.45
ii	Term Loan from HDFC Limited of ₹ 25,000.00 lakhs sanctioned and ₹ 23,000.00 lakhs availed under Loan Against Property is repayable in 144 monthly instalments to be commenced from January, 2017 secured by:	9.50% - 10.25%	21,398.92	22,010.45
a	First exclusive charge by way of Assignment of receivables as per Leave and License agreement with respective lessee of the 4 <sup>th</sup> , 7 <sup>th</sup> , 9 <sup>th</sup> , 18 <sup>th</sup> Floors, North East Wing and entire 14 <sup>th</sup> to 16 <sup>th</sup> Floors aggregating to 1,82,348 sq. ft. area of the building "The Ruby" in IT Park at Dadar, Mumbai, Maharashtra - Refer Note 10.1 (e)			
b	Personal guarantee of two promoter directors of the Company.			
c	Corporate Guarantee of the Developer- M/s. Mindset Estates Private Limited.			
iii	Term Loan from Shriram Housing Finance Limited of ₹ 2,000.00 lakhs sanctioned and ₹ 1,800.00 lakhs availed under Loan Against Property commercial is repayable in 120 monthly instalments to be commenced from April, 2018 secured by:	13.50%	-	1,769.63
a	First exclusive charge by way of Assignment of receivables as per Leave and License agreement with respective lessee of the 6 <sup>th</sup> floor.			

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

b	Collateral by way of exclusive mortgage charge on the said premises			
c	Personal guarantee of two promoter directors of the Company.			
d	Corporate Guarantee of the Developer- M/s. Mindset Estates Private Limited.			
iv	LRD DLOD Loan from Indusind Bank Limited of ₹ 3,000.00 lakhs sanctioned and ₹ 3,000.00 lakhs availed under Loan Against Property commercial is repayable in 144 monthly instalments to be commenced from January, 2019 secured by:	10.00% -10.05%	2,918.35	-
a	Collateral by way of exclusive mortgage charge on commercial property : on 6 <sup>th</sup> floor, south wing, along with 9 car parking at building known as "The Ruby Corporate Park", 29 Senapati Bapat Marg, Dadar (W).			
b	Personal guarantee of two promoter directors of the Company.			
c	Corporate Guarantee of the Developer- M/s. Mindset Estates Private Limited.			
	<b>Total of (I)+(II)</b>		<b>24,620.31</b>	27,687.94
	<u>Less:</u> Current maturities of long term debt (Refer Note 29)		1,057.73	4,412.18
			<b>23,562.58</b>	23,275.76

III.	Terms of Repayment of unsecured borrowings			
	Loans from Related Parties	9% - 15%	5,424.57	1,445.00
	Inter corporate deposits	8% - 15%		
	- From Related parties		3,525.00	1,800.00
	- From Others		1,000.00	1,000.00

Rate of interest in case of TUFs loans is without considering interest subsidy under TUFs scheme

### 24 Other financial liabilities - Non Current

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade and Security Deposits	2,253.25	2,319.12
<b>Total</b>	<b>2,253.25</b>	2,319.12

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 25 Provisions

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits (Refer note 41)	27.85	20.63
<b>Total</b>	<b>27.85</b>	20.63

### 26 Other non-current liabilities

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Deferred income</b>		
- Deferred Government Grants	9.64	31.99
<b>Total</b>	<b>9.64</b>	31.99

### 27 Borrowings - Current

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans repayable on demand</b>		
<b>Secured</b>		
From banks		
- Cash credit and overdraft facilities	1,290.82	1,440.52
<b>Unsecured</b>		
Loan from related parties (Refer Note 42)	1,278.25	2,555.76
Inter corporate deposits		
- From Related parties (Refer Note 42)	903.51	1,192.20
- From Others	263.50	1,024.95
<b>Total</b>	<b>3,736.08</b>	6,213.43

#### 27.1 Cash Credit and Overdraft Facilities are secured as under :

- i. Bank of India - ₹ 146.44 lakhs (31<sup>st</sup> March, 2018 ₹ 477.54 lakhs)
- State Bank of India - ₹ 952.09 (31<sup>st</sup> March, 2018 ₹ 962.97 lakhs)
- Bank of Baroda - ₹ 192.29 lakhs (31<sup>st</sup> March, 2018 ₹ NIL lakhs)

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### Secured against

- First pari passu charge on entire Current Assets, both present and future, of the Company.
- Second pari passu charge on Land and Building and Plant and Machinery on Company's Assets at Dhamini and Kharsundi.
- Personal guarantee of two promoter directors of the Company.

### 28 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total outstanding dues of micro and small enterprises	109.85	61.13
Total outstanding dues of creditors other than micro and small enterprises	2,063.52	2,373.71
<b>Total</b>	<b>2,173.37</b>	<b>2,434.84</b>

28.1 Trade payables are non - interest bearing and are normally settled within 45 - 60 days. Trade payables to MSME's are settled within 45 days except in case of quality related issue.

28.2 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
a. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
Principal	109.85	61.13
Interest	0.19	-
b. The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	117.54	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	2.09	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.19	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.19	-

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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

### 29. Other financial liabilities

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current maturities of Long-term debts (Refer Note 23)		
Secured - at amortised cost		
Term Loans		
- From Banks - Under Textile upgradation fund scheme (TUFS)	228.89	228.90
- From Banks - other than above	136.48	3,369.45
- From other parties	692.36	813.83
Interest accrued but not due on borrowings	118.37	86.78
Unclaimed dividend*	5.70	4.97
Trade and security deposits.	2.50	2.50
Creditors for Capital Expenses	42.08	32.97
Other liabilities	575.94	527.09
<b>Total</b>	<b>1,802.32</b>	<b>5,066.48</b>

29.1 \*All amounts required to be transferred to the Investor Education and Protection Fund by the Company have been transferred within the time prescribed for the same.

29.2 Other liability include creditors for expenses and others

### 30. Provisions

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits (Refer note 41)		
- for Gratuity	28.54	8.52
- for Leave encashment	15.83	15.93
<b>Total</b>	<b>44.37</b>	<b>24.44</b>

### 31 Other current liabilities

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Advances from customers	27.41	71.77
Statutory liabilities	179.14	212.92
<b>Deferred Income</b>		
- Capital Grant	22.35	47.95
Advance against Sale of Property (Refer Note below)	10,139.35	10,137.70
Advance from others	-	15.23
<b>Total</b>	<b>10,368.25</b>	<b>10,485.57</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

**31.1** Sum of ₹ 10,100.00 lakhs is Advance against Sale of Property from a prospective buyer for a proposed Sale of premises on Freehold Land under “Buildings”. Out of the total consideration agreed, a very substantial balance is yet receivable. Meanwhile, certain disputes and differences have arisen between the prospective buyer and their bankers on account of which the Company is indirectly affected. In the absence of payment of the balance price and inter alia with the accounts of the prospective buyer becoming a NPA with its Bankers and the said advance becoming the subject matter of legal proceedings between the prospective buyer and their Bankers, including proceedings before the Debts Recovery Tribunal and also criminal proceedings, the sale has got frustrated. In the said legal proceedings between the prospective buyer and its Bankers, the Company has unnecessarily been involved. As advised, the Company has in the legal proceedings placed the correct facts in the correct perspective and have also sought for being deleted as parties therein. The said Applications are pending.

