

## MAHALAXMI RUBTECH LIMITED

TEXTILE PRINTING BLANKETS | OFFSET PRINTING BLANKETS | RUBBER COATED FABRICS | PRECISION RUBBER PARTS

Ref: MRT/CS/Correspondence/2017-18/19

Date: September 29, 2017

To,  
The Manager  
BSE Limited  
Listing Dept. / Dept. of Corporate Service  
Phiroze Jeejeebhoy Tower, Dalal Street,  
Mumbai – 400 001

Company Code: 514450

Dear Sir / Madam,

**Sub.: Submission of Annual Report of the Company for the year ended on March 31, 2017 under Regulation 34 of SEBI (LODR) Regulation, 2015**

Please find attached herewith Annual Report of the Company for the year ended on March 31, 2017, in pursuance of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 duly approved and adopted in the Annual General Meeting of the Company held at Lions Hall, Near Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 on Wednesday the 27th Day of September, 2017 at 11.30 a.m.

Kindly take the same on record and oblige.

Thanking You,

Yours Faithfully,  
For, Mahalaxmi Rubtech Limited

Shailesh Koshti  
Company Secretary



Encl.: Annual Report of the Company for the year ended on 31<sup>st</sup> March. 2017.

**CORPORATE OFFICE:**

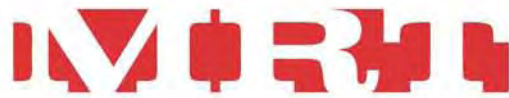
YSL AVENUE, OPP. KETAV PETROL PUMP,  
POLYTECHNIC ROAD, AMBAWADI,  
AHMEDABAD - 380 015, INDIA.  
TELEPHONE: +91-79-40008000 FAX: +91-79-40008030

**WORKS:**

UMA INDUSTRIAL ESTATE, PHASE III, VILLAGE: VASNA-IYAVA,  
TALUKA: SANAND, DISTRICT: AHMEDABAD - 382 170, INDIA.  
TELEPHONE: 02717-284309, 284310 FAX: 02717-284152  
E-MAIL: mrt@mrtglobal.com WEBSITE: www.mrtglobal.com

**REGD. OFFICE:**

47, NEW CLOTH MARKET,  
AHMEDABAD - 380 002, INDIA.  
TELEPHONE: +91-79-22160776  
CIN NO.: L25190GJ1991PLC016327

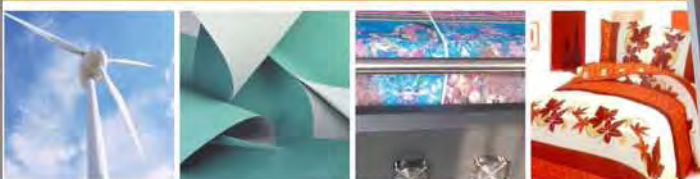


# MAHALAXMI RUBTECH LIMITED



## 26th ANNUAL REPORT 2017

31st March





## MAHALAXMI RUBTECH LIMITED

CIN : L25190GJ1991PLC016327

### BOARD OF DIRECTORS

SHRI JEETMAL B. PAREKH  
SHRI RAHUL J. PAREKH  
SHRI ANAND J. PAREKH  
SMT. SANGITA S. SINGHI  
SHRI MALAV J. AJMERA  
SHRI NEHAL M. SHAH

### GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

### COMPLIANCE OFFICER

SHRI SHAILESH P. KOSHTI  
(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

YSL AVENUE, OPP. KETAV PETROL PUMP,  
POLYTECHNIC ROAD,  
AMBAWADI, AHMEDABAD – 380 015

### 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

LINK INTIME INDIA PRIVATE LIMITED  
5th Floor, 506 to 508, Amarnath Business Centre - 1 (ABC-1),  
Beside Gala Business Centre, Nr. St. Xavier's College Corner,  
Off C.G. Road, Navrangpura, Ahmedabad - 380009.  
Tel: 079-26465186-87 Fax: 079-26465179  
Email - ahmedabad@linkintime.co.in



**CIN: L25190GJ1991PLC016327**

Regd. office: 47, New Cloth Market, Ahmedabad – 380002, Gujarat. **Web: www.mrtglobal.com, Ph.: 079 4000 8000 Fax: 079 4000 8020**  
E-mail: cs@mahalaxmigroup.net

**NOTICE TO MEMBERS**

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of "Mahalaxmi Rubtech Limited" will be held at "Lions Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad- 380 006 on Wednesday, September 27, 2017 at 11.30 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, 2017 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Anand Jeetmal Parekh (DIN: 00500384), who retire by rotation at this AGM and being eligible offers himself for re-appointment.
3. **TO APPOINT STATUTORY AUDITORS OF THE COMPANY AND FIX THEIR REMUNERATION**

To consider and, if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s P C Bothra & Co, Chartered Accountants, Firm Registration No 306034E, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM at such remuneration plus applicable taxes and out of pocket expenses incurred by them for the purpose of audit of the company as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:**

4. **RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITORS, M/S DALWADI & ASSOCIATES**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Dalwadi & Associates, Cost Accountants (Firm Registration Number - 000338), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 at the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes and out of pocket expenses, if any, incurred during the course of above audit."

5. **TO CONSIDER THE RELATED PARTY TRANSACTIONS**

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

**"RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules Under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (Including any amendment, modification or re-enactment thereof), and pursuant to the consent of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings held on 26th May, 2017, the consent of the members of the Company be and is hereby accorded to the proposed transactions between the Company and related entities Mahalaxmi Calchem Private Limited, Anand Chem Industries Private Limited, Mahalaxmi Exports, Shah Jeetmal Champalal and Rahul Textile for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out under in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

6. **RE-APPOINTMENT OF MR. RAHUL J. PAREKH (DIN 00500328), AS MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Rahul J. Parekh, as Managing Director (designated as "Key Managerial Person") of the Company with effect from August 10, 2017 to August 9, 2022, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Rahul J. Parekh.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Rahul J. Parekh, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

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

## NOTE

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him / her and the proxy need not be a member of the Company.  
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.  
The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of meeting. A proxy form is sent herewith.
  2. The Register of Members and Transfer Book of the Company will remain closed from Thursday the 21st day of September, 2017 to Wednesday the 27th day of September, 2017 (both days inclusive) for the purpose of 26th Annual General Meeting.
  3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
  4. Members are reminded to send their dividend warrants, which have not been encashed, to the Company for revalidation. As per the provisions of the Section 124(6) of the Companies Act, 2013, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after the expiry of seven years from the date they become due for payment. As per the Section 124 of the Companies Act, 2013, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF). Accordingly unpaid dividend for the FY 2008-09 has also been transferred to the IEPF.
  5. In accordance with the section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rule, 2014 and Regulation 36 of SEBI (LODR) Regulation, 2015, Electronic/soft copy of the Notice and Annual Report for FY 2016-17 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purpose unless any member has requested for a Physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2016-17 are being sent through the permitted mode. Members may also note that the Notice of 26th Annual General Meeting and Annual Report for 2016-17 will also be available on the Company's website [www.mrtglobal.com](http://www.mrtglobal.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office and Administrative Office in Ahmedabad.
  6. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, Power of Attorney, change of address/name, Income Tax Permanent Account Number (PAN) etc. to their Depository Participant only. Changes intimated to the Depository Participants will be automatically reflected on the Company's record which will help the Company and its Registrar and Transfer Agent to provide efficient & better services.  
Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA Link Intime India Private Limited. In respect with shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
  7. 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.
  8. 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.
  9. The Company had on September 23, 2010, sub-divided each Equity Share of the face value of ₹ 10/- each into ten Equity Shares of the face value of ₹ 1/- each. Subsequently, on November 6, 2015, the Company has consolidated 10 Equity Share of the face value of ₹ 1/- each into 1 Equity Shares of the face value of ₹ 10/- each. The Company has in the past sent reminders to those Shareholders who have not claimed new share certificates for consolidated Shares of the face value of ₹ 10/- each. Shareholders who have not so far surrendered their old certificates in exchange for new share certificates for consolidated Shares of the face value of ₹ 10/- each, are requested to do so immediately.
  10. 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 (a) Deletion of name of deceased shareholders(s), where the shares are held in the name of two or more shareholders (b) Transmission of shares to the legal heir(s), where the deceased shareholder was the sole holder of shares (c) 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.
  11. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 26th Annual General Meeting (AGM). The business shall be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).  
The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 26th Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
  12. For security reasons and for proper conduct of AGM, entry to the place of the AGM will be regulated by the attendance slip, which is annexed to the Notice. Members/proxies are requested to bring their attendance slip in all respect and signed at the place provided there at and hand it over at the entrance of the venue. The rout map of the AGM venue is also annexed to this Notice.
- A. The instructions for members for voting electronically are as under:-In case of members receiving e-mail:**
- (i) The voting period begins on 24th September, 2017 at 10:00 a.m. and ends on 26th September, 2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker or Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of MAHALAXMI RUBTECH LIMITED.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- B. Please follow all steps from Sl. No. (ii) to (xix) to cast vote in case of members receiving the physical copy of Notice of Annual General Meeting [for members whose e-mail IDs are not registered with the Company / Depository Participant[s] or requesting physical copy].
- C. Results declared along with scrutinizer's report shall be communicated to BSE thereafter placed on website of the Company. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e- voting module shall be disabled by CDSL for voting thereafter.
- D. Hudda & Associates Company Secretaries LLP, Mr. Bunty Hudda (Designated Partner) (Membership No.: A31507 and CP No.: 11560) Address: E-812, Titanium City Center, Nr. IOC Petrol Pump, Anandnagar-Prahladnagar Road, Satellite, Ahmedabad - 380015 has been appointed as scrutinizer to scrutinize e-voting process.
- E. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than forty eight hours from the conclusion of meeting, a consolidated scrutinizer's report of the total votes cast in

favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mrtglobal.com](http://www.mrtglobal.com) and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

- F. The Resolution shall be deemed to be passed on the date of Annual General Meeting. Subject to Receipt of requisite number of votes.
- G. The voting right of shareholder shall be in proportion to their share of the paid-up share capital of the company.
- H. Pursuant to SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Company has created an exclusive E-mail. ID: [cs@mahalaxmigroup.net](mailto:cs@mahalaxmigroup.net) for quick redressal of shareholders/investors grievances.
13. 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, LINK INTIME INDIA PRIVATE LIMITED, 506-508, AMARNATH BUSINESS CENTRE-1, (ABC-1), BESIDES GALA BUSINESS CENTRE, NEAR XT XAVIER'S COLLEGE CORNER, OFF C G ROAD, ELLISBRIDGE, AHMEDABAD - 380006.

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

Place: Ahmedabad  
Date: August 10, 2017

**Shailesh P. Koshti**  
(Company Secretary)

## ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of Messrs. Dalwadi & Associates, Ahmedabad, to conduct the audit of the cost records of the Company for the Financial Year 2017-18.

In accordance with provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be fixed by the Members of the Company.

The Board is of the opinion that the fees quoted by Messrs. Dalwadi & Associates, Ahmedabad are reasonable and in line with the rates prevailing in the market for similar assignment.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 4 of the Notice, save and except as shareholder and to the extent of their shareholding in the Company.

The Shareholders' approval is solicited for the resolution at Item No. 4 of the accompanying Notice.

### Item No. 5:

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution.

The Audit Committee and Board of Directors of the Company, at its meeting held on 26th May, 2017 has approved a proposal for entering into related party transactions with the related entities Mahalaxmi Calchem Private Limited, Anand Chem Industries Private Limited, Mahalaxmi Exports, Shah Jeetmal Champalal and Rahul Textile (mentioned in resolution No. 5), in which Directors or relatives of Directors or other related persons are interested. The nature of transactions, amount of transactions and other related information as envisaged under Companies (Meeting of Board and its powers) Rules, 2014 are furnished in below mentioned table.

Nature of Contract / Transactions with Related Parties	Name and Nature of Relationship with Related Party	Maximum Value of the Contract / Transaction. (₹ in Crores Per Annum)
To sale goods and articles and / or	M/s Mahalaxmi Exports (Associate concern)	125
To get job work done for party and / or	Anand Chem Industries Pvt. Ltd (Associate concern)	15
To purchase goods and articles and / or	Mahalaxmi Calchem Pvt. Ltd (Associate concern)	15
To get job work done from party and / or	Shah Jeetmal Champalal (Associate concern)	15
To avail services from party and / or		
To provide services to party.	Rahul Textile (Associate concern)	1
(Including sell, purchase or otherwise dispose / acquire property if any kind and / or Letting / Leasing of property of any kind.)		

DIRECTORS/KMPS/ Relatives of Directors and KMPS / Other Firms and Companies in Which all or any of the following namely Mr. Rahul J Parekh Mr. Anand J. Parekh, Mr. Jeetmal B. Parekh, Mr. Rajendra R. Mehta and their respective relatives are Interested as per the provisions of Section 2(76) of the Companies Act, 2013.



All the proposed transactions with related parties will be carried out on prevailing market rate / conditions. Hence, it is considered as transactions carried out on arm's length basis.

No other Director, Key Managerial Personnel, or their respective relatives except Mr. Jeetmal B. Parekh, Chairman, Mr. Rahul J. Parekh, Managing Director, Mr. Anand J. Parekh, Jt. Managing Director, Mr. Rajendra R. Mehta, Chief Financial Officer and their respective relatives, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 of the Notice, save and except as shareholder and to the extent of their shareholding in the Company.

The Shareholders' approval is solicited for the resolutions at Item No. 5 of the accompanying Notice.

#### **Item No. 6:**

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on August 10, 2017 approving re-appointment of Mr. Rahul J. Parekh, as Managing Director (designated as "Key Managerial Person") of the Company for a further period of five years with effect from August 10, 2017 to August 09, 2022, with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Rahul J. Parekh. This is subject to the approval of the shareholders at this Annual General Meeting.

