



MAHALAXMI RUBTECH LIMITED

21st ANNUAL REPORT

2012

31st March





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 - 380 006
Email - sharepro@shareproservices.com

NOTICE TO MEMBERS

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING OF "MAHALAXMI RUBTECH LIMITED" will be held at "Lions Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad- 380 006 on the Friday, September, 28th, 2012 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and if approved, adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on 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 Anand J Parekh, who retire by rotation and being eligible offers himself for reappointment

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 and Schedule XIII thereto, approval be and is hereby granted to the re-appointment of Mr.Rahul J.Parekh as Managing Director of the company for a period of five years with effect from 1st August 2012 on the remuneration set out in the Explanatory Statement relating to this resolution, with liberty to the Board of Directors and the remuneration committee ("the committee") to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and acceptable to Mr.Rahul J.Parekh."

"RESOLVED FURTHER that Shri Rahul J. Parekh will not be liable to retire by rotation during the tenure of his appointment as Managing Director."

"FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Rahul J.Parekh shall be governed by Schedule XIII of the Companies Act, 1956, or any modification(s) thereto."

"RESOLVED FURTHER that in the event of any statutory amendment or modification to Schedule XIII to the Companies Act, 1956, the Board of Directors and committee be and are hereby authorized to vary or increase or modify the remuneration including salary, commission, perquisites, allowances, etc."

6. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 schedule XII and other applicable provisions of the Companies Act 1956, and as amended from time to time, approval be and is hereby granted to revision in remuneration of Shri Anand J.Parekh, Jt. Managing Director of the Company with effect from 1st August,2012 up to the remaining period of his office and other perquisites and such other terms and conditions as set out in the explanatory statement annexed, a copy whereof is placed before this meeting and for purpose of identification, initialed by chairman."

"FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Anand J.Parekh shall be governed by Schedule XIII of the Companies Act, 1956, or any modification(s) thereto."

"RESOLVED FURTHER that in the event of any statutory amendment or modification to Schedule XIII to the Companies Act, 1956, the Board of Directors and committee be and are hereby authorized to vary or increase or modify the remuneration including salary, commission, perquisites, allowances, etc."

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

Place: Ahmedabad
Date: August 18, 2012

Japan N. Shah
(Company Secretary)

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 22nd DAY OF SEPTEMBER, 2012 TO FRIDAY THE 28th DAY OF SEPTEMBER, 2012 (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:
 1. 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 22nd, 2012.
 2. 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 22nd, 2012.
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:
 - (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. Keeping in view the "Green Initiative in Corporate Governance" of Ministry of Corporate Affairs the Company proposes to send notices/ documents including annual reports, etc. to the members in electronic form. Members who have still not registered their e-mail addresses are requested to register their e mail addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings, with the Company's Registrar and Share Transfer Agents, Sharepro Services (I) Pvt Ltd, 416-420, 4th Floor, Devanandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380 006. Gujarat ; e-mail id: sharepro.ahmedabad@shareproservices.com. Those members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants to enable servicing of notices/ documents/ Annual Reports electronically to their e-mail addresses. Please note that as a valued Member of Company, you are always entitled to request and receive all the communication in physical form. Further, the documents served through e-mail are available on company's website www.mrtglobal.com and are also available for inspection at the registered office of the company during office hours.
9. 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 18, 2012

Japan N. Shah
(Company Secretary)

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item no. 5

The tenure of the Mr. Rahul J. Parekh was five years from 1st August, 2007 which expires on 31st July, 2012. However looking to the level of responsibilities and business operations it is desirable in this stage of advancement of the Company to compensate Managing Director of the Company considering the time, energy and ecumane involved in his carrying out his function of Managing Director.

The Board of Directors at their meeting held on 30th May 2012 had approved increase in salary of Mr. Rahul J. Parekh with other terms and condition as set out hereunder.

The Remuneration committee has also recommended his reappointment as a Managing Director of the Company and has approved remuneration payable to him.

Briefly, the terms and condition of the re-appointment and remuneration of Mr. Rahul J. Parekh are as follows including allowance and perquisites listed below.

1. Salary	: Rs.1,00,000 (One Lacs) per month.
2. PF Contribution	: Contribution to Provident Fund shall be as per the rules of the Company.
3. Gratuity	: Gratuity payable shall not exceed half a month's basic salary for each completed year of service.
4. Leave Travel Allowance	: For self and family, once a year in accordance with Rules of the Company.
5. Car & Telephone	: The Company will provide car with driver. The Cell phone and telephone facility at residence shall not considered as perquisites .Use of cell phone / telephone shall be reimbursed.
6. Personal Accident Insurance	: For an amount, premium of which shall not exceed 20,000p.a./-
7. Entertainment and other business Expenses	: Entertainment, traveling and all other expenses incurred for the business of the Company shall be reimbursed as pr Rule of the Company.
8. Club Fees	: Membership Fees and expense of Two Club in India.
9. Gas/ Water / Electricity	: Actual Expenditure (Incurred)
10. Medical Expenses	: Reimbursement of medical expenses and medical policy for self and family.
11. Other allowances, benefits and Perquisites	: Any other allowances, benefits and perquisites admissible to the senior officer of the Company as per Rules of the Company.

None of the Directors of the Company other than Shri Jeetmal B.Parekh and Shri Anand J.Parekh are interested or concerned in the Resolution.

Item no 6

In view of future level of business operation and increased responsibility.

The Board of Directors at their meeting held on 30th May 2012 had decided to increase remuneration of Mr.Anand J.Parekh upto the remaining term of office and other terms and conditions as follows:

1. Salary	: Rs.1,00,000 (One Lacs) per month.
2. PF Contribution	: Contribution to Provident Fund shall be as per the rules of the Company.
3. Gratuity	: Gratuity payable shall not exceed half a month's basic salary for each completed year of service.
4. Leave Travel Allowance	: For self and family, once a year in accordance with Rules of the Company.
5. Car & Telephone	: The Company will provide car with driver. The Cell phone and telephone facility at residence shall not considered as perquisites .Use of cell phone / telephone shall be reimbursed.
6. Personal Accident Insurance	: For an amount, premium of which shall not exceed 20,000p.a./-
7. Entertainment and other business Expenses	: Entertainment, traveling and all other expenses incurred for the business of the Company shall be reimbursed as pr Rule of the Company.
8. Club Fees	: Membership Fees and expense of Two Club in India.
9. Gas/ Water / Electricity	: Actual Expenditure (Incurred)
10. Medical Expenses	: Reimbursement of medical expenses and medical policy for self and family.
11. Other allowances, benefits and Perquisites	: Any other allowances, benefits and perquisites admissible to the senior officer of the Company as per Rules of the Company.