The bank had filed a criminal complaint against their borrower and the Company’s Director has also been unnecessarily dragged into the matter. In spite of there being no legal case for the bank to demand the amount from the Company, the Company has made a without prejudice offer to pay the amount of ₹ 10,100.00 lakhs which the company has received as an advance from the prospective buyer, subject to the bank absolving the company from all civil and criminal suits and the bank to take action to protect the company against all future claims. In this connection the company has deposited an amount of ₹ 2,250.00 Lakhs in the Bank’s No Lien account which if terms are not accepted by the bank, will be returned to the Company. The amount of ₹ 2,250.00 lakhs kept in No Lien account is shown under note 18.

### 32. Revenue from operations

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Revenue from contracts with customers</b>		
Sale of Products	16,251.88	16,792.56
Sale of services	13.47	8.36
<b>Other Operating Revenues</b>		
Sale of Scrap	13.79	20.43
<b>Total revenue from contracts with customers</b>	<b>16,279.14</b>	16,821.35
License Fees and Other Amenities	2,918.97	2,883.83
Grant of development rights (Refer note 10.1)	77.52	212.96
Duty Drawback	-	19.08
<b>Total</b>	<b>2,996.49</b>	3,115.87
<b>Total Revenue from Operations</b>	<b>19,275.63</b>	19,937.22

Consequent to clarifications published by the Institute of Chartered Accountants of India (ICAI), the amount of export incentive has been recognised as “Other Income” with effect from July 2018. In earlier periods these amounts were reported under “Other Operating Revenue” in the Statement of Profit and Loss.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(All amounts in ₹ lakhs, unless otherwise stated)

**33 Other Income**

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Interest Income from financial assets at amortised cost</b>		
On bank deposits	25.39	16.57
On loans and advances	600.54	600.16
Other Interest	15.54	9.09
<b>Dividend income</b>		
From non-current investment at FVOCI	-	0.27
<b>Other non-operating Income (Net of expenses directly attributable to such income)</b>		
Sundry credit balances and excess provisions written back	23.45	1.01
Sales tax refund	34.15	123.46
Insurance claims	-	61.00
Bad trade receivables recovered	-	-
Miscellaneous income	76.06	47.95
Loan Written off recovered	25.00	-
Loss on foreign currency transactions and translations (net)	0.10	0.12
Provision for doubtful debts	2.18	-
Duty Drawback	8.11	-
Interest on Income tax refund	3.31	-
<b>Other gains or losses</b>		
Net gains on disposal of property, plant and equipment	0.45	0.79
<b>Total</b>	<b>814.28</b>	<b>860.41</b>

Interest income on Fixed deposits created for the development of property directly charged to due from developer and based on debit note raised by developer are charged to CWIP (Building under construction)	194.34	163.92
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**34. Cost of materials consumed**

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Raw materials</b>		
Opening stock	339.55	407.88
Add : Purchases	4,839.77	4,490.95
Less: Closing stock	(254.78)	(339.55)
<b>Total</b>	<b>4,924.54</b>	<b>4,559.27</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 35 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Inventories at the beginning of the year</b>		
Finished Goods	637.57	310.70
Work in Progress	2,849.48	3,032.04
Others	9.09	7.04
(a)	<b>3,496.14</b>	3,349.77
<b>Inventories at the end of the year</b>		
Finished goods	366.77	637.57
Work in Progress	2,895.71	2,849.48
Others	6.92	9.09
(b)	<b>3,269.40</b>	3,496.14
<b>Net (Increase)/Decrease in Inventories</b>	(a)-(b) <b>226.74</b>	(146.36)

### 36 Employee benefits expense

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Salaries, wages and benefits	1,971.86	1,958.42
Contribution to provident and other funds	138.13	145.72
Staff welfare expenses	50.79	53.07
<b>Total</b>	<b>2,160.78</b>	2,157.20

### 37 Finance Costs

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Interest expense		
- Cash credit facilities / buyers' credit	134.83	137.07
- Term Loans - Under TUFS (Refer note 37.1)	54.66	133.01
- Others	703.91	538.47
Other borrowing costs	35.40	242.02
<b>Total</b>	<b>928.80</b>	1,050.58

#### 37.1

Interest on term loans - under TUFS is after reducing interest subsidy	-	22.48
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## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 37.2

Finance cost on borrowing taken for the development of property directly charged to due from developer and based on debit note raised by developer are charged to CWIP (Building under construction)	3,280.96	3,297.23
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### 38. Depreciation and amortisation expense

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Depreciation on property , plant and equipment and Investment property	1,363.36	1,547.43
<b>Total</b>	<b>1,363.36</b>	1,547.43

### 39. Other expenses

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Stores and spares consumed	1,935.11	1,956.09
Power and fuel	3,239.68	3,170.96
Brokerage and commission	441.80	501.05
Weaving and processing charges	99.90	58.06
Excise duty	-	0.61
Rent	94.48	73.29
Repairs and maintenance		
Building	309.58	278.09
Machinery	170.45	98.90
Others	78.47	104.90
Insurance	25.72	25.89
Rates and taxes	99.44	140.59
Directors' fees	10.30	11.60
Auditors' Remuneration		
Audit fees	7.50	10.50
Other Services	3.75	4.00
Corporate Social Responsibility Expense (Refer note 49)	80.21	79.25
Labour contractor charges	266.96	258.67
Freight and forwarding	124.92	99.62
Travelling and conveyance	148.55	186.58
Legal and professional fees	281.11	466.25
Donations	0.70	0.29
Balances not recoverable written off	20.62	138.64
Provision for doubtful debts	-	4.99
Loss allowance on Loan	250.00	-
Miscellaneous Expenses	271.31	261.58
<b>Total</b>	<b>7,960.56</b>	7,930.39

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

## 40 Tax Expense and deferred tax liabilities (Net)

### A Amounts recognised in profit and loss

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Current tax expense (a)</b>		
In respect of current year	753.00	1,254.00
In respect of earlier years	157.99	(17.43)
	<b>910.99</b>	1,236.57
<b>Deferred tax expense (b)</b>		
In respect of current year	(166.22)	(1,053.69)
(includes ₹ 805.63 lakhs MAT credit for earlier years recognised during the year 2017-18)		
<b>Tax expense recognised in the income statement (a+b)</b>	<b>744.77</b>	182.88

### B Amounts recognised in other comprehensive income

Particulars	2018-19		2017-18		
	Before tax	Tax (expense) benefit	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of the defined benefit plans	(21.32)	6.21	48.98	(14.26)	34.72
	<b>(21.32)</b>	<b>6.21</b>	48.98	(14.26)	34.72

### C Reconciliation of effective tax rate

Particulars	2018-19		2017-18	
	%	Amount	%	Amount
<b>Profit before tax</b>		<b>2,525.13</b>		3699.12
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 34.61%)	29.12%	735.32	34.61%	1280.26
<b>Tax effect of:</b>				
Non-deductible tax expenses - Donation and CSR	2.03%	51.25	0.37%	13.85
Profit on sale of assets	(0.01%)	(0.13)	(0.01%)	(0.27)
Additional allowance for tax purpose	(8.93%)	(225.57)	(9.14%)	(338.12)
MAT credit entitlement	-	-	(21.78%)	(805.63)
Tax paid at lower rate	(0.18%)	(4.51)	-	-
Other - Difference	1.21%	30.43	1.36%	50.21
<b>Effective Income Tax Rate</b>	<b>23.24%</b>	<b>586.78</b>	5.42%	200.31
Adjustments recognised in current year in relation to the current tax of prior years	6.26%	157.99	(0.47%)	(17.43)
Income Tax Expense	<b>29.49%</b>	<b>744.77</b>	4.94%	182.88

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity and not in Statement of Profit or Loss or Other Comprehensive Income.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 41 Employee benefits

#### A Post Employment Benefit Plans:

##### Defined Contribution Scheme

The company makes contributions towards provident fund to define contribution retirement benefit plan for qualifying employees. The Provident fund contributions are made to Government administered employees' provident fund. Both the employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary.

