



MAHALAXMI RUBTECH LIMITED

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Ref: MRT/CS/Correspondence/2020-21/30

Date: October 14, 2020

To,
The General Manager
Corporate Relationship Dept.,
BSE Limited

Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai - 400 001.

Company/Scrip Code: 514450

Dear Sir,

Sub : Annual Report - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice convening the 29th Annual General Meeting scheduled to be held on November 07, 2020 at 11.30 a.m. (IST) through Video Conferencing/Other Audio Visual Means in accordance with the General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI.

Please take the same on record and oblige.

Thanking you,

Yours faithfully,
For, Mahalaxmi Rubtech Limited

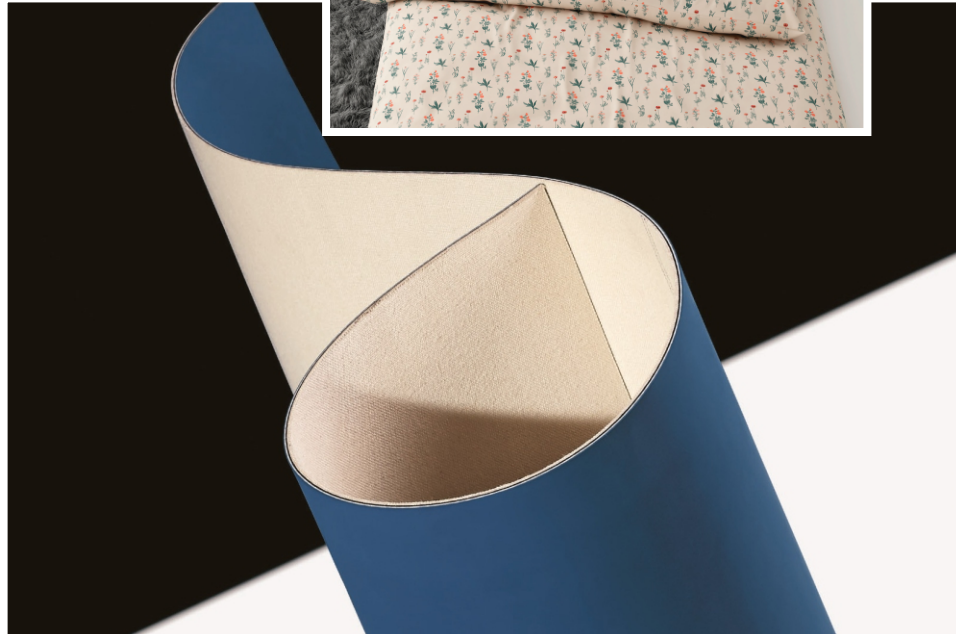


Kevin J. Dhruve
Company Secretary

Encl.: Annual Report for the Financial Year 2019-20.



29th Annual Report 2019-20



MAHALAXMI RUBTECH LIMITED



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 CHIRAG Y. SHAH
SHRI NIRMAL D. DESAI

◆ GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

◆ COMPLIANCE OFFICER

SHRI SHAILESH P. KOSHTI
(COMPANY SECRETARY)
(UPTO 25TH DECEMBER 2019)

SHRI KEVIN J. DHRUVE
(COMPANY SECRETARY)
(W.E.F. 03RD FEBRUARY, 2020)

◆ STATUTORY AUDITORS

P C BOTHRA & 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 / ADMINISTRATIVE OFFICE

YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road,
Ambawadi, Ahmedabad - 380 015 (India).

◆ FACTORY

UMA INDUSTRIAL ESTATE, PHASE III,
Vasna (Iyava) Sanand, Dist: Ahmedabad.

MAHALAXMI FABRIC MILLS

(A Unit of Mahalaxmi Rubtech Limited) Isanpur Road,
Near Narol Char Rasta, Narol, Ahmedabad - 382 405.

◆ REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

506-508, Amarnath Business Centre-1, (ABC-1),
Beside Gala Business Centre, Near St Xavier's Coll[^]ge Corner,
Off C.G. Road, Ellisbridge, Ahmedabad - 380 006.
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 8030 E-mail: cs@mahalaxmigroup.net

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of “Mahalaxmi Rubtech Limited” will be held through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) on Saturday, November 07, 2020 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and if approved, adopt the Audited Standalone And Consolidated Financial Statement of the Company for the Financial Year Ended March 31, 2020 and the reports of the Directors and Auditors thereon.**

“**RESOLVED THAT** the audited standalone and consolidated financial statement of the company for the financial year ended 31st March 2020 consisting of the balance sheet as at 31st March, 2020 the statement of profit and loss, the cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to or forming part thereof together with the reports of the Board of Directors and Auditors’ thereon, be and are hereby adopted.”

- 2. To appoint a director in place of Mr. Rahul Jeetmal Parekh (DIN: 00500328), who retire by rotation at this AGM and being eligible, offers himself for re-appointment.**

“**RESOLVED THAT** Mr. Rahul Jeetmal Parekh (DIN: 00500328), director liable to retire by rotation at this meeting, being eligible and willing to offer himself for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

SPECIAL BUSINESS:

- 3. RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR, M/S DALWADI & ASSOCIATES**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **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 Accountant (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, 2021 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.”

- 4. TO RE-APPOINT MRS. SANGITA SINGHI (DIN: 06999605) AS AN INDEPENDENT DIRECTOR FOR NEXT TERM OF 5 YEARS:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152 and read with schedule IV and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (hereinafter referred to as “the Act”) (including any statutory modifications or re-enactment thereof for the time being in force), MRS. SANGITA SINGHI (DIN: 06999605), Independent Director of the Company, who is not disqualified from being appointed as Director in terms of Section 164 of the Act and has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended her re-appointment to the Board, be and is hereby re-appointed as a Director (Non-Executive, Independent Director) of the Company to hold office for a second term of 5 (Five) years, commencing from 31st March, 2021 to 30th March, 2026, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as maybe deemed necessary to give effect to this resolution.”

- 5. TO CONSIDER THE RELATED PARTY TRANSACTIONS**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **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 06th July, 2020, the consent of the members of the Company be and is hereby accorded to the proposed transactions between the Company and related entities Globale Tessile Private Limited, Mahalaxmi Calchem Private Limited, Anand Chem Industries Private Limited, Mahalaxmi Exports 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.”

By order of the Board of Directors
For Mahalaxmi Rubtech Limited

Place: Ahmedabad
Date : October 09, 2020

Kevin J. Dhruve
(Company Secretary)

NOTES

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/ OAVM. The venue of the Meeting shall be deemed to be the Corporate Office of the Company at Mahalaxmi House, YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380 015, India. In accordance with the MCA Circulars, special business mentioned at Item Nos. 3, 4 and 5 of the Notice are considered as unavoidable in nature by the Board of Directors of the Company
2. At the 27th AGM, M/s. P C Bothra & Co., Chartered Accountants (Firm Registration No. 306034E) were appointed as Statutory Auditors of the Company for a term of 4 years until the conclusion of 31st AGM of the Company. The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 1833(E) dated May 7, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of the AGM Notice.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Corporate members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Transfer Book of the Company will remain closed from Sunday the 01st day of November, 2020 to Saturday the 07th day of November, 2020 (both days inclusive) for the purpose of 29th Annual General Meeting.
5. The Company has engaged the services of Link Intime India Private Limited, who are also Registrar and Transfer Agent of the Company, as the authorized agency for conducting the e-AGM, providing remote e-voting and e-voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 (‘the Act’) Secretarial Standard – 2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) in respect of the Special Business under Item Nos. 3, 4 and 5 of the accompanying Notice is annexed hereto.
8. 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 2011-12 has also been transferred to the IEPF.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ National Securities Depository Limited and Central Depository Services (India) Limited (‘the Depositories’). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.mrtglobal.com, and website of the Stock Exchange i.e. BSE Limited at www.bseindia.com.



10. Notice of the Twenty Ninth Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes. In case the shareholder's e-mail ID is already registered with the Company/Link Intime India Private Limited, the Registrar and Transfer Agent ('LIPL')/ Depositories, log in details for e-voting shall be sent on the registered e-mail address.
11. In case the shareholder holding shares in physical mode has not registered his/ her e-mail address with the Company/ LIPL/ Depositories, he/she may do so by sending a duly signed request letter to LIPL by providing Folio No. and Name of shareholder at (UNIT: Mahalaxmi Rubtech Limited), 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006, e-mail: ahmedabad@linkintime.co.in.
12. In the case of shares held in demat mode, the shareholder may contact the Depository Participant ('DP') and register the e-mail address in the demat account as per the process followed and advised by the DP.
13. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in functional areas, names of companies in which they hold directorship and Membership/Chairmanship of Board Committees and shareholding, are hereto furnished as stipulated under Regulation 36 of SEBI Listing Regulations and other requisite information as per Clause 1.2.5 of Secretarial Standards – 2 on General Meetings are provided in Annexure - 1 to this Notice.
14. With effect from April 01, 2019, in terms of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed unless the securities are held in the dematerialized form with the depositories. Therefore, Members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
15. Members are advised to avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Act. 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 mode are requested to intimate all above mentioned changes to the Registrar and Share Transfer Agent (RTA) or the Company as soon as the change occurs.

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.
16. 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.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in this Notice can be obtained for inspection by writing to the Company at its email ID cs@mahalaxmigroup.net till the date of the AGM.
18. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be.
19. Pursuant to Clause 47(f) of the SEBI (Listing Obligation and Disclosure Requirement) regulation, 2015, the Company has created an exclusive E-mail. ID: cs@mahalaxmigroup.net for quick redressal of shareholders/investors grievances.
20. 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 registrar and share transfer agents, Link Intime India Private Limited (Unit: Mahalaxmi Rubtech Limited) 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad – 380006, Gujarat
21. Board of Directors has appointed 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 to act as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
22. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.mrtglobal.com and on the website of RTA and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchange.



23. Voting through electronic means:

- a) The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued by the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with Link Intime India Private Limited (RTA) to facilitate the members to cast their votes from a place other than the venue of the AGM [remote e-voting].
- b) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
- c) The Notice will be displayed on the website of the Company www.mrtglobal.com and on the website of RTA <https://instavote.linkintime.co.in/>.
- d) The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.
- e) The Members whose names appear in the Register of Members/ List of Beneficial Owners prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach RTA for issuance of the USER ID and Password for exercising their right to vote by electronic means
- f) The remote e-voting period will commence at 9:00 a.m.(IST) on Wednesday, November 04, 2020 and will end at 5:00 p.m. (IST) on Friday, November 06, 2020. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, October 31, 2020 may cast their vote by remote e-voting. The e-voting module shall be disabled by RTA for voting thereafter.

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above
- Shareholders/ members holding shares in NSDL demat account shall provide ‘D’, above
- Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

- Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.



4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on '**No**' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on 'Login' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'.
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
 - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
 - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
 - The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - **Select the "Company" and 'Event Date' and register with your following details: -**
 - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.:** Enter your mobile number.
 - D. Email ID:** Enter your email id, as recorded with your DP/Company.
 - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.



INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company on the cs@mahalaxmigroup.net created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

GUIDELINES TO ATTEND THE AGM PROCEEDINGS OF LINK INTIME INDIA PVT. LTD.: INSTAMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now.
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.



The members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice in points given below. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.

By order of the Board of Directors
For Mahalaxmi Rubtech Limited

Place: Ahmedabad
Date : October 09, 2020

Kevin J. Dhruve
(Company Secretary)

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

Item No. 3:

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 2020-21.

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. 3 of the Notice, save and except as shareholder and to the extent of their shareholding in the Company.

The Board of Directors recommends the resolution set forth in item no. 3 to this notice, for your approval.

Item No. 4:

The Members of the Company, at the 25th Annual General Meeting held on September 29, 2016 had approved the appointment of Mrs. Sangita Singhi (DIN: 06999605), as Independent Directors of the Company, for a period of five consecutive years for a term upto 30th March, 2021.

A brief profile of the Independent Directors to be re-appointed is given in the table below on "Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting".

The Attendance of each Independent Director is separately provided in Corporate Governance report which forms a part of the Annual Report.

As per Section 149(10) of the Companies Act, 2013 ("the Act"), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company. As per Section 149(11) of the Act, no independent Director shall hold office for more than two consecutive terms, but shall be eligible for appointment after the expiration of three years of ceasing to become an independent Director.

In line with the aforesaid provisions of the Act, and in view of long, rich experience, continued valuable guidance to the management, recommendation of the Nomination and Remuneration Committee and strong Board performance of the Independent Directors, it is proposed to re-appoint them for the second term as Independent Director on the Board of the Company for a further period of five years, upto the conclusion of the 34th Annual General Meeting (AGM), subject to the approval of the Members.

The Company has received a notice in writing under Section 160 of the Act, from members proposing their candidature for the office of Independent Director of the Company. In the opinion of the Board, the Independent Director fulfill the conditions specified in the Act and all of them are independent of the management. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and have given her consent to act as a Director.

The Performance evaluation of the Independent Directors was conducted by the entire Board (excluding the Director being evaluated) on the basis of criteria such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders, etc.

Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 06th July, 2020 have approved and recommended the reappointment of the aforesaid



Independent Director, for a second term as provided in the resolutions, and she shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the Independent Directors. The Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for her appointment, are in any way concerned or interested in the Resolutions, as set out in item no. 4 of the 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 06th July, 2020 has approved a proposal for entering into related party transactions with the related entities Globale Tessile Private Limited, Mahalaxmi Calchem Private Limited, Anand Chem Industries Private Limited, Mahalaxmi Exports 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 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)	100
	Globale Tessile Private Limited (Wholly Owned Subsidiary)	50
	Anand Chem Industries Pvt. Ltd (Associate concern)	15
	Mahalaxmi Calchem Pvt. Ltd (Associate concern)	15
	Shah Jeetmal Champalal (Associate concern)	15
	Rahul Textile (Associate concern)	1
	Mahalaxmi Exports Private Limited (Wholly Owned Subsidiary)	30
	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 Board of Directors recommends the resolution set forth in item no. 5 to this notice, for your approval.



DISCLOSURE RELATING TO DIRECTORS SEEKING CONTINUATION OF APPOINTMENT OR SEEKING APPOINTMENT / RE-APPOINTMENT IN THIS GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015:

Name of the Director	Mr. Rahul Jeetmal	Mrs. Sangita Singhi
Director Identification Number (DIN)	00500328	06999605
Date of Birth	27/04/1972	05/08/1970
Date of Appointment	05/07/1995	31/03/2016
Experience & Expertise in specific functional area	He 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.	She has a wide experience in Business Administration, Finance, Project Finance, Stock Broking and Mortgage Finance. She is also involved in the various assignments of project finance and stock broking advisor and insurance.
Number of meetings of the Board attended during the Financial year commenced from 1st April 2019.	8 (Eight)	7 (Seven)
Shareholding in the Company as on 31.03.2020	25,51,119 equity shares of ₹ 10/- each	N.A.
Relationship with other Directors and KMPs of the Company	Son of Mr. Jeetmal B. Parekh (Chairman) and Brother of Mr. Anand J. Parekh (Jt. MD)	N.A.
List of companies* in which outside directorship held	<ol style="list-style-type: none"> 1. Anand Chem Industries Pvt. Ltd. 2. Sonnet Colours Pvt. Ltd. 3. Rahul Calchem Pvt. Ltd. 4. Heena Agriculture Pvt. Ltd. 5. Globale Tessile Pvt. Ltd. 6. Mahalaxmi Exports Pvt. Ltd. 7. Mahalaxmi Calchem Pvt. Ltd. 8. Ashita Mercantile Pvt. Ltd. 9. Rainbow Exports Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Ahmedabadcity Com India Limited 2. Mudra Finvest (Gujarat) Limited
Chairman/Member of the Committee* of Board of Directors of other Indian public companies	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, 2020.

FINANCIAL RESULTS:

The Group's financial performances for the year under review along with previous year's figures are given hereunder:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Income from Operations & Other Income	18111.19	18665.01	18199.81	18801.90
Profit before Depreciation	1627.92	1548.30	1599.64	1552.11
Less: Depreciation	1005.59	933.61	1005.59	933.61
Profit before Tax	622.33	614.69	594.05	618.50
Less: Provision for Tax	222.89	183.45	222.89	184.40
Less: Provision for deferred Tax	(82.21)	(61.92)	(88.68)	(61.92)
Profit after Tax	481.65	493.16	459.84	496.02

REVIEW OF BUSINESS OPERATIONS AND COMPANY AFFAIRS:

The Company continues to see marginal growth with its overall performance in the financial year 2019-20 in both segment in which the Company operates.

During the year under review, your Company reported at standalone level, the total income of the company is ₹ 18111.19 Lakhs as against ₹ 18665.01 Lakhs in the previous year. The Profit before Tax amounted to ₹ 622.23 Lakhs as against ₹ 614.69 Lakhs in the previous year. The net profit after tax was decreased to ₹ 481.65 Lakhs as against ₹ 493.16 Lakhs in the previous year and total comprehensive income for the year amounted to ₹ 495.24 Lakhs as against ₹ 495.82 Lakhs in the previous year.

The Consolidated Revenue from Operations amounted to ₹ 18199.81 Lakhs as against ₹ 18801.90 Lakhs in the previous year. The Consolidated Net Profit before Tax amounted to ₹ 594.05 Lakhs as against ₹ 618.50 Lakhs in the previous year. The Consolidated Net Profit after Tax amounted to ₹ 459.84 Lakhs as against ₹ 496.02 Lakhs in previous year and Total Comprehensive Income for the year amounted to ₹ 470.72 Lakhs against ₹ 498.84 Lakhs in previous year

The performance and financial position of the subsidiary companies are included in the Consolidated Financial Statements forming part of this Annual Report.

DIVIDEND AND RESERVE:

Board of Directors has not recommended any dividend for the Financial Year 2019-20. The Board does not propose transfer to reserves for the year 2019-20 and profit earned during the Financial Year 2019-20 is proposed to be retained in profit and loss account for the year ended 31st March, 2020.

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. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2020 stood at Rs. 13.32 crore. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There are no material changes in the nature of business during the year.

MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company is engaged in the manufacturing and marketing of product falling under the category/segment of Traditional Textile and Technical Textile. A detailed analysis on the performance of the industry, the Company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report as required under Regulation 34(2)(e) and Schedule V of the Listing Obligation and Disclosure Requirement, Regulation, 2015.



CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your company has complied with the Corporate Governance requirements as required under the Companies Act, 2013, and as stipulated under regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Company's Auditors confirming the compliance, is annexed and forms part of this Annual Report.

MEETINGS OF THE BOARD AND COMMITTEE

During the year, Eight (8) meetings of the Board of Directors were conveyed and held. 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:

(i) Changes in Directors and Key Managerial Personnel:

- (a) Appointment of Directors: During the year, Mr. Nirmal Dilip Desai and Mr. Chiragbhai Yogeshbhai Shah were appointed as Independent Director of the Company w.e.f. August, 12, 2019 and were approved by members in the 28th Annual General Meeting for the term of 5 years.

Mrs. Sangita Singhi will complete her present term as an Independent Director on 30th March, 2021. The Board at the meeting held on 06th July, 2020, on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the re-appointment of Mrs. Singhi as an Independent Director of the Company for a period of five years with effect from 31st March, 2021. Requisite Notice has been received in respect of Mrs. Singhi who has filed her consent to act as Directors of the Company, if appointed.

Resolution seeking your approval to the re-appointment is appearing in the Notice convening the 29th AGM of your Company.

- (b) Cessation of Directors:
During the year, Mr. Nehal Mayurbhai Shah and Mr. Malav Jitendra Ajmera ceased to be the Directors with effect from September 28, 2019 upon completion of their term as Independent Directors. The Board places on record its appreciation for their invaluable contribution and guidance.
- (c) Retirement by Rotation:
In accordance with the provisions of Section 152 of the Companies Act, 2013, at the forthcoming Annual General Meeting (AGM), Mr. Rahul Jeetmal Parekh (DIN: 00500328), will retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. The notice convening the AGM includes the proposal for his re-appointment as director. A brief profile of Mr. Rahul J. Parekh has also been provided therein.

- (d) Key Managerial Personnel:

The following persons are the Key Managerial Personnel ("KMP"):

1. Rahul J. Parekh, Managing Director
2. Anand J. Parekh, Jt. Managing Director
3. Rajendra R. Mehta, Chief Financial Officer
4. Shailesh P. Koshti, Company Secretary (Upto 25th December, 2019)
5. Kevin J. Dhruve, Company Secretary (w.e.f. 03rd February, 2020)

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.

(ii) Declaration by an Independent Director(s):

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

(vii) Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board at the meeting and expressed that the current flow of information and contents were adequate for the Board to effectively perform its duties. They also reviewed the performance of the non-independent directors and the board as a whole and the performance of the chairperson of the Company taking into account the views of executive directors.

(viii) Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management, Key Managerial Personnel and their remuneration, pursuant to the provisions of the Act and the Listing Regulations. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy is aligned to this philosophy and stated in the Corporate Governance Report.

The Nomination and Remuneration Committee has considered following factors while formulating Policy:

- (i) 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;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) 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.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company. Details of the Remuneration Policy are given in the Corporate Governance Report

(ix) Committees Of The Board

The Board has constituted necessary Committees pursuant to the provisions of the Companies Act, 2013, rules framed there under and SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015. The Committees of the Board are Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer Committee and Risk Management Committee.

The Board has accepted all the recommendations of the above committees. The details about Composition of Committees and their Meetings are incorporated in the Board of Directors in Corporate Governance section forming part of this Report.

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 2019-20.



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, 2020, 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, 2020 and of the profit of the Company for the year ended on March 31, 2020;
- 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 FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

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

RISK MANAGEMENT

Although not mandatory, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

The Company has adopted a Risk Management Policy, pursuant to Section 134 of the Act.

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.

AUDITORS:

(i) Statutory Auditors

M/s P C Bothra & Co., Chartered Accountants (ICAI FRN 304034E) were appointed as Statutory Auditors of the Company for a period of four consecutive years at the Annual General Meeting (AGM) of the Members held on September 28, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 28, 2018. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013. The Statutory Auditors' Report to the members for the year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer.



(ii) Cost Auditor

The Company has received a letter from the cost auditors M/s. Dalwadi & Associate, Cost Accountants in Practice having Firm Reg. No. 000338 to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. The cost audit report for the year 2018-19 was filed before the due date with MCA.

The Board of Directors of the Company has on recommendation of the Audit Committee, at its meeting held on 06 July, 2020 appointed M/s. Dalwadi & Associate, Cost Accountants as the cost auditors of the Company to conduct the audit of cost records for the Financial Year 2020-21 maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time. The members are requested to ratify the remuneration to be paid to the cost auditors of the Company.

(iii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company 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 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annexure - II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

There are no qualification, reservation or adverse remarks made by Secretarial Auditor in his report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. 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. The Audit Committee of your Company shall oversee the Vigil mechanism.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in utmost transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives. This policy has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed thereunder to undertake CSR activities.

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Rahul J. Parekh as Chairman and Mr. Anand J. Parekh and Mrs. Sangita S. Singhi as Members of the Committee.

The responsibilities of the CSR Committee include:

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- ii. Recommending the amount of expenditure for the CSR activities.
- iii. Monitoring CSR activities from time to time.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure - III and forms an integral part of this Report. The Policy has been uploaded on the Company's website at http://www.mrtglobal.com/images/investor_relation/2019/policy-on-corporate-social-responsibility.pdf.

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.

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.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.



PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS UNDER SECTION 186

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

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

During the year under review, The Company has acquired "M/s Mahalaxmi Exports Private Limited" and formed it as Wholly Owned Subsidiary of the Company. The Company has no associate company and no subsidiary company has been ceased during the year.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website at http://www.mrtglobal.com/images/investor_relation/2019/policy-for-determining-material-subsiadiary.pdf.

The consolidated financial results reflect the operations of the following subsidiary.

Sr. No.	Name of Company	CIN / GLN	Address of the Company	Holding/Subsidiary/ Associate
1	Globale Tessile Private Limited	U17299GJ2017PTC098506	YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 15	Wholly owned subsidiary
2	Mahalaxmi Exports Private Limited	U17299GJ2019PTC110673	YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 15	Wholly owned subsidiary

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 attached as Annexure - IV which forms part of this Report.

As required under the Listing Regulations, a cash flow statement is part of the Annual Report 2019-2020.

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

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 – V and form part of this Report.

DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report are given below.

GLOBAL PANDEMIC – COVID-19: The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 3, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.



In assessing the recoverability of Company's assets such as investments, loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and the Company expects to recover the carrying amount of the assets.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY2020, the strong balance sheet position, and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market share.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as Annexure – VI to this Report. 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 ₹ 1,02,00,000/- 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 ₹ 8,50,000/- per month in terms of section Rule 5 (2) (ii) is None.
- (c) None of the employees is covered under Rule 5 (2) (iii).

EXTRACT OF ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website and can be accessed at <http://www.mrtglobal.com>. Extract of Annual Return of the Company in MGT-9 is annexed herewith as Annexure - VII and form part of this Report. Extracts of the Annual return in form MGT 9 for the FY 2019-20 can be accessed at <http://www.mrtglobal.com>.

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 2020-21 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 2020-21.

COMPULSORY TRADING IN DEMAT:

SEBI has amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, w.e.f. 08.06.2018 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the companies / their RTAs.

All the investors who are holding shares etc. in physical form, should consider opening a demat account at the earliest and submit request for dematerialization of their shares in order to protect the liquidity of the shares.

INSURANCE:

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

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 endeavor of the Company to strive for compliance of stipulated pollution control norms.

ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

DEPOSITORY SYSTEM

As the Members are aware, the Company's equity shares are tradable in electronic form. As on March 31, 2020, out of the Company's total equity paid-up share capital comprising of 1,33,20,275 equity shares, only 74,595 equity shares were in physical form and the remaining



shares were in electronic form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail themselves of the facility of dematerialization.