None of the Directors of the Company other than Shri Jeetmal B.Parekh and Shri Rahul J.Parekh are interested or concerned in the Resolution.

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, 2012.

FINANCIAL RESULTS:

Particulars	For the year ended 31.03.2012 (Rs. in Lacs)	For the year ended 31.03.2011 (Rs. in Lacs)
Income from Operations & Other Income	10718.18	12921.02
Profit before Depreciation	756.96	1246.22
Less: Depreciation	414.86	383.38
Profit before Tax	342.10	862.84
Less: Provision for Tax	133.89	244.00
Less: Provision for deferred Tax	(26.32)	13.45
Profit after Tax	234.53	605.39

OPERATION AND REVIEW:

The total income reduces to Rs. 10718.18 lacs from Rs.12921.02 lacs in the previous year, at a rate of 17.05%. The Profit before Tax amounted to Rs. 342.10 lacs as against Rs. 862.84 lacs in the previous year. The net profit after tax was Rs.234.53 lacs as against Rs.605.39 lacs in the previous year.

DIVIDEND:

Considering the past track records 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 Anand J. Parekh, 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 31.03.2012 and of the profit of the Company for the year ended on 31.03.2012; (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 2012-13. 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 Dalwadi & Associates, Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2012-13. The cost audit report for the Financial year 2010-2011 which was due to be filed with the Ministry of Corporate Affairs on September 30, 2011 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.

RIGHTS ISSUE :

Company has filed Draft Letter of offer with Securities Exchange Board of India for issue of Right Shares on 14th November, 2011. The same is under process with them.

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. 60,00,000/- 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. 5,00,000/- 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 2012-13 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 2012-13.

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 30, 2012

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	2011-12	2010-11
1. Electricity		
(a) Purchased:		
Units	6161710	8720074
Amount Rs	3,96,87,941	4,73,28,090/-
(b) Own Generation:		
(i) Through Diesel:		
Units	24400	38500
Amount Rs.	6,04,840	4,68,300/-
(ii) Through Windmill		
Units	24,53943	2307938
2. Fuel		
Waste Wood		
Tonnes	27863.41	31438
Amount Rs.	9,97,85,241	9,18,79,030
Coal & Lignite		
Tonnes	10482	12746
Amount Rs.	4,95,71,773	3,16,03,512/-
Steam Coal		
Tonnes	6547	13794
Amount Rs.	1,70,10,753	51908737

(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. 41430080
Foreign exchange outgo : Rs. 56831073

MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

The Company's turnover reduces to Rs. 10718.18 lacs from Rs.12921.02 lacs in the previous year, at a rate of 17.05%. The Profit before Tax amounted to Rs. 342.10 lacs as against Rs. 862.84 lacs in the previous year. The net profit after tax after absorbing depreciation, for the year stands at Rs.234.53 lacs.

Your company has continued to put in all possible efforts to boost exports, during the year under review Export sales to the tune of Rs. 438.34 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, Bangladesh, and Thailand. The Company has been regularly participating in international exhibitions which enable us to keep abreast with the latest global trends.

In Technical Textile 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 already implemented project plan in the technical textile space. The diversification and expansion is implemented with a special focus on Indutech manufacturing of Offset Printing Blankets (used in Sheet Fed and Web Fed 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 Meditech, Packtech, Sporttech, Builttech, Geotech, Protech, Clothtech, Hometech, Oekotech etc.

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 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 the internal control system and suggests improvement for strengthening then 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 it's thanks to all the shop floor personnel and other employees for making significant contribution to your Company

The Company attaches priority to human resource development, with focus on regular up-gradation of the knowledge and skills of our employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully.

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 Rubberised 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 Philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of its business and in meeting its obligations to its stakeholders and is guided by a strong emphasis on transparency, accountability and integrity. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholder customer, lenders, employee and society.

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 21.04.2011, 19.05.2011, 03.06.2011, 11.08.2011, 05.09.2011, 11.11.2011, 14.11.2011 and 14.02.2012. 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 29.09.2011	No. of other Directorships	Committee	
					Membership p**	Chairmanship p**
Jeetmal B. Parekh	NED-P	8	YES	*4	1	----
Rahul J. Parekh	MD	7	YES	*6	1	1
Anand J. Parekh	JT. MD	6	NO	*3	3	----
Nikhil K. Parikh	NED-I	7	NO	NIL	1	1
Nehal M. Shah	NED-I	5	NO	*10	1	1
Malav J. Ajmera	NED-I	7	NO	NIL	1	1

* All Private Limited Company

** As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairmanships of audit committee, Remuneration Committee, Share Transfer 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 31.03.2012 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.

During the year 4 committee meetings held on 14.05.11, 11.08.11, 14.11.11 and 14.02.2012 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 Compliance Officer is regular invitee 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 and the Cost Auditor of the Company are invited to the Meetings of the Audit Committee to recommend the appointment of Statutory Auditors, Cost Auditor and fixation of the audit fees and other payments after compliance of relevant clause of listing agreement.
- 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. Nikhil K. Parikh as Chairman and Mr. Jeetmal B. Parekh, Mr. Malav J. Ajmera as members.*

* The Remuneration committee was reconstituted on 14.11.2011. wherein Mr. Nikhil K. Parikh was appointed as Chairman of the committee in place of Mr. Jeetmal B. Parekh and Mr. Malav J. Ajmera was appointed as member of committee in place of Mr. Nehal M. Shah.

During the year under review, the committee met two time on 10.05.2011 and 14.11.2011 where all members were present in the meeting.

Details of Remuneration for the year 2011-2012 paid to the Directors are as follows:

Remuneration for the year 2011-12 to Shri Rahul J. Parekh, Managing Director:-

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

Remuneration for the year 2011-12 to Shri Anand J. Parekh, Jt. Managing Director:-

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

The other information of Directors are as under:

Name	Age	Designation	Date of initial appointment	Nature of employment	Shares held
Jeetmal B. Parekh	69	Chairman	27.08.1993	-----	9628560
Rahul J. Parekh	40	Managing Director	05.07.1995	Contractual	8511190
Anand J. Parekh	35	Jt. Managing Director	19.11.2008	Contractual	7511220
Nikhil K. Parikh	40	Director	31.03.2003	-----	NIL
Nehal M. Shah	40	Director	30.03.2005	-----	NIL
Malav J. Ajmera	35	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 CFO have certified to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31-03-2012 and that to the best of our knowledge and belief :
 - i) 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
 - i) Significant changes in internal control during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - iii) 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.