The company has recognised ₹. 101.52 lakhs (31<sup>st</sup> March, 2018 ₹ 113.10 lakhs) for Provident fund contributions in the statement of Profit and Loss.

##### Defined Benefit Plans

The Company has the following Defined Benefit Plans

##### **Gratuity:**

The company makes annual contribution to Ruby Mills Limited Employees' Gratuity Fund managed by HDFC Standard Life Insurance Limited and Bajaj Allianz; a funded defined benefit plan for the qualifying employees. The scheme provides for Payment to vested employees as under:

- On normal retirement / early retirement / withdrawals/ resignation : As per the provisions of payment of Gratuity Act, 1972
- On death in service : As per provisions of Payment of Gratuity Act, 1972.

#### **Movement in net defined benefit (assets)/ liability**

Particulars	Gratuity Funded	
	2018-19	2017-18
<b>i) Reconciliation of balances of Defined Benefit Obligations.</b>		
Defined Obligations at the beginning of the year	301.48	259.47
Interest Cost	20.63	17.13
Current Service Cost	33.47	33.71
Past Service Cost (Vested Benefits)	-	43.22
Benefits paid	(52.80)	(6.71)
<b>Actuarial (Gains)/ Losses on obligations</b>		
- Changes in financial Assumptions	4.21	(11.42)
- Experience adjustments	11.71	(31.07)
- Demographic adjustments	5.38	(2.85)
Defined Obligations at the end of the year	<b>324.08</b>	301.48

Particulars	2018-19	2017-18
<b>ii) Reconciliation of balances of Fair Value of Plan Assets in respect of Gratuity</b>		
Fair Value at the beginning of the year	296.30	280.82
Interest income (a)	22.22	18.56
Return on Plan Assets, excluding interest income(b)	(0.02)	3.64
Actual Return on Plan assets (a+b)	22.20	22.20
Contribution by employer	52.80	-
Benefits paid	(52.80)	(6.71)
Fair Value of Plan Assets at the end of the year	<b>318.51</b>	296.30

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

<b>iii) Amount recognised in Balance sheet (I-II)</b>	<b>5.58</b>	5.18
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<b>iv) Amount recognised in statement of Profit and Loss</b>		
Current Service Cost	33.47	33.71
Interest Cost	20.63	17.13
Interest income	(22.22)	(18.56)
Past Service Cost (Vested Benefits)	-	43.22
<b>Expenses for the year</b>	<b>31.88</b>	75.50

<b>v) Amount recognised in Other Comprehensive Income</b>		
<b>Remeasurements :</b>		
<b>Actuarial (Gains)/ Losses</b>		
-Changes in financial assumptions	4.21	(11.42)
-Experience adjustments	11.71	(31.07)
-Demographic adjustments	5.38	(2.85)
Return on plan assets excluding net interest cost	0.02	(3.64)
<b>Total</b>	<b>21.32</b>	(48.98)

<b>Vi) Major Actuarial Assumptions</b>		
Discount Rate (%)		
Staff	6.94%	7.50%
Workers	7.35%	7.50%
Salary Escalation/ Inflation (%)		
Staff	4.00%	5.00%
Workers	5.00%	4.00%
Expected Return on Plan assets (%)		
Staff	6.94%	7.50%
Workers	7.35%	7.50%

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

The expected return on plan assets is based on market expectation at the beginning of the period, for returns over the entire life of the related obligation

<b>vii) Investment Pattern for Fund</b>		
<b>Category of Asset</b>		
Insurer Managed funds	318.51	296.30
<b>Total</b>	<b>318.51</b>	296.30

For the funded plans, the trust maintains appropriate fund balance considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### Sensitivity analysis

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31<sup>st</sup> March, 2019 is as below :

Particulars	Gratuity-Funded
+ 1% change in rate of Discounting	310.45
- 1% change in rate of Discounting	339.49
+ 1% change in rate of Salary increase/ inflation	337.53
- 1% change in rate of Salary increase/ inflation	311.95

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31<sup>st</sup> March, 2018 is as below:

Particulars	Gratuity-Funded
+ 1% change in rate of Discounting	288.88
-1% change in rate of Discounting	315.76
+ 1% change in rate of Salary increase/ inflation	313.95
- 1% change in rate of Salary increase/ inflation	290.26

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

The expected future cash flows as at 31<sup>st</sup> March 2019 were as follows:

Particulars	Gratuity-Funded
<b>Projected benefits payable in future years from the date of reporting</b>	
1 <sup>st</sup> following year	111.50
2 <sup>nd</sup> following year	31.13
3 <sup>rd</sup> following year	40.97
4 <sup>th</sup> following year	21.93
5 <sup>th</sup> following year	24.00
Years 6 to 10	93.22

### Other details as at 31<sup>st</sup> March, 2019

Particulars	Gratuity-Funded
Weighted average duration of the Projected Benefit Obligation(in years)	
Staff	2.87
Workers	8.95
Prescribed contribution for next year - ₹ in Lakhs)	36.34

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 42 Related Party disclosures

#### A List of related parties and relationships

##### i Key Managerial Personnel:

###### a) Executive Directors

Hiren M. Shah (Chairman)  
Bharat M. Shah (Managing Director)  
Viraj M. Shah (Managing Director)  
Purav H. Shah (Whole time Director from 13<sup>th</sup> December, 2017 and Chief Executive Officer)

###### b) Other Key Managerial Personnel

Aruna M. Shah (Non-Executive Director)  
Shardul J. Thacker (Independent Director)  
Yogen S. Lathia (Independent Director)  
Deepak R Shah (Independent Director)  
Mehernosh Rusi Currawalla (Independent Director from 28<sup>th</sup> November, 2017)  
Pradip Kapasi (Independent Director from 13<sup>th</sup> December, 2017)  
Dr. Anup Shah (Independent Director up to - 29<sup>th</sup> August, 2017)  
S. Jayaraman (Chief Financial Officer)  
Ms. Naina Rajat Kanagat (Company Secretary from 2<sup>nd</sup> May, 2018)

##### ii Relative of Key Managerial Personnel with whom transactions have taken place

Shri Manharlal Shah (Chairman Emeritus - ceased w.e.f 21<sup>st</sup> July, 2018)  
Rishabh V. Shah (Vice President)

##### iii Entities Controlled by Key Managerial Personnel

Manubhai & Sons Investment Company Private Limited  
Hiren Bros. Investment Company Private Limited  
M C Shah & Sons Investment Company Private Limited  
Ruby Sales & Services Private Limited  
Lathia Industrial Rollers Private Limited  
Lathia Industrial Supplies Company Private Limited

