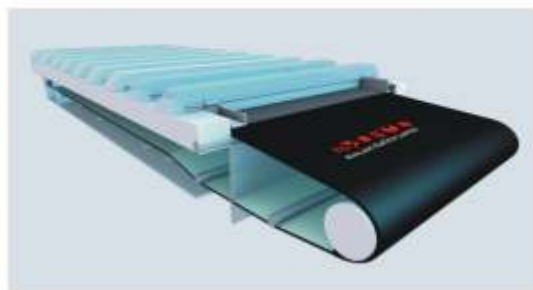
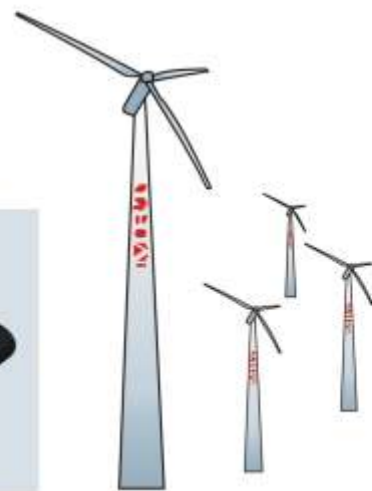




20th ANNUAL REPORT
2011
31st March



MAHALAXMI RUBTECH LIMITED





MAHALAXMI RUBTECH LIMITED

BOARD OF DIRECTORS

SHRI JEETMAL B. PAREKH
SHRI RAHUL J. PAREKH
SHRI ANAND J. PAREKH
SHRI NIKHIL K. PARIKH
SHRI MALAV J. AJMERA
SHRI NEHAL M. SHAH

GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

COMPLIANCE OFFICER

JAPAN N. SHAH
(COMPANY SECRETARY)

STATUTORY AUDITORS

BHANWAR JAIN & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD.

INTERNAL AUDITORS

D. TRIVEDI & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD.

BANKERS

BANK OF BARODA

REGISTERED OFFICE

47, NEW CLOTH MARKET, AHMEDABAD 380 002 (INDIA)

CORPORATE OFFICE

507, CHANAKYA, NEAR DINESH HALL,
ASHRAM ROAD, AHMEDABAD-380 009

FACTORY

- UMA INDUSTRIAL ESTATE, PHASE III,
VASNA (IYAVA) SANAND, DIST: AHMEDABAD
- MAHALAXMI FABRIC MILLS
(A UNIT OF MAHALAXMI RUBTECH LTD.)
ISANPUR ROAD, NEAR NAROL CHAR RASTA,
NAROL, AHMEDABAD-382 405

REGISTRAR & TRANSFER AGENT

SHAREPRO SERVICES (INDIA) PVT.LTD.
416-420 4TH FLOOR, DEVNANDAN MALL, OPP. SANYASH ASHRAM,
ELLESBRIDGE, AHMEDABAD-380006
Email - sharepro@shareproservices.com

NOTICE TO MEMBERS

NOTICE is hereby given that the TWENTYTH ANNUAL GENERAL MEETING OF "MAHALAXMI RUBTECH LIMITED" will be held at "Lions Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad- 380 006 on Thursday the September 29th, 2011 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and if approved, adopt the Audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company.
3. To appoint Auditors of the company from the conclusion of this meeting to the conclusion of the next Annual General Meeting.
4. To appoint a director in place of Shri Malav J. Ajmera, who retire by rotation and being eligible offers himself for reappointment.

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND INSTRUMENT APPOINTING PROXY SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND TRANSFER BOOK OF THE COMPANY WILL REMAIN CLOSED FROM SATURDAY THE 24th DAY OF SEPTEMBER, 2011 TO THURSDAY THE 29th DAY OF SEPTEMBER, 2011 (BOTH DAYS INCLUSIVE)
3. The Board of Directors has recommend Dividend at the rate of 5% (Rs. 0.05 per Equity Share on the face value of Rs.1/- each) on paid up Equity Share Capital of the company. The Dividend when sanctioned and declared at the Annual General Meeting of the Company will be made payable to the equity shareholders of the Company whose names stand registered on the Company's Register of Members:
 - ◆ in respect of shares held in electronic form, to those members whose names appear in the statements of beneficial ownership furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of September 24th, 2011.
 - ◆ to those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Sharepro Services (India) Pvt.Ltd., Registrar and Share Transfer Agent of the Company before September 24th, 2011.
4. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the Meeting, Replies will be provided in respect of such queries received in writing, only at the Meeting.
5. A Member or his Proxy is required to bring a copy of the Annual Report to the Meeting as extra copies will not be distributed.
6. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
7. In compliance with the Security and Exchange Board of India (SEBI) circular dated 7th January, 2010 it is mandatory for Members holding shares in Physical form to furnish a copy of PAN in the following cases:

Deletion of name of deceased shareholders(s), where the shares are held in the name of two or more shareholders.

Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.

 - (i) Deletion of name of deceased shareholders(s), where the shares are held in the name of two or more shareholders.
 - (ii) Transmission of shares to the legal heir(s), where the deceased shareholder was the sole holder of shares.
 - (iii) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
8. THE COMPANY IS HAVING DEPOSITORY ARRANGEMENT WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL), AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) TO FACILITATE THE SHAREHOLDERS TO HOLD AND TRADE COMPANY'S EQUITY SHARES IN ELECTRONIC FORM. INTERESTED SHAREHOLDERS CAN AVAIL THIS FACILITY BY OPENING A BENEFICIARY ACCOUNT WITH DEPOSITORY PARTICIPANTS. FOR MORE DETAILS SHAREHOLDERS MAY CONTACT THE COMPANY'S DEPOSITORY TRANSFER AGENTS FOR NSDL AND CDSL, SHAREPRO SERVICES (INDIA) PVT. LTD., 416-420, 4TH FLOOR, DEVNANDAN MALL, OPP. SANYASH ASHRAM, ELLISBRIDGE, AHMEDABAD 380 006.

By order of the Board of Directors
For **Mahalaxmi Rubtech Limited**

Place: Ahmedabad
Date: August 20, 2011

S/d-
Japan N. Shah
(Company Secretary)

DIRECTORS' REPORT

TO
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Directors' Report, along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Particulars	For the year ended 31.03.2011 (Rs. in Lacs)	For the year ended 31.03.2010 (Rs. in Lacs)
Income from Operations & Other Income	12921.02	9022.98
Profit before Depreciation	1246.22	987.38
Less: Depreciation	383.38	344.15
Profit before Tax	862.84	643.23
Less: Provision for Tax	244.00	109.00
Less: Provision for deferred Tax	13.45	83.08
Profit after Tax	605.39	451.15

OPERATION AND REVIEW:

The Company continued to see strong and profitable growth in the financial year 2010-11 driven by good performance in existing and new business.

The total income increased to Rs. 12921.02 lacs from Rs. 9022.98 lacs in the previous year, at a growth rate of 43.20%. Our Textile business aggregated Rs. 12180.19 lacs up by 48.13% from Rs. 8222.88 in the previous year. The Profit before Tax amounted to Rs. 862.84 lacs as against Rs. 643.23 lacs in the previous year. The net profit after tax was Rs. 605.39 lacs as against Rs. 451.15 lacs in the previous year.

DIVIDEND:

Considering the improved financial performance of the Company, your Directors are glad to recommend for approval of the members Dividend at the rate of 5% (Rs. 0.05 per Equity Share on the face value of Rs. 1/- each) (Last year 5%) on paid up Equity Share Capital of the company. The dividend on the Equity Shares, if declared as above, would involve cash outflow of Rs. 5125573/- (including tax on dividend).

DIRECTORS:

Shri Malav J. Ajmera, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors state: (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (ii) that the directors have 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 at the end of the financial year ended on 31.03.2011 and of the profit of the Company for the year ended on 31.03.2011; (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (iv) that the directors have prepared annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Your company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, where the Company's shares are listed over the year and it is a continuous and ongoing process. A Report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance is enclosed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange has been attached and forms part of this Directors' Report.

AUDIT:

M/s. Bhanwar Jain & Co., Chartered Accountants, Ahmedabad, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2011 -12. As required under the provisions of the Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. Bhanwar Jain & Co that their appointment if made would be in conformity with the limits specified in the Section.

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to Textile Division every year. Subject to the approval of the Central Government, the Company has appointed M/s A.G. Dalwadi & Co., Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2011 -12. The cost audit report for the Financial year 2009-2010 which was due to be filed with the Ministry of Corporate Affairs on September 26, 2010 was filed on the same date.