For **Mahalaxmi Rubtech Limited**

Place: Ahmedabad
Date: May 30, 2012

Ruhul 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 04.07.2011, 24.10.2011, 17.01.2012 and 20.02.2012, 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 one complaint, 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 , committee met 13 times during the year and approved the transfer of shares lodged with the company and no transfer were pending as on 31-03-2012.

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
2010-2011	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	29.09.2011	12.30 PM	0
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

Postal Ballot:

The Company has not passed any resolution through postal ballot during the years under reference. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

9. Disclosures:

- Details of related party transactions are furnished in Note No. 33 of Financial statements 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, 2012, 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 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	Anand J.Parekh	35	Business	Chartered Accountant	Having rich experience in the field of Finance, Accounting, Taxation, Corporate Restructuring.	3	3
2	Rahul J.Parekh	40	Business	MBA	He is MBA with major in Financial Management from Johns Hopkins University USA. He has joined Company 16 years back. He is a man of proven track record and has been instrumental in developing the company to the heights of excellence	6	1

12. General Shareholder information

Annual General meeting to be held on	:	Friday, 28 th September 2012 At 10.30 a.m.
Place of the meeting	:	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad 380 006
Tentative Financial Calendar	:	1 st April 2012 to 31 st March 2013
Financial Results		
* First Quarter Results	:	By 14 th August, 2012
*Half Yearly Results	:	By 14 th November 2012
*Third Quarter Results	:	By 14 th February 2013
*Annual Results	:	Within 60 days.2013
Book Closure Date	:	From 22 nd , September, 2012 to 28 th , September, 2012 (both days inclusive)
Dividend Payment date	:	on or after October 03, 2012
Listing at Stock Exchanges:	:	Stock Code
Name of Stock Exchange	:	514450
Bombay Stock Exchange Limited	:	INE112D01027
ISIN NO. (dematerialized Shares)	:	L25190GJ1991PLC016327
Corporate Identity Number (CIN)	:	

The Company has already paid listing fees for the year 2011-12 to all the Stock Exchanges, where listed.

Market Price Data: (as per BSE)

Month	Highest Rate (Rs.)	Lowest Rate (Rs.)
April, 2011	16.8	9.55
May, 2011	14.24	9.01
June, 2011	10.70	7.52
July, 2011	13.65	8.56
August, 2011	10.38	6.59
September, 2011	9.10	6.22
October, 2011	9.75	5.20
November, 2011	8.03	4.93
December, 2011	6.66	4.93
January, 2012	6.74	5.05
February, 2012	8.21	5.30
March, 2012	8.00	5.27

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:

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

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 2012)

No. of Shares			Shareholders		No. of Share held	
			Number	Total in %	Numbers	Total in %
1	-	500	2981	39.16	725725	0.82
501	-	1000	1140	14.98	1017105	1.15
1001	-	2000	1832	24.07	2582718	2.93
2001	-	3000	455	5.98	1184558	1.34
3001	-	4000	191	2.51	699699	0.80
4001	-	5000	196	2.57	946776	1.07
5001	-	10000	325	4.27	2501942	2.84
10001	-	AND ABOVE	492	6.46	78544227	89.06
Total			7612	100	88202750	100

Shareholding Pattern: (As on 31st March, 2012)

Category	No. of Shares held	% to the Shareholding
Promoters & Associates	48514690	55.00
Bodies Corporate	13290560	15.07
Non Resident Indians	274666	0.31
Banks & Mutual Funds	79000	0.09
Public	26043834	29.53
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, 2012, 98.06% Shares have been dematerialized.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity : NIL

Shareholders who have not yet encashed their dividend warrants for the year, 2006-07, 2007-08, 2008-09,2009-10 and 2010-11 may approach the Company for revalidation / issue of duplicate dividend warrant.

PLANT LOCATION:

Factory:

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

(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

Address for Correspondence:

Registered Office:

47, New Cloth Market,
Ahmedabad-380 002.

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, 2012.

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

Place: Ahmedabad
Date: May 30, 2012

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, 2012, 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, 2012, 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: 30th May, 2012.

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, 2012, the statement of profit and loss and 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, as amended by the Companies (Auditor's Report) (amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books of account and records of the Company as we considered appropriate and according to the information and explanation given to us, we give 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, statement of 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, statement of 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 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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, 2012.
- (b) In the case of the statement of 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.
Registration No. : 117340W

(B. M. JAIN)
Partner.
M. No. : 034943
AHMEDABAD: 30th May, 2012.

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 ₹ 1758.50 lakhs and the year end balance of the loan taken from such parties was ₹ 1539.40 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, 2012 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	17.06	High Court
Income Tax	12.89	High Court
Income Tax	1.99	Appellate Tribunal
Labour Suits	15.33	Labour Court

- (x) There are no accumulated losses of the company as on 31st March, 2012. 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 made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of any such case by the Management.

For **BHANWAR JAIN & CO.**
Chartered Accountants.
Registration No. : 117340W

(**B. M. JAIN**)
Partner.
M. No. : 034943
AHMEDABAD: 30th May, 2012.

MAHALAXMI RUBTECH LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE No.	AS AT 31/03/2012 Rs.	AS AT 31/03/2011 Rs.
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	88202750	88202750
Reserves & Surplus	2	315036985	300635851
Non-Current Liabilities			
Long Term Borrowings	3	356627326	225274329
Deferred Tax Liabilities (Net)	4	30443000	33075000
Other Long Term Liabilities	5	5614392	5187511
Current Liabilities			
Short Term Borrowings	6	92475759	48274546
Trade Payables		207302304	198571611
Other Current Liabilities	7	14885487	10345070
Short Term Provisions	8	18514573	29525572
TOTAL		1129102575	939092239
ASSETS			
Non-current assets			
Fixed Assets			
(i) Tangible assets	9	423024183	439954508
(ii) Capital work-in-progress		206498477	34710453
Non Current investment	10	7912312	13319169
Long Term Loans & Advances	11	11936345	6445436
Other Non-current Assets	12	3101924	4293118
Current assets			
Inventories	13	291399550	248522756
Trade Receivables	14	139244825	124708145
Cash & Cash Equivalents	15	4727317	2822255
Short Term Loans & Advances	16	17399831	44947133
Other Current Assets	17	23857809	19369263
TOTAL		1129102575	939092239

The Notes forming an integral part of these financial statements

As per our report of even date
For **BHANWAR JAIN & CO.**
Chartered Accountants.
Firm Registration No. : 117340W

S/d-
(B. M. JAIN)

Partner.
Membership No. : 034943
AHMEDABAD: 30th May, 2012.