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

### B Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31<sup>st</sup> March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Disclosures in respect of transactions/ balances with related parties	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise on which Key Managerial Personnel has control		Total	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>i</b>	<b>Balance as at year end</b>								
	Shri Manaharlal Shah	-	-	-	1,121.75	-	-	-	1,121.75
	Smt. Aruna M. Shah (Director)	3,375.30	7,96.05	-	-	-	-	3,375.30	796.05
	Shri Hiren M. Shah (Executive Chairman)	1,573.25	812.75	-	-	-	-	1,573.25	812.75
	Shri Bharat M. Shah (Managing Director)	1,292.21	948.71	-	-	-	-	1,292.21	948.71
	Shri Viraj M. Shah (Managing Director)	462.06	321.5	-	-	-	-	462.06	321.50
	Manubhai & Sons Investment Company Private Limited	-	-	-	-	1,240.31	854.30	1,240.31	854.30
	Hiren Bros. Investment Company Private Limited	-	-	-	-	1,605.90	1,062.80	1,605.90	1,062.80
	M C Shah & Sons Investment Company Private Limited	-	-	-	-	1,287.80	1,035.10	1,287.80	1,035.10
	Ruby Sales & Services Private Limited	-	-	-	-	44.50	40.00	44.50	40.00
	Lathia Industrial Rollers Private Limited	-	-	-	-	125.00	-	125.00	-
	Lathia Industrial Supplies Company Private Limited	-	-	-	-	125.00	-	125.00	-
	<b>Total</b>	<b>6,702.82</b>	<b>2,879.01</b>	<b>-</b>	<b>1,121.75</b>	<b>4,428.51</b>	<b>2,992.20</b>	<b>11,131.33</b>	<b>6,992.96</b>
<b>ii</b>	<b>Transactions during the year</b>								
	<b>Loans and Advances (Unsecured)</b>								
	<b>Loans Received</b>								
	Shri Manaharlal Shah	-	-	-	-	-	-	-	-
	Smt. Aruna M. Shah (Director)	2,605.75	52.65	-	-	-	-	2,605.75	52.65
	Shri Hiren M. Shah (Executive Chairman)	815.50	281.00	-	-	-	-	815.50	281.00
	Shri Bharat M. Shah (Managing Director)	701.00	742.71	-	-	-	-	701.00	742.71
	Shri Viraj M. Shah (Managing Director)	156.00	70.10	-	-	-	-	156.00	70.10
	Manubhai & Sons Investment Company Private Limited	-	-	-	-	452.71	214.70	452.71	214.70
	Hiren Bros. Investment Company Private Limited	-	-	-	-	546.10	110.00	546.10	110.00
	M C Shah & Sons Investment Company Private Limited	-	-	-	-	313.15	137.65	313.15	137.65
	Ruby Sales & Services Private Limited	-	-	-	-	4.50	1.25	4.50	1.25
	Lathia Industrial Rollers Private Limited	-	-	-	-	125.00	-	125.00	-
	Lathia Industrial Supplies Company Private Limited	-	-	-	-	125.00	-	125.00	-
	<b>Total</b>	<b>4,278.25</b>	<b>1,146.46</b>	<b>-</b>	<b>-</b>	<b>1,566.46</b>	<b>463.60</b>	<b>5,844.71</b>	<b>1,610.06</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosures in respect of transactions/ balances with related parties	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise on which Key Managerial Personnel has control		Total	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Shri Manaharilal Shah	-	-	1,121.75	-	-	-	1,121.75	-
Smt. Aruna M. Shah (Director)	26.50	15.10	-	-	-	-	26.50	15.10
Shri Hiren M. Shah (Executive Chairman)	55.00	415.50	-	-	-	-	55.00	415.50
Shri Bharat M. Shah (Managing Director)	357.50	378.50	-	-	-	-	357.50	378.50
Shri Viraj M. Shah (Managing Director)	15.44	49.60	-	-	-	-	15.44	49.60
Manubhai & Sons Investment Company Private Limited	-	-	-	-	66.70	177.50	66.70	177.50
Hiren Bros. Investment Company Private Limited	-	-	-	-	3.00	58.20	3.00	58.20
M C Shah & Sons Investment Company Private Limited	-	-	-	-	60.45	168.30	60.45	168.30
Ruby Sales & Services Private Limited	-	-	-	-	-	12.75	-	12.75
Lathia Industrial Rollers Private Limited	-	-	-	-	-	-	-	-
Lathia Industrial Supplies Company Private Limited	-	-	-	-	-	-	-	-
<b>Total</b>	<b>454.44</b>	<b>858.70</b>	<b>1,121.75</b>	<b>-</b>	<b>130.15</b>	<b>416.75</b>	<b>1,706.34</b>	<b>1,275.45</b>
<b>Expenses</b>								
<b>Rent</b>								
Shri Bharat M. Shah (Managing Director)	10.20	10.20	-	-	-	-	10.20	10.20
Shri Viraj M. Shah (Managing Director)	10.20	10.20	-	-	-	-	10.20	10.20
<b>Total</b>	<b>20.40</b>	<b>20.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.40</b>	<b>20.40</b>
<b>Interest</b>								
Shri Manaharilal Shah	-	-	109.46	157.05	-	-	109.46	157.05
Smt. Aruna M. Shah (Director)	162.23	111.29	-	-	-	-	162.23	111.29
Shri Hiren M. Shah (Executive Chairman)	204.94	143.57	-	-	-	-	204.94	143.57
Shri Bharat M. Shah (Managing Director)	117.82	87.96	-	-	-	-	117.82	87.96
Shri Viraj M. Shah (Managing Director)	56.24	43.91	-	-	-	-	56.24	43.91
Manubhai & Sons Investment Company Private Limited	-	-	-	-	115.98	99.20	115.98	99.20
Hiren Bros. Investment Company Private Limited	-	-	-	-	146.92	116.24	146.92	116.24
M C Shah & Sons Investment Company Private Limited	-	-	-	-	129.86	116.55	129.86	116.55
Ruby Sales & Services Private Limited	-	-	-	-	3.79	4.71	3.79	4.71
<b>Total</b>	<b>541.23</b>	<b>386.73</b>	<b>109.46</b>	<b>157.05</b>	<b>396.56</b>	<b>336.69</b>	<b>1,047.25</b>	<b>880.46</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosures in respect of transactions/ balances with related parties	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise on which Key Managerial Personnel has control		Total	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Smt. Aruna M. Shah	1.00	1.32	-	-	-	-	1.00	1.32
Deepak Shah	2.43	2.89	-	-	-	-	2.43	2.89
Mehernosh Currawala	1.28	0.48	-	-	-	-	1.28	0.48
Pradip Kapasi	1.08	0.48	-	-	-	-	1.08	0.48
Shardul Thacker	2.50	3.05	-	-	-	-	2.50	3.05
Yogen Lathia	2.03	2.26	-	-	-	-	2.03	2.26
Dr. Anup Shah	-	1.15	-	-	-	-	-	1.15
<b>Total</b>	<b>10.30</b>	<b>11.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.30</b>	<b>11.60</b>
<b>Remuneration of Key Managerial Personnel</b>								
Shri Manaharlal Shah	-	-	45.56	150.00	-	-	45.56	150.00
Shri Hiren M. Shah	129.90	108.00	-	-	-	-	129.90	108.00
Shri Bharat M. Shah	129.90	108.00	-	-	-	-	129.90	108.00
Shri Viraj M. Shah	129.90	108.00	-	-	-	-	129.90	108.00
Shri Purav H. Shah	68.98	67.61	-	-	-	-	68.98	67.61
Shri Rishabh V. Shah	-	29.88	43.58	-	-	-	43.58	29.88
Shri S. Jayaraman	26.52	27.98	-	-	-	-	26.52	27.98
Company Secretary	4.71	5.49	-	-	-	-	4.71	5.49
<b>Total</b>	<b>489.92</b>	<b>454.96</b>	<b>89.14</b>	<b>150.00</b>	<b>-</b>	<b>-</b>	<b>579.06</b>	<b>604.96</b>