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.
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.
5. None of the equity shares of the Directors of the Company are pledged with any banks or financial institutions.

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 gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board
Mahalaxmi Rubtech Limited

Jeetmal B. Parekh
(Chairman)

Place : Ahmedabad
Date : July 06, 2020

ANNEXURE – I

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

		2019-20	2018-19
1. Electricity			
(a) Purchased:			
Units		8429016	9539218
Amount ₹.		73232892	78910566
(b) Own Generation:			
(i) Through Windmill			
Units		2157914	2215738
2. Fuel			
Waste Wood			
Tonnes		16025	19082
Amount ₹.		66948476	80027145
Steam Coal			
Tonnes		21460	24234
Amount ₹.		113146782	147478280

(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 & 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	₹ 17.25 Crore
Foreign exchange outgo	₹ 4.13 Crore

**ANNEXURE – II**

Form No. MR – 3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

[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

We 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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020 ('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:

We 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 2020 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, 2015;
 - 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. We 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;

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.



We 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:

We further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, further there were no such changes occurred in the Board of Directors of the Company during the reporting year. 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.

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

We further report that during the audit period the company has following events / actions which is having major bearing on the Companies affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. The Company has acquired Company named "Mahalaxmi Exports Private Limited" to make it its Wholly Owned Subsidiary Company w.e.f. February 14, 2020.

For, Hudda & Associates Company Secretaries LLP,

Bunty Hudda (Designated Partner)

ACS No. 31507

C P No: 11560

UDIN: A031507B000419598

Place : Ahmedabad

Date : July 06, 2020

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, Hudda & Associates Company Secretaries LLP,

Bunty Hudda (Designated Partner)

ACS No. 31507

C P No: 11560

UDIN: A031507B000419598

Place : Ahmedabad

Date : July 06, 2020

Annexure - III

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant To Section 135 of the Companies Act, 2013 and as per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014]

I. A brief outline of Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Company recognizes that as a responsible corporate entity its functions and operations have an impact on society and on the environment. In addition to ensuring that operations are conducted efficiently and in a manner that meets governmental environmental standards, Our CSR approach focuses on development of communities around the vicinity of our plants and other offices.

Your Company’s focus areas for the Financial Year 2019-20 under CSR are as under:

- The areas for CSR activities are Healthcare including Preventive healthcare, providing Safe drinking water, sanitation facility, promoting education, Old Age Home maintenance, Environmental sustainability and promotion and development of traditional art and handicrafts.
- Other areas approved by the CSR Committee within the ambit of CSR Rules as amended from time-to-time.

MRT’s CSR work is anchored around supporting communities in and around its units in health, education, women empowerment and skilling.

Overview of projects or programs proposed to be undertaken are as per the policy approved by the Board and the web link to the CSR Policy, - http://www.mrtglobal.com/images/investor_relation/2019/policy-on-corporate-social-responsibility.pdf

II. Composition of CSR Committee:

The CSR committee of the Board is responsible for overseeing the execution of the Company’s CSR policy. The composition of CSR Committee as on the date of Director’s Report is as follows:

- Mr. Rahul J. Parekh - Chairman
- Mr. Anand J. Parekh - Member
- Mrs. Sangita S. Singhi - Member

III. Average net profit of the Company as per Section 198 of the Companies Act, 2013 and Rules made thereunder for last three financial years : ₹ 596.96 Lakh

Years	2018-19	2017-18	2016-17
Net Profit (in Lakh)	650.69	600.48	539.71

IV. Prescribed CSR Expenditure (two percent of the amount as in item III above): ₹ 11.94 Lakh

V. Details of CSR spent during the financial year 2019 - 20:

- a) Total amount spent for the financial year : ₹. 12.00 Lakh
- b) Amount unspent, if any : Nil
- c) Manner in which the amount spent during the financial year is detailed below: (₹ in Lakhs)

1	2	3	4	5	6	7	8
Sr. No.	Projects / Activities	Sector	Locations Local Area / Districts (State)	Amount Outlay (Budget) Project or programs	Amount spent on the Project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
1	Educational service provided to the manginalized poor students who belongs to lower class family and Scholarship and financial support for higher studies	Education	Ahmedabad Gujarat	11.94	12.00	12.00	All India Social Education Charitable Trust

Notes: The Board through the CSR Committee closely monitors the progress of the CSR initiatives.

VI. Reasons for not spending the amount specified in item no. V(b) above: Not Applicable

VII. Responsibility Statement:

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, it is confirmed that the CSR Committee has implemented and monitored the CSR initiatives in line with CSR objective and Policy of the Company. The CSR Committee has monitored the status of the amount spent on the projects.

Annexure-IV
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures
Part – A - Subsidiaries

Name of the subsidiary	Globale Tessile Private Limited	Mahalaxmi Exports Private Limited
The date since when subsidiary was acquired	August 1, 2017	February 14, 2020
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rupee (INR)	Rupee (INR)
Share capital	₹ 5,00,000/-	₹ 15,00,000/-
Reserves and surplus	₹ (-19,11,924)/-	₹ -
Total assets	₹ 1,92,90,904/-	₹ 16,55,317/-
Total Liabilities	₹ 2,07,02,828/-	₹ 1,55,317/-
Investments	₹ -	₹ -
Turnover	₹ 88,53,227/-	₹ -
Profit before taxation	₹ (-28,29,128)/-	₹ -
Provision for taxation	₹ (-6,47,304)/-	₹ -
Profit after taxation	₹ (-21,81,824)/-	₹ -
Proposed Dividend	NA	NA
Extent of shareholding (in percentage)	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: – **Mahalaxmi Exports Private Limited**
- Names of subsidiaries which have been liquidated or sold during the year: – **N.A.**

Part B is not applicable as there are no associate Companies/ Joint Ventures of the Company as on 31st March, 2020



ANNEXURE – V

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 2019-20		
(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	M/s Mahalaxmi Exports (Associate concern)	₹ 14.79 Crores
To get job work done for party and/or	Globale Tessile Pvt. Ltd. (Wholly Owned Subsidiary)	₹ 49.77 Lakh
To purchase goods and articles and / or	Anand Chem Industries Pvt. Ltd (Associate concern)	₹ 1.83 Crores
To get job work done from party and/or	Mahalaxmi Calchem Pvt. Ltd (Associate concern)	₹ 25.45 Lakh
To avail services from party and /or	Rahul Textile (Associate concern)	₹ 1.08 Lakh
To provide services to party.	Shah Jeetmal Champalal (Associate concern)	₹ 0.36 Lakh
(Including sell, purchase or otherwise dispose / acquire property if any kind and / or Letting / Leasing of property of any kind.)	Mahalaxmi Exports Pvt. Ltd. (Wholly Owned Subsidiary)	₹ 0.50 Lakh
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: 2019-20
- 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: 24.05.2019, 12.08.2019, 12.11.2019 and 14.02.2020
- f) Amount paid as advance, if any : Nil



g) Justification for the Related Party Transactions held during the Financial Year 2019-20: As mentioned below.

To,
The Members,
Mahalaxmi Rubtech Limited.

Subject: Justification for Related Party Transactions held during the Financial Year 2019-20.

1. For entering into transaction with related party transactions for sale of 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:

The reporting entity are related to directors of the company. The transactions took place with the all the related entities are in ordinary course of business and on arm's length basis. The Board has Approved for the same as disclosed above and omnibus approval of Audit Committee also has been taken.

Further, The Company has entered in these transactions with entites listed above were approved by The Board on 24th May, 2019, 12th August, 2019, 12th November, 2019 and 14th February, 2020 as well as by Members of the Company in its 28th Annual General Meeting held for the year ended on 31st March, 2019. These transactions are in ordinary course of business and on arm's length basis.

The 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 arm's length transactions under third proviso thereto under mentioned in AOC-2.

Further, there is no adverse effect on interest of any members, financial institutions, creditors or society at large because of this transactions.

For and on behalf of the Board
Mahalaxmi Rubtech Limited

Jeetmal B. Parekh
(Chairman)

Place : Ahmedabad
Date : July 06, 2020



Annexure - VI

Details under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2019-20:**

Name of Directors	Designation	Ratio of remuneration of the Directors to the median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rahul J. Parekh	Managing Director	6.82:1	NIL
Mr. Anand J. Parekh	Joint Managing Director	6.82:1	NIL
Mr. Jeetmal B. Parekh	Non-Executive Director	N.A.	N.A.
Mr. Malav J. Ajmera	Independent Director	N.A.	N.A.
Mr. Nehal M. Shah	Independent Director	N.A.	N.A.
Mrs. Sangita S. Singhi	Independent Director	N.A.	N.A.

The percentage increase in remuneration of the Chief Financial Officer is [NIL] and of the Company Secretary is [NIL].

- B.** The percentage increase in the median remuneration of employees in the financial year 2019-2020: NIL
- C.** There were 378 employees on the rolls of Company as on March 31, 2020.
- D.** Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was [NIL] whereas the increase in the managerial remuneration for the same financial year was [NIL]. Comparison of the remuneration of the Key Managerial Personnel against the performance.
- E.** It is here by affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.



ANNEXURE – VII

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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.: +91-79-4000 8000 Fax: +91-79-4000 8003
vi) Whether listed company	Yes / No (BSE Limited)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247, Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel No.: 022 - 49186270, Fax No.: 022 - 4918 6060 Email: rnt.helpdesk@linkintime.co.in

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	84.76 %
2.	Manufacturing of Offset Rubber Printing Blankets & Coated Fabrics	221 & 139	15.24 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Globale Tessile Private Limited YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015	U17299GJ2017PTC098506	Wholly Owned Subsidiary	100 %	2(87)
2	Mahalaxmi Exports Private Limited YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015	U17299GJ2019PTC110673	Wholly Owned Subsidiary	100 %	2(87)



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	
A	Promoter s									
(1)	Indian									
a)	Individual/ HUF	8711246	0	8711246	65.40	8772620	0	8772620	65.86	0.46
	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	6.18	823977	0	823977	6.18	0.00
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
	Sub-total (A) (1):-	9535223	0	9535223	71.58	9596597	0	9596597	72.04	0.46
(2)	Foreign									
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
	Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter (A) = (A) (1)+(A)(2)	9535223	0	9535223	71.58	9596597	0	9596597	72.04	0.46
B	Public Shareholding									
1	Institutions									
a)	Mutual Funds	7900	0	7900	0.06	7900	0	7900	0.06	0.00
b)	Banks / FI	0	0	0	0.00	25	0	25	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)	FIs	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 (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1):-	7900	0	7900	0.06	7925	0	7925	0.06	0.00
2	Non- Institutions									
a)	Bodies Corp.									
i)	Indian	552262	3350	555612	4.17	450158	3350	453508	3.40	-0.77
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1451901	70795	1522696	11.43	1357923	67245	1425168	10.70	-0.73
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1282369	0	1282369	9.62	1441859	0	1441859	10.82	1.20
c)	Others									
i)	NRI	25189	4000	29189	0.22	22465	4000	26465	0.20	-0.02
ii)	Clearing Member	25752	0	25752	0.19	8413	0	8413	0.06	-0.13
iii)	Trust	2250	0	2250	0.02	2250	0	2250	0.02	0.00
iv)	HUF	249128	0	249128	1.87	247934	0	247934	1.86	-0.01
v)	IEPF	110031	0	110031	0.83	110031	0	110031	0.83	0.00
vi)	NBFC registered with RBI	125	0	125	0.00	125	0	125	0.00	0.00
	Sub-total (B)(2):-	3699007	78145	3777152	28.36	3641158	74595	3715753	27.90	0.46
	Total Public Shareholding (B)=(B) (1)+ (B)(2)	3706907	78145	3785052	28.42	3649083	74595	3723678	27.96	0.46
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	13242130	78145	13320275	100.00	13245680	74595	13320275	100.00	0.00



(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	1744481	13.10	0.00	1744481	13.10	0.00	0.00
2	Rahul J. Parekh	2551119	19.15	0.00	2551119	19.15	0.00	0.00
3	Anand J. Parekh	2451122	18.40	0.00	2451122	18.40	0.00	0.00
4	Kamlaben J. Parekh	756570	5.68	0.00	756570	5.68	0.00	0.00
5	Amita A. Parekh	371596	2.79	0.00	400364	3.01	0.00	0.22
6	Ratna R. Parekh	354120	2.66	0.00	356120	2.67	0.00	0.01
7	Mamta A. Surana	159238	1.20	0.00	159238	1.20	0.00	0.00
8	Rahul Calchem Pvt. Ltd	286100	2.15	0.00	286100	2.15	0.00	0.00
9	Mahalaxmi Calchem Pvt. Ltd	233490	1.75	0.00	233490	1.75	0.00	0.00
10	Heena Agriculture Pvt. Ltd	94875	0.71	0.00	94875	0.71	0.00	0.00
11	Anand Chem Industries Pvt. Ltd	130762	0.98	0.00	130762	0.98	0.00	0.00
12	Sonnet Colours Pvt. Ltd	45625	0.34	0.00	45625	0.34	0.00	0.00
13	Ashita Mercantile Pvt. Ltd	33125	0.25	0.00	33125	0.25	0.00	0.00
14	Atulkumar Jain	4625	0.03	0.00	4625	0.03	0.00	0.00
15	Jeetmal Bhoorchand HUF	180375	1.35	0.00	180375	1.35	0.00	0.00
16	Jeetmal Prithviraj HUF	10250	0.08	0.00	10250	0.08	0.00	0.00
17	Jeetmal Rahulkumar HUF	127750	0.96	0.00	127750	0.96	0.00	0.00
18	Yashovardhan R. Parekh	0	0	0.00	14710	0.11	0.00	0.11
19	Rohan Anand Parekh	0	0	0.00	15896	0.12	0.00	0.12
TOTAL		9535223	71.58	0.00	9596597	72.04	0.00	0.46