FIXED DEPOSITS:

The company has not accepted any deposits from public within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India.

SHARE CAPITAL:

Subsequent to the Resolution passed by way of Postal Ballot on 13th August, 2010 company has Sub-divided the Equity Shares of Rs. 10/- to Rs. 1/- each.

INSURANCE:

All the assets of the company including the inventories, building, plant and machineries are adequately insured.

COMPULSORY TRADING IN DEMAT:

Trading of the equity shares of your Company are being traded compulsorily in DEMAT FORM from March 23, 2001 pursuant to circular of SEBI.

EMPLOYEES:

The information required under sub section (2A) of section 217 of the Companies Act, 1956 in respect of certain employees of the company are as under:

- (a) Employees employed throughout the year and who were in receipt of remuneration of not less than Rs.24,00,000/- per annum in terms of section 217 (2A) (a) (i) – None.
- (b) Employees employed for the part of the year and who were in receipt of remuneration of not less than Rs.2,00,000/- per month in terms of section 217(2A) (a) (ii) – None.
- (c) None of the employees is covered under section 217 (2A) (a) (iii).

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The information required under section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosures of Particulars in the report of the board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

LISTING:

The Securities of your company are listed with the Bombay Stock Exchange Limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2011 -12 have been paid to them well before the due date. The Company has also paid the annual custodian fees to NSDL & CDSL for the Securities of the Company held in dematerialized mode with them for year 2011-12.

APPRECIATION:

Your Directors express their gratitude for the continued support and guidance received by the Company from the customers, vendors, investors, bankers and employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We look forward for their continued support in the future.

For and behalf of the Board
Mahalaxmi Rubtech Limited

Place: Ahmedabad
Date: May 19, 2011

Jeetmal B. Parekh
(Chairman)

ANNEXURE TO DIRECTORS' REPORT

Information required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

The company has adopted the system of shutting down the electrical machinery and appliances when not in use to avoid unnecessary waste of energy. New investments in machines are being considered with an idea to have reduction of consumption of energy. The impacts of such measures are not precisely ascertainable. The total energy consumption and consumption per unit of production required in form 'A' is given here under:

FORM 'A'

(a) Power and Fuel Consumption	2010-11	2009-10
1. Electricity		
(a) Purchased:		
Units :	8720074	8756589
Amount Rs. :	4,73,28,090/-	4,92,72,772/-
(b) Own Generation:		
(i) Through Diesel:		
Units :	38500	35000
Amount Rs. :	4,68,300/-	3,64,078/-
(ii) Through Windmill		
Units :	2307938	2437123
2. Fuel		
Waste Wood		
Tonnes :	31438	31582
Amount Rs. :	9,18,79,030	7,99,99,355/-
Coal & Lignite		
Tonnes :	12746	15743
Amount Rs. :	3,16,03,512/-	3,76,67,407/-
Steam Coal		
Tonnes :	13794	6978
Amount Rs. :	51908737	20555064
(b) Consumption per unit of production :	It is not possible to ascertain the same as company is having different process for different kind of production.	

(B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

The company is putting its best efforts towards research & developed in its own laboratory, to improve the quality of products and to test and try the latest technological innovations.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings	:	Rs. 53664305
Foreign exchange outgo	:	Rs. 12603850

MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

The Company's turnover at Rs. 12853.53 lacs has recorded an increase of about 45.50% compared to the previous year. Meanwhile the Net Profit for the year (before depreciation and tax) recorded increase of about 26.22% compared to the previous year. The profit before tax, after absorbing depreciation, for the year stands at Rs. 862.84 lacs.

Your company has continued to put in all possible efforts to boost exports, during the year under review achieved Export sales to the tune of Rs.561.00 Lacs.

B. Industry Structure and Development:

Your Company operates mainly in two broad areas: Polymer Based Technical Textile Division and Traditional Textiles Division, whereas Textile Division is having two separate units for Weaving and Processing.

Polymer Based Technical Textile Division at MRT manufactures world class Textile Printing Blankets and range of other niche rubber products having a dedicated R & D wing for technical textiles. Being widely used on all types of textile screen printing machines, we are today one of the largest Textile Printing Blanket manufacturer in the country with a long track-record and excellence in quality in this industry. Since long time MRT has been exporting its products to more than 25 countries, with major countries of export being China, Pakistan, Brazil, Colombia, Thailand and Indonesia. The Company has been regularly participating in international exhibitions which enable us to keep abreast with the latest global trends.

In Rubber division your Company operates across multiple products and business in diverse markets and environment. These includes manufacturing of Polymer Coated Engineered Fabrics, which has diverse end-uses in products like defense equipment, safety & protective clothing, gaskets, diaphragms, bellows, expansion joints and many more and manufacturing of Air Cell, Hydraulic seals and spares which are supplied to transformer manufacturers and users of hydraulic equipments. Your company confirms to ASTM standards, Bureau of Indians standards, DIN standards, Federal Standards etc. and is an ISO 9001:2008 Company.

Your Company has plans to expand its ambit and scope of activities in the technical textile space. The diversification and expansion is planned with a special focus on manufacturing of Offset Printing Blankets (used in Sheet Fed and Web Fed offset printing machines), Coated and Laminated Textiles, and Polymer Coated Engineered Composites. Some of the emerging areas of technical textiles which the company plans to explore are in the field of Geotextiles, Healthcare, Safety & Protective Clothing, Industrial, Aerospace, Marine and Military sector.

In textile division your Company operates in two separate units i.e. "Maheeka Textech" a weaving unit and "Mahalaxmi Fabric Mills" a Processing unit. Maheeka Textech is a high-tech weaving unit which includes warping, sizing and world-class automatic rapier looms for weaving of various types of fabrics. Maheeka Textech also has facility of manufacturing specialty fabrics used for the technical textiles. Your Company has completed amalgamation of Mahalaxmi Fabric Mills Pvt. Ltd. in the year 2008-09 and the same has been absorbed as a separate unit in textile division. As a result of amalgamation, your Company has complete facility from warping, sizing, weaving, dyeing, bleaching, printing, processing and finishing of various types of fabrics such as cotton, polyester, Bottom-weight etc. Mahalaxmi Fabric Mills a processing unit is engaged in dyeing, bleaching, printing and processing of various types of fabrics and at the end of the chain its fabric range goes in to high quality Apparel and Home textiles catering to Domestic as well as Global Market.

C. Research & Development:

Increased globalization has made the sale of products and retaining of customers highly competitive. To overcome a significant volatility in the market, the need of the hour is high customer satisfaction and value for money from the product. Keeping the above objective as paramount, the research and development activities were focused into attending major customer complaints/suggestions in order to improve customer satisfaction. Your Directors are pleased to inform that the above efforts have lead to considerable reduction of customer complaints. Your company has successfully launched products of better quality with new aesthetic look as per customer requirements. Further your company also plans to make new investments for upgrading and modernizing their R&D facilities.

D. Internal Control System:

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The internal control is supplemented by an extensive programme of internal audits.

The internal audit programme is finalized in consultation with the Internal Auditors and the audit committee of the Board. The Audit Committee is briefed on the findings by the internal auditors, every quarter, along with the remedial actions that have been recommended or have been taken by the management to plug systemic weaknesses. The Audit committee of the Board meets periodically to review various aspects of the performance of the company and also review the adequacy and effectiveness of internal control system and suggests improvement for strengthening them from time to time.

E. Human Resources:

Your Company continues to have cordial and harmonious relations with its employees at all levels during the period under review. The operations of the Company across functions have been strengthened through induction of appropriately qualified and experienced manpower. Management of your Company strongly focuses on the performance of the managers. The Board acknowledges its thanks to all the shop floor personnel and other employees for making significant contribution to your Company.

F. ISO 9001:2008 Certification:

We wish to inform you that your company has obtained the ISO 9001:2008 Certification, Accredited by TUV South Asia Private Limited, covering all major criteria Development and Manufacturing of Rubber Products such as Textile Printing Blankets, Rubber Coated Fabrics, Precision Rubber Moulded Parts, Flexible Separators and Hydraulic Seals.

Throughout our corporate career, your company has been quality-focused and technology-driven. From our inception, these were the factors that enabled us to manufacture truly world class Textile Rubber Printing Blankets and Rubberized Textile Fabrics, through in-house R&D, and successfully market them around the world.