### C Key Managerial Compensation\*

i For referred in i (a) above

Remuneration	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Short-term employee benefits	412.85	306.74
Post-employment benefits	45.84	35.51
	<b>458.69</b>	<b>342.24</b>

ii For referred in i (b) above

Remuneration	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Short-term employee benefits	31.23	98.59
Post-employment benefits	-	5.68
Others (Including Sitting fees to Non-executive directors)	10.30	11.60
	<b>41.53</b>	<b>115.87</b>

\* This aforesaid amount does not includes amounts in respect of gratuity and leave entitlement as the same is not determinable.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 43 Leases

#### Operating leases

#### A Leases as lessee

i a) The Company has taken motor cars, shop and land under operating leases. These lease arrangements range for a period between three and five years which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. Details of the lease rentals recognised in the Statement of Profit and Loss are:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Lease Rentals recognized in the Statement of Profit and Loss	94.48	73.29

b) The following is summary of future minimum lease rental commitments towards non cancellable operating leases:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Less than one year	20.40	20.40
Between one and five years	20.40	40.80
More than five years	-	-

#### B Leases as lessor

i a) The Company enters into cancellable and non-cancellable operating lease arrangement in respect of Premises, Plant and Machinery & Furniture and Fixtures. The details are as follows:

##### As at 31<sup>st</sup> March, 2019

Particulars	Buildings	Plant and Equipments	Furnitures and Fixtures
Gross Carrying Amount	3,743.05	1.48	2.84
Accumulated depreciation	522.47	0.78	0.36
Depreciation recognised in statement of P&L	165.43	0.18	0.04

##### As at 31<sup>st</sup> March, 2018

Particulars	Buildings	Plant and Equipments	Furnitures and Fixtures
Gross Carrying Amount	3,743.05	1.48	2.84
Accumulated depreciation	357.03	0.60	0.32
Depreciation recognised in statement of P&L	174.25	0.32	0.03

ii Total contingent rent recognised as income in the Statement of Profit and Loss in the FY 2018-19 is ₹ NIL  
(31<sup>st</sup> March 2018 ₹ NIL)

iii The future minimum lease payments under Non cancellable leases receivable as at the year ending are as follows

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Less than one year	10.04	692.28
Between one and five years	-	10.04
More than five years	-	-

### Finance Lease

#### A Leases as lessee

- i The Company has finance lease arrangements for Land leases (also refer note 20). The carrying amount of these assets are shown below:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Gross Carrying Amount	87.69	87.69
Accumulated depreciation	-	-
Depreciation recognised in statement of Profit and Loss	-	-

#### 44. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year and are adjusted for the effect of all dilutive potential equity shares.

#### i Profit attributable to Equity holders of Company

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Profit attributable to equity holders of the Company for basic and diluted earnings per share	1,780.36	3,516.24

#### ii Weighted average number of ordinary shares

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
issued equity shares at 1 <sup>st</sup> April (In lakhs)	167.20	167.20
<b>Weighted average number of shares at 31<sup>st</sup> March for basic and diluted earnings per shares</b>	<b>167.20</b>	167.20
Basic earnings per share (₹)	10.65	21.03

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 45. Financial instruments

#### A Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

#### B Fair value measurement hierarchy:

Particulars	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
	Carrying amount	Level of input used in			Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>At FVTOCI</b>								
Investments in equity shares	0.28			0.28	0.28			0.28
<b>At Amortised cost</b>								
Investments in Government securities	-	-	-	-	-	-	-	-
Loans	8,757.94	-	-	-	8,504.39	-	-	-
Trade receivables	1,666.58	-	-	-	1,823.15	-	-	-
Cash and cash equivalents	80.17	-	-	-	805.80	-	-	-
Bank balances other than above	3,138.75	-	-	-	2,878.13	-	-	-
Other financial assets	66,821.93	-	-	-	63,661.65	-	-	-
<b>Financial liabilities</b>								
<b>At Amortised cost</b>								
Borrowings	38,305.97	-	-	-	38,146.36	-	-	-
Trade payables	2,173.38	-	-	-	2,434.84	-	-	-
Other Financial liabilities	2,997.84	-	-	-	2,973.42	-	-	-

The fair value of financial instruments as referred to in note (B) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### The categories used are as follows:

- i Level 1: Quoted prices for identical instruments in an active market;
  - ii Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
  - iii Level 3: Inputs which are not based on observable market data.
- iv The following table presents the changes in level 3 items for the periods ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018:

Particular	Unlisted equity securities
As at 1 <sup>st</sup> April, 2017	0.28
Gains/(losses) recognised in other comprehensive income	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>0.28</b>
As at 1 <sup>st</sup> April, 2018	0.28
Gains/(losses) recognised in other comprehensive income	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>0.28</b>

## 45 Financial instruments

### C Financial risk management

#### Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The key risks and mitigating actions are also placed before the Audit Committee of the Company

The Company has exposure to the following risks arising from financial instruments:

- a Credit risk;
- b Liquidity risk; and
- c Market risk;

#### a Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

##### i Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 21 days credit term for Textile division and for Garment division its range from 60 to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
0-3 months	1,644.78	16.59	1,774.07	18.70
3-6 months	5.03	0.13	24.24	0.61
6 months to 12 months	14.54	0.73	23.37	1.17
beyond 12 months	21.16	1.48	8.95	0.63
Specific allowances	13.61	13.61	13.61	13.61
<b>Total</b>	<b>1,699.12</b>	<b>32.54</b>	<b>1,844.24</b>	<b>34.72</b>

Movement in the loss allowances in respect of trade and other receivables during the year was as follows.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Opening provision	34.72	29.73
Add: Movement during the year	(2.18)	4.99
<b>Closing provision</b>	<b>32.54</b>	<b>34.72</b>

### i Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in Government securities, inter corporate deposit and due from developer. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

### b Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following are the remaining contractual maturities of financial liabilities at the reporting date. Amounts disclosed are the contractual un-discounted cash flows.

Maturity analysis of significant financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Carrying amount	Contractual cas flows		Carrying amount	Contractual cas flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
<b>Non- derivative financial liabilities</b>						
Term loans	24,620.32	1,057.73	23,562.59	27,687.94	4,412.18	23,275.76
Other Loans	5,424.57	-	5,424.57	3,245.00	-	3,245.00
Short term borrowings	3,736.08	3,736.08	-	6,213.43	6,213.43	-
Trade and other payables	2,173.37	2,173.37	-	2,434.84	2,434.84	-
Other current liabilities	744.59	744.59	-	654.30	654.30	-

### c Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

#### i Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Company's exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

### Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	USD	EURO	JPY	USD	EURO	JPY
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	-	5.31
<b>Net exposure</b>	-	-	-	-	-	5.31



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### Sensitivity analysis

The following table details the Company's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
JYP gain/(Loss)	-	-	0.01	(0.01)

### c Market risk

#### ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

## Exposure to interest rate risk

The Interest rate profile of the Company's interest bearing financial instruments is as follows

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b><u>Fixed-rate instruments</u></b>		
<b>Financial Assets - measured at amortised cost</b>		
Loan - Intercompany deposit	8,757.94	8,504.39
Fixed Deposits	3,133.04	2,873.16
<b>Total of Fixed Rate Financial Assets</b>	<b>11,890.98</b>	11,377.55
<b>Financial liabilities - measured at amortised cost</b>		
Term loans	-	-
Other loans	7,966.32	6,025.71
<b>Total of Fixed Rate Financial Liabilities</b>	<b>7,966.32</b>	6,025.71
<b><u>Variable-rate instruments</u></b>		
<b>Financial Assets - measured at amortised cost</b>	-	-
<b>Total of Variable Rate Financial Assets</b>	-	-
<b>Financial liabilities - measured at amortised cost</b>		
Term loans	24,620.32	27,687.94
Other Loans		
Short term borrowings	1,290.82	1,440.52
<b>Total of Variable Rate Financial Liabilities</b>	<b>25,911.14</b>	29,128.45

## Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets. The said calculation is done excluding loans which are taken and utilised for development of property and charged to due from developers which will never impact the income statement of the Company.