The Board of Directors in its meeting held on May 27, 2016 recommended by Nomination and Remuneration Committee, approved the payment of remuneration of ₹ 18,00,000/- plus perquisites as specified, per annum individually, to Mr. Rahul J. Parekh (DIN: 00500328) as Managing Director of the Company, with effect from April 1, 2016, for the remaining tenure of their office, and the same is recommended to be continue for the next term of 5 years from August 10, 2017 to August 9, 2022 without any changes or modification, with authority to the Board of Directors to alter and vary the terms and conditions of the remuneration and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Rahul J. Parekh.

Disclosure as required under Schedule XIII of the Companies Act, 1956 and Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Mr. Rahul J. Parekh is the Promoter Directors of the Company. Mr. Rahul J. Parekh was first appointed on the Board of the Company in 1995. He is considered as a pioneer of expose MRT to export multiple products and business in diverse markets and environment. The appointment and remuneration was approved by the Board based on expertise, experience, industry standards, responsibilities handled by the Managing Director of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Brief terms and condition of the revised remuneration of Mr. Rahul J. Parekh is as follows including allowances and perquisites.

<b>Particulars</b>	<b>Mr. Rahul J. Parekh</b>
1. Salary	₹.1,50,000 (Rupees One Lakh Fifty Thousand only) 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	Entertainment, traveling and all other expenses incurred for the business of the Company shall be Expenses reimbursed as per 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 Perquisites per Rules of the Company.

#### **Other terms and conditions:**

In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed. The perquisites as listed above shall be valued as per the Income Tax Rules, 1962, as may be applicable.

All other existing terms and conditions for the re-appointment shall remain unchanged.

No other Director, Key Managerial Personnel, or their respective relatives except Mr. Jeetmal B. Parekh, Chairman, Mr. Rahul J. Parekh, Managing Director, Mr. Anand J. Parekh, Jt. Managing Director and their respective relatives, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 6 of the Notice, save and except as shareholder and to the extent of their shareholding in the Company.

The Shareholders' approval is solicited for the resolutions at Item No. 6 of the accompanying Notice.



**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 26TH ANNUAL GENERAL MEETING OF THE COMPANY**

Name of the Director	Mr. Anand J. Parekh	Mr. Rahul J. Parekh
<b>Director Identification Number (DIN)</b>	00500384	00500328
<b>Date of birth</b>	07/06/1976	27/04/1972
<b>Date of appointment</b>	19/11/2008	05/07/1995
<b>Qualification</b>	Chartered Accountant	MBA from USA
<b>Experience &amp; Expertise in specific functional area</b>	Mr. Anand Parekh is second generation entrepreneur and joined MRT in 2008 on the Board of the Company He is Chartered Accountant by training and responsible for Company's local as well as export Market. He has experience in corporate finance, legal and export matters. He is responsible for strategic financial matters, including corporate finance, corporate strategy, business development, risk management export obligations and overall affairs of the Company. Presently he is Joint Managing Director of the Company.	Mr. Rahul Parekh is second generation entrepreneur and joined MRT in 1995 on the Board of the Company and was responsible for Company's diversification into other categories of business. He has experience in corporate finance, production, marketing and secretarial matters. He is responsible for MRT's strategic financial matters, including corporate finance, corporate strategy, business development, risk management and overall affairs of the Company. Presently he is Managing Director of the Company.
<b>Shareholding in the Company as on 31.03.2017</b>	1151122 equity shares of ₹ 10/- each	1251119 equity shares of ₹ 10/- each
<b>Relationship with other Directors and KMPs of the Company</b>	Son of Mr. Jeetmal B. Parekh (Chairman)  Brother of Mr. Rahul J. Parekh (Managing Director)	Son of Mr. Jeetmal B. Parekh (Chairman)  Brother of Mr. Anand J. Parekh (Jt. Managing Director)
<b>List of companies* in which outside directorship held</b>	1. Anand Chem Industries Private Limited 2. Sonnet Colours Private Limited 3. Rahul Calchem Private Limited	1. Mahalaxmi Calchem Private Limited 2. Sonnet Colours Private Limited 3. Rahul Calchem Private Limited 4. Heena Agriculture Private Limited 5. Ashita Mercantile Private Limited 6. Rainbow Exports Private Limited
<b>Chairman/Member of the Committee* of Board of Directors of other Indian public companies</b>	Nil	Nil

\* Directorship includes directorship in other Indian companies and Committee membership includes Audit committee and Stakeholders' Relationship committees of Indian public companies.

**DIRECTORS' REPORT**

TO  
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Directors' Report, along with the Audited Statement of Accounts for the year ended 31st March, 2017.

**FINANCIAL RESULTS:**

Particulars	For the year ended 31.03.2017 (₹ in Lacs)	For the year ended 31.03.2016 (₹ in Lacs)
Income from Operations & Other Income	20302.99	16941.44
Profit before Depreciation	1298.03	1209.93
Less: Depreciation	804.27	738.31
Profit before Tax	493.76	471.62
Less: Provision for Tax	226.81	189.27
Less: Provision for deferred Tax	(62.89)	(25.68)
Profit after Tax	329.84	308.03

**SHARE CAPITAL**

During the year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on 21 November, 2016, the Company has issued and allotted an aggregate of 4500000 warrants, convertible into equity shares of ₹ 10/- each of the Company, at any time within 18 months from the date of allotment of the warrant, at an exercise price of ₹ 45/- per warrant including premium of ₹ 35/- per warrant to persons belonging to promoter and promoter group of the company on preferential basis out of which 1150000 warrants were converted into 1150000 equity shares of ₹ 10/- each during the year. Such shares shall rank pari-passu in all respect including, as to dividend, with existing fully paid up equity shares of face value of ₹ 10 each and shall also subject to lock-in, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations.

As a result of the above allotments of 1150000 equity shares, paid-up equity shares capital of the company was increased from ₹ 88202750/- comprising of 8820275 number of equity shares of ₹ 10 each as on March 31, 2016 to ₹ 99702750/- comprising of 9970275 number of equity shares of ₹ 10 each as on March 31, 2017. The allotted shares are listed and traded in the Stock Exchange where shares of the Company are Listed.

**OPERATION AND REVIEW AND STATES OF COMPANIES AFFAIRS:**

The Company continues to see marginal growth with its overall performance in the financial year 2016-17 driven by the average performance both segment in which the Company operates.

The total income of the company increased to ₹ 20302.99 Lakhs from ₹ 16941.44 Lakhs in the previous year, at a rate of 19.84%. The Profit before Tax amounted to ₹ 493.76 Lakhs as against ₹ 471.62 Lacs in the previous year. The net profit after tax was increased to ₹ 329.84 Lakhs as against ₹ 308.03 Lakhs in the previous year.

**DIVIDEND:**

Board of Directors has not recommended any dividend for the Financial Year 2016-17.

**FIXED DEPOSITS:**

The company has not invited / accepted any deposits from public within the meaning of provisions of section 73 and 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

The information required under section 134 (3)(m) of the Companies Act, 2013 read with the companies (Disclosures of Particulars in the report of the board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure - I and form part of this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) and Schedule V of the Listing Obligation and Disclosure Requirement, Regulation, 2015 is appended to this Report.

## CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your company has complied with the requirements regarding Corporate Governance as required under regulation 34(3) and Schedule V of SEBI LODR, Regulation 2015. A Report on the Corporate Governance in this regard is made a part of this Report along with Certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is forms as integral part of this report.

## MEETINGS OF THE BOARD AND ITS COMMITTEE

Eleven meetings of the Board of Directors were conveyed and held during the year. Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

## DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Anand J. Parekh, (DIN: 00500384) liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 of the Companies Act, 2013. There was no change in the Key Managerial Personnel during the year.

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the corporate governance report.

## Governance Guidelines:

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Directors' term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors' remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

## Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

## Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meet with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1) (b) of the Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulation, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 19(4) of Listing Regulation.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, Makes the following statement:

- a. in the preparation of the annual accounts for the year ended on March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- b. 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 March 31, 2017 and of the profit of the Company for the year ended on March 31, 2017;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared annual accounts on a going concern basis.
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

**AUDITORS:**

In accordance with the requirement of the Companies Act, 2013, the current Statutory Auditors, M/s. Bhanwar Jain & Co., Chartered Accountants, Ahmedabad, hold office up to the conclusion of the ensuing AGM. As per the provisions of section 139 of the Companies Act, 2013, M/s. Bhanwar Jain & Co., Chartered Accountants are not eligible for re-appointment for a fresh term.

The Board of Directors places on record its appreciation for the services rendered by M/s. Bhanwar Jain & Co., as the Statutory Auditors of the Company.

The Board will consider and recommend the appointment of Statutory Auditors, recommended by the Audit Committee of the Company, for a term beginning from the conclusion of the 26th Annual General Meeting till the conclusion of the 27th Annual General Meeting subject to approval of members at the ensuing Annual General Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

The Company has appointed M/s. Dalwadi & Associate, Cost Accountants, Ahmedabad (Firm Registration No. 000338) as the Cost Auditors of the Company for audit of cost accounting records for the financial year ended 31st March, 2017. Further, the Company maintains the cost records; however the Company was not fall under the criteria for Cost Audit for the year ended on 31st March, 2016. The Board of Directors has, on recommendation of the Audit Committee, at its meeting held on 26th May, 2017 appointed M/s. Dalwadi & Associates, as the Cost Auditor of the Company for audit of cost accounting records for the financial year 2017-18 and has also fixed their remuneration. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, it is proposed by the Board to recommend the remuneration approved in its meeting, for ratification by the shareholders in the ensuing Annual General Meeting of the Company.

The Board has appointed M/s. Hudda & Associates Company Secretaries LLP, (M. No.A31507 and CP No. 11560) to conduct Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as Annexure - II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**AUDIT OBSERVATIONS**

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the financial year ended on 31st March, 2017.



**KEY MANAGERIAL PERSONNEL**

Pursuant to section 203 of the Companies Act, 2013, your company had appointed its Key Managerial Personnel viz., Shri Rahul J. Parekh, Managing Director, Shri Anand J. Parekh, Jt. Managing Director, Shri Rajendra R. Mehta, Chief Financial Officer and Shri Shailesh Koshti as Company Secretary and Key Managerial Personnel. No change occurred in the Key Managerial Personnel of the Company during the financial year 2016-17.

**VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and in terms of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, your Company has established a Vigil Mechanism of the Company which also incorporates Whistle Blower Policy for its Directors and employees to safeguard against victimization of persons who use Vigil mechanism and to report genuine concerns. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [http://www.mrtglobal.com/images/investor\\_relation/policy/VigilMechanismWhistleBlower.pdf](http://www.mrtglobal.com/images/investor_relation/policy/VigilMechanismWhistleBlower.pdf). The Audit Committee of your Company shall oversee the Vigil mechanism.

**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 from March 23, 2001 pursuant to circular of SEBI.

**EMPLOYEES:**

The information required under sub section (12) of section 197 of the Companies Act, 2013 read with rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) rule 2014, the details showing the name and other particulars of employees drawing remuneration in excess of limits set out in the said rule are as under.

- (a) Employees employed throughout the year and who were in receipt of remuneration of not less than ₹ 60,00,000/- per annum in terms of Rule 5 (2) (i) is None.
- (b) Employees employed for the part of the year and who were in receipt of remuneration of not less than ₹ 5,00,000/- per month in terms of section Rule 5 (2) (ii) is None.
- (c) None of the employees is covered under Rule 5 (2) (iii).

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request which is available for inspection by the Members at the Administrative Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information thereof, such Member may write to the Company Secretary in advance in this regard.

**LISTING:**

The Securities of your company are listed with the BSE Limited, and pursuant to Regulation 14 of Listing Regulation, the Annual Listing fees for the year 2017-18 have been paid within due date. The bill for annual custodian fees to NSDL & CDSL is been paid by the Company for the Securities of the Company held in dematerialized mode with them for year 2017-18.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has not crossed the threshold limit to implement CSR, hence not applicable to the Company during the year under report.

**POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company in MGT-9 is annexed herewith as Annexure - III and form part of this Report.

**SUBSIDIARY COMPANIES**

Your Company does not have any subsidiary company during the year; hence consolidation of financial data of the subsidiary company is also not applicable to the Company for the financial year 2016-17.

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The Company has formulated a Risk Assessment & Management Policy. The details of the Risk Management are covered in the Corporate Governance Report.

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

Details of loans, investments, guarantees and securities covered under provisions of section 186 of the Companies Act, 2013 are provided in the standalone financial statement.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material or potential conflict with the interest of the Company in accordance with the policy of the Company on materiality of related party transactions. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Policy on materiality of related party transactions and dealing with related party Transactions as approved by the Board may be accessed on the Company's website at the link: [http://www.mrtglobal.com/images/investor\\_relation/policy/RelatedPartyTransactionPolicy.pdf](http://www.mrtglobal.com/images/investor_relation/policy/RelatedPartyTransactionPolicy.pdf)

Your Directors draw attention of the members to the financial statement which sets out related party disclosures. Details of contracts with related parties have been reported in form AOC-2 and annexed herewith as Annexure - IV and form part of this Report.

**ENVIRONMENT**

As a responsible corporate citizen and as a textile processing unit, environment safety has been one of the key concerns of the Company. It is the constant endeavour of the Company to strive for compliance of stipulated pollution control norms.

**GENERAL**

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**APPRECIATION:**

Your Directors thanks various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them.

The Directors also 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, co-operation and support. We look forward for their continued support in the future.