G. Cautionary Statement:

Certain statement in the "Management Discussion and Analysis" may be forward looking and are stated as required by applicable laws and regulations. Many factors affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and outside the country and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE

Report on the implementation of the Corporate Governance is furnished below:

1. Company's Philosophy on Code of Governance:

The Company's Corporate Governance Philosophy was to continuously strive to attain higher level of accountability, transparency, responsibility in all aspects of its operation. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholder – customer, lenders, employee and society. The Company lays a long term emphasis on Corporate Code of Governance, as a true and effective code of corporate conduct would hold the Company and its stakeholders in a good stead in the coming years.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good move.

The Company adheres to good corporate practices and is constantly striving to make them better. The Company strongly supports the principles of corporate governance. Further the board lays emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders. Your company has complied with all material respects with the features of Corporate Governance Code as per clause 49 of the Listing Agreement with the Stock Exchange.

2. Board of Directors:

The Board consists of six directors of whom one is Non-executive Chairman, two Managing Directors and three Non-Executive Directors (Independent).

During the year 8 Board Meetings were held on 07.05.2010, 30.05.2010, 07.07.2010, 19.07.2010, 09.08.2010, 01.10.2010, 02.11.2010 and 10.02.2011. The interval between any two meetings did not exceed 4 months.

The Composition of Directors and their attendance at the Board Meeting during the year and also number of other directorships/membership of Committees are as follows:

Name of Director	Category of Directorship	No. of Board Meetings Attended	Whether Attended Last AGM 16.09.2010	No. of other Directorships	Committee	
					Membership **	Chairmanship **
Jeetmal B. Parekh	NED-P	8	YES	*4	----	----
Rahul J. Parekh	MD	8	YES	*6	1	----
Anand J. Parekh	JT. MD	8	YES	*3	2	----
Nikhil K. Parikh	NED-I	6	NO	NIL	1	----
Nehal M. Shah	NED-I	6	NO	1	----	1
Malav J. Ajmera	NED-I	8	YES	NIL	---	1

* All Private Limited Company

** As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairmanships of audit committee and investors' grievance committee in public limited companies.

NED -P - Non Executive Director (Promoter), MD - Managing Director, JT. MD – Joint Managing Director, ED - Executive Director, NED-I - Non Executive Director (Independent) Shri Jeetmal B. Parekh is a Non-Executive Chairman, Shri Rahul J. Parekh and Shri Anand J. Parekh are Managing Directors, Shri Nikhil K. Parikh, Shri Nehal M. Shah & Shri Malav J. Ajmera are Non Executive Directors (Independent).

3. Audit Committee:

1. Composition and Terms of Reference:

As on 31.03.2011 your Company's Audit Committee consisted of Shri Malav J. Ajmera – Chairman of the Audit Committee, Shri Anand J. Parekh and Shri Nikhil K. Parikh. All members of the Audit Committee have Financial, Accounting and Management expertise. The Chairman of the Audit Committee has attended Annual General Meeting held on 29.09.2010.

During the year 4 committee meetings held on 27.05.10, 09.08.10, 02.11.10 and 10.02.2011 the attendance of members at the meetings were as follows:

Name of Member	Status	No. of Meetings Attended
Malav J. Ajmera	Chairman	4
Nikhil K. Parikh	Member	4
Anand J. Parekh	Member	4

Two third members are non-executive and Independent Directors. The Chairman of the Committee is an Independent Director. The General Manager & Compliance Officer are regular invitees and statutory auditors are invited from time to time.

- The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement with the Stock Exchanges and also as required under Section 292A of the Companies Act, 1956.
- The Chief Financial Officer along with the Statutory Auditors, Internal Auditors are invited to the Meetings of the Audit Committee. The Company Secretary acts as Secretary of the Committee.
- The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meeting.

4. Remuneration Committee (Non Mandatory)

The Remuneration Committee inter alia, reviews and recommends the remuneration and commission / performance incentive of Executive and Non – Executive Directors. The Terms of reference of the Remuneration Committee include the matters specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

The committee comprises of 3 Non-Executive directors, Mr. Jeetmal B. Parekh as Chairman and Mr. Nikhil K. Parikh, Mr. Nehal M. Shah as members.

During the year under review, the committee met one time on 26.05.2010 where all members were present in the meeting.

Details of Remuneration for the year 2010-2011 paid to the Directors are as follows:

Remuneration for 2010-11 to Shri Rahul J. Parekh, Managing Director:-

- Basic Salary Rs.: 4,80,000/-, (Rupees Four Lacs Eighty Thousand only) and Perquisites: 32,400/- (Rupees Thirty two Thousand Four Hundred Only) Per Annum

Remuneration for 2010-11 to Shri Anand J. Parekh, Jt. Managing Director:-

- Basic Salary Rs: 4,80,000/- (Rupees Four Lacs Eighty Thousand only) and Perquisites: 32400/- (Rupees Thirty two thousand four hundred only) Per Annum

The other information of Directors are as under:

Name	Age	Designation	Date of initial appointment	Nature of employment	Shares held
Jeetmal B. Parekh	67	Chairman	27.08.1993	-----	9628560
Rahul J. Parekh	39	Managing Director	05.07.1995	Contractual	8511190
Anand J. Parekh	34	Jt. Managing Director	19.11.2008	Contractual	7511220
Nikhil K. Parikh	39	Director	31.03.2003	-----	NIL
Nehal M. Shah	39	Director	30.03.2005	-----	NIL
Malav J. Ajmera	34	Director	19.11.2008	-----	NIL

The contractual agreements with executives can be terminated by either party giving 1 month prior notice. The company does not pay any severance fee and no stock options are issued to any of the Directors.

The company does not pay any remuneration for attending the Board / Committee Meeting to Non-executive directors.

There is no pecuniary relationship or transaction of the company with any non-executive directors.

5. CEO/CFO CERTIFICATION:

The Managing Director and CEO have certified to the Board that:

- We have reviewed financial statements and the cash flow statement for the year ended 31-03-2011 and that to the best of our knowledge and belief :
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
- Significant changes in internal control during the year.
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - 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.

Date: 19th May, 2011.
Place: AHMEDABAD

For **MAHALAXMI RUBTECH LTD.**
Rahul J. Parekh
Managing Director

6. Shareholders / Investors Grievance Committee :

Terms of Reference

To specifically look into redressal of complaints like transfer of shares, non-receipt of dividends, non-receipt of annual report etc. received from shareholders / investors and improve the efficiency in investors' service, wherever possible.

The shareholders' Grievance Committee comprise of Non-Executive director (independent), and two Executive Directors. The committee met Four times during the year on 24.06.2010, 12.10.2010, 26.11.2010 and 25.03.2011, all the members of committee attended the meeting.

Members:

Shri Nehal M. Shah - Chairman

Shri Rahul J. Parekh - Member

Shri Anand J. Parekh - Member

Shri Japan Shah, Company Secretary is a Compliance Officer.

During the year company has received Two complaints, which were resolved on time and no complaint remains pending at year end. The status of complaints is periodically reported to the Committee and Board of Directors in their meetings.

7. Share Transfer Committee:

The board has delegated the power of approving transfer of shares to a committee of Three directors and one senior executive, committee met 20 times during the year and approved the transfer of shares lodged with the company and no transfer were pending as on 31-03-2011.

8. General Body Meeting:

The last three Annual General Meetings of the Company were held on the following locations, dates & times:

Year	Location	Date	Time	No. of Special Resolutions passed
2009-2010	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	29.09.2010	12.30 PM	0
2008-2009	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	16.09.2009	12.30 PM	1
2007-2008	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	25.09.2008	1.00 PM	0

Postal Ballot:

- (i) Four Special resolutions were passed for Alteration of Article of Association of Company, Sub division of shares, Increase for Authorized Share Capital and Further issue of shares at premium through postal ballot during the year under review. The result was announced on 13-08-2010. Shri Rasmikant Soni, Practising Company Secretary was appointed as scrutinizer. The above said Special Resolutions were passed by the requisite majority.

9. Disclosures:

- Details of related party transactions are furnished in Note No.12 of schedule No.19 Part B under Notes to Accounts. None of the transactions with any of the related parties were in conflict with the interest of the company.
- No strictures or penalties have been imposed on the company by the Stock Exchange or SEBI or any statutory authority on any matters related to capital market during the last three years.
- The Company has put in place a mechanism for employees to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the higher levels of supervisors including the Audit Committee.
- The Board has adopted Code of Conduct including a Business Ethics Policy for its Designated Persons. Designated Persons mean Directors and Officers in Management Cadre - functional heads and above.
- The Company has for the period ended March 31, 2011, received from all Designated Persons, a declaration of compliance with the code. A certificate from the Managing Director, to this effect forms part of this Report.
- The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statements, the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreements with Stock Exchanges. The adoption of non-mandatory requirements has been dealt with further on in this Report.