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Variable rate loan instruments	(5.51)	5.51	(6.65)	6.65

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 46. Capital Management:

The Company's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Debt	38,305.97	38,146.36
Total Equity	45,253.36	43,840.29
<b>Debt-Equity ratio</b>	<b>0.85</b>	0.87

### 47 Segment information

#### A Basis for segmentation

Management has identified two reportable business segments, namely:

- i Textiles
- ii Real estate and related

Segments have been identified taking into account the nature of activities and its risks and returns.

The Company's Managing Director, the Chief Operating Decision Maker (CODM) for the Company, periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

To meet the requirements of Ind AS 108, the activity of development is included within the broad segment as "Real Estate and related" which has resulted into a mere reclassification.

#### B Information about reportable segments

Information related to each reportable segment is set out below. Segment profit (loss) after tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particular*	For the year ended 31 <sup>st</sup> March, 2019			For the year ended 31 <sup>st</sup> March, 2018		
	Textiles	Real estate and related	Total	Textiles	Real estate and related	Total
<b>Revenue</b>						
External Customers	16,279.14	2,996.49	19,275.63	16,840.44	3,096.78	19,937.22
Inter-segment	-	-	-	-	-	-
<b>Total Revenue</b>	<b>16,279.14</b>	<b>2,996.49</b>	<b>19,275.63</b>	16,840.44	3,096.78	19,937.22
<b>Segment Results</b>	<b>718.69</b>	<b>2,352.53</b>	<b>3,071.22</b>	1,935.26	2,197.43	4,132.69
<b>Add: Un Allocated Income</b>						
Other Income			654.24			617.00
<b>Less: Un Allocated Expenses</b>						
a) Finance Cost			(928.80)			(1,050.58)
b) Other Expenses			(271.53)			-
c) Income tax (including deferred tax)			(744.77)			(182.88)
<b>Profit after tax</b>			<b>1,780.36</b>			3,516.23
<b>Other Information</b>						
Segment assets	12,266.89	67,081.77	79,348.66	14,496.68	67,317.14	81,813.82
Unallocated Corporate Assets			22,690.28			20,016.82
<b>Total Assets</b>	<b>12,266.89</b>	<b>67,081.77</b>	<b>1,02,038.93</b>	14,496.68	67,317.14	1,01,830.64
Segment liabilities	2,621.05	1,898.91	4,519.97	3,140.99	3,275.08	6,416.07
Unallocated Corporate Liabilities			52,265.60			51,574.28
<b>Total Liabilities</b>	<b>2,621.05</b>	<b>1,898.91</b>	<b>56,785.57</b>	3,140.99	3,275.08	57,990.35
Depreciation and amortization	1,197.93	165.43	1,363.36	1,373.18	174.25	1,547.43
Material Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Capital expenditure	62.00	-	62.00	283.21	-	283.21

\*For the purposes of review by the CODM, information referred to above is measured consistent with the accounting policies applied for preparation of these financial statements.

## C Geographic information

The Company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below threshold limit, no separate geographical segment disclosure is considered necessary (refer note 48).

All non-current assets in the nature of property, plant and equipment (including capital work in progress) and intangible assets (including those under development) are domiciled in India.

## D Information about major customers.

No single customer contributed 10% or more to the Company's revenue for the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 in case of Textile business and one customer has contributed 97 % and 94 % of the Company's revenue for the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 respectively in case of Real estate and related business.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 48. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customer

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>i) Disaggregated revenue information for Revenue from Contracts with Customers</b>		
<u>Types of Goods or Services</u>		
Textile items	16,279.14	16,821.35
<b>Total</b>	<b>16,279.14</b>	16,821.35
<u>Sales by Geographical region</u>		
India	15,857.83	16,371.79
Outside India	421.31	449.56
<b>Total</b>	<b>16,279.14</b>	16,821.35
<u>Timing of Revenue recognition</u>		
Goods / services transferred at a point of time	16,279.14	16,821.35
Goods / services transferred at a over a period of time	-	-
<b>Total</b>	<b>16,279.14</b>	16,821.35
<u>Sales Channels</u>		
Directly to consumers	16,279.14	16,821.35
through intermediaries	-	-
<b>Total</b>	<b>16,279.14</b>	16,821.35
<u>Sales by Performance Obligations</u>		
Upon Shipment / Dispatch	16,279.14	16,821.35
Upon Delivery	-	-
<b>Total</b>	<b>16,279.14</b>	16,821.35
<b>ii) Reconciliation of the revenue from contracts with the amounts disclosed in the segment information</b>		
Total revenue from contracts with customer	16,279.14	16,821.35
Total revenue as per Segment - Textile	16,279.14	16,840.44
<b>iii) Reconciliation between revenue with customers and contract price as per Ind AS 115:</b>		
Revenue as per Contracted price	16,545.24	16,998.66
<u>Less: Adjustments</u>		
Price adjustments such as Discounts, incentives, performance bonuses	266.10	177.30
<b>Revenue from contracts with customers</b>	<b>16,279.14</b>	16,821.35
<b>iv) Contract Balances as at:</b>		
Trade Receivables	1,666.58	1,823.15
Contract Liabilities	27.41	71.77

### Revenue recognised from Contract liability (Advances from Customers)

v) The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31<sup>st</sup> March, 2019.

vi) Trade receivables are non-interest bearing and are generally on 21 days credit term for Textile division and for Garment division its range from 60 to 120 days credit term. In 31<sup>st</sup> March, 2019 ₹ 32.54 lakhs (31<sup>st</sup> March, 2018: ₹ 34.72 lakhs) was recognised as provision for expected credit losses on trade receivables. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 49 Disclosure in respect of expenditure on Corporate Social Responsibility activities:

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>a.</b> Gross amount required to be spent by the Company during the year	80.04	78.12
<b>b.</b> Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year	80.21	79.25
<b>Nature of Expenses</b>		
Animal Welfare	25.00	25.00
Preventive Health Care	45.00	11.25
Old Age Home	10.00	-
Promoting Education	0.21	43.00

### 50 Contingent liabilities and capital commitment

#### a. Contingent liabilities

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
i) In respect of Income tax matters	467.51	977.52
ii) Other Matters:		
Excise, service tax and customs matters	286.04	276.28
FEMA	14.00	14.00
iii) Claim against company under RERA Act	-	1,050.00
iv) Claim against the company by ex employees pending in labour court not acknowledged as debt	Not ascertainable	Not ascertainable
v) Bank Guarantees (in lieu of cash deposit)	304.72	283.06

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28<sup>th</sup> February, 2019. The company will update its provision, on receiving further clarity on the subject.