S/d-
JEETMAL B. PAREKH
Chairman

AHMEDABAD: 30th May, 2012.

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
MALAV J. AJMERA
Director

S/d-
ANAND J. PAREKH
Jt. Managing Director

S/d-
JAPAN N. SHAH
Company Secretary

MAHALAXMI RUBTECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012.

PARTICULARS	NOTE No.	AS AT 31/03/2012 Rs.	AS AT 31/03/2011 Rs.
Revenue from Operations	18	1064419210	1285352801
Other Income	19	7398934	6749028
Total Revenue		1071818144	1292101829
EXPENSES:			
Cost of Raw Materials consumed & Trading Purchase	20	694175753	838942516
Changes in Inventories	21	(82350859)	(74331889)
Manufacturing & Operating Costs	22	294899503	319725797
Employees' Benefit Expenses	23	36916229	33020927
Financial Cost	24	19742812	15649426
Depreciation & Amortization Expenses		41485512	38338377
Other Expenses	25	32739196	34472639
Total Expenses		1037608142	1205817793
Profit Before Tax		34210001	86284036
Tax Expense:			
Current Income Tax		13370000	24400000
Wealth Tax		19000	---
Deferred Tax		(2632000)	1345000
Net Profit for the year		23453001	60539036
Earning per equity share of Re.1:			
Basic		0.27	0.69
Diluted		0.27	0.69
The Notes forming an integral part of these financial statements			

As per our report of even date
For **BHANWAR JAIN & CO.**
Chartered Accountants.
Firm Registration No. : 117340W

S/d-
(B. M. JAIN)

Partner.
Membership No. : 034943
AHMEDABAD: 30th May, 2012.

S/d-
JEETMAL B. PAREKH
Chairman

AHMEDABAD: 30th May, 2012.

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
MALAV J. AJMERA
Director

S/d-
ANAND J. PAREKH
Jt. Managing Director

S/d-
JAPAN N. SHAH
Company Secretary

MAHALAXMI RUBTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.

	(` in Lakhs)	
	Inflow/(Outflow)	
	AS AT 31/03/2012	AS AT 31/03/2011
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	342.10	862.84
Adjustment for :		
Depreciation	414.86	385.66
Interest Paid	188.80	151.24
Deferred Revenue Expenses written off	17.11	18.28
Liabilities written back	(14.41)	(32.35)
Profit on sale of Fixed Assets	(4.77)	---
Profit on sale of Investment	(0.41)	---
Loss on sale of Fixed Assets	14.33	6.59
Loss on sale of Investment	1.11	---
Exchange Rate Fluctuation	-0.05	0.20
Bad Debts written off	0.00	6.14
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	958.68	1398.61
Adjustment for :		
Trade & Other Receivables	30.36	890.82
Inventories	(428.77)	(1472.88)
Trade Creditors & Other Payables	151.39	(351.02)
CASH GENERATED FROM OPERATIONS	711.66	465.54
Income Tax Paid	(283.26)	(120.14)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	428.40	345.39
Deferred Revenue Expenses	(5.20)	(5.72)
NET CASH FROM OPERATING ACTIVITIES	423.19	339.67
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2002.09)	(414.03)
Sale of Fixed Assets	29.10	23.10
Sale of Investments	53.37	---
Purchase of Investments	0.00	(128.66)
NET CASH USED IN INVESTING ACTIVITIES	(1919.63)	(519.59)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from long term Borrowings	1313.53	357.54
Working Capital Finance	442.01	(11.96)
Interest Paid	(188.80)	(151.24)
Dividend Paid	(44.10)	(42.16)
Corporate Dividend Tax Paid	(7.15)	(7.32)
NET CASH SURPLUS IN FINANCING ACTIVITIES	1515.48	144.85
D. NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	19.05	(35.05)
E. Cash and cash equivalent as at 1st April,2011	28.22	63.28
F. Cash and cash equivalent as at 31st March,2012.	47.27	28.23

As per our report of even date
For **BHANWAR JAIN & CO.**
Chartered Accountants.
Firm Registration No. : 117340W

S/d-
(B. M. JAIN)

Partner.
Membership No. : 034943
AHMEDABAD: 30th May, 2012.

S/d-
JEETMAL B. PAREKH
Chairman

AHMEDABAD: 30th May, 2012.

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
MALAV J. AJMERA
Director

S/d-
ANAND J. PAREKH
Jt. Managing Director

S/d-
JAPAN N. SHAH
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS:

NOTE: 1. SHARE CAPITAL Particulars	AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
AUTHORISED: 250000000 (250000000) Equity Shares of Re.1/-each	250000000 250000000	250000000 250000000
ISSUED & SUBSCRIBED & PAID UP 88202750 (88202750) Equity Shares of Re.1 each fully paid	88202750	88202750
NOTES: Equity Shares include 1034775 shares issued as fully paid up Bonus Shares and 3646400 shares issued pursuant to a scheme of amalgamation of erstwhile Mahalaxmi Fabric Mills P Ltd. with the company without payment received in cash		
TOTAL	88202750	88202750

The Company has only one class of equity shares having a par value of Re.1 per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders. 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, in proportion of their shareholding. However, no such preferential amounts exist currently.

The reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	AS AT March 31, 2012		AS AT March 31, 2011	
	No. of shares	Rs.	No. of shares	Rs.
Number of Shares Outstanding at the beginning of the year	88202750	88202750	88202750	88202750
Add/Less: Adjustment during the year	----	----	----	----
Number of Shares Outstanding at the end of the year	88202750	88202750	88202750	88202750

The details of shareholders holding more than 5% of shares in the company:

Particulars	AS AT March 31, 2012		AS AT March 31, 2011	
	No. of shares	% of Holding	No. of shares	% of Holding
Jeetmal B. Parekh & HUF	9628560	10.92	9628560	10.92
Rahul J. Parekh	8511190	9.65	8511190	9.65
Kamlaben J. Parekh	7565700	8.58	7565700	8.58
Anand J. Parekh	7511220	8.52	7511220	8.52

NOTE: 2. RESERVES & SURPLUS		AS AT		AS AT	
Particulars		March 31, 2012		March 31, 2011	
		Rs.	Rs.	Rs.	Rs.
General Reserve					
As per last year Balance Sheet			151562549		151562549
Capital Reserve					
As per last year Balance Sheet			1500000		1500000
Surplus					
Opening balance		147573302		93046120	
Add: Net Profit for the year		23453001		60539036	
Less: Proposed Dividend		4410138		4410138	
Less: Tax on Proposed Dividend		715435		715435	
Less: Income Tax /Wealth Tax of eariler years		3926294		(228088)	
Less: Prior Period Adjustments		0	161974436	1114369	147573302
TOTAL			315036985		300635851

NOTE: 3. LONG TERM BORROWINGS		AS AT		AS AT	
Particulars		March 31, 2012		March 31, 2011	
		Rs.	Rs.	Rs.	Rs.
<u>Deferred payment liabilities</u>					
Secured by way of hypothication of vehicles from:					
Kotak Mahindra Prime Ltd		13663		178265	
Tata Capital Ltd		381476		918552	
ICICI Bank		---		203372	
HDFC Ltd		345081	740220		1300189
<u>Term loan</u>					
Secured					
From Banks					
Rupee Loan		147873576		108170384	
Foreign Currency Loan		54073592	201947168	0	108170384
<u>Loans and advances from related parties:</u>					
Unsecured					
From Directors		151797082		113821872	
From Companies		2142856	153939938	1981884	115803756
TOTAL			356627325.5		225274329

Nature of Securities and terms of repayment for Term Loan Borrowings:

Term Loan

Nature of Security

1 Term Loan of Rs. 948.61 Lacs

2 Term Loan of Rs. 36.66 Lacs

3 Term Loan of Rs. 12.48 lacs

4 Term Loan of Rs. 50.00 Lacs

5 Term Loan of Rs. 111.15 Lacs

6 Term Loan of Rs. 309.38 Lacs

7 Term Loan of Rs. 21.83 Lacs

8 Term Loan of Rs. 28.70 Lacs

9 Term Loan of Rs. 78.74 Lacs

10 Term Loan of Rs. 141.62 Lacs

11 Term Loan of Rs. 280.64 Lacs

Terms of Repayment

Repayable in 60 monthly installments commencing from April, 2012.
Last installment due in March, 2017.

Repayable in 71 monthly installments commencing from January 2010.
Last installment due in November, 2016.

Repayable in 24 quarterly installments commencing from July, 2007.
Last installment due in March, 2013.

Repayable in 24 quarterly installments commencing from July, 2007.
Last installment due in March, 2013.

Repayable in 24 quarterly installments commencing from September, 2008.
Last installment due in June, 2014.

Repayable in 72 monthly installments commencing from January, 2010.
Last installment due in December, 2015.

Repayable in 60 monthly installments commencing from March, 2009.
Last installment due in December, 2013.

Repayable in 60 monthly installments commencing from January, 2009.
Last installment due in August, 2013.

Repayable in 60 monthly installments commencing from June, 2010.
Last installment due in July, 2015.

Repayable in 60 monthly installments commencing from June, 2010.
Last installment due in May, 2016.

Repayable in 60 monthly installments commencing from February, 2012.
Last installment due in March, 2017.

Above term loans are secured by way of hypothecation of all movable assets of the company and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors

NOTE: 4. DEFERRED TAX LIABILITY/ASSET (NET)	AS AT	AS AT
	March 31, 2012	March 31, 2011
Particulars	Rs.	Rs.
Deferred Tax Liability		
i. On account of timing difference relating to depreciation	32127000	34631000
ii Others	(1684000)	(1556000)
TOTAL	30443000	33075000

NOTE: 5. OTHER LONG TERM LIABILITIES	AS AT	AS AT
	March 31, 2012	March 31, 2011
Particulars	Rs.	Rs.
Provision for Gratuity	5614392	5187511
TOTAL	5614392	5187511

NOTE: 6. SHORT TERM BORROWING		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Other loans & advances			
Secured			
From Banks of Baroda:			
Working Capital		89953795	48274546
Foregin Bill Purchase		2521964	0
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			
TOTAL		92475759	48274546

NOTE: 7. OTHER CURRENT LIABILITIES		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Advances from Customers		3247828	1119236
Statutory Dues		484763	706833
Unclaimed Dividend		902856	640504
Outstanding Expenses		8958211	6564989
Unpaid Salary & Bonus		38474	19450
Overdrawn Bank Balances		1253355	1294058
TOTAL		14885487	10345070

NOTE: 8. SHORT TERM PROVISIONS		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
PROVISIONS:			
For Taxation		13370000	24400000
For Wealth Tax		19000	---
For Proposed Dividend		4410138	4410138
For Tax on Proposed Dividend		715435	715435
TOTAL		18514573	29525573

NOTE: 9. TANGIBLE ASSETS											
S. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As on 1-4-2011	Additions	Deductions	As on 31-3-2012	Upto Previous year	During the year	Recouped	Total	As on 31-3-2012	As on 31-3-2011
1	Freehold Land	78099141	1180167	0	79279308	0	0	0	0	79279308	78099141
2	Leasehold Land	1000000	0	0	1000000	150000	50000	0	200000	800000	850000
3	Building	97243840	0	0	97243840	18720534	3049198	0	21769732	75474108	78523306
4	Plant & Machinery	386047189	25669248	5900741	405815696	122432143	36053567	2241845	156243865	249571831	263615046
5	Electric Installation	8563452	0	0	8563452	3081429	443365	0	3524794	5038658	5482023
6	Furniture Fixtures	5606773	394421	0	6001194	2489839	365102	0	2854941	3146253	3116934
7	Office Equipments	4679752	431600	0	5111352	1958699	434200	0	2392899	2718453	2721053
8	Vehicles	11270042	745387	363914	11651515	3723037	1090080	157176	4655941	6995574	7547005
	Current Year Total	592510189	28420823	6264655	614666357	152555682	41485512	2399021	191642174	423024183	439954507
	Prev. Year Total	540621296	55493893	3605000	592510189	114852969	38338377	635664	152555682	439954507	425768327