For and on behalf of the Board  
**Mahalaxmi Rubtech Limited**

**Jeetmal B. Parekh**  
(Chairman)

Place: Ahmedabad  
Date: May 26, 2017

## ANNEXURES TO DIRECTORS' REPORT

## ANNEXURE – I TO THE DIRECTORS' REPORT

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

## 1. 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	2016-17	2015-16
1. Electricity		
(a) Purchased:		
Units	9160048	9124136
Amount ₹	69740476	77476469
(b) Own Generation:		
(i) Through Diesel:		
Units	1400	2800
Amount ₹	26248	41232
(ii) Through Windmill		
Units	2340930	2106491
2. Fuel		
Waste Wood		
Tonnes	19097	38603
Amount ₹	77315759	147681132
Steam Coal		
Tonnes	27730	21807
Amount ₹	128099178	97815534

## (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.

## 2. TECHNOLOGY ABSORPTION, ADOPTION &amp; 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.

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings : ₹ 22.09 Crore

Foreign exchange outgo : ₹ 4.04 Crore

**ANNEXURE – II TO THE DIRECTORS' REPORT**  
**Form No. MR – 3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

Mahalaxmi Rubtech Limited

47, New Cloth Market, O/s Raipur Gate,

Ahmedabad – 380002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahalaxmi Rubtech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mahalaxmi Rubtech Limited ("the Company") for the financial year ended on 31 March 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - VI. I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company are Factories Act, 1948; Industries (Development & Regulation) Act, 1951; Labour Laws and other industrial Laws related to labour and employees appointed by the Company either on its payroll or on contractual bases as related to wages, gratuity, provident fund, ESIC, compensation etc.; Act prescribed under prevention and control of pollution; Acts prescribed under Environmental protection; Acts prescribed under Direct Taxes and Indirect Taxes; Land Revenue Laws; Labour Welfare Act; Law related to intellectual Property Rights; The Legal Metrology Act, 2009; Act as prescribed under Shop and Establishment Act; Laws related to Banking Regulations;
- I/We have also examined compliance with the applicable clauses of the following:



- (i) Secretarial Standard issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Obligation and Disclosure Requirement, Regulation, 2015 as applicable to the Company.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with all the laws applicable specifically to the Company:

I further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

I further report that during the audit period the company has passed one special resolution for increase in borrowing limited under section 180(1)(c) of the Companies Act, 2013 which is having major bearing on the Companies affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For, Bunty Hudda & Associates,  
Bunty Hudda (Proprietor)**

Place: Ahmedabad  
Date: May 24, 2017

ACS No. 31507  
C P No: 11560

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

### ‘Annexure A’

To,  
The Members  
Mahalaxmi Rubtech Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For, Bunty Hudda & Associates,  
Bunty Hudda (Proprietor)**

Place: Ahmedabad  
Date: May 24, 2017

ACS No. 31507  
C P No: 11560

## ANNEXURE – III TO THE DIRECTORS' REPORT

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L25190GJ1991PLC016327
ii)	Registration Date	25-09-1991
iii)	Name of the Company	Mahalaxmi Rubtech Limited
iv)	Category / Sub-Category of the Company	Limited by Shares / Public Company
v)	Address of the Registered office and contact details	47 New Cloth Market O/S Raipura Gate, Ahmedabad – 380002 Tel.: +91-79-26582552/26585864 Fax: +91-79-26583552
vi)	Whether listed company	Yes / <del>No</del> (BSE Limited)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near XT Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. Tel No.: 079 - 2646 5186

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Weaving of Textile and Finishing of Textile	131	91.59 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/AS SOCIATE	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

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

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoter s</b>									
<b>(1)</b>	<b>Indian</b>									
a)	Individual/ HUF	4211246	0	4211246	47.74	5361246	0	5361246	53.77	6.03
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corp.	823977	0	823977	9.34	823977	0	823977	8.27	-1.07
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (A) (1):-</b>	<b>5035223</b>	<b>0</b>	<b>5035223</b>	<b>57.08</b>	<b>6185223</b>	<b>0</b>	<b>6185223</b>	<b>62.04</b>	<b>4.96</b>
<b>(2)</b>	<b>Foreign</b>									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>5035223</b>	<b>0</b>	<b>5035223</b>	<b>57.08</b>	<b>6185223</b>	<b>0</b>	<b>6185223</b>	<b>62.04</b>	<b>4.96</b>
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a)	Mutual Funds	7900	0	7900	0.09	7900	0	7900	0.08	-0.01
b)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FII's	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	(specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (B)(1):-</b>	<b>7900</b>	<b>0</b>	<b>7900</b>	<b>0.09</b>	<b>7900</b>	<b>0</b>	<b>7900</b>	<b>0.08</b>	<b>-0.01</b>
<b>2</b>	<b>Non- Institutions</b>									
a)	Bodies Corp.									
i)	Indian	822823	4100	826923	9.38	631981	3350	635331	6.37	-3.01
ii)	Overseas	0	0	0	0.00	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1529659	132045	1661704	18.84	1672111	130370	1802481	18.08	-0.76
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1043043	0	1043043	11.83	997289	0	997289	10.00	-1.83
c)	Others									
	i) NRI	8245	4625	12870	0.15	15862	4625	20487	0.21	0.06
	ii) Clearing Member	1370	0	1370	0.01	65051	0	65051	0.65	0.64
	iii) Trust	3400	0	3400	0.04	3400	0	3400	0.03	-0.01
	iv) HUF	227842	0	227842	2.58	253113	0	253113	2.54	-0.04
	<b>Sub-total (B)(2):-</b>	<b>3636382</b>	<b>140770</b>	<b>3777152</b>	<b>42.83</b>	<b>3638807</b>	<b>138345</b>	<b>3777152</b>	<b>37.88</b>	<b>-4.95</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3644282</b>	<b>140770</b>	<b>3785052</b>	<b>42.92</b>	<b>3646707</b>	<b>138345</b>	<b>3785052</b>	<b>37.96</b>	<b>-4.96</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Grand Total (A+B+C)</b>	<b>8679505</b>	<b>140770</b>	<b>8820275</b>	<b>100.00</b>	<b>9831930</b>	<b>138345</b>	<b>9970275</b>	<b>100.00</b>	<b>0</b>

\* % of holding is calculated as 8820275 shares at the beginning of the year and 9970275 shares at the end of the year pursuant to conversion of 1150000 warrant into 1150000 equity share of the Company on 14-02-2017

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jeetmal B. Parekh	644481	7.31	0	994481	9.97	0	2.66
2	Rahul J. Parekh	851119	9.65	0	1251119	12.55	0	2.90
3	Kamlaben J. Parekh	756570	8.58	0	756570	7.59	0	-0.99
4	Anand J. Parekh	751122	8.52	0	1151122	11.55	0	3.03
5	Amita A. Parekh	371596	4.21	0	371596	3.73	0	-0.48
6	Ratna R. Parekh	354120	4.01	0	354120	3.55	0	-0.46
7	Mamta A. Surana	159238	1.81	0	159238	1.60	0	-0.21
8	Rahul Calchem Pvt. Ltd	286100	3.24	0	286100	2.87	0	-0.37
9	Mahalaxmi Calchem Pvt. Ltd	233490	2.65	0	233490	2.34	0	-0.31
10	Heena Agriculture Pvt. Ltd	94875	1.07	0	94875	0.95	0	-0.12
11	Anand Chem Industries Pvt. Ltd	130762	1.48	0	130762	1.31	0	-0.17
12	Sonnet Colours Pvt. Ltd	45625	0.52	0	45625	0.46	0	-0.06
13	Ashita Mercantile Pvt. Ltd	33125	0.37	0	33125	0.33	0	-0.04
14	Atulkumar Jain	4625	0.05	0	4625	0.05	0	0.00
15	Jeetmal Bhoorchand HUF	180375	2.04	0	180375	1.81	0	-0.23
16	Jeetmal Prithviraj HUF	10250	0.12	0	10250	0.10	0	-0.02
17	Jeetmal Rahulkumar HUF	127750	1.45	0	127750	1.28	0	-0.17
	<b>TOTAL</b>	<b>5035223</b>	<b>57.08</b>	<b>0</b>	<b>6185223</b>	<b>62.04</b>	<b>0</b>	<b>4.96</b>

\* % of holding is calculated as 8820275 shares at the beginning of the year and 9970275 shares at the end of the year pursuant to conversion of 1150000 warrant into 1150000 equity share of the Company on 14-02-2017

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

Sl. No.	Date	Reason	Shareholding at the beginning of the year		Share holding at the end of the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
		At the beginning of the year	5035223	57.08	5035223	57.08
1	14-Feb-17	Conversion of Warrant	350000		350000	
2	14-Feb-17	Conversion of Warrant	400000		400000	
3	14-Feb-17	Conversion of Warrant	400000		400000	
		At the End of the year	6185223	62.04	6185223	62.04



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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	ENVIRO CONTROL ASSOCIATES (INDIA) PRIVATE LIMITED	1704550	1.93	01.04.2016	0	Nil movement during the year	170455	1.71
2	MANAV MERCANTILE PRIVATE LIMITED	876712	1.32	31.03.2017 01.04.2016	0	Nil movement during the year	87671	0.88
3	RAJESH JAYANTILAL KHANDHAR	15000	0.15	31.03.2017 01.04.2016	70000	Market Purchase	85000	0.85
4	KARVY STOCK BROKING LIMITED	83012	0.83	31.03.2017 01.04.2016	175 1130 1000 -2279 220 501	Market Purchase Market Purchase Market Purchase Market sale Market Purchase Market Purchase	85000 83187 84317 85317 83038 83258 83759	0.85 0.83 0.84 0.85 0.83 0.83 0.84
5	VAST APPRO COMBINES PRIVATE LTD	69993	0.70	31.03.2017 01.04.2016	0	Nil movement during the year	69993	0.70
6	ROHIT C SHAH	693000	0.70	31.03.2017 01.04.2016	0	Nil movement during the year	69300	0.70
7	KAMAL KUMAR KESHWANI	116473	1.17	31.03.2017 01.04.2016	-35000 -7953 -15000	Market sale Market sale Market sale	81473 73568 58568	0.82 0.74 0.59
8	LKP FINANCE LIMITED	47180	0.47	31.03.2017 01.04.2016	0	Nil movement during the year	47180	0.47
9	MANAV ARORA	33111	0.33	31.03.2017 01.04.2016	368 1501 2986 2436 719	Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase	33479 34980 37969 40405 41124	0.3358 0.3508 0.3808 0.4053 0.4125
10	PUMARTH INFRASTRUCTURE PVT. LTD.	38965	0.39	31.03.2017 01.04.2016	0	Nil movement during the year	38965	0.39
11	CHIRAGBHAI YOGESHBHAI SHAH	55352	0.55	01.04.2016 02.12.2016 09.12.2016 16.12.2016 23.12.2016 30.12.2016 31.12.2016 06.01.2017 13.01.2017 20.01.2017 27.01.2017 03.02.2017 31.03.2017	-500 -300 -700 -2800 -1000 -500 -1200 -1322 -830 -2210 -5700	Market sale Market sale Market sale Market sale Market sale Market sale Market sale Market sale Market sale Market sale Market sale Market sale Market sale	54852 54552 53852 51052 50052 49552 48352 47030 46200 43990 38290 38290	0.55 0.54 0.54 0.51 0.50 0.49 0.48 0.47 0.46 0.44 0.38 0.38
12	BHAVIK RAJESH KHANDHAR SHARE & STOCK BROKERS PVT.LTD	70000	0.70	01.04.2016	31.03.2017	Market Sale	70000	0.00
13	GLOBE FINCAP LIMITED	49430	0.50	31.03.2017 01.04.2016	-9106 -10000 -30324	Market sale Market sale Market sale	40324 30324 0 0	0.40 0.30 0.00 0.00

1. All the Calculation for Shareholding is calculated as per 9970275 equity shares.

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

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Jeetmal B. Parekh (Chairman)</b>				
	At the beginning of the year*	644481	7.31	644481	7.31
	Date wise Increase / Decrease in Share holding during the year Allotment pursuant to conversion of warrant into equity share of the Company on 14-02-2017	350000	3.51	350000	3.51
	At the End of the year	994481	9.97	994481	9.97
<b>2</b>	<b>Rahul J. Parekh (Managing Director)</b>				
	At the beginning of the year*	851119	9.65	851119	9.65
	Date wise Increase / Decrease in Share holding during the year Allotment pursuant to conversion of warrant into equity share of the Company on 14-02-2017	400000	4.01	400000	4.01
	At the End of the year	1251119	12.55	1251119	12.55
<b>3</b>	<b>Anand J. Parekh (Jt. Managing Director)</b>				
	At the beginning of the year*	751122	8.52	751122	8.52
	Date wise Increase / Decrease in Share holding during the year Allotment pursuant to conversion of warrant into equity share of the Company on 14-02-2017	400000	4.01	400000	4.01
	At the End of the year	1151122	11.55	1151122	11.55
<b>4</b>	<b>Malav J. Ajmera (Independent Director)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
<b>5</b>	<b>Nehal M. Shah (Independent Director)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
<b>6</b>	<b>Sangita S. Singhi (Independent Director)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
<b>7</b>	<b>Rajendra R. Mehta (Chief Financial Officer)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
<b>8</b>	<b>Shailesh P. Koshti (Company Secretary)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0

\* % of holding is calculated as 8820275 shares at the beginning of the year and 9970275 shares at the end of the year pursuant to conversion of 1150000 warrant into 1150000 equity share of the Company on 14-02-2017

## VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	24.85	18.98	0	43.83
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>24.85</b>	<b>18.98</b>	<b>0</b>	<b>43.83</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	4.33	0	0	4.33
• Reduction	2.88	9.06	0	11.94
<b>Net Change</b>	<b>1.45</b>	<b>9.06</b>	<b>0</b>	<b>7.61</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	26.30	9.92	0	36.22
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>26.30</b>	<b>9.92</b>	<b>0</b>	<b>36.22</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Rahul Parekh	Anand Parekh	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1800000	1800000	3600000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	32400	64800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- Others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	1832400	1832400	3664800
	Ceiling as per the Act	10% of the Net profit of the Company		

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors	----- N.A. -----	
	• Fee for attending board committee meetings		
	• Commission		
	• Others, please specify		
	Total (1)		
	Other Non-Executive Directors		
	• Fee for attending board committee meetings		
	• Commission		
	• Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

\* As per Companies current remuneration policy, Non-Executive and Independent Director's are not paid any fee or commission or by any other means.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CEO	Company Secretary	CFO	
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		314989	1321935	1636924
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission			0	
	- as % of profit		0	0	0
	- Others, specify...		0	0	0
5	Others, please specify		0	0	0
	Total (A)		314989	1321935	1636924

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

Sl. No.	Particulars of Remuneration	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal Made. If any (give details)
<b>A. COMPANY</b>		N.A.				
	Penalty					
	Punishment					
	Compounding					
<b>B. DIRECTORS</b>						
	Penalty					
	Punishment					
	Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>						
	Penalty					
	Punishment					
	Compounding					



## ANNEXURE – IV TO THE DIRECTORS' REPORT

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : Not Applicable
2. Details of contracts or arrangements or transactions at arm's length basis :

MAXIMUM VALUE OF CONTRACT /TRANSACTION FOR THE FINANCIAL YEAR 2016-17 (TRANSACTIONS/ CONTRACT CARRIED OUT IN ORDINARY COURSE OF BUSINESS)		
Nature of contract / transactions with Related Parties	Name of the related parties and nature of relationship	Value of the contract / transactions with each Related Party.
To sale goods and articles and/or To get job work done for party and/or To purchase goods and articles and / or To get job work done from party and/or To avail services from party and /or To provide services to party.  (Including sell, purchase or otherwise dispose / acquire property if any kind and / or Letting / Leasing of property of any kind.)	M/s Mahalaxmi Exports (Associate concern)	₹ 42.87 Crores
	Anand Chem Industries Pvt. Ltd (Associate concern)	₹ 88.75 Lacs
	Mahalaxmi Calchem Pvt. Ltd (Associate concern)	₹ 21.73 Lacs
	Shah Jeetmal Champalal (Associate concern)	₹ 4.23 Crores
	Rahul Textile (Associate concern)	₹ 1.08 Lacs
DIRECTORS/KMPS/ Relatives of Directors and KMPS / Other Firms and Companies in Which all or any of the following namely Mr. Rahul J Parekh Mr. Anand J. Parekh, Mr. Jeetmal B. Parekh and Mr. Rajendra R. Mehta are Interested as per the provisions of Section 2(76) of the Companies Act,2013.		