10. Means of Communication:

Financial Results :

The Quarterly & Half – Yearly results are published in Economic Times Gujarati and English Edition. Annual Financial Result is published in Indian Express – English and Financial Express –Gujarati Edition. The said Financial Results are also available on the Company's website – www.mrtglobal.com. These are made available to members on request.

Management Discussion and Analysis Report :

The Management Discussion and Analysis Report forms a part of the Annual Report.

11. The Particulars of Directors who are proposed to be appointed/reappointed are given below:

Sr. No.	Name	Age	Occupation	Qualification	Expertise	Other Directorship	Other Committee Membership
1.	Malav J.Ajmera	34	Business	Chartered Accountant	Having rich experience in the field of Finance, Accounting, Taxation, Corporate Restructuring.	Nil	Nil

12. General Shareholder information

Annual General meeting to be held on	:	Thursday, 29 th September, 2011 At 12.30 p.m.
Place of the meeting	:	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad – 380 006
Tentative Financial Calendar	:	1 st April 2011 to 31 st March 2012
Financial Results		
* First Quarter Results	:	By 14 th August, 2011
* Half Yearly Results	:	By 14 th November 2011
* Third Quarter Results	:	By 14 th February 2012
* Annual Results	:	Within 60 days. 2012
Book Closure Date	:	From 24 th September, 2011 to 29 th September, 2011 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend
Dividend Payment date	:	on or after October 04, 2011
Listing at Stock Exchanges:		
Name of Stock Exchange	:	Stock Code
Bombay Stock Exchange Limited	:	514450
ISIN NO. (dematerialized Shares)	:	INE112D01027
Corporate Identity Number (CIN)	:	L25190GJ1991PLC016327

The Company has already paid listing fees for the year 2010-11 to all the Stock Exchanges, where listed.

Market Price Data: (as per BSE)

Month	Highest Rate (Rs.)	Lowest Rate (Rs.)
April, 2010	192.40	94.20
May, 2010	204.90	146.00
June, 2010	202.00	163.10
July, 2010	212.00	153.50
August, 2010	204.10	153.00
September, 2010	206.55	* 18.30
October, 2010	* 33.40	23.80
November, 2010	34.00	22.10
December, 2010	29.25	16.35
January, 2011	21.25	12.35
February, 2011	13.10	6.66
March, 2011	11.89	7.71

* **NOTE:** The face value of shares has been splitted from Rs. 10/- to Rs. 1/- Per share pursuant to resolution passed on 13th August, 2010. The trading permission granted by Bombay stock exchange from the September 23, 2010. Hence all related figures of Highest-Lowest price stated accordingly.

REGISTRAR AND TRANSFER AGENTS
Physical Mode:

Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, AHMEDABD-380006
Tel Nos.079 26582381 to 84 ■ Fax No 079 26582385 ■ Email sharepro@shareproservices.com

Depository Mode:

- | | |
|--|---|
| <p>1. For National Securities Depository Ltd. (NSDL)</p> <p>Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge, AHMEDABD-380006
Tel Nos.079 26582381 to 84 Fax No 079 26582385
Email sharepro@shareproservices.com</p> | <p>2. For Central Depository Services (India) Ltd. (CDSL)</p> <p>Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge, AHMEDABD-380006
Tel Nos.079 26582381 to 84 Fax No 079 26582385
Email sharepro@shareproservices.com</p> |
|--|---|

Share Transfer System:

The Company's Shares are traded in the Stock Exchanges compulsorily in demat mode. Share in physical mode which are lodged for transfer are processed and subject to exercise of option under compulsory transfer-cum-demat procedures, Shares Certificates are either dematted or returned within the time prescribed by the authorities.

The Shareholders/Investors are requested to send share transfer related documents directly to our RTA whose address is given at the beginning of this section.

Distribution of Share holding: (as on 31st March 2011)

No. of Shares			Shareholders		No. of Share held	
			Number	Total in %	Numbers	Total in %
1	-	500	2923	40.61	713572	0.81
501	-	1000	1085	15.07	964457	1.09
1001	-	2000	1741	24.19	2432166	2.76
2001	-	3000	384	5.34	998522	1.13
3001	-	4000	149	2.07	548480	0.62
4001	-	5000	186	2.58	894281	1.01
5001	-	10000	294	4.08	2236359	2.54
10001	-	AND ABOVE	436	6.06	79414913	90.04
Total			7198	100	88202750	100

Shareholding Pattern: (As on 31st March, 2011)

Category	No. of Shares held	% to the Shareholding
Promoters & Associates	48514690	55.00
Bodies Corporate	15196773	17.23
Non Resident Indians	246306	0.28
Banks & Mutual Funds	87750	0.10
Public	24157231	27.39
TOTAL	88202750	100.00

Dematerialisation of Share and liquidity:

The trading of Equity shares of the Company in all category is Compulsory in demat mode with effect from 23.03.2001. As on 31st March, 2011, 75.21% Shares have been dematerialized.

Outstanding GDRs / ADRs / Warrants or any Convertible : NIL

Instruments, Conversion date and likely impact on equity

Shareholders who have not yet encashed their dividend warrants for the year, 2006-07, 2007-08 and 2008-09, 2009-10 may approach the Company for revalidation / issue of duplicate dividend warrant.

PLANT LOCATION:

Address for Correspondence:

Factory:

(1) Uma Industrial Estate
Phase – III, Village Vasana (Iyava),
Tal. Sanand, Dist. Ahmedabad,
Tel: 02717-284309 - 10
Fax: 02717-284152

Registered Office:

47, New Cloth Market,
Ahmedabad-380 002.

(2) Mahalaxmi Fabric Mills

(A Unit of Mahalaxmi Rubtech Ltd.)
Isanpur Road,
Nr. Narol Char Rasta, Narol,
Ahmedabad – 382 405.

Tel: 079-25731831 - 34
Fax: 079-25731814

Corporate office:

507, Chanakya,
Near Dinesh Hall,
Ashram Road,
Ahmedabad-380 009.
Tel: 079-26575616, 079-26582552
Fax: 079-26583552

Declaration by the Managing Director under Clause 49 of the Listing Agreement Regarding Compliance with the Code of Conduct

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Designated Persons of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the period ended 31st March, 2011.

For the purpose of this declaration, Designated Persons mean Directors and Officers in Management Cadre and above.

Place: Ahmedabad
Date: May 19, 2011

On behalf of the Board of Directors,

Rahul J. Parekh
Managing Director

COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

To the Members of Mahalaxmi Rubtech Limited

We have examined the compliance of conditions of Corporate Governance by Mahalaxmi Rubtech Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2011, no investor grievances are pending against the Company as per records maintained by the Company and presented to the Shareholders/ Investors Grievance Committee.

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

For **BHANWAR JAIN & CO.**
Chartered Accountants.

(B. M. Jain)

Partner

Ahmedabad: 19th May, 2011.

AUDITORS' REPORT

TO THE MEMBERS OF
MAHALAXMI RUBTECH LIMITED.

1. We have audited the attached balance sheet of **MAHALAXMI RUBTECH LIMITED**, as at 31st March, 2011, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2011.
 - (b) In the case of the profit and loss account, of the profit for the year ended on that date and
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For BHANWAR JAIN & CO.,
Chartered Accountants.

S/d

(B. M. JAIN)

Partner.

M.No.: 34943

AHMEDABAD: 19th May, 2011.

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company. No material discrepancies were noticed on such verification.
- (c) There was no disposal of substantial part of fixed assets during the year.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of records of inventory, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly Para 4(iii) (b), (c) and (d) of the Companies (Auditors Report) Order, 2003 are not applicable.
- (B) According to the information and explanation given to us company has taken loans secured or unsecured from four companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1329.16 lakhs and the year end balance of the loan taken from such parties was Rs. 1158.04 lakhs.
- (C) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (D) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under.
- vii) The company has an internal audit system during the year which in our opinion is in commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained by the company.
- (ix) (a) According to the information and explanations given to us, in our opinion, undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, applicable to the company have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears as at 31st March, 2011 for a period of more than six months from when they became payable.
- (b) According to the information and explanation given to us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Amount in (Lakhs)	Forum where dispute is pending
Central Excise Duty	9.98	Appellate Tribunal
Textile Cess	11.12	High Court
Labour Suits	0.60	Labour Court
Income Tax	12.89	High Court
Income Tax	1.99	Appellate Tribunal

- (x) There are no accumulated losses of the company as on 31st March, 2011. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks during the year.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any special statute as specified under clause 4 (xiii) of the Order are not applicable to the company.
- (xiv) According to the information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanation given to us, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment by the company.
- (xviii) The company has not issued any debentures during the year.
- (xix) The company has not raised any money by way of public issues during the year.
- (xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For BHANWAR JAIN & CO.,
Chartered Accountants.