NOTE: 10. NON CURRENT INVESTMENT		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
(As valued , verified & certified by the management)			
Investment in Associates : (Unquoted - Non Trade)			
700 (700) Equity Shares of Rahul Cal Chem 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
Investment in Others : (Quoted - Non Trade)			
25 (25) Equity Shares of Reliance Power Rs.10 each fully paid		6800	6800
Investment in Others : (Unquoted - Non Trade)			
1 (1) Share of The Social Co-op Bank Ltd. of Rs.100 each fully paid up		100	100
400 (518) Bonds of Nabard		4401732	5733538
30000 (70000) 8.26% Bonds of Govt. of India		3056930	7131981
TOTAL		7912312	13319169

The details of aggregate of quoted and unquoted investment:

Particulars	Book Value		Market Value	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Aggregate Quoted Investment	6800	6880	2923	3738
Aggregate Unquoted Investment	7905512	13312289	---	---

NOTE: 11. LONG TERM LOANS AND ADVANCES		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Capital Advances Unsecured and considered good		3897000	
Security Deposits Unsecured and considered good		2218345	6445436
Other Loans & Advances (Unsecured & considered good) Margin Money with Banks Others		5821000	
TOTAL		11936345	6445436

NOTE: 12. OTHER NON CURRENT ASSESTS		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
Preliminary Expenses		---	77800
Deferred Revenue Expenses		886063	1154443
Issue Expenses		611633	654535
Merger Expenses		1604228	2406340
TOTAL		3101924	4293118

NOTE: 13. INVENTORIES		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
(As verified, valued & certified by management)			
Raw Materials		45156515	95410339
Semi-finished Goods		73538727	64709262
Finished Goods		134084454	61137462
Fents & Rags		547600	308025
Stores, Spares, Packing & Design Materials		36727357	25947599
Trading Goods		1344896	1010069
TOTAL		291399549	248522756

Particulars		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
A. The details of closing stock of Raw Materials			
- Yarn		14222884	16745481
- Grey Fabric		12251796	62179953
- Rubber Compound		1062669	1374944
- Chemical Solvents		17619166	15109962
		45156515	95410340
B. The details of closing stock of semi finished goods:			
- Rubber Printing Blankets		28818660	17256078
- Grey & Finished Fabric		35984988	6005360
- Processed Fabric		8735079	41447824
		73538727	64709262
C. The details of closing stock of finished goods:			
- Rubber Printing Blankets		5500247	5171465
- Grey & Finished Fabric		61620989	42106829
- Processed Fabric		66963218	13859168
		134084454	61137462
D. The details of closing stock of trading goods:			
- Offset Printing Blanket		1344896	1010069
		1344896	1010069

NOTE: 14. TRADE RECEIVABLES		AS AT March 31, 2012 Rs.		AS AT March 31, 2011 Rs.	
Particulars					
Debts exceeding six months					
Unsecured and considered good		12015032	12015032	12312703	12312703
Doubtful		---	---	---	---
Other debts					
Unsecured and considered good		127229793	127229793	112395442	112395442
Doubtful		---	---	---	---
TOTAL			139244825		124708145

The details of debts due from directors or officers or any of them either severally or jointly with other persons or amounts due by firms or private companies respectively in which any directors is partner or a director or a member:

Particulars		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Mahalaxmi Cal Chem P. Ltd.		37800	18900
Shah Jeetmal Champalal		17817386	7743744
Mahalaxmi Exports		20771956	12496270

NOTE: 15. CASH & BANK BALANCES		AS AT		AS AT	
Particulars		March 31, 2012 Rs.		March 31, 2011 Rs.	
Cash & Cash Equivalents					
Cash on hand		787937		1129990	
Balances with banks		2569380	3357317	1302034	2432024
Other Bank Balances					
Balances with Banks held as margin money		1370000		390231	
			1370000		390231
TOTAL			4727317		2822255

NOTE: 16. SHORT TERM LOANS & ADVANCES		AS AT		AS AT	
Particulars		March 31, 2012 Rs.		March 31, 2011 Rs.	
Loans and advances to others					
a. to Related Parties			---		---
b. to Others					
Unsecured and considered good		17399831		44947133	
Doubtful		---	17399831	---	44947133
TOTAL			17399831		44947133

NOTE: 17. OTHER CURRENT ASSETS		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Prepaid expenses		2666072	2877220
Accrued Income		18657040	16337297
Claims & Other Receivables		2534697	154746
TOTAL		23857809	19369263

NOTE: 18. REVENUE FROM OPERATIONS		AS AT		AS AT	
Particulars		March 31, 2012 Rs.		March 31, 2011 Rs.	
Sales of Products		803442103		811571299	
Less: Excise Duty		6037564	797404539	8332305	803238994
Sales of Trading Goods			17447673		155484311
Job Work Receipts			249566998		326629496
TOTAL			1064419210		1285352801

Particulars		AS AT	AS AT
		March 31, 2012 Rs.	March 31, 2011 Rs.
A. The details of Sales of products:			
- Rubber Printing Blankets		60341258	74669096
- Grey & Finished Fabric		173196558	218470919
- Processed Fabric		561720780	510372248
- Others		8183507	8059036
TOTAL		803442103	811571299
B. The details of Sales of Trading Goods			
- Cloth		13270361	154367379
- Offset Printing Blanket		4177312	1116932
TOTAL		17447673	155484311

NOTE: 19. OTHER INCOME		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
Exchange Rate Fluctuation		4526	---
Export Entitlement Benefits		1441375	2077458
Sale of Scrap		1467570	1102059
Insurance Claim Received		1416700	53062
Liability Written Back		1441074	3234845
Service Tax Refund		69577	---
Vatav Kasar		189008	281604
Interest		393850	---
Profit on Sale of Investments		41006	---
Profit on Sale/disposal of Fixed Assets		476725	---
Excise Duty Refund		457523	---
TOTAL		7398934.2	6749028

NOTE: 20. COST OF RAW MATERIALS CONSUMED & TRADING PURCHASE		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
Raw Materials Consumed			
Opening Stock	95637010	30182663	
Add: Purchases	<u>627176684</u>	<u>763667139</u>	
	722813694	793849802	
Less: Closing Stock	<u>45371633</u>	<u>95637010</u>	698212792
Purchase of Trading Goods		16733692	140729724
TOTAL		694175753	838942516