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

Sl. No.	Date	Reason	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
		At the beginning of the year	9535223	71.58	9535223	71.58
1		Acquisition during the year	61374	0.46	61374	0.46
		At the End of the year	9596597	72.04	9596597	72.04



(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	Reason	Increase / Decrease	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	170455	1.28	01.04.2019				
					Nil movement during the year	0		
				31.03.2020			170455	1.28
2	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	110031	0.83	01.04.2019				
					Nil movement during the year	0	110031	0.83
				31.03.2020			110031	0.83
3	MANAV MERCANTILE PRIVATE LIMITED	87671	0.66	01.04.2019				
					Nil movement during the year	0		
				31.03.2020			87671	0.66
4	RAJESH JAYANTILAL KHANDHAR	85000	0.64	01.04.2019				
					Nil movement during the year	0		
				31.03.2020			85000	0.64
5	SANDHYA R SHAH	0	0.00	01.04.2019				
				10.01.2020	Purchase	79024	79024	0.59
				14.02.2020	Purchase	2000	81024	0.61
				20.03.2020	Purchase	227	81251	0.61
				31.03.2020			81251	0.61
6	VAST APPRO COMBINES PRIVATE LTD	69993	0.53	01.04.2019				
					Nil movement during the year	0		
				31.03.2020			69993	0.53
7	ROHIT C SHAH	69300	0.52	01.04.2019				
					Nil movement during the year	0		
				31.03.2020			69300	0.52
8	ANITADEVI J PAREKH	36000	0.27	01.04.2019				
				07.06.2019	Purchase	378	36378	0.27
				14.06.2019	Purchase	12	36390	0.27
				29.06.2019	Purchase	3936	40326	0.30
				05.07.2019	Purchase	665	40991	0.31
				26.07.2019	Purchase	9	41000	0.31
				09.08.2019	Purchase	5000	46000	0.35
				30.09.2019	Purchase	3070	49070	0.37
				31.03.2020			49070	0.37
9	MAHAVIRCHAND P PAREKH	34000	0.26	01.04.2019				
				26.04.2019	Purchase	2780	36780	0.28
				03.05.2019	Purchase	698	37478	0.28
				24.05.2019	Purchase	1468	38946	0.29
				31.05.2019	Purchase	101	39047	0.29
				07.06.2019	Purchase	937	39984	0.30
				14.06.2019	Purchase	16	40000	0.30
				26.07.2019	Purchase	1046	41046	0.31
				09.08.2019	Purchase	3954	45000	0.34
13.09.2019	Purchase	1053	46053	0.35				



Sl. No.	Name	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
9	MAHAVIRCHAND P PAREKH	34000	0.26	27.09.2019	Purchase	547	46600	0.35
				30.09.2019	Purchase	100	46700	0.35
				04.10.2019	Purchase	250	46950	0.35
				11.10.2019	Purchase	2042	48992	0.37
				18.10.2019	Purchase	8	49000	0.37
				31.03.2020			49000	0.37
10	SANTOSH DEVI M PAREKH	33200	0.25	01.04.2019				
				12.04.2019	Purchase	1800	35000	0.26
				24.05.2019	Purchase	1646	36646	0.28
				31.05.2019	Purchase	91	36737	0.28
				07.06.2019	Purchase	250	36987	0.28
				14.06.2019	Purchase	13	37000	0.28
				05.07.2019	Purchase	578	37578	0.28
				26.07.2019	Purchase	5422	43000	0.32
				09.08.2019	Purchase	1352	44352	0.33
				30.08.2019	Purchase	3839	48191	0.36
				06.09.2019	Purchase	809	49000	0.37
31.03.2020			49000	0.37				
11	KAMAL KUMAR KESHWANI	56522	0.42	01.04.2019				
				17.01.2019	Transfer	(6000)	50522	
				24.01.2019	Transfer	(2363)	48159	
				31.03.2020			48159	0.36
12	KANWAL KISHOR ARORA	44939	0.34	01.04.2019				
				01.11.2019	Purchase	11	44950	0.34
				31.03.2020			44950	0.34
13	MANAV ARORA	43649	0.33	01.04.2019				
				29.06.2019	Purchase	670	44319	0.33
				02.08.2019	Purchase	1	44320	0.33
				31.03.2020			44320	0.33
14	KARVY STOCK BROKING LIMITED	84524	0.63	01.04.2019				
				12.04.2019	Purchase	550	85074	0.64
				19.04.2019	Transfer	(550)	84524	0.63
				03.05.2019	Purchase	1	84525	0.63
				10.05.2019	Purchase	185	84710	0.64
				07.06.2019	Purchase	45	84755	0.64
				14.06.2019	Transfer	(45)	84710	0.64
				29.11.2019	Transfer	(1913)	82797	0.62
				27.12.2019	Transfer	(1000)	81797	0.61
				10.01.2020	Transfer	(79024)	2773	0.02
				14.02.2020	Transfer	(2000)	773	0.01
31.03.2020			773	0.01				



(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
1	Jeetmal B. Parekh, Chairman				
	At the beginning of the year	1744481	13.10	1744481	13.10
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
	At the End of the year	1744481	13.10	1744481	13.10
2	Rahul J. Parekh, Managing Director				
	At the beginning of the year	2551119	19.15	2551119	19.15
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
	At the End of the year	2551119	19.15	2551119	19.15
3	Anand J. Parekh, Jt. Managing Director				
	At the beginning of the year	2451122	18.40	2451122	18.40
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
	At the End of the year	2451122	18.40	2451122	18.40
4	Sangita S. Singhi, Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding 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
5	Chirag Y. Shah, Independent Director				
	At the beginning of the year	30341	0.23	30341	0.23
	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	30341	0.23	30341	0.23
6	Nirmal D. Desai, Independent Director				
	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
7	Rajendra R. Mehta, Chief Financial Officer				
	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
8	Kevin J. Dhruve, Company Secretary				
	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



VI. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	34.64	0	0	34.64
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	34.64	0	0	34.64
Change in Indebtedness during the financial year				
• Addition	268.03	0.15	0	268.18
• Reduction	-269.28	-0.15	0	-269.43
Net Change	-1.25	0.00	0	-1.25
Indebtedness at the end of the financial year				
i) Principal Amount	33.39	0	0	33.39
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	33.39	0	0	33.39

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					
	· 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		398202	1560000	1958202
	(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	0	0
	- as % of profit		0	0	0
	- Others, specify...		0	0	0
5	Others, please specify		0	0	0
	Total (A)	398202	1560000	1958202	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal Made. If any (give details)
A. COMPANY			N.A.		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by -4.9 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.4 percent in 2021 as economic activity normalizes, helped by policy support. Also, current orders of textiles have dropped 41 percent on average globally; and expected global turnover in 2020 is down by 33 percent compared to 2019.

The significant actions of large central banks in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. These actions have supported confidence and contribute to limiting the amplification of the shock, thus ensuring that the economy is better placed to recover. The synchronized actions can magnify their impact on individual economies and will also help generate the space for emerging market and developing economies to use monetary policy to respond to domestic cyclical conditions.

Real GDP Growth (YoY)	Projections		
	2019	2020	2021
World	2.9	-4.9	5.4
Advanced Economies	1.7	-8.0	4.8
Unites States	2.3	-8.0	4.5
Euro Area	1.3	-10.2	6.0
United Kingdom	1.4	-10.2	6.3
Canada	1.7	-8.4	4.9
Emerging Markets and Developing Economies	3.7	-3.0	5.9
India	4.2	-4.5	6.0
China	6.1	1.0	8.2
Russia	1.3	-6.6	4.1

[Source: World Economic Outlook by International Monetary Fund]

INDIAN ECONOMY

The International Monetary Fund slashed its FY21 growth projection for India to -4.5 from 5.8% projected in January, holding that the ‘Great Lockdown’ to combat the COVID-19 outbreak will throw the world economy into the worst recession since the Great Depression in 1930s.

The coronavirus pandemic came at a time when India’s economy was already slowing, due to persistent financial sector weaknesses. The severe disruption of economic activities caused by COVID-19, both through demand and supply shocks, has overtaken the incipient recovery in the Indian economy leading to massive job losses. IMF even expects FY20 growth at 4.2% as against 5% estimated by India’s statistics department.

India continues to be one of the fastest growing emerging economies in the world. An impending revival in demand, positive consumption pattern and rising disposable income, makes India the most sought after investment destinations. Already the fifth largest economy in the world, India is supposed to take its place among the world’s top three economic powers in the next 10-15 years. The pandemic has undoubtedly affected India, but with the right economic stimulus and the gradual opening up of the lockdown the situation can be expected to improve. Interstate movement of goods is gradually picking up and retail financial transactions are showing a healthy trend.

India’s gross domestic product (GDP) is expected to contract by 5.3 per cent year on year (YoY) in fiscal 2020-21, according to India Ratings and Research (Ind-Ra), which recently said this will be the lowest GDP growth in Indian history and the sixth instance of economic contraction, others being in 1957-58, 1965-66, 1966-67, 1972-73 and 1979-80.

The previous low was negative 5.2 per cent in 1979-80.

The disorder caused by the COVID-19 pandemic unfolded with such a speed and scale that the disruption in production, breakdown of supply chains, trade channels and total washout of activities in aviation (some activity has started now), tourism, hotels and hospitality sectors will not allow the economic activity to return to normalcy throughout 2020-21.

GLOBAL TEXTILE AND APPAREL INDUSTRY

One of the largest providers of employment after agriculture, the global textile and apparel industry is dynamic and ever evolving. It has undergone enormous changes over the years, witnessing multiple shifts in consumption and production patterns, as also significant changes in geographies and manufacturing, given its dependence on the availability of cheap labour.

Textile and apparel trade is predicted to grow at a CAGR of 6.4% during the period 2020-29. Apparel trade is likely to grow at a CAGR of 5.5% and textiles at a CAGR of 7% during the period. Rising disposable income, population, and rapid urbanisation in the emerging economies such as India, China, and Mexico are believed to be the key drivers of this market growth.

The US and EU countries are the major consumers of textiles and they dominate the apparel industry. But over the years, a major part of the industry has moved away from the developed world towards China, South and South-East Asia, because of the abundance of raw



materials and cheap labour. But more interestingly, the emerging markets led by countries such as India, China, Russia and Brazil are becoming consumption markets. India and China, both of which have a strong textile manufacturing base, are emerging as both sourcing and consuming nations.

The global textile market is expected to decline from \$ 673.9 billion in 2019 to \$ 655.2 billion in 2020 at a compound annual growth rate (CAGR) of -2.8%. The decline is mainly due to economic slowdown across countries owing to the COVID-19 outbreak and the measures to contain it. The market is then expected to recover and grow at a CAGR of 7% from 2021 and reach \$795.4 billion in 2023. Asia-Pacific was the largest region in the global textile market, accounting for 50% of the market in 2019. Western Europe was the second largest region accounting for 18% of the global textile market.

Asia-Pacific was the largest region in the global textile market, accounting for 50% of the market in 2019. Western Europe was the second largest region accounting for 18% of the global textile market. Africa was the smallest region in the global textile market.

Presently, China holds the largest share in textile and apparel global trade, aided by its vertically integrated supply chain from production of fibre to the weaving of fabric and garmenting. The textile industry in China has the capability to manufacture all categories of products and provides an entire ecosystem that offers complete service to brands and retailers. But increasing labour and energy costs are eroding China's competitive advantage to some extent. It is seeing a slowdown in exports. The global apparel manufacturers are finding Bangladesh, Vietnam and India equally attractive destinations.

Advancements in wireless technologies and rising demand for connectivity is driving the demand for smart textiles. Smart textiles are fabrics capable of interacting with their environment. They have the ability to react to physical stimuli such as thermal, mechanical, electrical and chemical source.

INDIAN TEXTILE AND APPAREL INDUSTRY

India's textiles industry goes back several centuries and is among the oldest industries in the country. It accounts for 14% of the industry output and is one of the largest contributors to the economy, accounting for ~2% of the GDP. After agriculture, it is the second largest generator of income, employing close to 40 million people, and contributing 10% to the country's manufacturing, owing to its labourintensive nature. The industry is vertically integrated with almost all sub-sectors and is thus integral to the economy.