S/d

(B. M. JAIN),
Partner.
M.No.: 34943
AHMEDABAD: 19th May, 2011.

MAHALAXMI RUBTECH LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE		AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
<u>SOURCES OF FUNDS :</u>			
SHAREHOLDERS' FUNDS :			
Share Capital	:1:	88202750	88202750
Reserves & Surplus	:2:	300635849	246108672
		388838599	334311422
LOAN FUNDS :			
Secured Loans	:3:	157745119	186926872
Unsecured Loans	:4:	115803755	52063436
		273548874	238990307
DEFERRED TAX LIABILITY		33075000	31730000
TOTAL		695462473	605031728
<u>APPLICATION OF FUNDS :</u>			
FIXED ASSETS :			
Gross Block	:5:	592510189	540621296
Less: Depreciation		152555683	114852970
Net Block		439954507	425768326
Capital Work in progress		34710453	48801159
INVESTMENTS :		13319169	453650
CURRENT ASSETS, LOANS & ADVANCES :			
Closing Stock	:7:	248522758	101235225
Sundry Debtors	:8:	124708146	249699109
Cash & Bank Balances	:9:	2822255	6327832
Loans & Advances	:10:	70761832	35486121
		446814991	392748289
Less: Current Liabilities & Provisions	:11:	243629764	268288645
NET CURRENT ASSETS		203185226	124459644
MISCELLANEOUS EXPENDITURE :		4293118	5548948
TOTAL		695462473	605031728
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS		:19:	

As per our report attached.
For BHANWAR JAIN & CO.
Chartered Accountants.

S/d-
(B. M. JAIN)
Partner,
M.No.: 34943
AHMEDABAD: 19th May 2011

S/d-
JEETMAL B. PAREKH
Chairman

S/d-
NIKHIL K. PARIKH
Director
AHMEDABAD: 19th May 2011

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
MALAV J. AJMERA
Director

S/d-
JAPAN N. SHAH
Company Secretary

MAHALAXMI RUBTECH LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011.

SCHEDULE	Rs.	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
INCOME :			
Sales & Job Work Receipts		1293685106	887107968
Less: Excise Duty		8332305	3694219
		1285352801	883413749
Other Income	:13:	6749028	18884517
Increase/(Decrease) in Stocks	:14:	74331890	182009
TOTAL		1366433718	902480275
EXPENDITURE :			
Materials Cost		838942517	451429291
Employees' Emoluments	:15:	33020927	30613194
Manufacturing Expenses	:16:	319725797	270829911
Administrative & Selling Expenses	:17:	34472638	33719341
Financial Expenses	:18:	15649425	17150264
Depreciation		38338377	34415242
		1280149682	838157243
PROFIT BEFORE TAX :		86284036	64323032
Provision for Taxation:			
Current Tax		24400000	10900000
Deferred Tax		1345000	8308000
PROFIT AFTER TAX :		60539036	45115032
Add :Balance as per last year		93046116	52522935
Add: Income Tax of Earlier Year		(1114369)	550760
Add: Prior period Adjustment		228088	---
		152698871	98188727
Proposed Dividend on Equity Shares		4410138	4410138
Corporate Dividend Tax on above		715435	732469
TOTAL		147573298	93046120
Balance carried over to Balance Sheet			

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :19:

As per our report attached.
For BHANWAR JAIN & CO.
Chartered Accountants.

S/d-
JEETMAL B. PAREKH
Chairman

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
(B. M. JAIN)
Partner,
M.No.: 34943
AHMEDABAD: 19th May 2011

S/d-
NIKHIL K. PARIKH
Director
AHMEDABAD: 19th May 2011

S/d-
MALAV J. AJMERA
Director

S/d-
JAPAN N. SHAH
Company Secretary

SCHEDULES TO AND FORMING PART OF ACCOUNTS

SCHEDULE :1: SHARE CAPITAL	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
AUTHORISED: 250000000 (15000000) Equity Shares of Re.1 (Rs.10) each	250000000	150000000
	250000000	150000000
ISSUED & SUBSCRIBED & PAID UP 88202750 (8820275) Equity Shares of Re.1 (Rs. 10) each fully paid	88202750	88202750
TOTAL	88202750	88202750

SCHEDULE :2: RESERVES & SURPLUS	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
Capital Reserve As per last balance sheet	1500000	1500000
General Reserve As per last balance sheet Add:- Created on Amalgamation	151562549 ---	1760250 149802299
Profit & Loss Account	147573298	93046121
TOTAL	300635849	246108670

SCHEDULE :3: SECURED LOANS	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
From Bank of Baroda: Working Capital Facilities Term Loan	48274546 108170384	49470338 135064084
Secured by way of hypothecation of stock, book debts, plant & machineries, furniture & fixtures and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors		
Loans secured by way of hypothecation of vehicles from: ICICI Bank HDFC Bank: Kotak Mahindra Primus Ltd. Tata Capital Ltd.	203372 --- 178265 918552	454732 179078 330456 1428184
TOTAL	157745119	186926872

SCHEDULE :4: UNSECURED LOANS	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
From Directors	113821872	50311566
From Corporates	1981884	1751870
TOTAL	115803756	52063436

SCHEDULE :5: FIXED ASSETS

S. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 1-Apr-10	Additions	Deductions	As on 31-Mar-11	Upto Previous year	During the year	Recouped	Total	As on 31-Mar-11	As on 31-Mar-10
1.	Freehold Land	78099141	---	---	78099141	---	---	---	---	78099141	78099141
2.	Leasehold Land	1000000	---	---	1000000	100000	50000	---	150000	850000	900000
3.	Buildings	94084458	3159382	---	97243840	15705365	3015170	---	18720534	78523306	78379093
4.	Plant & Machinery	338342221	50906891	3201923	386047189	90055885	32945473	569215	122432143	263615046	248286336
5.	Electric Installation	8563452	---	---	8563452	2638064	443365	---	3081429	5482023	5925388
6.	Furniture, Fixtures & Office Equipments	9440767	845758	---	10286525	3653449	795089	---	4448538	5837987	5787318
7.	Vehicles	11091257	581862	403077	11270042	2700206	1089281	66449	3723037	7547005	8391051
	TOTAL	540621296	55493893	3605000	592510189	114852969	38338377	635664	152555682	439954506	425768327
	Prev. Year	506413265	38059641	3851610	540621296	81309625	34415242	871898	114852969	425768325	425103640

SCHEDULE :6: INVESTMENTS

	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
(As valued , verified & certified by the management)		
QUOTED-NON-TRADE		
25 (25) Equity Shares of Reliance Power Rs.10 each fully paid	6800	6800
UNQUOTED-NON TRADE		
700 (700) Equity Shares of Rahul Calchem Pvt. Ltd..of Rs.100 each fully paid	70000	70000
685 (685) Equity Shares of Mahalaxmi Calchem Pvt. Ltd..of Rs.100 each fully paid	376750	376750
1 (1) Share of The Social Co-op Bank Ltd. of Rs.100 each fully paid up	100	100
508(Nil) Bonds of Nabard	5733538	---
70000(Nil) 8.26% Bonds of Govt. of India	7131981	---
Aggregate value of quoted shares: Cost Rs.6880 (Rs.6880) Market Value Rs.3738 (Rs.1640)		
TOTAL	13319169	453650

SCHEDULE :7: CLOSING STOCK

	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
(As valued, verified & certified by the management)		
Raw Materials	81445818	17492750
Colours & Chemicals	13964521	12505400
Semi-finished Goods	64709262	17317264
Finished Goods	61137462	34374060
Trading Goods	1010069	---
Stores & Spares	25947599	18404145
Fents, Rags & Rejections	308025	1141605
TOTAL	248522757	101235224

SCHEDULE :8: SUNDRY DEBTORS	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
(Unsecured and considered good unless otherwise stated)		
Debts exceeding six months	12312703	13965109
Other Debts	112395442	235734000
TOTAL	124708145	249699109

SCHEDULE :9: CASH & BANK BALANCES	Rs.	AS AT	AS AT
		31/03/2011 Rs.	31/03/2010 Rs.
Cash on hand		1129990	731078
Bank Balances:			
With Scheduled Banks			
On Current Accounts	1302034		
On Deposit Accounts	390231		
TOTAL		1692265	5596754
		2822255	6327832