Particulars	AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
A. The details of Raw material consumed:		
Yarn	119496383	135472557
Rubber Compound	6741971	7622654
Grey Cloth / Fabrics	428774021	404682064
Chemical & Solvents	122429686	150435517
	677442061	698212792
B. The details of Purchase of Trading Goods		
- Cloth	13209093	138751858
- Offset Printing Blanket	3524599	1977866
	16733692	140729724

NOTE: 21. CHANGES IN INVENTORIES		AS AT		AS AT	
Particulars		March 31, 2012 Rs.		March 31, 2011 Rs.	
Closing Stock					
Finished Goods		157402867		61137462	
Semi Finished Goods		50220314		64709262	
Trading Goods		1344896		1010069	
Fents & Rags		547600	209515678	308025	127164818
			209515678		127164818
Opening Stock					
Finished Goods		73222075		32284716	
Semi Finished Goods		52624649		19406608	
Trading Goods		1010069			
Fents & Rags		308025	127164819	1141605	52832929
			127164819		52832929
Changes in Inventories	TOTAL		82350859		74331889

NOTE: 22. MANUFACTURING & OPERATING COSTS		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Stores, Spares & Maintenance		34325049	36677342
Job Charge Paid		5347518	3153843
Design Exp.		6376080	8181142
Power & Fuel		207109462	223609552
Labour Charges		35438009	42482049
Laboratory Expenses		45346	58012
Freight, Clearing & Forwarding Expenses		5816506	5085190
Central Excise Duty		182279	47694
Pollution Control Expenses		259254	430973
	TOTAL	294899503	319725797

NOTE: 23. EMPLOYEES BENEFIT EXPENSES		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Salaries, Wages & Bonus		33793655	30786596
Contribution to Provident & Other Funds		1235575	944401
Employees' Welfare Expenses		1886999	1289930
	TOTAL	36916229	33020927

NOTE: 24. FINANCIAL COSTS		AS AT	AS AT
Particulars		March 31, 2012 Rs.	March 31, 2011 Rs.
Interest		18880475	15124449
Bank Commission & Charges		862337	505432
Exchange Rate Fluctuation		0	19545
	TOTAL	19742812	15649426

NOTE: 25. OTHER EXPENSES		AS AT	AS AT
Particulars	March 31, 2012	March 31, 2011	
	Rs.	Rs.	
E.C.G.C. Premium	104487	150107	
Telecommunication Expenses	644470	782096	
General Expenses	297221	280975	
Insurance Premium	1893320	2184152	
Advertisement Expense	140139	367322	
Audit Fees	196630	193025	
Bad Debts Written Off	0	614123	
Car Expenses	875622	757719	
Packing Materials Expenses	10384068	10562399	
Legal & Consulting Expenses	1684899	1153074	
Postage & Courier Expenses	451172	227680	
Rent, Rates and Taxes	756557	729402	
Preliminary Expense Written Off	77800	194000	
Deffered Revenue Expenses written off	1633688	1633687	
Loss on Sale of Fixed Assets	1432588	659221	
Loss on Sale of Investments	111342	---	
Miscellaneous Expenses	1935563	2328150	
Value Added Tax	1934600	2313932	
Export Freight	1666516	2516929	
Commission Expenses	2245135	2661283	
Factory Expenses	467311	303245	
Service Tax	556360	312559	
Printing & Stationery Expenses	1177002	1302015	
Travelling Expenses	1261800	1816514	
Exibition Expenses	810906	429030	
TOTAL	32739196	34472639	

NOTE: 26. THE DETAILS OF PAYMENT TO AUDITORS:		AS AT	AS AT
Particulars	March 31, 2012	March 31, 2011	
	Rs.	Rs.	
Audit fee	196630	193025	
Tax Audit	28040	27575	
For Others (Reports, Certificates, etc.)	52944	36399	
TOTAL	277614	256999	

NOTE: 27. THE DETAILS OF PAYMENTS MADE TO MANAGING DIRECTOR / DIRECTORS:		AS AT	AS AT
Particulars	March 31, 2012	March 31, 2011	
	Rs.	Rs.	
Remuneration	960000	960000	
Perquisite	64800	64800	
TOTAL	1024800	1024800	

NOTE: 28. THE DETAILS OF PRIOR PERIOD EXPENSES:		AS AT	AS AT
Particulars	March 31, 2012	March 31, 2011	
	Rs.	Rs.	
Depreciation of Earlier Year Written Back	0	228088	
TOTAL	0	228088	

NOTE: 29. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
Trading Goods		859991	---
Components & Spare Parts		---	507511
Capital Goods		54073592	10513714
TOTAL		54933583	11021225

NOTE: 30. THE DETAILS OF EARNING IN FOREIGN CURRENCY:		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
Exports of goods calculated on F.O.B. Value Basis (Net of Export Commission)		41430080	53664305
TOTAL		41430080	53664305

NOTE: 31. THE DETAILS OF EXPENDITURE INCURRED IN FOREIGN CURRENCY EQUIVALENT TO INDIAN RUPEES:		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
Components & Spare Parts		---	507511
Capital Goods		54073592	10513714
Trading Goods		859991	---
Traveling Expenses		747125	750378
Exhibition Expenses		261605	450180
Export Commission		888760	382067
TOTAL		56831073	12603850

NOTE: 32. THE DETAILS OF CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):		AS AT March 31, 2012 Rs.	AS AT March 31, 2011 Rs.
Particulars			
A. Contingent Liabilities:			
1 Bank Guarantee		43.38	8.38
2 Textile Cess		17.06	11.12
3 Disputed Excise Duty Liability		9.98	9.98
4 Disputed Income Tax Liability		14.88	14.88
5 Claims against suits filed In Labour Courts not acknowledged by the company		15.33	0.60
6 Claims against suits by others not acknowledged by the company		13.78	10.09
B. 1 Commitments:			
Estimated amount of capital contacts remaining to be executed on capital account and not provided for (Net of Advances)		311.66	570.88
TOTAL		426.07	625.93

NOTE: 33. 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	178858	868012
Loans taken	1000000	84869000
Purchase	10684106	---
Sales	531421862	---

- (c) Outstandings

Payables	10495501	---
Receivables	38769041	---
Loans	2142856	151797081

NOTE: 34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-17 "SEGMENT REPORTING": Amount in Rs.