- a) Name of the related party and nature of relationship: As provided in the table above.
- b) Nature of the contract /arrangement / transaction: As provided in the table above.
- c) Duration of the contract / arrangement / Transaction: 2016-17
- d) Salient terms of the contract or arrangement or transaction including the value, if any: As provided in the table above.
- e) Date of approval at the Board Meeting held on: 27.05.2016, 10.08.2016, 14.11.2016 and 14.02.2017
- f) Amount paid as advance, if any : Nil

For and on behalf of the Board  
**Mahalaxmi Rubtech Limited**

Place: Ahmedabad  
Date: 26th May, 2017

**Jeetmal B. Parekh**  
(Chairman)

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

The Company continues to sustain with its overall performance in the financial year 2016-17 driven by the average performance in existing and new business. Currently the Company is running well in Traditional Textile segment and marginal growth in the Technical Textile Segment. Your Directors have been making efforts on all fronts viz. production, marketing, finance and cost control etc. and these efforts have been yielding good results. The outlook for the company's products appears to be good and the company is confident of achieving improved operational performance.

The total income of the company increased to ₹ 20302.99 Lakhs from ₹ 16941.44 Lakhs in the previous year, at a rate of 19.84%. The Profit before Tax amounted to ₹ 493.76 Lakhs as against ₹ 471.62 Lacs in the previous year. The net profit after tax was increased to ₹ 329.84 Lakhs as against ₹ 308.03 Lakhs in the previous year.

Your company has continued to put in all possible efforts to boost exports, during the year under review achieved Export sales (F.O.B.) to the tune of ₹ 2209.29/- Lacs.

### INDUSTRY STRUCTURE AND DEVELOPMENT:

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

In textile division your Company operates in three separates units i.e. "Maheeka Textech" (A Weaving Unit), Mahalaxmi Global (A Trading Unit) and "Mahalaxmi Fabric Mills" (A Fabric Processing Unit). Maheeka Textech is a high-tech weaving units which includes warping, sizing and world-class automatic rapier looms for weaving of various types of fabrics. Maheeka Textech also has facility for manufacturing speciality fabrics used for technical textiles. Mahalaxmi Global mainly operates in shirting and high value fabrics. 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. Your company has continued plans for setting up new plant and machinery for technology up-gradation and expansion under TUFS. Your Company has end-to-end complete facility from warping, sizing, weaving, dyeing, bleaching, printing, processing and finishing of various types of fabrics such as cotton, polyester, Bottom-weight and other blends.

Polymer Based Technical Textile & Rubber Division at MRT manufactures world class Textile Printing Blankets, Offset Printing blankets and a range of other niche rubber products. Textile Printing Blankets are widely used on all type of textile screen printing machines. This division is also manufacturing Offset Printing Blankets used in Sheet Fed and Web printing machines. Going forward your company now intends to develop and launch various types of printing blankets used for different applications such as UV printing, High Speed Web Machines, Metal Printing etc. Your company is also now making efforts to market their offset printing blankets in the world market.

Since a long time MRT has been exporting its products to many countries, Your Company operates across multiple products and business in diverse markets and environment. This includes manufacturing of Polymer Coated Engineered Fabrics having diverse end uses. The company regularly participates in international exhibitions enabling it to keep abreast with the latest global trends.

### SEGMENTAL REVIEW AND ANALYSIS:

The performance of our Traditional Textile unit has been well and noted the significant increase in the turnover as well as in the profit. The Technical Textile Unit performs steady and has been some growth in turnover. Due to a general market recession, the demand and prices for technical textile products remained weak. In the Domestic market, with the help of continuous new product development and increasing value added product supply, the Company is offering a wide range of high quality products to all categories of the customers with continual developments in blends, weaving structures, designs, finishes, etc. This should enhance our margins in due course in spite of increase in labour cost, power cost, etc. In exports, due to a globally weak retail sentiment, mainly in the Europe, the pressure would remain on sales & prices.

### OPPORTUNITIES AND THREATS:

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market. The organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10- year period. There is scope for growth in the textile industry as India's share in the global trade in textiles is weak, compared to other countries, based on the availability of raw material and skills. The free trade environment is a good opportunity for Indian textile industry to increase its share in the global market.

### Natural Disasters

The Company has established all its manufacturing facilities within a radius of 50 kilometers from each other and in the event of any natural calamity in the region, the operations of the Company may be hampered. Looking to the strategic advantage of being closer to the market, port and specific concessions extended by the State Government, it is a trade-off call for the continuing benefits to the organisation. The Company is not ruling out future expansions at geographically different locations to mitigate such risks.

### Currency Volatility

Volatility in the foreign currencies could impact export earnings of the Company. However, as of now, a major part of the revenues is derived from domestic market with no significant imports of inputs. The Company follows prudent financial measures that are subjected to periodic reviews to hedge its revenues in foreign currency.

### OUTLOOK:

During the year under review, the Textile Industry has performed reasonably well in comparison to the performance of the previous year. In the mid-long term, the Indian textile industry is expected to grow very strongly with growth being balanced from both domestic consumption as well as exports demand. In the near-term, domestic demand would depend on the revival of the macroeconomic factors. On exports front, there are both positive and negative factors.

Your company is looking grow selectively in high value added segments within textiles, for maximum capital efficiency as well as de-risked business model. The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. Due to well established of weaving dying, bleaching and printing units, the Company is able to quote better rates and maintain high quality & productivity in the finished goods manufactured. The company's business is committed to achieve world benchmark quality besides expanding on new product offering from new clients. These measures will ensure the company maintaining its leadership position in the world market. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

#### **KEY RISKS & CONCERNS**

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, mainly cotton and the biggest component of cost. Cotton prices are increasing regularly as are other input costs including power and logistics. Since cotton is an agricultural produce, it suffers from climatic and seasonal volatility. Whereas such volatility in case of a product higher in the textile value chain is generally passed through an increase in value added products in the basket provides insulation against such volatilities

#### **FINANCIAL AND OPERATIONAL PERFORMANCE:**

The financial performance during the year under review has marginal growth in terms of sales and profit earned by the Company. Please refer to brief description of the Company's detailed financial highlights during the year and State Of Company's Affair in the Board of Directors Report.

#### **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.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

Your Company continues to have cordial and harmonious relations with its employees at all levels during the period under review. The company also puts emphasis on formal training and development programme to operators and workers, as a core activity and provides continuous training, both internally and externally, for upgradation of employee skills. The operations of the Company across functions have been strengthened through induction of appropriately qualified and experienced manpower.

Management identifies the potential of each employee and endeavors by providing them right opportunity to grow. 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.

Our positive approach to competency, development and retention allows attracting, retaining and built the best team. 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.

Industrial Relations were cordial and satisfactory.

#### **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.

#### **ISO 9001:2008 CERTIFICATION:**

We wish to inform you that your company has obtained the ISO 9001:2008 Certification for Technical Textile & Rubber Division, 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.

#### **CAUTIONARY STATEMENT:**

Comments in this Management Discussion and Analysis outlining the Company's strategies and objectives are believed by the Management to be true and to the best of its knowledge but at the time of preparation actual results may differ materially from those expressed or implied and hence the Company and the Management shall not be held responsible for any loss which may arise as a result of any action taken on the basis of information contained herein. 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:**

Your Company's Philosophy on Corporate Governance is built on rich legacy of fair, transparent and effective governance which includes strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct. The Company remained committed towards protection and enhancement of overall long-term value for its entire stakeholder, customer, lender, employee and society.

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 prescribed in Regulation 17 to 27 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the practices followed by the Company on Corporate Governance, for the financial year ended 31st March, 2017.

### 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 Eleven Board Meetings were held on 29.04.2016, 27.05.2016, 10.06.2016, 10.08.2016, 22.09.2016, 21.10.2016, 14.11.2016, 19.12.2016, 22.12.2016, 14.02.2017 and 22.03.2017. 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 29.09.2016	No. of other Directorships	Committee	
					Membership **	Chairmanship **
Jeetmal B. Parekh (DIN 00512415)	NED-P	11	YES	*4	2	0
Rahul J. Parekh (DIN 00500328)	MD	11	YES	*6	1	1
Anand J. Parekh (DIN 00500384)	JT. MD	10	YES	*3	3	0
Sangita Singhi (DIN 06999605)	NED-I (WD)	11	YES	2	1	1
Nehal M. Shah (DIN 00020062)	NED-I	9	NO	*7	1	1
Malav J. Ajmera (DIN 02441549)	NED-I	9	YES	*1	1	1

\* All Private Limited Company, \*\*\*As required under the Listing Obligation and Disclosure Requirement, Regulation 2015 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), WD-Woman Director, Shri Jeetmal B. Parekh is a Non-Executive Chairman, Shri Rahul J. Parekh and Shri Anand J. Parekh are Managing Directors, Smt. Sangita S. Singhi, Shri Nehal M. Shah & Shri Malav J. Ajmera are Non-Executive Directors (Independent).

### 3. **Audit Committee:**

#### **Composition and Terms of Reference:**

The Audit Committee comprises of two Independent Directors and one Executive Director. Shri Malav J. Ajmera - Independent Director is the Chairman, Shri Anand J. Parekh - Executive Director and Smt. Sangita Singhi - Independent Director are the members of the Committee. All members of the Audit Committee are financially literate and bring in expertise in the field of Finance, Taxation, Accounts, Management Expertise, Risk and International Finance. The Chairman of the Audit Committee has attended last Annual General Meeting of the Company held on 29th September, 2016.

The Committee met 5 times during the year on 27.05.2016, 10.08.2016, 22.09.2016, 14.11.2016 and 14.02.2017. The attendance of members at the meetings was as follows:

Name of Member	Status	No. of Meetings Attended
Malav J. Ajmera	Chairman	5
Anand J. Parekh	Member	4
Sangita Singhi	Member	5

The terms of reference and power of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 of SEBI (LODR), Regulation 2015 and also as required under Section 177 of the Companies Act, 2013.

#### **Review of Information by Audit Committee**

Audit Committee has reviewed and satisfied that the Company's internal audit function is adequately resourced and has appropriate standing within the Company. Audit Committee has also reviewed:-

- (1) Management Discussion and Analysis of financial condition and results of operation:
- (2) Statement of significant Related Party transactions submitted by the management:
- (3) Internal Audit Reports relating to internal control weaknesses.

The appointment of Statutory Auditors and Cost Auditor, and fixation of their remuneration and other payments are as recommended by the Audit Committee.

The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meeting.

#### **4. Nomination & Remuneration Committee**

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 Regulation 19 of the LODR, Regulation 2015.

The committee comprises of 3 Non-Executive directors, Smt. Sangita Singhi as Chairman and Shri Jeetmal B. Parekh and Shri Malav J. Ajmera as members.

During the year under review, the committee met on two times on 24.05.2016 where all members were present in the meeting.

Details of Remuneration for the year 2016-17 paid to the Directors are as follows:

Remuneration for the year 2016-17 to Shri Rahul J. Parekh, Managing Director:-

- i. Basic Salary ₹ 18,00,000/- (Rupees Eighteen Lacs only), Perquisites: ₹ 32,400/- (Rupees Thirty Two Thousand Four Hundred Only)

Remuneration for the year 2016-17 to Shri Anand J. Parekh, Jt. Managing Director:-

- ii. Basic Salary ₹ 18,00,000/- (Rupees Eighteen Lacs only), Perquisites: ₹ 32,400/- (Rupees Thirty Two Thousand Four Hundred Only) The other information of Directors are as under:

Name	Age	Designation	Date of Appointment	Nature of	Shares held
Jeetmal B. Parekh	74	Chairman	27.08.1993	-----	994481
Rahul J. Parekh	45	Managing Director	05.07.1995	As Per terms of Appointment	1251119
Anand J. Parekh	41	Jt. Managing Director	19.11.2008	As Per terms of Appointment	1151122
Nehal M. Shah	45	Director	30.03.2005	-----	NIL
Malav J. Ajmera	40	Director	19.11.2008	-----	NIL
Sangita S. Singhi	46	Director	31.03.2016	-----	NIL

The company does not pay any remuneration for attending the Board / Committee Meeting to Non-executive directors and Independent Directors. There is no pecuniary relationship or transaction of the company with any non-executive directors.

#### **5. Share Transfer Committee:**

The board has delegated the power of approving transfer of shares to a committee of Three directors, committee met 11 times during the year and approved the transfer of shares lodged with the company and no transfer were pending as on 31-03-2017.