SCHEDULE :10: LOANS & ADVANCES	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	45456002	19938748
Deposits	6445436	5353011
Accrued Income	16337297	7651905
Prepaid Expenses	2523097	2542457
TOTAL	70761832	35486121

SCHEDULE :11: CURRENT LIABILITIES & PROVISIONS	Rs.	AS AT	AS AT
		31/03/2011 Rs.	31/03/2010 Rs.
CURRENT LIABILITIES:			
Sundry Creditors		198571611	237006014
Unclaimed Dividend		640504	445904
Other Liabilities		9704566	9401698
PROVISIONS:			
For Gratuity		5187511	5392422
For Taxation		24400000	10900000
For Proposed Dividend		4410138	4410138
For Corporate Dividend Tax		715435	732469
TOTAL		243629764	268288645

SCHEDULE :12: MISCELLANEOUS EXPENDITURE :	AS AT	AS AT
	31/03/2011 Rs.	31/03/2010 Rs.
(to the extent not written off or adjusted)		
Preliminary Expenses	77800	271800
Deferred Revenue Expenses	4215318	5277148
TOTAL	4293118	5548948

SCHEDULE :13: OTHER INCOME	YEAR ENDED	YEAR ENDED
	31/03/2011 Rs.	31/03/2010 Rs.
Export Entitlement	2077458	4327968
Sales of Scrap	1102059	2402450
Insurance Claim	53062	59874
Vatav Kasar	281604	265820
Liabilities written back	3234845	568045
Profit on Sale of investments	---	1780360
Share Warrants Money Forfeited	---	9480000
TOTAL	6749028	18884517

SCHEDULE :14: INCREASE / (DECREASE) IN STOCKS	YEAR ENDED	YEAR ENDED
	31/03/2011 Rs.	31/03/2010 Rs.
Closing Stock		
Finished Goods	61137462	34374060
Semi Finished Goods	64709262	17317264
Trading Goods	1010069	---
Fents, Rags & Rejections	308025	1141605
	127164819	52832929
Less:- Opening Stock		
Finished Goods	32284716	30266099
Semi Finished Goods	19406608	22096755
Trading Goods	---	18495
Fents, Rags & Rejections	1141605	269572
	52832929	52650921
Increase/(Decrease) in Stocks	74331890	182008

SCHEDULE :15: EMPLOYEES' EMOLUMENTS	YEAR ENDED	YEAR ENDED
	31/03/2011 Rs.	31/03/2010 Rs.
Salaries & Wages	30786596	28361199
Contribution to Provident Fund & Others	944401	1176164
Employees' Welfare & Amenities	1289930	1075831
TOTAL	33020927	30613194

SCHEDULE :16: MANUFACTURING EXPENSES	YEAR ENDED	YEAR ENDED
	31/03/2011 Rs.	31/03/2010 Rs.
Stores, Spares & Repairs	36677342	27575025
Power & Fuel	223609552	188279391
Freight, Octroi & Cartage	5085190	2487449
Job Charges paid	3153843	6019401
Excise Duty	47694	13524
Design Materials & Expenses	8181142	8415904
Labour Charges	42482049	37305930
Laboratory Expenses	58012	83437
Pollution Control Expenses	430973	649850
TOTAL	319725797	270829911

SCHEDULE :17: ADMINISTRATIVE & SELLING EXPENSES	YEAR ENDED	YEAR ENDED
	31/03/2011 Rs.	31/03/2010 Rs.
Telephone Expenses	782096	822355
Postage & Stationery Expenses	1529695	1226483
Staff Bus Expenses	478446	374949
General Expenses	280975	341856
Insurance Charges	2184152	1755224
Packing Materials Expenses	10562399	8827261
Audit Fees	193025	165450
Legal & Professional Expenses	1153074	895301
Conveyance Expenses	349727	376391
Motor Car Expenses	757719	877265
Advertisement Expenses	367322	209193
Export Freight & Forwarding Expenses	2516929	2662571
Travelling Expenses	1816514	1906101
Exhibition Expenses	429030	220610
Commission	2279216	2417755
Export Commission	382067	2392247
Sales Tax/VAT	2313932	2502370
Preliminary Expenses written off	194000	194000
Deferred Revenue Expenses written off	1633687	1518877
Rent Rates & Taxes	729402	702230
E.C.G.C. Expenses	150107	154701
Loss on sale of Fixed Assets	659221	938354
Service Tax	312559	364903
Bad Debts Written Off	614123	---
Miscellaneous Expenses	1803222	1872895
TOTAL	34472638	33719341

SCHEDULE : :18: FINANCIAL EXPENSES	YEAR ENDED	YEAR ENDED
	31/03/2011 Rs.	31/03/2010 Rs.
Interest	15124449	15967075
Bank Charges	505432	1183189
Exchange Rate Fluctuation	19545	---
TOTAL	15649425	17150264

SCHEDULE :19: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A Significant Accounting Policies:

1 Basis of Accounting :

The financial statements are prepared in accordance with relevant accounting standards under the historical cost convention on accrual basis and as a going concern with revenues considered and expenses accounted for wherever possible on their accrual. The accounting policies are consistent with those used in the previous year.

2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year. Although these estimates are based on management's best knowledge of current events and actions, actual result could differ from these estimates.

3 Fixed Assets :

- a. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing assets to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- b. Expenditure during the construction period (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as pre-operative Expenses, pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

4 Depreciation :

Depreciation on fixed assets is provided on the basis of straight line method at the rates prescribed in Schedule-XIV of the Companies Act, 1956 on pro rata basis. The management of the Company is of the view that these depreciation rates fairly represent the useful life of assets. The leasehold land is amortized on straightline basis over the initial period of lease.

5 Inventories :

Raw materials, finished goods, semi finished goods, trading goods and stores and spares are stated at cost or net realisable value whichever is lower. Fent, rags and rejections are stated at net realisable value. The cost of inventories is computed on FIFO basis.

6 Investments:

Investments of the Company are long-term. The same are valued at the cost of acquisition. Decline in the value of permanent nature is provided as per accounting standard AS 13. Dividend of investments is accounted for as and when received.

7 Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company recognise sales of goods on transferring property of underlying goods to customers. Sales include all charges and duties collected. Export benefits in respect of exports made have been accounted on accrual basis.

8 Excise/Custom Duty :

The liability for excise and custom duty in respect of material lying in the factory/bonded premises is accounted for as and when they are cleared/debonded.

9 Foreign Currency Transactions :

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

c. Non Monetary foreign currency items are carried at cost.

d. Any income or expense on account of exchange difference either on settlement or on translation is recognised in Profit & Loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

10 Borrowing Costs:

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets upto the date the asset is put to use. Other borrowing costs are charged to the Profit & Loss Account in the year in which they are incurred.

11 Research and Development:

Revenue expenditure, including overheads on Research and Development is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken as Fixed Assets and depreciation is provided on such assets as are depreciable.

12 Government Grants:

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

13 Retirement Benefits:

The liability for gratuity has been provided on the basis of actuarial valuation carried out by an independent actuary as at Balance Sheet date. In respect of Provident Fund contributions paid regularly to the government and is charged to revenue. The provision for leave encashment is made for accumulated leaves that employees can encash in future.

14 Taxes on Income:

Provision for current tax is made based on the tax liability computed after considering tax allowances and deductions. Deferred tax resulting from timing difference between taxable income and accounting income is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

15 Earning Per Share

The earning considered in ascertaining the company's earning per share comprises the net profit after tax (and includes the post tax effect of any extraordinary items). The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

16 Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist, the recoverable amount of the assets is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognised in compliance with AS-28.

17 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

18 Inter Divisional Transactions:

Inter divisional transactions are eliminated as contra items. Any unrealised profits on unsold stocks on account of inter divisional transactions is eliminated while valuing the inventory.