India's textile and apparel exports are expected to touch \$300 billion by 2024-25, resulting in a tripling of the country's market share globally from 5 per cent to 15 per cent. The textiles and apparel industry contributes 2.3 per cent to India's GDP and accounts for 13 per cent of industrial production, and 12 per cent of the country's export earnings. The Indian apparel industry was estimated to be worth \$62 Billion in 2019 and is projected to reach ~\$129 Billion in 2029 growing at CAGR of ~7.6% over 2019-29 period.

India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam. The textiles and apparel industry constitutes ~11% of the total exports of the country.

However, one factor affecting India's textile trade is currency fluctuation that remains a challenge for the industry. Exports have been a core feature of India's textile sector. Indian textiles and apparel exports were estimated at \$35.5 billion in 2019 and is expected to grow at a CAGR of 11% over the next decade to reach \$100 billion by 2029. Exports of both man-made textile and readymade garments have seen a major boost.

A major factor behind the robustness of India's textile industry is its strong production base with a wide range of fibres and yarns. India is among the top producers of jute and silk, and beyond its natural fibres such as cotton, jute, silk and wool; and synthetic, its manmade fibres such as polyester, viscose, nylon and acrylic have also created a niche for themselves in the market.

The Indian apparel sector is one of the fastest growing in the world, backed as it is by a robust demand growth. The country's apparel market is driven mainly by menswear, which commands a 42% share of the total market. Women's wear holds a 37% share while kids' wear account for 21% of the apparel market.

The major challenges in the Indian apparel industry are increasing competition, sustained discounting that is expected to moderate margins and product obsolescence due to ever- evolving fashion trends.

IMPACT OF COVID-19 PANDEMIC ON TEXTILE & APPAREL INDUSTRY

The Indian textile and apparel industry has been adversely impacted in the short to mid-term due to lockdown and lower consumer spends. The sector is reeling under liquidity and cost pressure as well due to the unprecedented damage caused by COVID-19.

Taking into account India's position as a preferred destination for sourcing textile and apparel products by leading brands worldwide, Indian garmenting sector is getting impacted with deferment and cancellation of orders. The Company has taken steps to ensure the health and safety of its employees and customers.

In the face of the business environment, it has also adopted a fundamental change in its financial strategy in an endeavor to emerge as a resilient and an agile organization. While MRT remains committed to concentrating on its core business, there is greater thrust on implementing stringent financial discipline. Measures are being undertaken, including extending support to our channel partners, to ensure seamless business continuity. Digital capabilities are being scaled up to reach out to channel partners, customers and employees. In line with the prevailing market conditions and unprecedented challenges, the Company has undertaken the process of cost rationalisation and various cost control measures related to sales and marketing, manpower, rentals and others to minimise the impact on business.



BUSINESS OVERVIEW

The Company continues to sustain with its overall performance in the financial year 2019-20 driven by the average performance in existing and new business. There is substantial growth in both the segments in which your Company operates i.e. Traditional Textile segment and 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.

Your Company reported at standalone level, the total income of the company is ₹ 18111.19 Lakhs as against ₹ 18665.01 Lakhs in the previous year. The Profit before Tax amounted to ₹ 622.23 Lakhs as against ₹ 614.69 Lakhs in the previous year. The net profit after tax was decreased to ₹ 481.65 Lakhs as against ₹ 493.16 Lakhs in the previous year and total comprehensive income for the year amounted to ₹ 495.23 Lakhs as against ₹ 495.82 Lakhs in the previous year.

The Consolidated Revenue from Operations amounted to ₹ 18199.81 Lakhs as against ₹ 18801.90 Lakhs in the previous year. The Consolidated Net Profit before Tax amounted to ₹ 594.05 Lakhs as against ₹ 618.50 Lakhs in the previous year. The Consolidated Net Profit after Tax amounted to ₹ 459.84 Lakhs as against ₹ 496.02 Lakhs in previous year and Total Comprehensive Income for the year amounted to ₹ 470.72 Lakhs against ₹ 498.84 Lakhs in 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 ₹ 17.25/- Crores.

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 separate 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 unit which includes warping and sizing. This unit has automatic rapier looms and airjet 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 of Offset Rubber Printing blankets and a range of other niche rubber products. This division is manufacturing Offset Rubber 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 continuing making efforts to market their offset printing blankets in the world market.

Your company is in the process of commissioning an ambitious project for manufacturing of Textile Print Media substrates for use in digital banners & signage printing. The product range would include Back-lite, Front-lite, Hoardings and Banners. Apart from being innovative in nature, the major USP of our Textile based Digital Print Media would be that they will be innovative in nature, eco-friendly, recyclable, bio degradable, PVC free, and non-hazardous. Upon the commissioning of the new project your company would also have the capability of manufacturing various types of Technical Coated Fabrics. The fabric would be coated with Acrylics, PU, PVC and Rubber and other different polymers. The said Technical Coated Fabric would be used for various applications such as Tarpaulins, Awnings, Covers, Defense Application, Healthcare, Medical Substrates, Transport, Automotive, Aeronautic & Space, Architectural Membranes, Flexible Membranes for Civil Structures, Blinds, Protective Clothing, Home Furnishing, Geo Textiles, Industrial Fabrics, Sports, Environmental Pollution control, etc.

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 is having domestic market, as well as exports to various countries across the globe. The Company have well equipped laboratory, quality assurance team and equipment to produce and offer its premium product line, with speciality character and performance, to match all kind of national or international norms and standards. The company regularly participates in international exhibitions enabling it to keep abreast with the latest global trends.

STRENGTH AND WEAKNESS:

Indian textile industry is as old as the word textile itself. This industry holds a significant position in India by providing the most basic need of Indians. Starting from the procurement of raw materials to the final production stage of the actual textile, the Indian textile industry works on an independent basis.

In addition to availability of large labor force with required skills at a comparatively cheap rate, Indian Textile Industry has a great advantage in that India is the third largest cotton producing country in the World. The Indian textile industry is autonomous and self-governing. Cheap labour and strong entrepreneurial skills have always been the backbone of the Indian Apparel and textile Industry.

The Ministry of Textiles under the Government of India has taken some significant steps to promote the textile industry and Technical textile industries in the Country. Technology Up-gradation Fund Scheme aims at making available funds to the domestic textile industry for



technology up-gradation and setting up for new units. This scheme aims to generate annual growth in volume terms in cloth production and in value terms in exports by increasing domestic value addition and technology depth and enhancing global competitiveness. The Indian Government and State Government have come up with a number of exports promotion policies for the textile and technical textile sector. However, one of the biggest weakness of the Textile industry is its old machines, spinning and processing sector lacks modernization and there is a need of introducing new technology and also India has relatively less number of shuttle-less loom. Obsolescence of technology, risk in industrial environment from competition, changing customer needs may affect company's business.

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 rise of e-commerce and emerging retail industry and malls provide huge opportunities for the apparel and home textiles. The organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of ~8% 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.

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.

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.

While the global textile industry is advancing technologically, local textile industry still relied on import of second hand textile machineries. Moreover; huge tariff barriers are faced by the Industry on account of preferential tariff arrangements.

SEGMENTAL REVIEW AND ANALYSIS: (SEGMENT WISE PERFORMANCE)

The performance of our Technical Textile unit has been well and noted the significant increase in the turnover as well as in the profit. The Traditional Textile Unit performs steady and has been some growth in jobwork. Due to a general market recession, the demand and prices for 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 .

OUTLOOK:

During the year under review, the Rubber/Technical 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 line specially in Technical Coated Fabrics offering from new clients. These measures will ensure the company maintaining its strong position in the domestic market as well as its presence in the world market. Moreover the other raw material Synthetic Rubber being imported, hence volatility in foreign currency and price in international market may impact the cost of production. 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.

Textile industry is always subject to facing crisis in a cyclical way. Timely action is needed to overcome this situation by taking corrective and proactive steps, then and there.

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 them from time to time.

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 financial highlights during the year and State of Company's Affairs in the Board of Directors Report. During FY 2019-20, the market remained exposed to intermittent bouts of volatility due to domestic developments as well as uncertainty surrounding the evolution of global financial markets which impacted the market sentiments and liquidity conditions significantly.

Particulars	FY 2019-20	FY 2018-19	% change
Debtor Turnover (Times)	5.05	4.95	2.09
Inventory Turnover (Times)	5.30	5.27	0.44
Interest Coverage Ratio (Times)	5.31	4.47	18.73
Current Ratio (Times)	1.41	1.40	0.69
Debt Equity Ratio (Times)	0.38	0.42	-9.25
Operating Profit Margin (%)	4.26	4.29	-0.58
Net Profit Margin (%)	0.03	0.03	0.26

During the current financial year there has been marginally decrease in Operating Profit Margin whereas marginal increase in Net Profit Margin mainly due to volatility in market globally of the Rubber/Technical Textile Segment in which your Company operates.

The Net Worth of the Company stood at ₹ 88.34 crore as on March 31, 2020. Return on Net worth for the year 2019-20 stands at 5.45 % as against 5.93 % for 2018-19.

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 its 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 led 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 9001:2015 CERTIFICATION:

We wish to inform you that your company has obtained the ISO 9001:2015 Certification for Technical Textile & Rubber Division, Accredited by TUV South Asia Private Limited, covering all major criteria Development and Manufacturing of Rubber and Technical Textile Products. 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 quality products 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

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance includes transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalization, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sin-quo-nun of modern management.

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. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

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 March 31, 2020.

Governance Structure

The Corporate Governance structure at Mahalaxmi Rubtech Limited is as follows:

1. Board of Directors:

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

Board of Directors:

The Board consists of 6 (Six) directors of whom one is Non-Executive Chairman, two Managing Directors and three Non-Executive Directors (Independent).

During the year Eight Board Meetings were held on 24.05.2019, 12.08.2019, 25.09.2019, 24.10.2019, 12.11.2019, 24.12.2019, 14.02.2020 and 24.02.2020. 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 30.09.2019	No. of other Directorships	Committee of the Board	
					Membership***	Chairmanship***
Jeetmal B. Parekh (DIN 00512415)	NED-P	8	YES	*6	0	0
Rahul J. Parekh (DIN 00500328)	MD	8	YES	*9	1	0
Anand J. Parekh (DIN 00500384)	JT. MD	7 ^{&}	YES	*4	2	0
Sangita Singhi (DIN 06999605)	NED-I (WD)	7 ^{&}	YES	2	1	0
Chirag Y. Shah# (DIN: 00570434)	NED-I	6	YES	*2	1	1
Nirmal D. Desai# (DIN: 08534754)	NED-I	6	YES	NIL	1	1
Malav J. Ajmera\$ (DIN: 02441549)	NED-I	3	N.A.	NIL	1	1
Nehal M. Shah\$ (DIN: 00020062)	NED-I	3	N.A.	NIL	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, and Stakeholders Relationship Committee in public limited companies including this entity.

appointed as Independent Directors with effect from 12th August, 2019 and approved by members in 28th AGM.

\$ ceased to be the Directors with effect from September 28, 2019 upon completion of their term as Independent Directors.

- Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.
- Except Mr. Jeetmal Bhoorchand Parekh, Mr. Rahul Jeetmal Parekh and Mr. Anand Jeetmal Parekh who are immediate relative, none of the Directors are related to each other.

& Were given leave of absence on request.

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 Chirag Y. Shah & Shri Nirmal D. Desai are Non-Executive Directors (Independent).

Matrix setting out the skills/expertise/competence required in the context of its business for it to function effectively and those actually available with the Board:

In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise /competencies of the Directors in the context of the Company's business for effective functioning as given below:

Sr. No.	Areas of expertise required	Description	Skill areas actually available with the Board
1	Experience of crafting Business Strategies	Experience in developing long-term strategies to grow consumer business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions	Yes
2	Governance, Risk and Compliance	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.	Yes
3	Finance and Accounting experience	Comprehensive understanding of financial accounting, reporting and controls and analysis.	Yes
4	Sales, Marketing & Brand building	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.	Yes
5	Understanding of Consumer and Customer Insights in diverse environments and conditions	Experience of having managed organisations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.	Yes

Expertise/ Skills of Directors

Name of the Director & DIN	Expertise/ Skills				
	Experience of crafting Business Strategies	Governance, Risk and Compliance	Finance and Accounting experience	Sales, Marketing & Brand building	Understanding of Consumer and Customer Insights in diverse environments and conditions
Jeetmal B. Parekh (DIN 00512415)	✓	✓	✓	✓	✓
Rahul J. Parekh (DIN 00500328)	✓	✓	✓	✓	✓
Anand J. Parekh (DIN 00500384)	✓	✓	✓	✓	✓
Sangita Singhi (DIN 06999605)		✓	✓		✓
Chirag Y. Shah* (DIN: 00570434)	✓	✓	✓	✓	
Nirmal D. Desai* (DIN: 08534754)		✓	✓		✓
Malav J. Ajmera ⁵ (DIN: 02441549)		✓	✓		✓
Nehal M. Shah ⁵ (DIN: 00020062)	✓	✓	✓	✓	

\$ ceased to be the Directors with effect from September 28, 2019 upon completion of their term as Independent Directors.