#### **6. Stakeholder's Relationship Committee (SR Committee)**

##### **Terms of Reference**

The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' 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 Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.



The SR Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the LODR, Regulation 2015 and provisions of the Companies Act, 2013.

The shareholders' Grievance Committee comprise of Non-Executive director (independent), and two Executive Directors. The committee met four times during the year on 27.05.2016, 10.08.2016, 14.11.2016 and 14.02.2017 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 Shailesh P. Koshti, Company Secretary is a Compliance Officer.

During the year company has not received any complaints, All the Complaints were resolved on time and no complaint remains pending at year end, if any. The status of complaints is periodically reported to the Committee and Board of Directors in their meetings, if any.

**7. Code of Conduct**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence. A copy of the Code has been put on the Company's website ([www.mrtglobal.com](http://www.mrtglobal.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Company's Chairman and Managing Director is published in this Report.

**8. Board and Director Evaluation and criteria for evaluation**

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

**9. Familiarisation programmes for Board Members**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

**10. Meetings of Independent Directors**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director. One meeting of Independent Directors was held during the year on 15th March, 2017.

**11. Remuneration Policy**

The Company's philosophy for remuneration of Directors, key managerial personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy areas under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for independent Directors and non-independent non-executive Directors

Independent Directors ('ID') and non-independent non-executive Directors ('NED') may be paid sitting fees for attending the Meetings of the Board and of Committees of which they may be members, and commission within regulatory limits, as recommended by the Nomination and Remuneration Committee ('NRC') and approved by the Board. As per the current policy of the company is no fees paid to independent Directors and non-independent non-executive Directors.

Remuneration for Managing Director ('MD')/ Executive Directors ('ED')/ Key Managerial Personnel ('KMP')/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides all employees with a social security. The Company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the NRC and approved by the Board.
- The Company may provide the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

## 12. Risk Management

A detailed review of business risks and the Company's plan to mitigate them is presented to the Audit Committee and Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Audit Committee and Board.

The Company has formulated a Risk Assessment & Management Policy, duly reviewed by the Audit Committee, establishing the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting to the Board periodically. The Policy would be applicable to all the functions and departments of the Company. The Risk Assessment & Management Policy would be implemented through the establishment of the Risk Management Committee accountable to the Board of Directors. The Committee shall include the Managing Director ('MD'), Jt. Managing Director ('JMD'), Chief Financial Officer, internal auditor of the Company and such other members as included by the Board/MD. The MD will be the Chairman of the Committee.

## 13. Disclosures:

- Details of related party transactions are furnished in the Financial Statements None of 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 adopted a Code of Conduct for Prevention of Insider Trading ("The Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 with effect from October 1,2002.The Securities and Exchange India ( SEBI) has over the years introduced various amendments to the Insider Trading Regulation of 1992 which ordain new action steps by corporate and other market intermediaries for the purpose of prevention of Insider Trading. The Code is amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations.
- As per Section 177 of The Companies Act 2013 and Regulation 22 of the LODR, Regulation 2015, the company has adopted whistle Blower / Vigil Mechanism which includes 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, 2017, 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 and compliances time to time as required by various authorities and prescribed under various Laws and Regulations. The adoption of non-mandatory requirements has been dealt with further on in this Report.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **14. CEO/CFO CERTIFICATION: / COMPLIANCE CERTIFICATE:**

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 31-03-2017 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 their 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 if any 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 26, 2017

**Rahul J. Parekh**  
Managing Director

**Rajendra R. Mehta**  
Chief Financial Officer

#### **15. Management Discussion and Analysis Report :**

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

#### **16. Means of Communication:**

##### **Financial Results:**

The Quarterly & Half Yearly results are published in Indian Express English and Financial Express Gujarati Edition. The Company's financial results and shareholding pattern are also displayed in the Company's website [www.mrtglobal.com](http://www.mrtglobal.com). These are made available to members on request.

**17. General Body Meeting:**

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

Year	Location	Date	Time	Special Resolutions passed
2015-16	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	29.09.2016	11.30 AM	1. To consider Related Party Transaction 2. Approval for keeping and maintaining the Registers, Returns etc. at a place, other than the Registered Office of the Company.
2014-15	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	30.09.2015	11.00 AM	1. To approve Consolidation of Share Capital of the Company. 2. To alter Clause V of Memorandum of Association.
2013-14	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	29.09.2014	12.30 PM	1. To approve adoption of new Articles of Association of the Company. 2. To approve borrowing limit of the Company under Section 180(1)(c) of the Companies Act, 2013. 3. To authorise creation of charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013. 4. To authorise related party transactions under Section 188 of the Companies Act, 2013.

**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.

**18. The Particulars of Directors who are proposed to be appointed/reappointed are given below:**
**General Shareholder information**

Annual General meeting to be held on	:	27th September 2017, Wednesday at 11.30 a.m.
Place of the meeting	:	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Road, Ellishbridge, Ahmedabad 380 006
Tentative Financial Calendar	:	1st April 2017 to 31st March 2018
<b>Financial Results</b>	:	
* First Quarter Results	:	By 14 <sup>th</sup> August, 2017
*Half Yearly Results	:	By 14 <sup>th</sup> November 2017
*Third Quarter Results	:	By 14 <sup>th</sup> February 2018
*Annual Results	:	Within 60 days. March, 2018
Book Closure Date	:	From 21 <sup>st</sup> , September, 2017 to 27 <sup>th</sup> , September, 2017 (both days inclusive)
Dividend Payment date	:	N.A.

**Listing at Stock Exchanges:**

<b>Name of Stock Exchange</b>	:	BSE Limited
<b>Stock Code</b>	:	514450
ISIN NO. (dematerialized Shares)	:	INE112D01035
Corporate Identity Number (CIN)	:	L25190GJ1991PLC016327

\* Financial Results dates are tentative and subject to change as per changes / modification / relaxation effective at a time.

The Company has already paid listing fees for the year 2016-17 to all the Stock Exchanges, where listed.

**Market Price Data:**

(as per BSE)

Month	Highest Rate (₹ )	Lowest Rate (₹ )
April, 2016	36.95	33.00
May, 2016	34.85	28.50
June, 2016	33.70	29.05
July, 2016	33.50	25.00
August, 2016	32.80	28.40
September, 2016	33.00	28.05
October, 2016	49.00	30.00
November, 2016	47.00	36.00
December, 2016	44.10	35.70
January, 2017	60.80	37.15
February, 2017	58.40	45.15
March, 2017	55.10	43.00

**REGISTRAR AND TRANSFER AGENTS**
**Physical Mode:**
**Link Intime India Private Limited (unit Mahalaxmi Rubtech Limited)**

506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near XT Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. Tel No.: 079 - 2646 5186, Fax No.: 079 - 2646 5179, Email: ahmedabad@linkintime.co.in

**Depository Mode:**

For National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL):

- |   |  |
|---|--|
| <b>1. Link Intime India Private Limited (Registered Office)</b><br>C-101, 247, Park, L.B.S.Marg,<br>Vikhroli (West), Mumbai - 400083.<br>Tel No.: 022 - 49186270, Fax No.: 022 - 4918 6060,<br>Email: rnt.helpdesk@linkintime.co.in | <b>2. Link Intime India Private Limited (Investor Relations Centre)</b><br>506-508, Amarnath Business Centre-1, (ABC-1),<br>Besides Gala Business Centre, Near XT Xavier's College<br>Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006.<br>Tel No.: 079 - 2646 5186, Fax No.: 079 - 2646 5179,<br>Email: ahmedabad@linkintime.co.in |
|---|--|

**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 dematerialized 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 31<sup>st</sup> March 2017)

No. of Shares			Shareholders		No. of Share held	
			Number	Total in %	Numbers	Total in %
1	-	500	5400	87.06	615303	6.17
501	-	1000	306	4.93	241613	2.42
1001	-	2000	185	2.98	278658	2.80
2001	-	3000	83	1.34	208536	2.09
3001	-	4000	48	0.77	173511	1.74
4001	-	5000	43	0.69	194083	1.95
5001	-	10000	52	0.84	380743	3.82
10001	&	ABOVE	86	1.39	7877828	79.01
<b>Total</b>			<b>6203</b>	<b>100.00</b>	<b>9970275</b>	<b>100.00</b>

**Shareholding Pattern:**  
 (As on 31<sup>st</sup> March, 2017)

Category	No. of Shares held	% to the Shareholding
Promoters & Associates	6185223	62.04
Bodies Corporate	631981	6.34
Non-Resident Indians	20487	0.20
Banks & Mutual Funds	7900	0.08
Public	3124684	31.34
<b>TOTAL</b>	<b>9970275</b>	<b>100.00</b>



**Dematerialisation of Share and liquidity:**

The trading of Equity shares of the Company in all categories is Compulsory in Demat mode with effect from 23.03.2001. As on 31st March, 2017, 98.61% Shares have been dematerialized.

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

Shareholders who have not yet encased their dividend warrants for the year 2009-10, 2010-11 and 2011 -12 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.  
**Tel No:** 079-22160776  
**E-mail:** cs@mahalaxmigroup.net

**Corporate office:**

YSL avenue, opp. Ketav Petrol Pump,  
Polytechnic Road, Ambawadi, Ahmedabad - 380 015.  
**Tel:** 079- 4000 8000 / **Fax:** 079-4000 8030

**Declaration by the Managing Director Regarding Compliance with the Code of Conduct**

In accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, I hereby confirm that, Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Conduct of Board of Directors and Senior Management, as applicable to them, for the period ended 31st March, 2017

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

Place: Ahmedabad  
Date: May 26, 2017

On behalf of the Board of Directors,

**Rahul J. Parekh**  
Managing Director

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Mahalaxmi Rubtech Limited

We have examined the compliance of conditions of Corporate Governance by Mahalaxmi Rubtech Limited ("the Company"), for the year ended on 31st March 2017, as specified in Chapter IV and Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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 the above mentioned Listing Agreement and Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2017, no investor grievances are pending against the Company as per records maintained by the Company and presented to the Stakeholders Relationship 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.**

Firm Regd. No.: 117340W  
Chartered Accountants

B. M. Jain  
Partner

Membership No.: 034943

Place: Ahmedabad  
Date: 26th May, 2017

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF  
**MAHALAXMI RUBTECH LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of MAHALAXMI RUBTECH LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the statement of profit and loss and Cash Flow Statements for the year ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013, ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in the India including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of books;
  - (c) The balance sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.
- (f) with respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in the annexure, and
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the management. Refer Note 43.

For **BHANWAR JAIN & CO.**,  
Chartered Accountants  
(Firm Regn. No. 117340W)

( **B.M.JAIN** )  
Partner.  
M. No. 34943  
AHMEDABAD: 26th May, 2017.

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the maintenance of cost records by the company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, the dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute and forum where dispute is pending are as under:

Name of the Statute	Amount in involved (₹ In Lakhs)	Forum where dispute is pending
Income Tax	9.81	CIT (Appeals)
Service Tax	2.09	CESTAT

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutes. The Company has not taken any loan from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans obtained during the year were, prima facie, applied by the company for the purpose for which they were obtained, other than temporary deployment pending application.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or fraud on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of equity shares during the year under review. We further report that the company has complied with the requirement of Section 42 of the Companies Act, 2013 and the amounts raised have been applied by the company during the year for which the funds were raised other than temporary deployment pending utilization.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **BHANWAR JAIN & CO.,**  
Chartered Accountants  
(Firm Regn. No. 117340W)

( **B.M.JAIN** )  
Partner.  
M. No. 34943  
AHMEDABAD: 26th May, 2017.

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on other legal and regulatory requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of **MAHALAXMI RUBTECH LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for the Internal Financial Controls.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures



selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **BHANWAR JAIN & CO.**,  
Chartered Accountants  
(Firm Regn. No. 117340W)

( **B.M.JAIN** )  
Partner.  
M. No. 34943  
AHMEDABAD: 26th May, 2017.

**BALANCE SHEET AS AT 31ST MARCH, 2017**

PARTICULARS	NOTE NO.	AS AT 31/03/2017 ₹	AS AT 31/03/2016 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	99702750	88202750
Reserves & Surplus	2	492914651	420275946
Money Received against Share Warrants		37687500	---
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	154087016	244776705
Deferred Tax Liabilities (Net)	4	36272000	42561000
Long Term Provisions	5	9855915	8082728
<b>Current Liabilities</b>			
Short Term Borrowings	6	179563965	137375470
Trade Payables		395750050	327013041
Other Current Liabilities	7	63878350	81850022
Short Term Provisions	8	22681000	14909000
<b>TOTAL</b>		<b>1492393194</b>	<b>1365046662</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
(i) Tangible Assets	9	601600948	637706049
(ii) Intangible Assets	10	6554442	7524978
(iii) Capital work-in-progress		10688795	2446431
Non Current Investment	11	446850	446850
Long Term Loans & Advances	12	20986491	10524362
Other Non-current Assets	13	1184600	1799854
<b>Current assets</b>			
Inventories	14	308015759	253168165
Trade Receivables	15	375557315	305376858
Cash & Bank Balances	16	117442143	92739455
Short Term Loans & Advances	17	21863659	28748532
Other Current Assets	18	28052193	24565129
<b>TOTAL</b>		<b>1492393194</b>	<b>1365046662</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	47		

The Notes forming an integral part of these financial statements

**For and on behalf of Board of Directors of Mahalaxmi Rubtech Ltd.**

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: 26th May, 2017.

**Chairman**  
(DIN: 00512415)

**Director**  
(DIN: 02441549)

Chief Financial Officer  
AHMEDABAD: 26th May, 2017.