19 Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

B. NOTES TO ACCOUNTS		2010-11 Rs.	2009-10 Rs.
1. Payment to Auditors :			
Audit Fee		193025	165450
Tax Audit		27575	27575
For Others (Reports, certificates etc.)		36399	22060
		256999	215085
2. Managerial Remuneration			
Remuneration to Managing Directors/Directors			
Remuneration		960000	960000
Perquisites		64800	52800
3. Earning in foreign exchange :			
Exports of goods calculated on F.O.B. value basis (Net of Export Commission)		53664305	77253904
4. C.I.F value of Import			
Raw Materials		---	811269
Capital Goods		10513714	1708015
Stores & Spares		507511	---
5. Expenditure in foreign currency equivalent to Indian Currency			
Capital Goods		10513714	1706580
Raw Materials		---	811269
Stores & Spares		507511	---
Export Claim		---	216247
Traveling Expenses		750378	251630
Exhibition Expenses		450180	425603
Professional Services		---	154746
Export Commission		382067	2392247
6. Capacities & Production:		2010-11	2009-10
(a) Licensed Capacity :			
No license is required.			
(b) Installed Capacity :			
(i) Rubberized Products Division:			
Since the company manufactures different products with different specifications and sizes and the products are interchangeable, it is not possible to quantify the same.			
(ii) Textile Division			
Grey Fabric	Mtrs in lacs	36.40	36.40
Installed capacity may differ due to difference in pick, reed and quality of cloth, however same has been calculated on the basis of average picks and reeds.			
Processed Fabric	Mtrs in lacs	550.00	460.00
Different processes have different installed capacities, however the installed capacity is based on stenter machine			
Installed Capacities certified by Management and not verified by auditors being technical matter)			
(c) Actual Production :			
Rubberized Products Division:			
Rubber Printing Blankets	Rft.	34719	32254
Textile Division			
Weaving -Grey & Finished Fabric	Mtrs	2262142	2046205
Processing- Processed Fabric (including on job work basis)	Mtrs	40361723	35780187

7	Quantitative Particulars:					
		Unit	2010-11		2009-10	
			Quantity	Amount	Quantity	Amount
	(i) Raw Materials Consumed					
	Yarn	Kgs.	801951	135472557	803486	91651188
	Grey Fabric	Mtrs	14571740	404682064	4859041	112584919
	Rubber Compound	Kgs.	43411	7691915	39778	6603169
	Chemicals & Solvents	Kgs.	202675	12412711	197462	10795051
	(ii) Finished Goods :					
		Unit	2010-11		2009-10	
			Quantity	Amount	Quantity	Amount
	Opening Stock					
	Rubber Printing Blankets	Rft.	2042	2443178	2600	3812737
	Grey & Finished Fabric	MtRs.	374210	27033341	305676	19061736
	Processed Fabric	MtRs.	117343	4897541	181395	7391626
	Sales					
	Rubber Printing Blankets	Rft.	34739	74669096	32812	68473009
	Grey & Finished Fabric	MtRs.	2149472	218470919	1977671	171328567
	Processed Fabric	MtRs.	12881872	510372248	5156162	180717642
	Others			3831681		3405793
	Closing Stock					
	Rubber Printing Blankets	Rft.	3535	5171465	2042	2443178
	Grey & Finished Fabric	MtRs.	575952	42106829	374210	27033341
	Processed Fabric	MtRs.	274875	13859168	117343	4897541
	(iii) Trading Activities					
		Unit	2010-11		2009-10	
			Quantity	Amount	Quantity	Amount
	Opening Stock					
	Cloth	Mtrs.	---	---	270	18495
	Offset Printing Blanket	Mtrs.	---	---	---	---
	Purchase					
	Cloth	Mtrs.	1395553	138751858	1594484	128335274
	Offset Printing Blanket	Mtrs.	1219	1977866	---	---
	Sales					
	Cloth	Mtrs.	1395553	154367379	1594754	138981796
	Offset Printing Blanket	Mtrs.	609	1116932	---	---
	Closing Stock					
	Cloth	Mtrs.	---	---	---	---
	Offset Printing Blanket	Mtrs.	609	1010069	---	---
8	Earning per share as computed in accordance with the Accounting Standard				2010-2011	2009-2010
	(i) Net Profit after tax				60539036	45115032
	(ii) Number of Equity Shares of Re.1 each				88202750	*88202750
	(iii) Basic and Diluted Earning Per Share					
	Weighted Average Shares				88202750	*88202750
	Basic EPS				0.69	*0.51
	Diluted EPS				0.69	*0.51
	* Adjusted for Sub-division.Refer Note No. 11 below.					
9	Provision for Income Tax has been made in accordance with the provisions of the Income Tax Act, 1961.					
10	The power cost is net of value of captively consumed units of Wind Mill.					
11	Parsuant to approval of the shareholders of the company by way of postal ballot on 13th August, 2010 the company has sub-divided its equity shares of the face value of Rs. 10 each into 10 equity shares of the face value of Re.1 each.					

12 Related Party Transactions:

As per Accounting Standard 18, Related Party Disclosure is as under:

(a) List of Related Parties with whom transactions have taken place during the year and relationship:

Name of the Related Party	Relationship
Shah Jeetmal Champalal	Associate
Mahalaxmi Cal Chem Pvt. Ltd	Associate
Anand Chem Industries Pvt. Ltd.	Associate
Mahalaxmi Exports	Associate
Rahul Textile	Associate
Jeetmal B Parekh	Key Managerial Personnel
Rahul J Parekh	Key Managerial Personnel
Anand J. Parekh	Key Managerial Personnel

(b) Transactions during the year with Related Parties:

Nature of Transaction	Associate	Key Managerial Personnel
Rent paid	120000	---
Rent Received	48000	---
Remuneration Paid	---	1024800
Interest Paid	161127	2799241
Loans taken	85000	99745990
Job Charges Paid	29045	---
Job Charges Received	6938295	---
Purchase	51986786	---
Sales	441727708	---

(c) Outstandings

Payables	10005245	---
Receivables	15774465	---
Loans	1981884	113821872

13 Contingent liabilities in respect of:

		2010-11	2009-10
a) Bank Guarantee	Rs. in lacs	8.38	8.38
b) Textile Cess	Rs. in lacs	11.12	11.12
c) Disputed Excise Duty Liability	Rs. in lacs	9.98	20.60
d) Disputed Income Tax Liability	Rs. in lacs	14.88	12.89
e) Claims against suits filed in labour courts not acknowledged by the Company	Rs. in lacs	0.60	0.67
f) Claims against suits by others not acknowledged by the Company	Rs. in lacs	10.09	10.09
g) Estimated amount of Capital remaining to be executed on capital account and not provided for (Net of Advances)	Rs. in lacs	570.88	---

14 In the opinion of the management the balances of sundry debtors, loans and advances have approximately the same realisable value as shown in the accounts.

15 The Disclosures as required to be made relating to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) are not furnished in view of the non availability of the relevant information with the company from all such enterprises. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

16 The deferred Tax Liability/(asset)
Deferred Tax Liability/(Asset)
i) On account of timing differences relating to depreciation
ii) Others

31.03.2011	31.03.2010
34631000	33348000
(1556000)	(1618000)
33075000	31730000

17 The disclosure requirement as per Accounting Standard 17 "Segment Reporting" is:

Amount in Rs.

Sr. No.	PARTICULARS	2010-11			2009-10		
		Rubber Products	Textile Products	Consolidated	Rubber Products	Textile Products	Consolidated
1	BUSINESS SEGMENT						
	Segment Revenue						
	External sales	72923336	1212429465	1285352801	71878802	815229166	887107968
	Inter- Segment Sales		802738	802738	0	31690939	31690939
2		72923336	1213232203	1286155539	71878802	846920105	918798907
	Less:Inter- Segment Sales		(802738)	(802738)	0	-31690939	-31690939
	Total Revenue	72923336	1212429465	1285352801	71878802	815229166	887107968
	Results						
3	Segment results before Interest	16143942	77016857	93160799	19215590	38400419	57616009
	Interest	-479263	-9327631	-9806894	-736064	-9396652	-10132716
	Unallocable Expenses	0	0	-14528750	0	0	-13117409
	Other Income	1180018	5589453	6769471	564234	7058688	7622922
4	Unallocable Income			10689410			22334226
	Profit after Interest	16844698	73278679	86284036	19043760	36062455	64323032
	Extraordinary Items	---	---	---	---	---	---
	Current Tax (including FBT)			24400000			10900000
5	Deferred Tax			1345000			8308000
	Net Profit after Tax			60539036			45115032
	Other Information						
	Segment Assets	101652035	700864504	802516539	74168159	668777239	742945398
6	Unallocable Assets			101865246			81573809
	Segment Liabilities	61023739	378210220	439233959	33768571	408475522	442244093
	Unallocable Liabilities			111019679			96764858
	Capital Expenditure Including CWIP	13144954	21565499	34710453	18461244	30339915	48801159
7	Depreciation	4524272	30280750	34805022	4621338	26265016	30886355
	Unallocable Depreciation			3533356			3528887
	II GEOGRAPHICAL SEGMENT						
	Revenue						
8	India	57578919	1171673975	1229252894	56269463	747822291	804091754
	Outside India	15344417	40755490	56099907	15609339	67406875	83016214

20 Based on review carried out as on 31.03.2011, no impairment loss is required to be provided for as per Accounting Standard 28 on "Impairment of Assets".