#### b. Capital Commitments

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
i) Related to Contracts:		
Estimated amount of contracts remaining to be executed on capital account	450.50	450.50
<u>Less:</u> Advances	325.00	325.00
Net Estimated Amount	<b>125.50</b>	125.50
ii) Other commitments	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

(All amounts in ₹ lakhs, unless otherwise stated)

### 51 Disclosure as per Section 186(4) of the Companies Act, 2013:

Particulars	Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Rohan Developers Private Limited	12%	8,895.58	8,390.58
Less : Loss Allowances		(250.00)	-
Net Receivable		<b>8,645.58</b>	8,390.58

The ICD was given as at the time, the Company temporarily had surplus funds. Presently, the said ICD is reflected as non-current as not expected to be received within a period of twelve months from the date of the Balance Sheet

**52** In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31<sup>st</sup> March 2017 and for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/Sales Tax. Excise Duty was reported as a separate expenses line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1<sup>st</sup> July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of Sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial Statements for the year ended 31<sup>st</sup> March 2018 and in particular, Sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are thus not comparable with the figures of the previous year.

### 53 Subsequent Event

Dividends paid during the year ended 31<sup>st</sup> March 2019 include an amount of ₹ 1.75 per equity share towards final dividend for the year ended 31<sup>st</sup> March 2018. Dividends paid during the year ended 31<sup>st</sup> March 2018 include an amount of ₹ 1.75 per equity share towards final dividend for the year ended 31<sup>st</sup> March 2017.

Dividends declared by the Company are based on profits available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On 30<sup>th</sup> May 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 1.75 per share in respect of the year ending 31<sup>st</sup> March 2019 subject to the approval of shareholders at the ensuing Annual General Meeting. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 352.17 lakhs, inclusive of corporate dividend tax of ₹ 59.57 lakhs.

As per our attached report of even date

**C N K & Associates LLP**  
Chartered Accountants  
ICAI Firm No: 101961W/W-100036

**Himanshu Kishnadwala**  
Partner  
Membership No. 37391

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2019

**For and on behalf of the Board of Director**

**Hiren M. Shah**  
Executive Chairman  
DIN : 00071077

**Bharat M Shah**  
Managing Director  
DIN : 00071248

**S Jayaraman**  
Chief Financial Officer

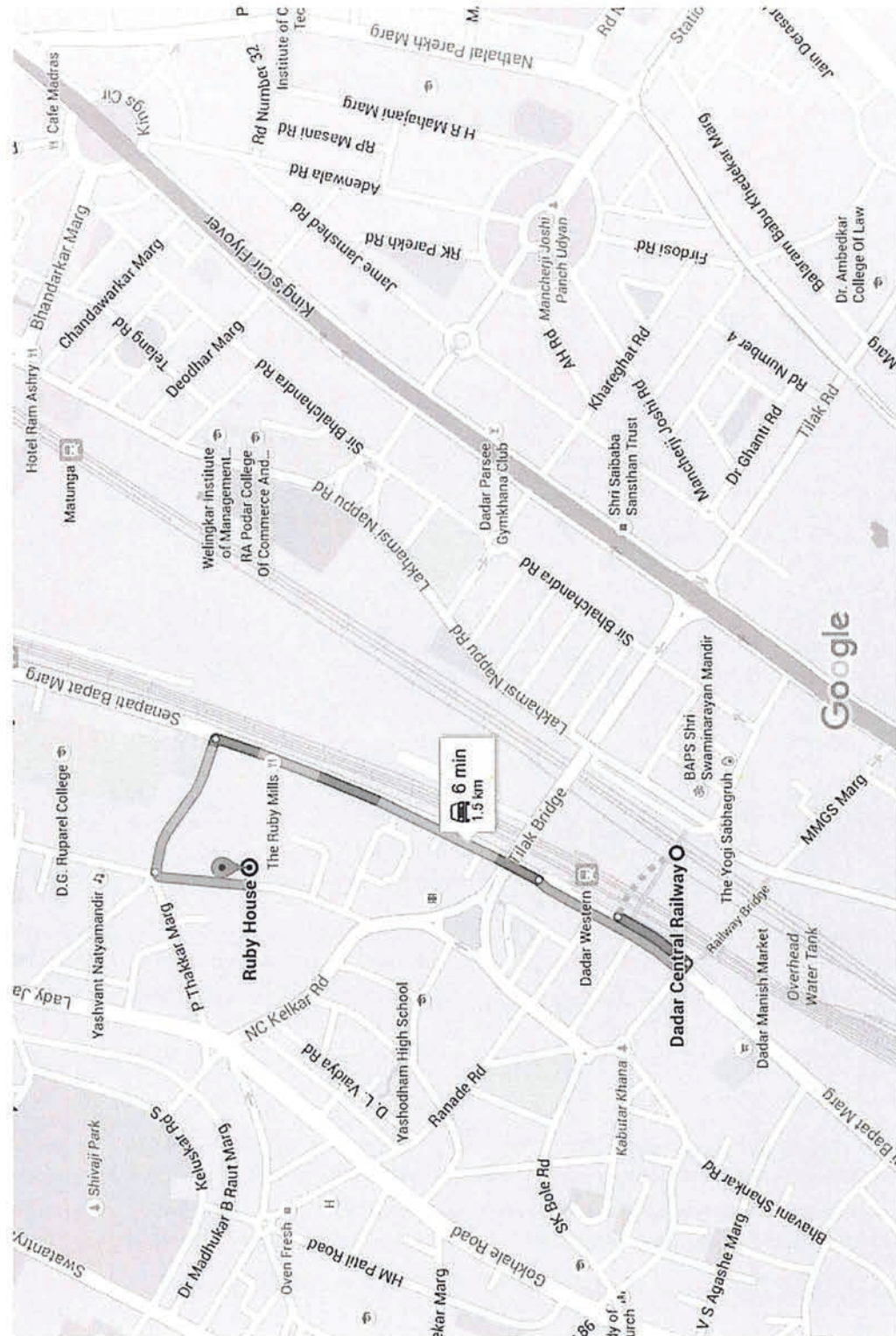
**Purav H. Shah**  
Chief Executive Officer &  
Whole time Director  
DIN : 00123460

**Naina R. Kanagat**  
Company Secretary



## Dadar Central Railway to Ruby House

### ROUTE MAP OF VENUE FOR ANNUAL GENERAL MEETING





**The Ruby Mills Limited**  
CIN: L17120MH1917PLC000447  
Registered office: Ruby House, J K Sawant Marg, Dadar (W), Mumbai - 400028  
**Attendance Slip**  
(To be presented at the entrance)

DP ID ----- Folio No. / Client ID -----

I /We hereby record my / our presence at the 103<sup>rd</sup> Annual General Meeting of the Company at Ruby House, J K Sawant Marg, Dadar (W), Mumbai - 400028 on Friday, 20<sup>th</sup> day of September, 2019 at 4.30 P.M.

Full name of the Shareholder in Block Letters.....

Folio No..... DPID No .....

ClienNo..... Name of Proxy holder.....

.....  
Signature of Proxy holder

.....  
Signature of Shareholder



**PROXY FORM**  
**[Pursuant to Section 105(6) of the Companies Act, 2013 Read with Rule 19(3) of the Companies**  
**(Management and Administration) Rules 2014]**

**The Ruby Mills Limited**  
CIN: L17120MH1917PLC000447  
Registered office: Ruby House, J K Sawant Marg, Dadar (w), Mumbai - 400028

Name of the Member(s): .....

Registered address: .....

E-mail Id: ..... Folio No. / Client ID: ..... DP ID: .....

I /We being the member(s) of ..... Shares of the above name Company hereby appoint:

(1) Name: .....Address: .....

.....E-mail Id: .....or failing him;

(2) Name: .....Address: .....