**Managing Director**  
(DIN: 00500328)

**Director**  
(DIN: 00020062)

**Jt. Managing Director**  
(DIN: 00500384)

**Director**  
(DIN: 06999605)

Company Secretary  
M.No. 34887

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	NOTE NO.	AS AT 31/03/2017 ₹	AS AT 31/03/2016 ₹
Revenue from Operations	19	2026577753	1687421478
Other Income	20	3720893	6722741
<b>Total Revenue</b>		<b>2030298646</b>	<b>1694144219</b>
<b>EXPENSES:</b>			
Cost of Raw Materials Consumed & Trading Purchase	21	1227435346	906358485
Changes in Inventories of Finished & Semi-finished Goods and Traded Goods	22	9030920	(13311479)
Manufacturing & Operating Costs	23	474883291	509994170
Employees' Benefits Expenses	24	103033735	82251811
Finance Cost	25	16218156	19646225
Depreciation & Amortization (Net)	26	80426952	73831487
Other Expenses	27	69894094	68211623
<b>Total Expenses</b>		<b>1980922493</b>	<b>1646982321</b>
<b>Profit Before Tax</b>		<b>49376152</b>	<b>47161898</b>
<b>Tax Expense:</b>			
Current Income Tax		22681000	14909000
MAT Credit Adjustment		0	4018250
Deferred Tax		(6289000)	(2568000)
<b>Net Profit for the year</b>		<b>32984152</b>	<b>30802648</b>
<b>Earning per equity share of Re.1:</b>			
Basic		3.68	3.49
Diluted		2.68	3.49
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>47</b>		

The Notes forming an integral part of these financial statements

**For and on behalf of Board of Directors of Mahalaxmi Rubtech Ltd.**

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: 26th May, 2017.

**Chairman**  
(DIN: 00512415)

**Director**  
(DIN: 02441549)

Chief Financial Officer  
AHMEDABAD: 26th May, 2017.

**Managing Director**  
(DIN: 00500328)

**Director**  
(DIN: 00020062)

**Jt. Managing Director**  
(DIN: 00500384)

**Director**  
(DIN: 06999605)

Company Secretary  
M.No. 34887

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(₹ in Lakhs)	
	Inflow/(Outflow)	
	2016-17 ₹	2015-16 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	493.76	471.62
Adjustment for :		
Depreciation	804.27	738.31
Interest Paid	115.94	170.22
Deferred Revenue Expenses written off	6.15	6.15
Liabilities written back	(34.30)	(16.52)
Profit on sale of Fixed Assets	(0.61)	(4.89)
Loss on sale of Fixed Assets	0.00	3.58
Exchange Rate Fluctuation	(1.36)	(14.55)
Bad Debts written off	18.95	18.25
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1402.81</b>	<b>1372.17</b>
Adjustment for :		
Trade & Other Receivables	(790.04)	(133.48)
Inventories	(548.48)	(832.33)
Trade Creditors & Other Payables	559.68	1210.05
<b>CASH GENERATED FROM OPERATIONS</b>	<b>623.97</b>	<b>1616.41</b>
Income Tax Paid	(155.04)	(125.13)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>468.93</b>	<b>1491.28</b>
Deferred Revenue Expenses	---	---
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>468.93</b>	<b>1491.28</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(516.86)	(802.46)
Sale / Capital Subsidy of Fixed Assets	1.54	37.20
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(515.32)</b>	<b>(765.26)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Share Capital & Security Premium	517.50	---
Proceeds from Share Warrant Money	376.88	---
Proceed from long term Borrowings	(906.90)	(89.17)
Working Capital Finance	421.88	244.31
Interest Paid	(115.94)	(170.22)
<b>NET CASH SURPLUS IN FINANCING ACTIVITIES</b>	<b>293.42</b>	<b>(15.08)</b>
<b>D. NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>247.03</b>	<b>710.95</b>
<b>E. Cash and cash equivalent as at 1st April, 2016</b>	<b>927.39</b>	<b>216.45</b>
<b>F. Cash and cash equivalent as at 31st March, 2017.</b>	<b>1174.42</b>	<b>927.39</b>

For and on behalf of Board of Directors of Mahalaxmi Rubtech Ltd.

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: 26th May, 2017.

**Chairman**  
(DIN: 00512415)

**Director**  
(DIN: 02441549)

Chief Financial Officer  
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**Managing Director**  
(DIN: 00500328)

**Director**  
(DIN: 00020062)

**Jt. Managing Director**  
(DIN: 00500384)

**Director**  
(DIN: 06999605)

Company Secretary  
M.No. 34887

**NOTES TO THE FINANCIAL STATEMENTS:**

NOTE: 1. SHARE CAPITAL Particulars	AS AT March 31, 2017 ₹	AS AT March 31, 2016 ₹
AUTHORISED: 250000000 (250000000) Equity Shares of Re.1/-each	250000000	250000000
	250000000	250000000
ISSUED & SUBSCRIBED & PAID UP 9970275 (8820275) Equity Shares of ₹ 10 each fully paid	99702750	88202750
NOTES: Equity Shares include 1034775 shares of ₹ 10 each issued as fully paid up Bonus Shares and 3646400 shares of ₹ 10 each issued pursuant to a scheme of amalgamation of erstwhile Mahalaxmi Fabric Mills P Ltd. with the company without payment received in cash		
<b>TOTAL</b>	<b>99702750</b>	<b>88202750</b>

The Company has only one class of equity shares having a par value of Re.10 per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. However, no such preferential amounts exist currently.

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue*	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2017			
Number of shares	8820275	1150000	9970275
Amount in Rupees	88202750	11500000	99702750
Year ended 31 March, 2016			
Number of shares	8820275	---	8820275
Amount in Rupees	88202750	---	88202750

\*During the current year ended 31 March, 2017, pursuant to the approval of shareholders at the Extra ordinary General Meeting held on 21 November, 2016, the Company has issued and allotted an aggregate of 4500000 warrants convertible into equity shares of ₹ 10/- each of the Company, at any time within 18 months from the date of allotment of the warrant, at an exercise price of ₹ 45/- per warrant including premium of ₹ 35/- per warrant to persons belonging to promoter and promoter group of the company on preferential basis out of which 1150000 warrants were converted into 1150000 equity shares of ₹ 10/- each during the year. Such shares shall rank pari passu in all respect including, as to dividend, with existing fully paid up equity shares of face value of ₹ 10 each and shall also be subject to lock-in, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations. Also Refer Note 42.

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

Particulars	AS AT March 31, 2017		AS AT March 31, 2016	
	No. of shares (of ₹ 10 each)	% of Holding	No. of shares (of ₹ 10 each)	% of Holding
Jeetmal B. Parekh	994481	9.97%	644481	7.31%
Rahul J. Parekh	1251119	12.55%	851119	9.65%
Kamlaben J. Parekh	756570	7.59%	756570	8.58%
Anand J. Parekh	1151122	11.55%	751122	8.52%



<b>NOTE: 2. RESERVES &amp; SURPLUS</b>		<b>AS AT</b>		<b>AS AT</b>	
Particulars		March 31, 2017		March 31, 2016	
		₹	₹	₹	₹
General Reserve					
As per last year Balance Sheet			151562549		151562549
Capital Reserve					
As per last year Balance Sheet			1500000		1500000
Share Premium					
Addition during the year			40250000		---
<b>Surplus</b>					
Opening balance		267213397		236275259	
Add: Net Profit for the year		32984152		30802648	
Less: Income Tax of earlier years		595447	299602102	(135490)	267213397
<b>TOTAL</b>			492914651		420275946

<b>NOTE: 3. LONG TERM BORROWINGS</b>		<b>AS AT</b>		<b>AS AT</b>	
Particulars		March 31, 2017		March 31, 2016	
		₹	₹	₹	₹
<b><u>Long Term Loans from Banks &amp; Financial Institutes</u></b>					
<b>Secured</b>					
Term Loans		53984950		52859415	
Vehicle Loans		868985	54853935	2059209	54918624
<b><u>Loans from related parties:</u></b>					
<b>Unsecured</b>					
From Directors		99233082	99233082	189858082	189858082
<b>TOTAL</b>			154087016		244776705

**Nature of Securities and terms of repayment for Long Term Borrowings:**

**Term Loans:**

- 1 Rupee Term loan from Bank of Baroda of ₹ 108.81 lacs (P.Y. ₹ 163.89 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from September, 2014. Last installment due in March, 2019.
- 2 Rupee term loan from Bank of Baroda amounting to ₹ 56.40 lacs (P.Y ₹ 114.36 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from September, 2014. Last installment due in July, 2019.
- 3 Rupee term loan from Bank of Baroda amounting to ₹ 363.38 lacs (P.Y ₹ 445.00 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from May, 2016. Last installment due in April, 2021.
- 4 Rupee term loan from Bank of Baroda amounting to ₹ 274.28 lacs (P.Y ₹ Nil) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from June, 2017. Last installment due in May, 2022.
- 5 Rupee term Loan from Bank of Baroda of ₹ Nil (P.Y. ₹ 68.00 Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors The loan was fully repaid during the year.
- 6 Rupee term Loan from Bank of Baroda of ₹ Nil (P.Y. ₹ 5.40 Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors The loan was fully repaid during the year.

- 7 Rupee term Loan from Bank of Baroda of ₹ Nil (P.Y. ₹ 269.70 Lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors The loan was fully repaid during the year.

**Vehicle Loans**

- 1 Vehicle Loan from HDFC Bank amounting to ₹ 0.96 lacs (P.Y. ₹ 2.48 Lacs) secured by way of hypothecation of Motor Truck and repayable in 36 monthly installments commencing from November, 2014. Last installment due in October, 2017.
- 2 Vehicle Loan from HDFC Bank amounting to ₹ 1.14 lacs (P.Y. ₹ 3.67 Lacs) secured by way of hypothecation of Motor Truck and repayable in 36 monthly installments commencing from September, 2014. Last installment due in August, 2017.
- 3 Vehicle Loan from HDFC Bank amounting to ₹ 5.08 lacs (P.Y. ₹ 10.11 Lacs) secured by way of hypothecation of Staff Bus and repayable in 36 monthly installments commencing from March, 2015. Last installment due in February, 2018.
- 4 Vehicle Loan from Voxswagen Finance P.Ltd. amounting to ₹ 14.39 lacs (P.Y. ₹ 24.79 Lacs) secured by way of hypothecation of Motor Car repayable in 36 monthly installments commencing from July, 2015. Last installment due in June, 2018.
- 5 Vehicle Loan from HDFC Bank amounting to ₹ 9.53 lacs (P.Y. ₹ Nil) secured by way of hypothecation of Motor Car Repayable in 36 monthly installments commencing from August 2016. Last installment due in July, 2019
- 6 Vehicle Loan from HDFC Bank amounting to ₹ 0.23 lacs (P.Y. ₹ 2.86 Lacs) secured by way of hypothecation of Motor Truck Repayable in 36 monthly installments commencing from May 2014. Last installment due in April, 2017
- 7 Vehicle Loan from HDFC Bank amounting to ₹ Nil (P.Y. ₹ 1.50 Lacs) secured by way of hypothecation of Motor Car Repayable in 36 monthly installments commencing from October 2013. The loan was fully repaid during the year.

**Loans from related parties:**

Loans from related parties are from directors and are unsecured.

<b>NOTE: 4. DEFERRED TAX LIABILITY/ASSET (NET)</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Deferred Tax Liability			
Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.		39229000	44986000
		39229000	44986000
Deferred Tax Asset:			
Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.		2957000	2425000
		2957000	2425000
<b>Ner Deferred Tax Liability</b>		<b>36272000</b>	<b>42561000</b>

<b>NOTE: 5. LONG TERM PROVISION</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Provision for Gratuity		9855915	8082728
<b>TOTAL</b>		<b>9855915</b>	<b>8082728</b>

<b>NOTE: 6. SHORT TERM BORROWING</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Secured			
Working Capital facilities from Bank of Baroda			
Cash Credit		139487246	120156402
Foreign Bills Purchase		10124104	7455951
Overdraft		29952615	9763117
Cash Credit and Foreign Bills Purchase facilities are secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and overdraft is secured by way of pledge of fixed deposit receipts of the company			
<b>TOTAL</b>		<b>179563965</b>	<b>137375470</b>

<b>NOTE: 7. OTHER CURRENT LIABILITIES</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Advances from Customers		9818076	2516883
Current Maturities of long term debts		28547911	56213756
Statutory Duties & Taxes		2924251	3063287
Unclaimed Dividend		674269	791998
Outstanding Expenses		21875187	19237328
Unpaid Salary & Bonus		38656	26769
<b>TOTAL</b>		<b>63878350</b>	<b>81850021</b>

<b>NOTE: 8. SHORT TERM PROVISIONS</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
PROVISIONS: For Current Tax		22681000	14909000
<b>TOTAL</b>		<b>22681000</b>	<b>14909000</b>

<b>NOTE: 9. TANGIBLE ASSETS</b>											
Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK	
		As on 01/04/2016	Additions	Deductions	As on 31/03/2017	Upto the Previous year	During the year	Recouped	TOTAL	As on 31/03/2017	As on 31/03/2016
1	Freehold Land	95268517	—	—	95268517	—	—	—	—	95268517	95268517
2	Leasehold Land	1000000	—	—	1000000	400000	50000	—	450000	550000	600000
3	Building	200792650	5264199	—	206056849	42377464	6293485	—	48670949	157385900	158415186
4	Plant & Machinery	691837498	34091966	114965	725814499	342115258	66615268	101328	408629199	317185300	349722239
5	Electric Installation	17413422	—	—	17413422	9465112	1612681	—	11077794	6335628	7948310
6	Furniture Fixtures	17443113	192660	—	17635773	5630805	1584454	—	7215259	10420514	11812308
7	Office Equipments	12022348	2052462	—	14074810	7407369	1648917	—	9056287	5018523	4614979
8	Vehicles	14451354	1842537	572826	15721065	5126843	1651610	493952	6284501	9436564	9324511
	Current Year Total	1050228902	43443824	687791	1092984935	412522851	79456416	595280	491383987	601600948	637706051
	Prev. Year Total	955234832.1	102020552	7026482	1050228902	343100178	72860951	3438278	412522851	637706051	612134652

<b>NOTE: 10. INTANGIBLE ASSETS</b>											
Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK	
		As on 01/04/2016	Additions	Deductions	As on 31/03/2017	Upto the Previous year	During the year	Recouped	TOTAL	As on 31/03/2017	As on 31/03/2016
1	Commercial Right-ETP Pipeline	9705360	—	—	9705360	2180382	970536	—	3150918	6554442	7524978
	Current Year Total	9705360	—	—	9705360	2180382	970536	—	3150918	6554442	7524978
	Prev. Year Total	9705360	—	—	9705360	1209846	970536	—	2180382	7524978	8495514