21 Sundry Debtors include Rs. 20258914 due from companies and firms in which directors of the company are directors or partners

22 Previous year's figures are regrouped and/or rearranged wherever considered necessary.

Signatures to Schedules: - :1: to :19:

As per our report attached.
For **BHANWAR JAIN & CO.**
Chartered Accountants.

S/d-
JEETMAL B. PAREKH
Chairman

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
(B. M. JAIN)
Partner,
M.No.: 34943
AHMEDABAD: 19th May 2011

S/d-
NIKHIL K. PARIKH
Director
AHMEDABAD: 19th May 2011

S/d-
MALAV J. AJMERA
Director

S/d-
JAPAN N. SHAH
Company Secretary

MAHALAXMI RUBTECH LIMITED.

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details	
	Registration No.:	04-16327
	State Code :	04
	Balance sheet date	31 March, 2011
II.	Capital Raised during the year	(Amount Rs. in Thousands)
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III.	Position of Mobilisation and Deployment of Funds	
	Total Liabilities	695462
	Total Assets	695462
	Sources of Funds	
	Paid-up Capital	88203
	Reserves and Surplus	300636
	Secured Loans	157745
	Unsecured Loans	115804
	Deferred Tax Liability	33075
	<u>Application of Funds</u>	
	Net Fixed Assets	474665
	Investment	13319
	Net Current Assets	203185
	Misc. Expenditure	4293
	Accumulated Losses	---
IV.	<u>Performance of Company</u>	
	Turnover & Other Incomes	1300434
	Total Expenditure	1205818
	Profit Before Tax	94616
	Profit After Tax	60539
	Earning per Share in Rs.	6.86
	Dividend Rate %	5%
V.	Generic Names of Three Principal Products/Services of Company (as per monetary terms)	
	Item Code No. (ITC Code)	59111000
	Product Description :	Textile Fabrics, Felt and Felt-Lined Woven Fabrics coated, covered or laminated with Rubber, Leather or Other Material of a Kind used for Card Clothing and Similar Fabrics of a kind for other Technical purposes
	Item Code No. (ITC Code)	59069920, 59069990
	Product Description :	Rubberised Textile Fabrics falling within the above code numbers
	Item Code No. (ITC Code)	5208, 5209, 5210, 5211, 5212
	Product Description :	Textile-Unbleached woven fabrics and bleached dyed, printed and processed fabrics falling under various sub-codes within the above code numbers

S/d-
JEETMAL B. PAREKH
Chairman

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
NIKHIL K. PARIKH
Director

S/d-
MALAV J. AJMERA
Director

S/d-
JAPAN N. SHAH
Company Secretary

AHMEDABAD: 19th May 2011

MAHALAXMI RUBTECH LIMITED.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011.

		(Rs. in Lakhs)	
		Inflow/(Outflow)	
		2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before tax and extraordinary items		862.84	643.23
Adjustment for :			
Depreciation		385.66	344.15
Interest Paid		151.24	159.67
Dividend Received		---	---
Deferred Revenue Expenses written off		18.28	17.13
Liabilities written back		(32.35)	(5.68)
Share Warrants Forfeited		---	(94.80)
Profit on sale of investment		---	(17.80)
Loss on sale of Fixed Assets		6.59	9.38
Exchange Rate Fluctuation		0.20	---
Bad Debts written off		6.14	---
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1398.61	1055.28
Adjustment for :			
Trade & Other Receivables		903.29	(1393.75)
Inventories		(1472.88)	(12.13)
Trade Creditors & Other Payables		(351.02)	897.92
CASH GENERATED FROM OPERATIONS		478.01	547.32
Income Tax Paid		(120.14)	(29.49)
Interest Paid		(151.24)	(159.67)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		206.62	307.54
Deferred Revenue Expenses		(5.72)	(24.54)
NET CASH FROM OPERATING ACTIVITIES		200.90	283.00
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets		(414.03)	(754.21)
Sale of Fixed Assets		2.56	20.41
Sale of Investments		---	23.50
Purchase of Investments		(128.66)	(3.77)
NET CASH USED IN INVESTING ACTIVITIES		(540.13)	(714.07)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceed from long term Borrowings		345.59	254.07
Working Capital Finance		11.96	193.68
Dividend Paid		(46.05)	(43.12)
Corporate Dividend Tax Paid		(7.32)	(7.50)
NET CASH SURPLUS IN FINANCING ACTIVITIES		304.17	397.13
D. NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS		(35.05)	16.68
E. Cash and cash equivalent as at 1st April,2010		63.28	46.60
F. Cash and cash equivalent as at 31st March,2011.		28.23	63.28

As per our report attached.
For BHANWAR JAIN & CO.
Chartered Accountants.

S/d-
JEETMAL B. PAREKH
Chairman

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
(B. M. JAIN)
Partner.
M.No.: 34943
AHMEDABAD: 19th May 2011

S/d-
NIKHIL K. PARIKH
Director
AHMEDABAD: 19th May 2011

S/d-
MALAV J. AJMERA
Director

S/d-
JAPAN N. SHAH
Company Secretary

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs ("MCA") has come up with a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies vide its Circular Nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 stating that the service of notice / documents e-mode through e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the Company. Considering the move taken by the MCA as a welcome step for the society at large, we propose to send various notices / documents like Notices of General Meetings, Audited Financial Statements, Auditor's Report, and Directors' Report etc. to the shareholders in the electronic form through email provided by the shareholders and / or made available to us by the Depositories.

To support this green initiative, members are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Members who hold shares in physical form are requested to fill the appropriate column in the members e-mail registration form and register the same with the Company / Registrar & Transfer Agent.

This communication may be ignored, if your e-mail address is already registered with your depository participant / Sharepro Services (I) Pvt. Ltd.

MEMBERS E-MAIL REGISTRATION FORM

Name of 1st Registered Holder: _____

Name of Joint Holder(s): _____

e-mail (to be registered): _____

Address: _____

Folio No.: _____ No. of equity shares held: _____

Signature – First Holder

Members are requested to send this e-mail registration form to the Company at its Corporate Office or Registrar of the Company i.e. Sharepro Services (I) Pvt. Ltd. at the below mentioned address:

Corporate Office:

Mahalaxmi Rubtech Limited

5th Floor, Chanakya, Nr. Dinesh Hall, Ashram Road,
Ahmedabad-380 009 (Guj)

Registrar and Transfer Agent:

Sharepro Services (I) Pvt. Ltd.

416-420, 4th Floor, Devanandan Mall, Opp. Sanyas Ashram,
Ellisbridge, Ahmedabad-380 006 (Guj)



MAHALAXMI RUBTECH LIMITED

Regd. Office : 47, New Cloth Market, Ahmedabad-380002. Gujarat

PROXY FORM

I/We _____ of _____
being a member/member of the above named Company, hereby appoint
_____ of _____
of failing him _____ of _____
as my/our Proxy in my/our absence to attend and vote for me/us my/our behalf at the 20th Annual
General meeting of the Company to be held at Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Road,
Ellisbridge, Ahmedabad-380006
on 29th September 2011, at 12-30 p.m. and at any adjournment thereof.
Signature at _____ (Place) this _____ day of _____ 2011
Folio No./DPID/CL.ID _____
No. of Shares held _____
Note: Proxy Form must reach the Company's Registered
Office not less than 48 hours before the time for holding meeting

Affix
Re. 1
revenue
stamp

MAHALAXMI RUBTECH LIMITED

Regd. Office : 47, New Cloth Market, Ahmedabad-380002. Gujarat

ADMISSION SLIP

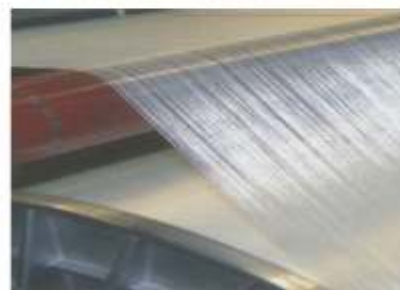
Member's Folio Number	Name of the attending Member (in Block Letters)	No. of Shares held
_____	_____	_____
Name of Proxy (in Block Letters) (If the Proxy attends instead of the Member)		

I hereby record presence at the 20th Annual General Meeting of the Company to be held on 29th
September, 2011

Signature of Member / Proxy

Note: Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.

Book - Post



To,

If undelivered please return to:



MAHALAXMI RUBTECH LIMITED

47, NEW CLOTH MARKET, AHMEDABAD - 380 002, INDIA.