* appointed as Independent Directors with effect from 12th August, 2019 and approved by members in 28th AGM.



The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulation.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

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. During the year, the meeting of Independent Directors was held on March 03, 2020. The Familiarization programme for Independent Directors is available at the Company's website i.e. www.mrtglobal.com.

2. Committees of the Board:

The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee and Risk Management Committee. Each of the said Committee has been mandated to operate within a given framework.

A) Audit Committee:

Composition and Terms of Reference:

The Audit Committee comprises of two Independent Directors and one Executive Director. Shri Chirag Y. Shah – Independent Director is the Chairperson, 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 Previous Chairperson of the Audit Committee was Shri Malav J. Ajmera - Independent Director who has attended last Annual General Meeting of the Company held on September 30, 2019. The Company Secretary acts as the Secretary to the Committee.

The statutory auditors and the internal auditors were present as invitees in all the meetings. The Managing Director and CFO of the Company attended the meetings by invitation. Based on the requirement, other directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

The Committee met 5 (Five) times during the year on 24.05.2019, 12.08.2019, 25.09.2019, 12.11.2019 and 13.02.2020. The attendance of members at the meetings was as follows:

Name of Member	Category	Designation	Attendance at Committee Meeting during FY 2019-20	
			Number of Meetings held	No. of Meetings Attended
Malav J. Ajmera*	Non-Executive, Independent Director	Past Chairperson	5	3
Chirag Y. Shah**	Non-Executive, Independent Director	Chairperson	5	2
Anand J. Parekh	Jt. Managing Director (Executive)	Member	5	5
Sangita Singhi	Non-Executive, Independent Director	Member	5	5

*Ceased to be Member and Chairman of this committee consequent to the completion of his term as Independent Director w.e.f. 28.09.2019

**Appointed as Member and Chairman of this Committee w.e.f. 01.10.2019.

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:-

- Management Discussion and Analysis of financial condition and results of operation,
- Statement of significant Related Party transactions submitted by the management,
- Internal Audit Reports relating to internal control weaknesses,



- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board,
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board,
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- Evaluation of internal financial controls and risk management systems
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Compliance with listing and other legal requirements relating to financial statements
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the company, as and when required as per the charter and the terms of reference, the Audit Committee, also:
- Recommends appointment of Auditors and their remuneration and approves the appointment of CFO
- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditors / Internal Auditors.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee approves payments to statutory auditors for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of listing agreement / SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on Related Party Transactions. The Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee. On a quarterly basis the Audit Committee reviews related party transactions entered into by the company pursuant to each of the omnibus approval.

The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 SEBI LODR, including review of internal auditor observations, statutory compliance.

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.

B) **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 Chirag Y. Shah as members.

During the year under review, the committee met three times on 12.08.2019, 24.12.2019 and 03.02.2020. The attendance of members at the meetings was as follows:

Name of Member	Category	Designation	Attendance at Committee Meeting during FY 2019-20	
			Number of Meetings held	No. of Meetings Attended
Sangita Singhi	Non-Executive, Independent Director	Chairperson	3	3
Jeetmal B. Parekh	Non-Executive, Chairperson	Member	3	3
Chirag Y. Shah**	Non-Executive, Independent Director	Member	3	2
Malav J. Ajmera*	Non-Executive, Independent Director	Member	3	1

*Ceased to be Member of this committee consequent to the completion of his term as Independent Director w.e.f. 28.09.2019

**Appointed as Member and Chairperson of this Committee w.e.f. 01.10.2019.

Details of Remuneration for the year 2019-20 paid to the Directors are as follows:

Remuneration of Shri Rahul J. Parekh, Managing Director: -

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

Remuneration of Shri Anand J. Parekh, Jt. Managing Director: -

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

Name	Age	Designation	Date of Initial Appointment	Nature of Employment	Shares held
Jeetmal B. Parekh	77	Chairman	27.08.1993	-----	1744481
Rahul J. Parekh	48	Managing Director	05.07.1995	As Per terms of Appointment	2551119
Anand J. Parekh	44	Jt. Managing Director	19.11.2008	As Per terms of Appointment	2451122
Nirmal D. Desai	50	Director	18.08.2019	-----	NIL
Chirag Y. Shah	49	Director	12.08.2019	-----	30341
Sangita S. Singhi	49	Director	31.03.2016	-----	NIL
Nehal M. Shah	48	Director	30.03.2005	-----	NIL
Malav J. Ajmera	43	Director	19.11.2008	-----	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.

Terms of Reference:

- To formulate criteria for determining qualifications, positive attributes and independence of director for evaluation of performance of Independent Directors and the Board.
- To approve the remuneration policy of directors.
- To devise policy on Board diversity.
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the executive directors.
- To evaluate performance, recommend and review remuneration of the executive directors based on their performance.
- To recommend to the board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation.
- To consider and recommend professional indemnity and liability for Directors, KMP and SMP.

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.

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. The details of such programme are available on the website of the company and may be accessed through the website <http://www.mrtglobal.com>.

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.

C) 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 24.05.2019, 25.09.2019, 12.11.2019 and 14.02.2020. The attendance of members at the meetings was as follows:

Name of Member	Category	Designation	Attendance at Committee Meeting during FY 2019-20	
			Number of Meetings held	No. of Meetings Attended
Nehal M. Shah*	Non-Executive, Independent Director	Past Chairperson	4	2
Nirmal D. Desai**	Non-Executive, Chairperson	Chairperson	4	2
Rahul J. Parekh	Managing Director (Executive)	Member	4	4
Anand J. Parekh	Jt. Managing Director (Executive)	Member	4	4



*Ceased to be Member and Chairperson of this committee consequent to the completion of his term as Independent Director w.e.f. 28.09.2019

**Appointed as Member and Chairperson of this Committee w.e.f. 01.10.2019

Shri Kevin J. Dhruve, Company Secretary is a Compliance Officer.

During the year company has not received any complaints 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.

D) Share Transfer Committee:

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization, split / consolidation, issue of duplicate share certificates etc. to a committee comprising of such senior officials designated from time to time. The Committee meets on a case to case basis to approve share transfers and transmissions. The Committee reports the details of transfer of securities to the Board. No sitting fees payable to the committee members.

Pursuant to Regulation 40(9) of the Listing Regulations with the stock exchanges, the Company obtains a Certificate from a Practicing Company Secretary on half yearly basis, for due compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI Listing Regulations.

3. 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 includes the Managing Director ('MD'), Jt. Managing Director ('JMD'), One Independent Director, 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.

4. 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). 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.

5. Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/ unpaid dividend are available on the website of the Company viz. www.mrtglobal.com

6. Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of 7 (seven) years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of 7 (seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF authority.



The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF on December 02, 2019, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

7. 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.
- The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. 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 Board (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. 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 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, 2020, 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.
- In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- 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.
- Total fees paid to Statutory Auditor of the Company is provided in notes of financial statement and form part of this Report. Further, Statutory Auditor had not provided any service or paid any fees from the Wholly Owned Subsidiary of the Company .
- In the opinion of the Board, Independent Directors of the Company fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management.
- The Company has obtained credit rating from Care Rating Limited, for its long term debt BBB+ and for its short term debt A2 for the financial year 2019-20.

8. Compliance

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regard to Corporate Governance.

9. Means of Communication to Shareholders

- (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within timelimit from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Gujarati) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website www.mrtglobal.com
- (iv) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- (v) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.



- (vi) SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (vii) The Company has designated the email id cs@mahalaxmigroup.net exclusively for investor relation and the same is prominently displayed on the Company's website www.mrtglobal.com

10. General Body Meeting:

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

Year	Location	Day & Date	Time	Special Resolutions passed
2018-19	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	Monday 30.09.2019	11.30 AM	1. To approve continuation of holding office of NED of the company by Mr. Jeetmal Parekh above age of 75.
2017-18	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	Friday 28.09.2018	11.30 AM	1. To approve conversion of loan into equity 2. To consider and decide place of maintaining and keeping Register of Member & other registers at place other than the Registered Office of the Company 3. To change/alter Memorandum of Association – Object clause of the Company
2016-17	Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006	Wednesday 27.09.2017	11.30 AM	No. Special Resolution passed in the meeting

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.

11. General Shareholder information

Annual General meeting to be held on	:	30th September 2020, Wednesday at 11.30 a.m. or any other date depending on current pandemic situation.
Place of the meeting	:	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Tentative Financial Calendar	:	1st April 2020 to 31st March 2021
Financial Results	:	
* First Quarter Results	:	By 14th August, 2020
*Half Yearly Results	:	By 14th November 2020
*Third Quarter Results	:	By 14th February 2010
*Annual Results	:	Within 60 days from 31st March, 2021
Book Closure Date	:	From 24nd September, 2020 to 30th, September, 2020 (both days inclusive) or any other date depending on current pandemic situation.
Dividend Payment date	:	N.A.
Listing at Stock Exchanges:		
Name of Stock Exchange	:	BSE Limited
Stock Code	:	514450
ISIN NO. (dematerialized Shares)	:	INE112D01035
Corporate Identity Number (CIN)	:	L25190GJ1991PLC016327

The Company has already paid listing fees for the year 2019-20 to all the Stock Exchanges, where listed.

Market Price Data: (as per BSE)

Month	Highest Rate (₹)	Lowest Rate (₹)
April, 2019	40.90	35.05
May, 2019	41.50	33.90
June, 2019	42.00	32.10
July, 2019	40.00	31.05
August, 2019	40.95	31.10
September, 2019	40.25	33.00
October, 2019	42.95	31.00
November, 2019	35.90	28.10
December, 2019	36.50	26.60
January, 2020	34.00	28.30
February, 2020	39.80	27.50
March, 2020	43.40	24.10

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 St. 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):

Link Intime India Private Limited (Registered Office)	Link Intime India Private Limited (Investor Relations Centre)
C-101, 247, Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel No.: 022 - 49186270, Fax No.: 022 - 4918 6060 Email: rnt.helpdesk@linkintime.co.in	506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. 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

Share Transfer System:

The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within a due time from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

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

Distribution of Share holding: (As on 31st March 2020)

No. of Shares	Shareholders		No. of Share held	
	Number	Total in %	Numbers	Total in %
1 - 500	3672	84.14	442690	3.32
501 - 1000	253	5.80	199143	1.50
1001 - 2000	161	3.69	241478	1.81
2001 - 3000	59	1.35	146836	1.10
3001 - 4000	30	0.69	106320	0.80
4001 - 5000	40	0.92	183353	1.38
5001 - 10000	49	1.12	346010	2.60
10001 & ABOVE	100	2.29	11654445	87.49
Total	4364	100.00	13320275	100.00



Shareholding Pattern: (As on 31st March 2020)

Category	No. of Shares held	% to the Shareholding
Promoters & Associates	95,96,597	72.04%
Bodies Corporate	4,53,508	3.40%
Non-Resident Indians	26,465	0.20%
Banks & Mutual Funds	7925	0.06%
Public	32,35,780	24.30%
TOTAL	1,33,20,275	100.00%

Dematerialization 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, 2020, 99.44% Shares have been dematerialized. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE112D01035.

Outstanding GDRs / ADRs / Warrants or any Convertible:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

COMPLIANCE CERTIFICATE:

[Regulation 17(8) of SEBI (Listing and Disclosure Requirements, 2015)]

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 31-03-2020 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: July 06, 2020

Rahul J. Parekh
Managing Director

Rajendra R. Mehta
Chief Financial Officer



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, 2020

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

On behalf of the Board of Directors,

Place: Ahmedabad

Date: July 06, 2020

Rahul J. Parekh

Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C of clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Mahalaxmi Rubtech Limited

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

Ahmedabad – 380002, Gujarat.

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mahalaxmi Rubtech Limited having CIN L25190GJ1991PLC016327 and having registered office at 47, New Cloth Market, O/s Raipur Gate, Ahmedabad – 380002, Gujarat (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1	Jeetmal Bhoorchand Parekh	00512415	27.08.1993
2	Rahul Jeetmal Parekh	00500328	07.05.1995
3	Anand Jeetmal Parekh	00500384	19.11.2008
4	Sangita Sandeep Singhi	06999605	31.03.2016
5	Chiragbhai Yogeshbhai Shah	00570434	12.08.2019
6	Nirmal Dilip Desai	08534754	12.08.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Hudda & Associates Company Secretaries LLP

(Bunty Hudda)

Designated Partner

ACS 31507 / CP NO. 11560.

UDIN: A031507B000431357



INDEPENDENT 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 2020, as specified in Chapter IV and Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (collectively referred to as “SEBI Listing Regulations”).

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 SEBI Listing Regulations for the year ended on March 31, 2020.