<b>NOTE: 11. NON CURRENT INVESTMENT</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
(As valued, verified & certified by the management )			
<b>Investment in Associates : (Unquoted - Non Trade)</b>			
700 (700) Equity Shares of Rahul Cal Chem Pvt. Ltd..of ₹ 100 each fully paid		70000	70000
685 (685) Equity Shares of Mahalaxmi Calchem Pvt. Ltd..of ₹ 100 each fully paid		376750	376750
<b>Investment in Others : (Unquoted - Non Trade)</b>			
1 (1) Share of The Social Co-op Bank Ltd. of ₹ 100 each fully paid up		100	100
<b>TOTAL</b>		<b>446850</b>	<b>446850</b>

The details of aggregate of quoted and unquoted investment:

Particulars	Book Value		Market Value	
	As At March 31, 2017	As At March 31, 2016	As At March 31, 2017	As At March 31, 2016
Aggregate Quoted Investment	---	---	---	---
Aggregate Unquoted Investment	446850	446850	---	---

<b>NOTE: 12. LONG TERM LOANS AND ADVANCES</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Capital Advances			
Unsecured and considered good		19244071	8781942
Security Deposits			
Unsecured and considered good		556220	556220
Other Loans & Advances (Unsecured & considered good)			
Margin Money with Banks		1186200	1186200
<b>TOTAL</b>		<b>20986491</b>	<b>10524362</b>

<b>NOTE: 13. OTHER NON CURRENT ASSESTS</b>		As At March 31, 2017 ₹	As At March 31, 2016 ₹
Particulars			
Deferred Revenue Expenses		618849	928275
Issue Expenses		565751	871579
		1184600	1799854
<b>TOTAL</b>		<b>1184600</b>	<b>1799854</b>

<b>NOTE: 14. INVENTORIES</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
(As verified, valued & certified by management)			
Raw Materials (including goods in transit)		188728726	120908938
Finished Goods		67147463	77860595
Semi-finished Goods		29919992	30388800
Fents & Rags		5141372	2990352
Stores, Spares, Coal, Packing & Design Materials		16973676	20914951
Trading Goods		104530	104530
<b>TOTAL</b>		<b>308015759</b>	<b>253168165</b>

		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
A. The details of closing stock of Raw Materials			
- Yarn		23051376	14901397
- Grey Fabric		146690938	79868629
- Rubber Compound		4394023	1564901
- Chemical Solvents		14592389	24574010
<b>TOTAL</b>		<b>188728726</b>	<b>120908938</b>
B. The details of closing stock of finished goods:			
- Rubber / Technical Textile Products (Textile/Offset Printing Blanket & Coated Fabric)		753068	378081
- Textile Products (Grey & Processed Fabric)		66394395	77482514
<b>TOTAL</b>		<b>67147463</b>	<b>77860595</b>
C. The details of closing stock of semi finished goods:			
- Rubber / Technical Textile Products (Textile/Offset Printing Blanket & Coated Fabric)		12501068	16501627
- Textile Products (Grey & Processed Fabric)		17418924	13887173
<b>TOTAL</b>		<b>29919992</b>	<b>30388800</b>
D. The details of closing stock of trading goods:			
- Offset Printing Blanket		104530	104530
<b>TOTAL</b>		<b>104530</b>	<b>104530</b>

<b>NOTE: 15. TRADE RECEIVABLES</b>		As At March 31, 2017 ₹		As At March 31, 2016 ₹	
Particulars					
Debts exceeding six months					
Unsecured and considered good		7656971	8080492	6865667	7154748
Doubtful		423521		289081	
Other debts					
Unsecured and considered good		367476823	367476823	298222110	298222110
Doubtful		---		---	
<b>TOTAL</b>			<b>375557315</b>		<b>305376858</b>

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:

		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Anand Chem Industries P Ltd.		1490179	---
Mahalaxmi Exports		56296489	30005836
Shah Jeetmal Champalal		4259177	8964184

<b>NOTE: 16. CASH &amp; BANK BALANCES</b>		As At March 31, 2017 ₹		As At March 31, 2016 ₹	
Particulars					
Cash & Cash Equivalents					
Cash on hand		854199		1738994	
Balances with banks on current accounts		6845943	7700143	5109461	6848455
Other Bank Balances					
Balances with Banks held as margin money		4742000		741000	
Balances with Banks on Deposit Accounts		105000000	109742000	85150000	85891000
<b>TOTAL</b>			117442143		92739455

<b>NOTE: 17. SHORT TERM LOANS &amp; ADVANCES</b>		As At March 31, 2017 ₹		As At March 31, 2016 ₹	
Particulars					
Loans and advances to others					
a to Related Parties		---		---	
b to Others					
Unsecured and considered good		21863659		28748532	
Doubtful		---	21863659	---	28748532
<b>TOTAL</b>			21863659		28748532

<b>NOTE: 18. OTHER CURRENT ASSETS</b>		AS AT March 31, 2017 ₹	AS AT March 31, 2016 ₹
Particulars			
Prepaid Expenses		3484321	4637967
Accrued Income		24567872	19927162
<b>TOTAL</b>		28052193	24565129

<b>NOTE: 19. REVENUE FROM OPERATIONS</b>		As At March 31, 2017 ₹		As At March 31, 2016 ₹	
Particulars					
Sales of Products		1667782911		1208345345	
Less: Excise Duty		12348963	1655433948	10819786	1197525559
Sales of Trading Goods			---		41208
Export Entitlement Benefits			16261786		16585422
Job Work Receipts			354882019		473269289
<b>TOTAL</b>			2026577753		1687421478

		AS AT March 31, 2017 ₹	AS AT March 31, 2016 ₹
Particulars			
A The details of Sales of products:			
- Rubber / Technical Textile Products (Textile/Offset Printing Blanket & Coated Fabric)		169159331	105290458
- Textile Products (Grey & Processed Fabric)		1485455591	1090857800
- Others		819026	1377301
<b>TOTAL</b>		1655433948	1197525559
B The details of Sales of Trading Goods			
- Aircells		---	41208
<b>TOTAL</b>		---	41208



<b>NOTE: 20. OTHER INCOME</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Exchange Rate Fluctuation		135996	1454917
Sale of Scrap		0	1058430
Insurance Claims		62716	2018167
Liability Written Back		3429522	1651832
Vatav Kasar		31171	49994
Profit on Sale/disposal of Fixed Assets		61488	489401
<b>TOTAL</b>		<b>3720893</b>	<b>6722741</b>

<b>NOTE: 21. COST OF RAW MATERIALS CONSUMED &amp; TRADING PURCHASE</b>		As At March 31, 2017 ₹	As At March 31, 2016 ₹
Particulars			
Raw Materials Consumed			
Opening Stock	120908938		58967916
Add: Purchases	1295255134		968267692
	1416164072		1027235608
Less: Closing Stock	188728726	1227435346	120908938
Purchase of Trading Goods		---	31815
<b>TOTAL</b>		<b>1227435346</b>	<b>906358485</b>

		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
A The details of Raw material consumed:			
Yarn		164497644	153309211
Rubber Compound		12832651	10441143
Grey Cloth / Fabrics		845142698	557107490
Chemical & Solvents		204962352	185468827
		1227435345	906326670
B The details of Purchase of Trading Goods			
- Aircells		---	31815
<b>TOTAL</b>		<b>---</b>	<b>31815</b>

<b>NOTE: 22. CHANGES IN INVENTORIES OF FINISHED &amp; SEMI-FINISHED GOODS AND TRADED GOODS</b>		As At March 31, 2017 ₹		As At March 31, 2016 ₹	
Particulars					
Opening Stock					
Finished Goods		77860595		69689015	
Semi Finished Goods		30388800		27870069	
Trading Goods		104530		111310	
Fents & Rags		2990352	111344277	362404	98032798
			111344277		98032798
Closing Stock					
Finished Goods		67147463		77860595	
Semi Finished Goods		29919992		30388800	
Trading Goods		104530		104530	
Fents & Rags		5141372	102313357	2990352	111344277
			102313357		111344277
Changes in Inventories	<b>TOTAL</b>		9030920		-13311479

<b>NOTE: 23. MANUFACTURING &amp; OPERATING COST</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Stores, Spares & Maintenance Expenses		64623089	55212708
Job Charges Paid		35774535	31499960
Design Expenses		8194597	12871566
Power & Fuel Expenses		277038790	324181178
Processing Charges		72796914	73434827
Laboratory Expenses		823287	509918
Freight, Clearing & Forwarding Expenses		11834323	9459501
Central Excise Duty		72538	132100
Pollution Control Expenses		3725218	2692412
	<b>TOTAL</b>	474883291	509994170

<b>NOTE: 24. EMPLOYEES BENEFIT EXPENSES</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Salaries, Wages & Bonus		92988329	78142677
Gratuity		2399133	
Contribution to Provident & Other Funds		4510337	1327051
Employees' Welfare Expenses		3135936	2782083
	<b>TOTAL</b>	103033735	82251811

<b>NOTE: 25. FINANCIAL COST</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Interest (Net)		11594134	17022024
Bank Commission & Charges		4624022	2624201
	<b>TOTAL</b>	16218156	19646225

<b>NOTE: 26. DEPRECIATION &amp; AMORTISATION (NET)</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Depreciation of Tangible Assets (Refer Note 9)		79456416	72860951
Amortisation of Intangible Assets (Refer Note 10)		970536	970536
	<b>TOTAL</b>	80426952	73831487

<b>NOTE: 27. OTHER EXPENSES</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
E.C.G.C. Premium		397808	367572
Telecommunication Expenses		996588	1054331
General Expenses		357253	353793
Insurance Premium		3336298	3637674
Advertisement Expenses		527154	175038
Audit Fees		287500	246175
Car Expenses		771633	733004
Packing Materials Expenses		16576204	16675515
Legal & Consulting Expenses		2197140	2866097
Postage & Courier Expenses		685092	694236
Rent, Rates and Taxes		1678906	1570563
Deffered Revenue Expenses written off		615254	615254
Loss on Sale of Fixed Assets		---	357605
Bus & Truck Expenses		915934	518655
Miscellaneous Expenses		1851355	2182666
Value Added Tax		3671871	4249566
Export Freight		4872261	3369989
Commission Expenses		19529635	16767481
Factory Expenses		396873	344907
Bad Debts written off		1895420	1825347
Service Tax		1430747	1191248
Business Promotion Expenses		463751	4010965
Printing & Stationery Expenses		1350261	1237359
Travelling Expenses		3462486	2298460
Exhibition Expenses		1626670	868123
<b>TOTAL</b>		<b>69894094</b>	<b>68211623</b>

<b>NOTE: 28. THE DETAILS OF PAYMENT TO AUDITORS:</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Statutory Audit Fee		287500	246175
Tax Audit Fee		57500	51525
For Others (Reports, Certificates, etc.)		74725	65130
<b>TOTAL</b>		<b>419725</b>	<b>362830</b>

<b>NOTE: 29. THE DETAILS OF PAYMENTS MADE TO MANAGING DIRECTOR/DIRECTORS:</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Remuneration		3600000	2400000
Perquisties		64800	64800
<b>TOTAL</b>		<b>3664800</b>	<b>2464800</b>

<b>NOTE: 30. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:</b>		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Raw Material		7454994	3841939
Capital Goods		10065010	31185338
Stores & Spares		4636941	2144600
Coal (on High Seas basis)		83108271	80366747
<b>TOTAL</b>		<b>105265216</b>	<b>117538624</b>

<b>NOTE: 31.</b> THE DETAILS OF EARNING IN FOREIGN CURRENCY:		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Exports of goods calculated on F.O.B. Value Basis (Net of Export Commission)		220929710	193451939
<b>TOTAL</b>		<b>220929710</b>	<b>193451939</b>

<b>NOTE: 32.</b> THE DETAILS OF EXPENDITURE INCURRED IN FOREIGN CURRENCY EQUIVALENT TO INDIAN RUPEES:		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
Stores & Spares		4636941	2144600
Capital Goods		10065010	31185338
Raw Materials		7454994	3841939
Travelling Expenses		1281318	868736
Exhibition Expenses		678139	1005498
Export Commission		10278410	7746326
Advance to Suppliers for goods / services		5969747	---
Professional Services		83103	602544
<b>TOTAL</b>		<b>40447662</b>	<b>47394981</b>

<b>NOTE: 33.</b> THE DETAILS OF CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):		AS AT	AS AT
Particulars		March 31, 2017 ₹	March 31, 2016 ₹
<b>A</b> Contingent Liabilities:			
1 Outstanding Bank Guarantee		106.64	81.64
2 Outstanding Letter of Credit		18.47	22.78
3 Disputed Service Tax Liability		2.09	2.09
4 Disputed Income Tax Liability		9.81	9.99
5 Employees' cases pending before labour courts		64.62	73.22
In other cases of Employees' pending before labour courts, the liability is indeterminate. The company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.			
<b>B</b> Commitments:			
1 Estimated amount of capital contracts (including covered by Letter of Credit and guarantee) remaining to be executed on capital account and not provided for (Net of Advances)		986.16	494.35

**NOTE: 34. 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
<b>Rent paid</b>		
Shah Jeetmal Champalal	12000	---
Rahul Textile	108000	---
	<b>120000</b>	---
<b>Remuneration Paid</b>		
Rahul Jeetmal Parekh	---	1832400
Anand Jeetmal Parekh	---	1832400
	---	<b>3664800</b>
<b>Rent Received</b>		
Mahalaxmi Cal Chem P Ltd.	2173400	---
Anand Chem Ind. P. Ltd.	8875030	---
Mahalaxmi Exports	2397862	---
	<b>13446292</b>	---
<b>Job charges Paid</b>		
Mahalaxmi Exports	10938327	---
	<b>10938327</b>	---
<b>Sales</b>		
Mahalaxmi Exports	415408076	---
Shah Jeetmal Champalal	42333993	---
	<b>457742069</b>	---

- (c) Outstandings:

Nature of Transaction	Associate	Key Managerial Personnel
<b>Payables</b>		
Mahalaxmi Cal Chem P Ltd.	1735232	---
	<b>1735232</b>	---
<b>Receivables</b>		
Mahalaxmi Exports	56296489	---
Shah Jeetmal Champalal	4259177	---
Anand Chem Ind. P. Ltd.	1490179	---
	<b>62045845</b>	---
<b>Unsecured Loans Payable</b>		
Jeetmal Bhoorchand Parekh	---	13418701
Rahul Jeetmal Parekh	---	55151690
Anand Jeetmal Parekh	---	30662691
	---	<b>99233082</b>

**NOTE: 35. DERIVATIVES INSTRUMENTS:**

Derivatives Instruments:

- a) Derivatives outstanding as at the Balance Sheet Date:

Currency	Exposure to Buy/Sell	No. of Contracts	As at the year ended	
			₹ Lacs	Foreign Currency
-----	-----NIL-----	-----	-----	-----

**b) Foreign currency exposure at the year end not hedged by derivative instruments:**

Particulars	AS AT March 31, 2017 ₹	AS AT March 31, 2016 ₹
<b>Payable against import of goods &amp; services</b>		
Rupees in Lakhs	42.47	22.78
US Dollar	49463	10526
GBP	---	16500
Euro	15010	---
<b>Advance payment to suppliers and for expenses</b>		
Rupees in Lacs	---	---
Euro	---	---
US Dollar	---	---
<b>Receivable against export of goods and services</b>		
Rupees in Lacs	142.39	119.31
US Dollar	90516	178989
Euro	120810	---

The Company entered in to derivative contracts strictly for hedging purposes only and not for trading or speculation purposes.