Sr. No.	PARTICULARS	2011-12			2010-11		
		Rubber Products	Textile Products	Consolidated	Rubber Products	Textile Products	Consolidated
• I	BUSINESS SEGMENT						
1.	Segment Revenue						
	External sales	62245026	1002174184	1064419210	72923336	1212429465	1285352801
	Inter- Segment Sales		1107241	1107241		802738	802738
		62245026	1003281425	1065526451	72923336	1213232203	1286155539
	Less: Inter- Segment Sales		(1107241)	(1107241)	0	-802738	(802738)
	Total Revenue	62245026	1002174184	1064419210	72923336	1212429465	1285352801
2.	Results						
	Segment results before Interest	7734389	34771871	42506260	16143942	77016857	93160799
	Interest	-528168	-13742663	-14270831	-479263	-9327631	-9806894
	Unallocable Expenses	0	0	-1424362	0	0	-14528750
	Other Income	614441	6349637	6964078	1180018	5589453	6769471
	Unallocable Income			434856			10689410
	Profit after Interest	7820662	27378845	34210001	16844697	73278679	86284036
	Extraordinary Items	---	---	---	---	---	---
	Current Tax (including WT)			13389000			24400000
	Deferred Tax			-2632000			1345000
	Net Profit after Tax			23453001			60539036
3.	Other Information						
	Segment Assets	106789765	734989461	841779226	101652035	700864504	802516539
	Unallocable Assets			80824868			101865246
	Segment Liabilities	211155263	421341442	632496705	61023739	378210220	439233959
	Unallocable Liabilities			93366135			111019679
	Capital Expenditure Including CWIP	164497360	41884117	206381477	13144954	21565499	34710453
				117000			
	Depreciation	5482570	32827361	38309931	4524272	30280750	34805022
	Unallocable Depreciation			3175581			3533356
• II	GEOGRAPHICAL SEGMENT						
	Revenue						
	India	49957656	970186072	1020143728	57578919	1171673975	1229252894
	Outside India	12287370	31988112	44275482	15344417	40755490	56099907

NOTE: 35.
1. RECONCILIATION OF OPENING AND CLOSING BALANCES OF DEFINED BENEFIT OBLIGATION

Defined Benefit obligation at beginning of year
Current Service Cost
Interest Cost
Acturial (gain)/loss
Benefits paid
Defined Benefit obligation at year end

Gratuity (Non-Funded)

2011-12	2010-11
---------	---------

5187511	5392422
514471	452718
419670	436247
(65847)	(856625)
(441413)	(237251)
5614392	5187511

2. RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS

Fair value of Plan assets at beginning of year
Expected return on plan assets
Acturial gain/loss
Employer contribution
Benefits paid
Fair value of Plan assets at year end
Actual return on plan assets

Gratuity (Non-Funded)

2011-12	2010-11
---------	---------

---	---
---	---
---	---
---	---
---	---
---	---
---	---

3. RECONCILIATION OF FAIR VALUE OF ASSETS AND OBLIGATIONS

Fair value of Plan assets
Present value of obligation
Amount recognised in Balance Sheet

Gratuity (Non-Funded)

As at 31.03.12	As at 31.03.11
----------------	----------------

---	---
5614392	5187511
5614392	5187511

4. EXPENSES RECOGNISED DURING THE YEAR

Current Service Cost
Interest Cost
Expected return on Plan assets
Acturial (gain)/loss
NET COST

Gratuity (Non-Funded)

2011-12	2010-11
---------	---------

514471	452718
419670	436247
---	---
(65847)	(856625)
868294	32340

5. INVESTMENT DETAILS

GOI Securities
Public Securities
State Government Securities
Insurance Policies
Others (including bank balances)

Gratuity (Non-Funded)

As at 31.03.12	As at 31.03.11
----------------	----------------

0.00%	0.00%
0.00%	0.00%
0.00%	0.00%
0.00%	0.00%
0.00%	0.00%

6. ACTUARIAL ASSUMPTIONS

Mortality Table(LIC)
Attrition Rate
Discount rate (per annum)
Expected rate of return on Plan Assets(per annum)
Rate of escalation in salary (Per Annum)

Gratuity (Non-Funded)

2011-12	2010-11
---------	---------

2.00%	3.00%
8.50%	8.09%
0.00%	0.00%
5.00%	5.00%

- NOTE: 36.** The power cost is net of value of captively consumed units of wind mill.
- NOTE: 37.** 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.
- NOTE: 38.** Based on review carried out as on 31.03.2012, no impairment loss is required to be provided for as per Accounting Standard 28 on "Impairment of Assets".
- NOTE: 39.** 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.
- NOTE: 40.** The financial statements for the year ended 31st March,2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act,1956. Consequent to the notification under the Companies Act,1956, the financial statements for the year ended 31st March,2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.
- NOTE: 41.** Significant accounting policies and practices adopted by the company are disclosed in the statement annexed to these financial statements as Annexure -1.

Signatures to Notes 1 to 41

As per our report of even date
For **BHANWAR JAIN & CO.**
Chartered Accountants.
Firm Registration No. : 117340W

S/d-
JEETMAL B. PAREKH
Chairman

S/d-
RAHUL J. PAREKH
Managing Director

S/d-
ANAND J. PAREKH
Jt. Managing Director

S/d-
(B. M. JAIN)
Partner.
Membership No. : 034943
AHMEDABAD: 30th May, 2012.

AHMEDABAD: 30th May, 2012.

S/d-
MALAV J. AJMERA
Director

S/d-
JAPAN N. SHAH
Company Secretary

ANNEXURE -1.

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

- 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 undelying 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 of the transaction or that approximates the actual rate at the date of the transaction.

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
 - b. 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 dreation 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 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.



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 21st Annual
General meeting of the Company to be held at Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Road,
Ellisbridge, Ahmedabad-380006
on 28th September 2012, at 10-30 a.m. and at any adjournment thereof.
Signature at _____ (Place) this _____ day of _____ 2012
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 21th Annual General Meeting of the Company to be held on 28th
September, 2012

Signature of Member / Proxy

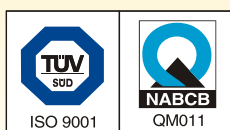
Note: Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.

Book - Post



To,

If undelivered please return to:



MAHALAXMI RUBTECH LIMITED

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