We state that in respect of investor grievances received during the year ended March 31, 2020, 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, P C Bothra & CO.
Chartered Accountants
Firm Registration No. 306034E

Pawan K. Bothra
Partner
Membership No. 400385
UDIN: 20400385AAAAAF4910

Place: Ahmedabad
Date : July 06, 2020



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHALAXMI RUBTECH LIMITED

Report on the audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **MAHALAXMI RUBTECH LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2020 and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 42 to Standalone Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Estimation of provision for sales returns and discounts and volume rebates in the financial statements.</p> <p>Revenue from sale of products is presented net of returns, discounts and volume rebates in the financial statements.</p> <p>The management determines the returns, discounts and rebates on the basis of various factors such as the current and expected operating environment, sales returns variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts and volume rebates on sale of products as a key audit matter in view of it having significant impact on the recognized revenue and the involvement of management judgment in estimating the amounts at which these are expected to be settled.</p> <p>2. Physical verification of inventories</p> <p>The Company's inventories include raw materials, semi-finished goods, finished goods, stock-in-trade, stores, spares and fents & rags.</p> <p>The Company has adequate inventory records and system as also internal controls over inventory movements and records. The Company has established procedures to carry out physical inventories during the year as also at the year-end. Accordingly, physical verification of inventories was carried out during the year and details thereof were provided to the auditors. Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end.</p> <p>At the time of such subsequent verification, it was impracticable for the auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.</p> <p>This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario. [Refer Note "42" of the standalone financial statements]</p>	<p>In this regard, our audit procedures included:</p> <p>Understanding the policies and procedures applied to estimate the sales returns, discounts and volume rebates including evaluation and testing of the design and operating effectiveness of controls related to these estimates.</p> <p>Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of estimates based on understanding of the market conditions.</p> <p>Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognized in the earlier financial years with their subsequent settlement, ratio analysis of discounts, volume rebates and sales returns as a percentage of sale of last few years.</p> <p>Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.</p> <p>Based on the above procedures performed, the estimates made by the management in respect of sales returns and discounts and rebates on sales were considered to be reasonable.</p> <p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:</p> <ul style="list-style-type: none"> • Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements) whether such controls have operated effectively during the period of audit; • Obtained details/documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be; • The count was carried for all items of inventories on sample basis and in some cases of on the best judgement basis as also on the basis of previous experience of conducting inventory count; • Rollback procedures were applied to arrive at the inventories as verified by the Company as at the year-end; • Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end; • Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.

Information other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon,

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- i) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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"**, 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 it appears from our examination of those books;
 - (c) The balance sheet, the Statement of profit and loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under
 - (e) On the basis of written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in the **Annexure-B**. Our report expresses an unmodified opinion.
 - (g) With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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, as amended, 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 Standalone Financial Statements.
 - ii. The company has made provision, as required under the applicable law or IND AS, 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 during the year ended 31st March, 2020.

**For P.C. BOTHRA & CO.,
Chartered Accountants.
Firm Registration No. 306034E**

**(P. K. BOTHRA)
Partner.
M. No. 400385**

Ahmedabad: 6th July, 2020.



“Annexure A” to the Independent Auditors’ Report on the Standalone Financial Statements of Mahalaxmi Rubtech Limited

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Financial Statements of the Company for the year ended March 31, 2020:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) According to the information and explanations given to us, the company has adopted a policy of physical verification of the fixed assets 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) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2) (a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
 - (b) According to the information and explanations given to us, the discrepancies noticed on physical verification of the inventory as compared to books records were not material and have been properly dealt with in the books of account.
- 3) According to the information and explanations given to us and in our opinion the Company has granted unsecured and interest free loan to its subsidiary companies only covered in the Register maintained under section 189 of the Act.
 - a. The terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the company;
 - b. The principal amount of the loan have been repaid as stipulated.
- 4) According to the information and explanations given to us and in our opinion, 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) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order 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. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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, Goods & 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, 2020 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 involved (Rs.In lakhs)	Forum where dispute is pending
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 institutions. 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 Ind AS.
- 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 P.C. BOTHRA & CO.,
Chartered Accountants.
Firm Registration No. 306034E**

**(P. K. BOTHRA)
Partner.
M. No. 400385**

Ahmedabad: 6th July, 2020.

“Annexure B” to the Independent Auditors’ Report on the Standalone Financial Statements of Mahalaxmi Rubtech Limited

(Referred to in paragraph 1(f) under “Report on other legal and regulatory requirements” of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2020 in conjunction with our audit of the Standalone 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. 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 Standalone 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 Standalone 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone 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, to the best of our information and according to the explanations given to us, the Company have, 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, 2020, 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 P.C. BOTHRA & CO.,
Chartered Accountants.
Firm Registration No. 306034E**

**(P. K. BOTHRA)
Partner.
M. No. 400385**

Ahmedabad: 6th July, 2020.



BALANCE SHEET AS AT 31ST MARCH 2020

	Notes	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	1	582308351	642666221
Capital work-in-progress	2	108439552	20020982
Intangible assets	3	33406132	38357710
Financial assets			
Investments	4	3592442	1565103
Loans		--	--
Other financial assets	5	3235167	3037007
Other non-current assets	6	3350867	12557714
Total non-current assets		734332510	718204737
Current assets			
Inventories	7	339536380	350087393
Financial assets			
Investments		---	---
Trade receivables	8	356132644	373225704
Cash and cash equivalents	9	63402664	59117808
Bank balances other than cash and cash equivalents	10	180948968	134326746
Loans	11	8013987	14443730
Other financial assets	12	29973800	32402385
Other current assets	13	39157564	34896807
Assets classified as held for sale	14	1492902	1591088
Total current assets		1018658908	1000091661
TOTAL ASSETS		1752991418	1718296396
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	133202750	133202750
Other Equity	16	750202453	698409396
Total Equity		883405203	831612146
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	76401638	88831520
Other financial liabilities		---	---
Provisions	18	14790270	13254798
Deferred Tax Liabilities (Net)	19	27038207	34735751
Other non-current liabilities	20	28568315	35382459
Total non-current liabilities		146798431	172204528
Current liabilities			
Financial liabilities			
Borrowings	21	190205299	225728474
Trade payables	22	430326611	417636101
Other financial liabilities	23	88956198	61191460
Other current liabilities	24	6622870	8823597
Provisions		---	---
Current tax liabilities (net)	25	6676806	1100088
Total current liabilities		722787784	714479721
TOTAL LIABILITIES		869586215	886684250
TOTAL EQUITIES AND LIABILITIES		1752991418	1718296396

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

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

Chairman
(DIN 00512415)

Director
(DIN00570434)

Chief Financial Officer

Managing Director
(DIN 00500328)

Director
(DIN08534754)

AHMEDABAD: 06th July, 2020.

Jt. Managing Director
(DIN 00500384)

Director
(DIN06999605)

Company Secretary
M.No. 60857


STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Income			
Revenue from operations	26	1797927894	1845700040
Other income	27	13191403	20801358
Total income		1811119297	1866501398
Expenses			
Cost of material consumed and Trading Purchase	28	1008941731	1015788011
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	-14933157	-24671078
Manufacturing & Operating Costs	30	449127014	507486567
Employee benefits expense	31	132262975	132902372
Finance costs	32	15171405	20826007
Depreciation and amortization expense	1	100559457	93360844
Other expenses	33	57755906	59339693
Total expenses		1748885331	1805032416
Profit /(Loss) before tax		62233966	61468981
Income tax expense			
Current tax		22289000	18345000
Deferred tax		-8221000	-6192000
Total income tax expense		14068000	12153000
Profit/(Loss) for the year		48165966	49315981
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on post employment defined benefit plan		1354239	515261
Income tax effect		-376749	-143346
		977490	371915
Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI		527340	-146957
Income tax effect		-146706	40883
		380634	-106074
Total other comprehensive income for the year		1358124	265842
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)		3.62	3.74
Diluted earnings /(loss) per share (INR)		3.62	3.70

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

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

Chairman
(DIN 00512415)

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(DIN06999605)

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

Chief Financial Officer

AHMEDABAD: 06th July, 2020.

Company Secretary
M.No. 60857

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(Amt in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	622.34	614.69
Adjustments for:		
Depreciation and amortization expenses	1005.59	933.61
Interest Paid	144.38	173.47
Dividend Income	0.00	-1.51
Provision for gratuity	28.90	23.91
Net exchange differences	-26.16	-39.46
Deferred Revenue Expenses written off	3.53	7.48
Amortisation of Deferred Income	-27.52	-21.96
Amortisation of benefit on unsecured loan	0.00	3.54
Amortisation of Leasehold Land	0.50	0.50
(Gain)/ loss on Disposal of fixed assets	-34.61	-69.59
Liabilities written back	-39.71	-63.07
Bad Debts written off	9.58	9.43
Operating Profit before working capital changes	1686.83	1571.05
Changes in working capital		
Adjustments for:		
Decrease in inventories	105.51	-167.14
Decrease in trade receivables	187.50	397.81
Decrease in other financial assets	88.58	-107.26
Decrease in other current assets	-42.61	82.10
Decrease in non-current financial assets	-1.98	-9.80
Decrease in non-current assets	87.99	-83.00
Increase in trade payables	166.62	-278.38
Increase in other current liabilities	-21.96	-46.30
Increase in non-current liabilities	-66.82	-22.86
Increase in other financial liabilities	277.60	-16.57
Cash generated from operations	2467.27	1319.65
Net Income tax paid	-133.69	-183.81
Net cash flows used in operating activities (A)	2333.58	1135.84
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	-1285.95	-749.70
Purchase of Investments	-15.00	0.00
Proceeds from sale/ disposal of fixed assets	100.34	124.33
Net cash flow from investing activities (B)	-1200.61	-625.37
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital	0.00	832.50
Proceeds from exercise of share warrants	0.00	-208.13
Proceeds from long-term borrowings	-124.30	-471.13
Proceeds from short-term borrowings	-355.23	261.41
Interest paid	-144.38	-173.47
Dividend Received	0.00	1.51
Net cash flow from financing activities (C)	-623.90	242.70
Net increase in cash and cash equivalents (A+B+C)	509.07	753.17
Cash and cash equivalents at the beginning of the year on current accounts	1934.45	1181.27
Cash and cash equivalents at the end of the year	2443.51	1934.45

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

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

Chairman
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(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

Chief Financial Officer

AHMEDABAD: 06th July, 2020.

Company Secretary

M.No. 60857

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Amount in INR Rupees, unless otherwise stated)

	Equity Share Capital	Reserve and surplus				Items of OCI		Money Received against Share Warrants	Total
		Securities Premium	General Reserve	Capital Reserve	Retained earnings	Equity Instruments through OCI	Other Comprehensive Income		
Balance as at 1 April 2018	114702750	92750000	151562549	1500000	339050072	512231	-1149459	20812500	719740643
Profit for the year					49315981				49315981
Other comprehensive income									
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)							371915		371915
Fair Valuation of Investments measured at FVTOCI (Net of tax)						-106074			-106074
Issue of Equity Shares at premium by converting Share Warrants	18500000	64750000						-20812500	62437500
Money received against share warrants								0	0
Income tax of earlier years					-147820				-147820
Balance as at 31 March 2019	133202750	157500000	151562549	1500000	388218233	406157	-777544	0	831612146
Balance as at 1 April 2019	133202750	157500000	151562549	1500000	388218233	406157	-777544	0	831612146
Profit for the year					48165966				48165966
Other comprehensive income									
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)							977490		977490
Fair Valuation of Investments measured at FVTOCI (Net of tax)						380634			380634
Issue of Equity Shares at premium by converting Share Warrants		0						0	0
Income tax of earlier years					2268966				2268966
Balance as at 31 March 2020	133202750	157500000	151562549	1500000	438653165	786791	199946	0	883405202

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

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

Chairman
(DIN 00512415)

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Director
(DIN08534754)

Director
(DIN06999605)

Chief Financial Officer
Company Secretary
M.No. 60857

AHMEDABAD: 06th July, 2020.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
1 Property, plant and equipment
Tangible Assets

Carrying Amounts	Freehold Land	Building	Plant & Machinery	Electric Installation	Furniture Fixtures	Office Equipments	Vehicles	Total
Year ended March 31, 2019								
Gross carrying amount								
Balance as at April 01, 2018	95268517	206296349	795509376	17413422	17650273	15255300	20987367	1168380604
Additions	5924182	7400256	76084969	1761929	13275	2309743	1029079	94523433
Disposals	---	---	42540344	---	---	---	22143	42562487
Classified as held for sale	---	---	4001264	---	---	---	---	4001264
Gross carrying amount as at March 31, 2019	101192699	213696605	825052737	19175351	17663548	17565043	21994303	1216340286
Year ended March 31, 2020								
Additions	0	5820934	32599382	541000	433409	2329644	0	41724369
Disposals	---	6717567	4260932	---	---	---	987252	11965751
Classified as held for sale			0					0
Other Adjustments	----	----	----	----	----	----	----	----
Gross carrying Amt as on 31st March 2020	101192699	212799972	853391187	19716351	18096957	19894687	21007051	1246098904
Accumulated Depreciation/Amortisation								
Year ended March 31, 2019								
Balance as at April 01, 2018	---	55117213	435197056	12204316	8517458	10616560	5571897	527224500
Depreciation For the Year	---	6549422	75476624	981063	1303934	1740644	2357580	88409267
Deductions / Adjustments	---	---	41938666	---	---	---	21036	41959702
Accumulated depreciation as at March 31, 2019	---	61666635	468735014	13185379	9821392	12357204	7908441	573674065
As at 31st March, 2020								
Depreciation For the Year	---	6533724	82164853	1063047	1342023	2089893	2414339	95607879
Deductions / Adjustments	---	1507516	3268091	0	0	0	715784	5491391
Accumulated depreciation as at March 31, 2020	----	66692843	547631776	14248426	11163415	14447097	9606996	663790553
Net Carrying Amount								
As at March 31, 2019	101192699	152029970	356317723	5989972	7842156	5207839	14085862	642666221
As at March 31, 2020	101192699	146107129	305759411	5467925	6933542	5447590	11400055	582308351