**NOTE: 36. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-17 "SEGMENT REPORTING":**

Sr. No.	PARTICULARS	2016-17			2015-16		
		Rubber / Technical Textiles Products	Textile Products	Consolidated	Rubber / Technical Textiles Products	Textile Products	Consolidated
<b>I</b> 1	<b>BUSINESS SEGMENT</b>						
	<b>Segment Revenue</b>						
	External sales	170426641	1856151112	2026577753	106886066	1580535412	1687421478
	Inter- Segment Sales		30358148	30358148	1000000	16534345	17534345
2	Less:Inter- Segment Sales	170426641	1886509260 (30358148)	2056935901 (30358148)	107886066 -1000000	1597069757 (16534345)	1704955823 (17534345)
	Total Revenue	170426641	1856151112	2026577753	106886066	1580535412	1687421478
	<b>Results</b>						
	Segment results before Interest	4767461	53071381	57838841	(16263930)	72966139	56702208
	Interest	(2991415)	(8602719)	(11594134)	(4288954)	(12428704)	(16717658)
	Unallocable Expenses	---	---	(533800)	---	---	451910
	Other Income	1434918	2044420	3479338	3023040	3699585	6722624
	Unallocable Income	---	---	185910	---	---	2817
	Profit after Interest	3210963	46513081	49376154	-17529845	64237020	47161902
	Extraordinary Items	---	---	---	---	---	---
	Current Tax	---	---	22681000	---	---	18927250
	Deferred Tax	---	---	(6289000)	---	---	(2568000)
	Net Profit after Tax	---	---	32984154	---	---	30802652



Sr. No.	PARTICULARS	2016-17			2015-16		
		Rubber / Technical Textiles Products	Textile Products	Consolidated	Rubber / Technical Textiles Products	Textile Products	Consolidated
3	<b>Other Information</b>						
	Segment Assets	282675569	1126031030	1408706598	286205826	996736110	1282941936
	Unallocable Assets	---	---	72997799	---	---	79658293
	Segment Liabilities	115935568	664777777	780713345	207110617	569651272	776761888
	Unallocable Liabilities	---	---	81374946	---	---	79806078
	Capital Work in Progress						
	Segment CWIP	---	10095815	10095815	1467522	978909	2446431
	Unallocable CWIP	---	---	592980	---	---	---
	Depreciation	26886912	49249332	76136243	26276500	43304886	69581386
	Unallocable Depreciation	---	---	4290708	---	---	4250100
II	<b>GEOGRAPHICAL SEGMENT Revenue</b>						
	India	111157876	1679126355	1790284231	91826796	1388486241	1480313037
	Outside India	59268765	177024757	236293522	15059270	192049171	207108441

**NOTE: 37.**
**1 RECONCILIATION OF OPENING AND CLOSING BALANCES OF  
DEFINED BENEFIT OBLIGATION**

Defined Benefit obligation at beginning of year	8082728	7533903
Current Service Cost	755172	789817
Interest Cost	643385	598945
Acturial (gain)/loss	995053	397354
Benefits paid	(620423)	-1237291
Defined Benefit obligation at year end	9855915	8082728

**Gratuity (Non-Funded)**

2016-17	2015-16
---------	---------

**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)**

2016-17	2015-16
---------	---------

**3 RECONCILIATION OF FAIR VALUE OF ASSETS AND OBLIGATIONS**

Fair value of Plan assets	---	---
Present value of obligation	9855915	8082728
Amount recognised in Balance Sheet	9855915	8082728

**Gratuity (Non-Funded)**

As at 31.03.17	As at 31.03.16
----------------	----------------

#### 4 EXPENSES RECOGNISED DURING THE YEAR

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

Gratuity (Non-Funded)	
2016-17	2015-16
755172	789817
643385	598945
---	---
995053	397354
2393610	1786116

#### 5 INVESTMENT DETAILS

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

Gratuity (Non-Funded)	
As at 31.03.17	As at 31.03.16
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)	
2016-17	2015-16
0.00%	0.00%
7.39%	7.96%
5.00%	5.00%
2.00%	2.00%

**NOTE: 38** The power cost is net of value of captively consumed units of wind mill.

**NOTE: 39** 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: 40** The Company has export obligation to the extent of ₹ 6.85 Crores on account of concessional rate of custom duty availed under EPCG licence Scheme on import of capital goods.

**NOTE: 41** Based on review carried out as on 31.03.2017, no impairment loss is required to be provided for as per Accounting Standard 28 on "Impairment of Assets".

**NOTE: 42** The Company has received an amount of ₹ 5,06,25,000 towards warrant application money for 4500000 warrants and amount of ₹ 38812500 towards allotment of 1150000 equity shares upon conversion of 1150000 warrant made in the month of February 2017 on completion of required formalities (Refer Note 1). As per the objects of the preferential allotment, the enduse of the funds raised is towards meeting of long term working capital requirement and capital expenditure for ongoing expansion of the company. The amounts raised is being applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending utilisation.

**NOTE: 43 Disclosure on specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA Notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other	Total
Closing cash in hand as on November 8,2016	5293000	555255	5848255
(+) Permitted receipts	0	3740053	3740053
(-) Permitted payments	0	1591548	1591548
(-) Amount deposited in Banks	5293000	0	5293000
Closing cash in hand as on December 30,2016	0	2703760	2703760

**NOTE 44 Calculation of Earning per Share**

Earning per Share		"AS AT "March 31, 2017"	"AS AT "March 31, 2016"
Net Profit after Tax	₹	32984152	30802648
Nominal Value of equity share	₹	10	10
Weighted average number of equity shares	Nos.		
- for Basic EPS		8965207	8820275
- for Diluted EPS		12315207	8820275
Basic EPS	₹	3.68	3.49
Diluted EPS	₹	2.68	3.49

**NOTE 45** 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 46** Previous year figures have been regrouped, rearranged or reclassified , wherever necessary, to make them comparable with the current year figures.

**NOTE: 47 SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES ADOPTED BY THE COMPANY:**
**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 :**

- 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.
- 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 has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

## 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 :

- 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 exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- Non Monetary foreign currency items are carried at cost.
- 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 accured.

## 13 Retirement Benefits:

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

## 14 Taxes on Income:

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

## 15 Earning Per Share:

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

## 16 Impairment of Assets:

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

# 17 Provisions, Contingent Liabilities and Contingent Assets:

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

# 18 Inter Divisional Transactions:

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

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: 26th May, 2017.

**Chairman**  
(DIN: 00512415)

**Director**  
(DIN: 02441549)

Chief Financial Officer  
AHMEDABAD: 26th May, 2017.

**Managing Director**  
(DIN: 00500328)

**Director**  
(DIN: 00020062)

**Jt. Managing Director**  
(DIN: 00500384)

**Director**  
(DIN: 06999605)

Company Secretary  
M.No. 34887



# MAHALAXMI RUBTECH LIMITED

CIN: L25190GJ1991PLC016327

## FORM NO. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the companies (management and administration) Rules, 2014]

Name of the Company : **Mahalaxmi Rubtech Limited**

Registered Office : 47, New Cloth Market, Ahmedabad - 380002, Gujarat, India

Name of the member(s):	
Registered address:	
Email address:	
Folio No. / *Client ID:	
*DP ID:	

I/ We, being the member(s) of \_\_\_\_\_ shares of Mahalaxmi Rubtech Limited, hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him / her

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him / her

3. Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General Meeting to be held on Wednesday, the 27th day of September, 2017 at 11.30 a.m. at Lions Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad-380006 any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution	Optional**	
		For	Against

#### ORDINARY BUSINESS

1	Adoption of audited financial statements for the financial year, ended March 31, 2017 together with the reports of the director's and Auditor's thereon		
2	Re-appointment of Mr. Anand Jeetmal Parekh (DIN: 00500384) who retires by rotation		
3	Appointment of M/s. P C Bothra & Co., Chartered Accountants, Statutory Auditors and fixing their remuneration		



Sr. No.	Resolution	Optional**	
		For	Against
SPECIAL BUSINESS			
4	Ratification of remuneration payable to Cost Auditors, M/s Dalwadi & Associates (Ordinary Resolution)		
5	To consider the Related Party Transactions (Ordinary Resolution)		
6	Re-Appointment of Mr. Rahul J. Parekh (DIN 00500328), as Managing Director of the Company (Ordinary Resolution)		

\*\* Applicable for investors holding shares in electronic form.

Affix  
Re. 1/-  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

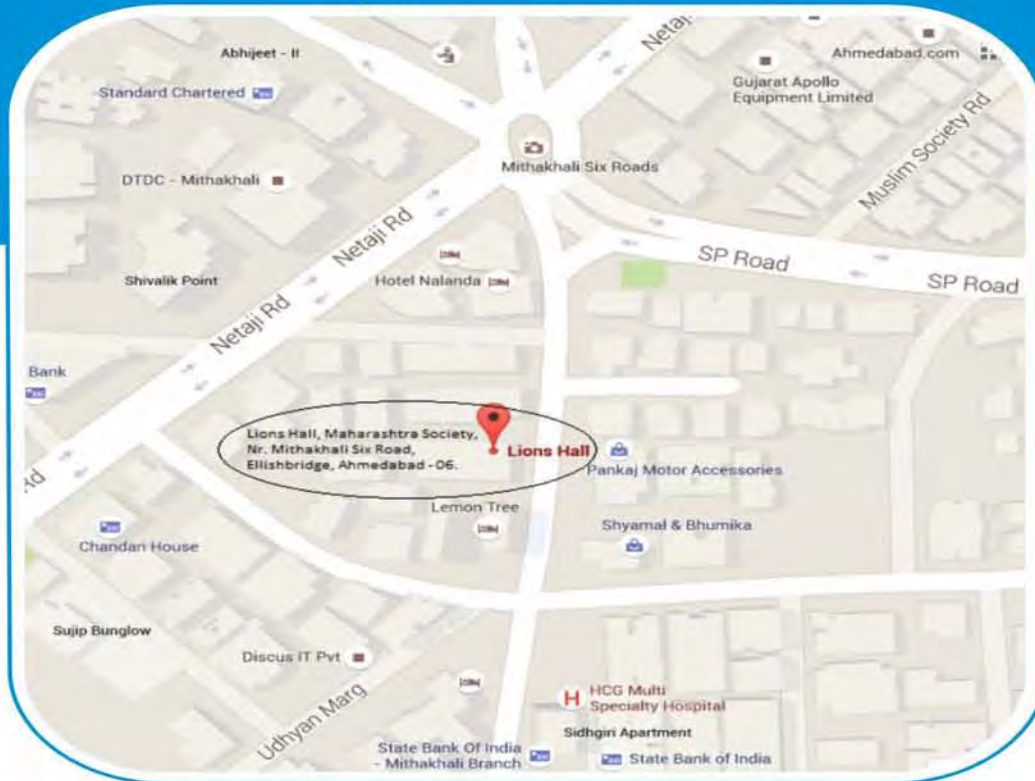
\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

1. This form of proxy in order to be effective should be duly complete and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 26th Annual General Meeting.
3. A proxy need not be a member of the Company.
4. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.  
 \*\*This is only optional. Please put '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please complete all details including membership details in above box before submission. Blank / incomplete Proxies shall be considered invalid.

## Map of the AGM Venue



### MAHALAXMI RUBTECH LIMITED

Regd. office: 47, New Cloth Market, Ahmedabad 380002. Gujarat.

CIN : L25190GJ1991PLC016327

#### ATTENDANCE SLIP

Full name of the member attending \_\_\_\_\_

Full name of joint-holder \_\_\_\_\_

Full name of Proxy\* \_\_\_\_\_

\*(To be filled in if the Proxy instead of the member )

I hereby record my presence at the Annual General Meeting held at "LIONS Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad - 380 006 on Wednesday the 27th day of September 2017 at 11.30 a.m.

Folio No. \_\_\_\_\_ \*DP ID No. \_\_\_\_\_ \*Client ID No. \_\_\_\_\_

\*Applicable for members holding shares in electronic form.

No. of Share(s) held \_\_\_\_\_

Member's /Proxy's signature \_\_\_\_\_

BY COURIER / REGISTERED POST

To,



*If undelivered, please return to:-*



**MAHALAXMI RUBTECH LIMITED**

CIN: L25190GJ1991PLC016327

Regd. Office: 47, New Cloth Market, Ahmedabad - 380 002, India.

Tel: 079-4000 8000 Fax: 079-4000 8030

Website: [www.mrtglobal.com](http://www.mrtglobal.com)