.....E-mail Id: .....or failing him;

(3) Name: .....Address: .....

.....E-mail Id: .....or failing him

As my/ our proxy to attend and vote (on a poll) for me / us and on my/ behalf at the 103<sup>rd</sup> Annual General Meeting of the Company to be held on Friday, 20<sup>th</sup> day of September, 2019 at 4.30 p.m at Ruby House, J K Sawant Marg, Dadar (w), Mumbai - 400 028 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	RESOLUTIONS		
	<b>Ordinary Business</b>	For	Against
1.	Consider and adopt Annual Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2019 together with Reports of Board of Directors and Auditor's thereon.		
2.	Approval for Declaration of Final Dividend for the Financial Year 2018-19.		
3.	Re-appointment of Smt. Bharat M Shah (DIN 00071248), who retires by rotation and being eligible offer himself for re-appointment as Director.		
	<b>Special Business</b>		
4.	Ratification of Cost Auditor Remuneration for the Financial year 2019-20		
5.	Re-appointment of Shri. Shardul J. Thacker (DIN: 00153001) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013		

Signed this .....day of ..... 2019

Signature of the Shareholder .....

Affix  
Revenue  
stamp

.....  
Signature of first proxy holder

.....  
Signature of Second proxy holder

.....  
Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

#### **ELECTRONICS VOTING PARTICULARS**

User ID	PASSWORD
Please refer to Note No. 4 (Important Communication to Members) of the Notice Page No. 8	





## MARKETING INITIATIVES 2018-19

HINDUSTAN TIMES, MUMBAI  
THURSDAY, MARCH 28, 2019

LIFESTYLE htcafé 03  
Entertainment & Promotional Feature

### RUBY FABRICS MAKES THEIR MARK AT FDCI LIVA PROTEGE

One of India's premier fashion competitions, LIVA Protege, commenced its 2018-19 season at FDCI South Western at FDCI India Fashion Week, 2018. The 100-year-old fabric expert, The Ruby Mills Limited, brought a seasonally versatile range of fabrics under the LIVA Protege umbrella. The LIVA Protege fabric range was powered by the wide range of fabrics from



The Ruby Mills Limited, a name that has been synonymous with quality and innovation since 1917. "Prior to today the world of a garment. It is the base on which fashion is based. The Ruby Mills Limited, brought a seasonally versatile range of fabrics under the LIVA Protege umbrella. The LIVA Protege fabric range was powered by the wide range of fabrics from



83  
co-branded  
hoardings  
in 15 major  
cities across  
India

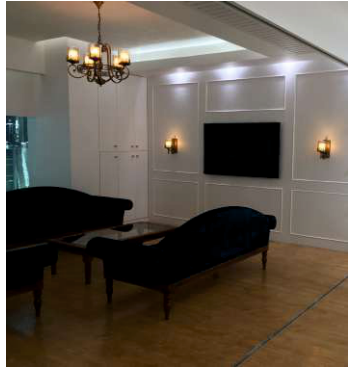


Presence in key media  
vehicles with Busy Lizzie  
as the front running brand

Social  
media activation

Ruby Fabrics  
as exclusive  
fabric partner  
at FDCI - liva  
Protégé

Fabric  
experience  
to Designers  
at India Fashion  
Week 2019



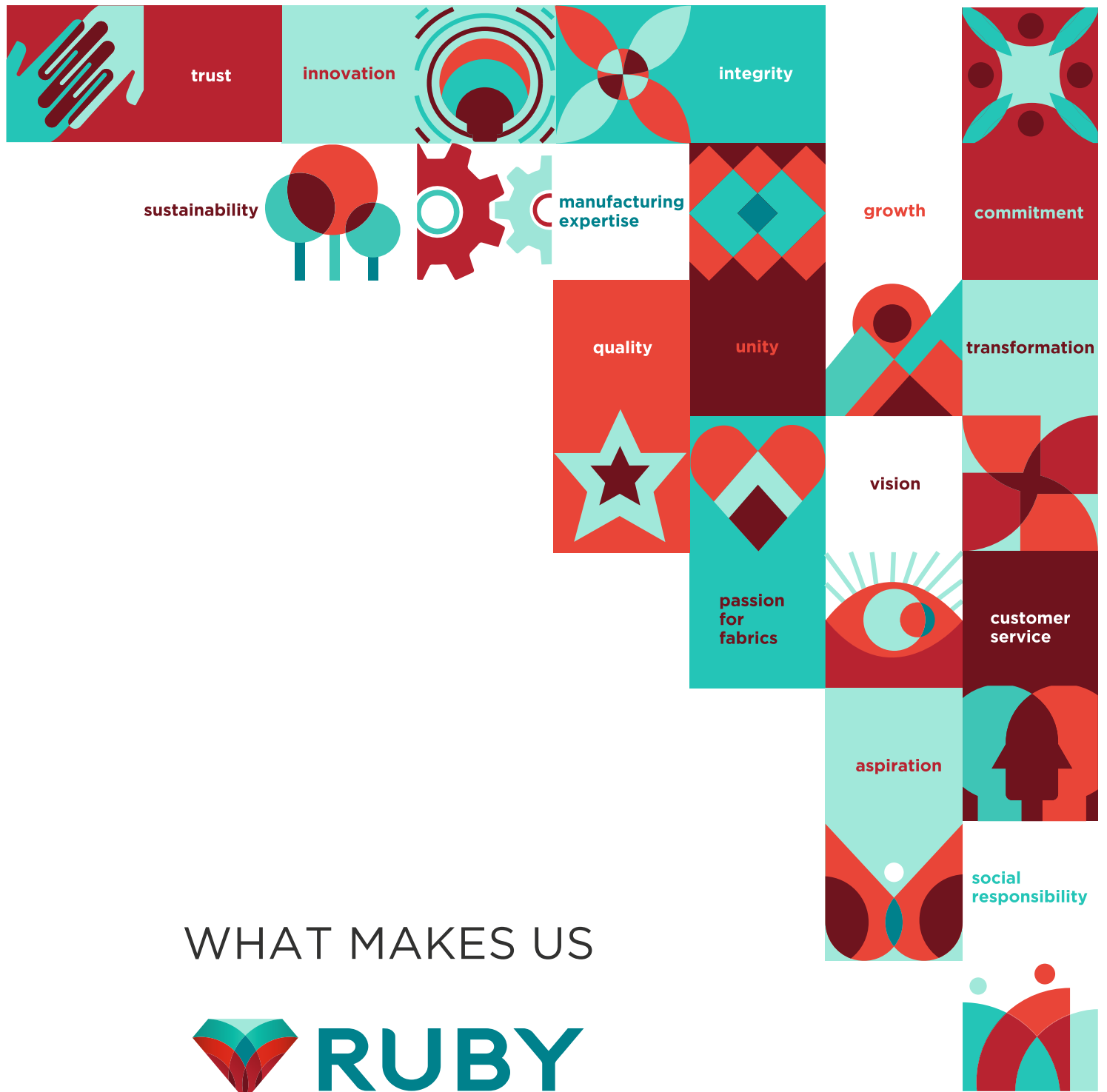
Launch of  
Ruby Studio  
in Mumbai

Interactive  
space for  
trade,  
strategic  
partners &  
designers



Nation-wide  
dealer  
visibility  
drive

Designers  
use Ruby  
Fabrics for  
new ranges



WHAT MAKES US



**THE RUBY MILLS LIMITED**

Registered Office Ruby House, J K Sawant Marg, Dadar West, Mumbai 400028, India | CIN L17120MH1917PLC000447

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