2 Capital Work in Progress

As at March 31, 2019

20020982

As at March 31, 2020

108439553

3 Intangible assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1 April 2019	Additions	Deductions	As at 31st March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	Other Adjustemnts	As at 31st March 2020	As at 31st March 2020	As at 31 March 2019
Commercial Right-ETP Pipeline	49515783	0	---	49515783	11158073	4951578		--	16109651	33406132	38357710
Total	49515783	0	---	49515783	11158073	4951578		--	16109651	33406132	38357710

Intangible assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1 April 2018	Additions	Deductions	As at 31st March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	Other Adjustemnts	As at 31st March 2019	As at 31st March 2019	As at 31 March 2018
Commercial Right-ETP Pipeline	49515783	0	0	49515783	6206495	4951578	0	0	11158073	38357710	43309288
Total	49515783	0	0	49515783	6206495	4951578	0	0	11158073	38357710	43309288

4 Financial Assets- Investments
(As valued , verified & certified by the management)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Financial Assets carried at cost		
Investment in equity instrument designated as at fair value through OCI		
1 Investment in Associate Companies : (Unquoted)		
700 (700) Equity Shares of Rahul Cal Chem Pvt. Ltd. of ₹100 each fully paid	142091	107956
685 (685) Equity Shares of Mahalaxmi Calchem Pvt. Ltd. of ₹10 each fully paid	1098227	979917
2 Investment in Subsidiary Companies : (Unquoted)		
50000 (50000) Equity Shares of Globale Tessile Pvt. Ltd. of ₹10 each fully paid	852025	477130
1500000 (1500000) Equity Shares of Mahalaxmi Exports Pvt. Ltd..of ₹10 each fully paid	1500000	---
3 Investment in Others : (Unquoted)		
1 (1) Share of The Social Co-op Bank Ltd. of ₹100 each fully paid up	100	100
TOTAL	3592443	1565103

The details of aggregate of quoted and unquoted investment:

Particulars	Book Value (In ₹)		Market Value (In ₹)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Aggregate Quoted Investment	----	----	----	----
Aggregate Unquoted Investment	3592443	1565103	----	----

5 Non-Current Financial assets - Others
(Unsecured and considered good)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Margin Money with Banks	2422472	2255287
Security Deposits	812695	781720
Total	3235167	3037007

6 Other non-current assets

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Non Financial Assets (Unsecured and considered good)		
Capital advance	3000867	11800020
Issue Expenses	---	353419
Deferred Employee Cost	---	4275
Leasehold Land	350000	400000
Total	3350867	12557714

7 Inventories
(As verified, valued & certified by management)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Raw Materials (including goods in transit)	166125274	184623497
Finished Goods	150866320	131279655
Semi-finished Goods	3315096	9616057
Trading Goods	1397234	15927
Fents & Rags	1597606	1331460
Stores, Spares, Coal, Packing & Design Materials	16234851	23220797
Total	339536381	350087393

8 Trade receivable

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Trade Receivables	254914791	345538111
Receivables from related parties (Refer Note No.43)	101217853	27687593
Total Trade Receivables	356132644	373225704
Break up of Security Details:		
Secured, considered good	---	---
Unsecured, considered good	355796363	372267489
Doubtful	289081	1085575
Total Trade Receivables	356085444	373353064

9 Cash and cash equivalents

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Balances with banks		
On current accounts	891068	8522981
In Fixed deposit with maturity for less than 3 months	62133081	50000000
Cash on hand	378515	594826
Total cash and cash equivalents	63402664	59117808

10 Bank balances other than Cash and cash equivalent

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	178937565	130924123
Balances with Banks held as margin money	1766046	3157265
In Fixed deposit with maturity more than 12 months	---	---
Earmarked Balance with banks (pertaining to dividend accounts with banks)	245358	245358
Total	180948969	134326746

11 Current Financial assets - Loans

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Unsecured, considered good		
To Subsidiary Companies	8013987	14258005
To Employees	---	185725
Total	8013987	14443730

12 Current Financial assets - Others

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Interest Receivable under TUFs	1611892	904031
Export Benefit Receivable	9545879	4894760
Stipend Reimbursement Receivable	234229	381000
Accrued Income	18581801	26222594
Total	29973801	32402385

13 Other current assets

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Prepaid Expenses	5790148	5409164
Advance to employees	841800	1287100
Balance with Statutory Authorities	20940347	18524596
Leasehold Land	50000	50000
Others	11535270	9625947
Total	39157564	34896807

14 Assets classified as held for sale

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Plant & Machinery	1492902	1591088
Total	1492902	1591088

15 Equity Share Capital

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Authorized		
25000000 (25000000) Equity Shares of Re.10 each	250000000	250000000
	250000000	250000000
Issued, subscribed and paid up		
13320275 (13320275) Equity Shares of ₹10 each fully paid	133202750	133202750
Total	133202750	133202750

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As At 31-03-2020 No. of Shares	As At 31-03-2019 No. of Shares	As At 31-03-2020 No. of Shares	As At 31-03-2019 No. of Shares
Outstanding at the beginning of the year	13320275	11470275	133202750	114702750
Add: Issued during the year	0	1850000	0	18500000
Outstanding at the end of the year	13320275	13320275	133202750	133202750

(b) Rights, preferences and restrictions attached to shares

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.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Jeetmal B. Parekh	1744481	13.10%	1744481	13.10%
Rahul J. Parekh	2551119	19.15%	2551119	19.15%
Kamlaben J. Parekh	756570	5.68%	756570	5.68%
Anand J. Parekh	2451122	18.40%	2451122	18.40%

(d) Aggregate number of shares issued for consideration other than cash:

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

16 Other Equity

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
(a) Securities premium reserve		
Opening balance	157500000	92750000
Add : Received during the year	0	64750000
Closing balance	157500000	157500000
(b) General reserve		
Opening balance	151562549	151562549
Addition during the year	---	---
Closing balance	151562549	151562549
(c) Capital Reserve		
Opening balance	1500000	1500000
Addition during the year	---	---
Closing balance	1500000	1500000
(d) Retained Earnings		
Opening balance	388218233	339050072
Add: Net profit for the year	48165966	49315981
Less: Income Tax of eariler years	-2268966	147820
Closing balance	438653165	388218233
(e) Equity Instruments through OCI		
Opening Balance	406158	512231
For The Year (net of Tax)	380634	-106074
Closing balance	786792	406158
(e) Other items of Other Comprehensive Income		
Opening balance	-777544	-1149459
Re-measurement gain/(loss) on defined benefit plans (net of tax)	977490	371915
Closing balance	199946	-777544
(f) Money Received against Share Warrants		
Opening balance	---	20812500
Less: Utilized during the year	---	20812500
Closing balance	---	0
Total Other Equity	750202453	698409397

17 Non-Current Borrowings

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Secured		
Term Loans from Banks and Financial Institutions		
Term Loans	74244853	84665602
Vehicle Loans	2156785	4165918
Total (A)	76401638	88831520
Unsecured		
Total (B)	---	---
TOTAL (A+B)	76401638	88831520

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

- Rupee term loan from Bank of Baroda amounting to ₹ 96.26 lacs (P.Y ₹ 185.30 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.
- Rupee term loan from Bank of Baroda amounting to ₹121.60 lacs (P.Y ₹ 196.60 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 June, 2017. Last installment due in May, 2022.
- 3 Rupee term loan from Bank of Baroda amounting to ₹324.00 lacs (P.Y ₹ 432.00) 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, 2018. Last installment due in April, 2023.
 - 4 Rupee term loan from Bank of Baroda amounting to ₹215.07 lacs (P.Y ₹ 234.74) 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, 2019. Last installment due in April, 2024.
 - 5 Rupee term loan from Bank of Baroda amounting to ₹208.86 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 May, 2020. Last installment due in April, 2025.
 - 6 Rupee term loan from Bank of Baroda amounting to ₹57.55 lacs (P.Y ₹ 96.55 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 April, 2018. Last installment due in March 2023.
 - 7 Rupee term loan from Bank of Baroda amounting to ₹292.01 lacs (P.Y ₹ Nil 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 March, 2020. Last installment due in February 2025.
 - 8 Rupee term loan from Bank of Baroda amounting to ₹65.36 lacs (P.Y ₹ Nil 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 August, 2020. Last installment due in July 2025.
 - 9 Rupee term loan from Bank of Baroda amounting to ₹60.00 lacs (P.Y ₹ Nil 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, 2020. Last installment due in April 2025.

Vehicle Loans

- 1 Vehicle Loan from AXIS Bank amounting to ₹ 34.95 lacs (p.y.50.34) secured by way of hypothecation of Motor Car Repayable in 48 monthly installments commencing from April 2018. Last installment due in March, 2022
- 2 Vehicle Loan from HDFC Bank amounting to ₹ 6.71 lacs (p.y.9.76) secured by way of hypothecation of Commercial Vehicle Repayable in 36 monthly installments commencing from March 2019. Last installment due in February, 2022

18 Provisions (Non Current)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Provision for Gratuity	14790270	13254798
Total	14790270	13254798

19 Deferred Tax Liabilities (Net)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.	31016000	38792000
Fair Valuation Gain on Investments	358801	212095
Deferred Tax Asset:		
Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.	4289000	3844000
Remeasurements of defined benefit plans	47595	424344
Deferred Tax Liabilities (Net)	27038207	34735751



20 Other Non- current Liabilities

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Deferred Income for Capital Subsidy	4215016	2798886
Deferred Income for EPCG Liability	7543363	9091719
Others	16809936	23491854
Total Non-Current Liabilities	28568315	35382459

21 Short -Term Borrowings

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Working Capital Loans from Banks		
Secured		
Cash Credit	170820057	145304844
Foreign Bills Purchase	0	7507429
Overdraft	0	60447434
Export Packing Credit	19385242	12468767
Total short-term borrowings	190205299	225728474

Details of securities for working capital borrowings Cash Credit, Foreign Bills Purchase and Export packing Credit 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 receipts of the company.

22 Trade Payables

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Trade Payables		
Payable to related parties (Refer Note No.43)	10266461	10567838
Payable to Others	420060149	407068263
Total Trade Payables	430326610	417636101

23 Other financial liabilities

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Current Maturities of long term debts	67337797	31847795
Salary & Wages Payable	5374314	7486507
Unclaimed Dividend	245358	245358
Provision for Impairment of Assets	466696	
Other Payables	15532032	21611801
Total	88956197	61191460

24 Other current liabilities

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Advances from Customers	4913849	2439830
Security Deposit	351899	80000
Statutory Duties & Taxes	1357122	1560733
Capital Creditors	---	4743035
Total	6622870	8823597



25 Current tax liabilities (net)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Current Tax Provision for the year	22289000	18345000
Less: Advance Tax paid (including TDS & TCS)	15612195	17244912
	6676806	1100088

26 Revenue from operations

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Sale of products and services	1343419799	1280390880
Job Work Charges	442897032	553295999
Other Operating revenue		
Export Entitlement Benefits	11611064	12013161
Total revenue from operations	1797927894	1845700040

27 Other income

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Exchange Rate Fluctuation	2615515	3945966
Sale of Scrap	386907	1179207
Dividend Received	---	150700
Liability Written Back	3971165	6306526
Vatav Kasar	4637	38870
Profit on Sale/disposal of Fixed Assets	3460953	6979740
Amortisation of Deferred Income under EPCG Scheme	1548356	1548356
Amortisation of Deferred Income (Capital Subsidy)	1203870	647718
Notional Interest Income on Loan to employees & subsidiaries	---	4275
Total	13191403	20801358

28 Cost of raw material consumed and trading purchase

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Raw Material Consumed:		
Opening Stock	184623498	196845534
Add: Purchases	988631430	999835138
Less: Closing Stock	166125274	184623497
Cost of raw material consumed	1007129654	1012057175
Purchase of Trading Goods	1812077	3730835
Total	1008941731	1015788011

29 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Inventories at the beginning of the year		
Finished Goods	131279655	106336055
Semi Finished Goods	9616057	3670866
Trading Goods	15927	104530
Fents & Rags	1331460	7460570
	142243099	117572021
Less: Inventories at the end of the year		
Finished Goods	150866320	131279655
Semi Finished Goods	3315096	9616057
Trading Goods	1397234	15927
Fents & Rags	1597606	1331460
	157176256	142243099
Net decrease/ (increase)	-14933157	-24671078

30 Manufacturing & Operating Cost

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Stores, Spares & Maintenance Expenses	60070567	60080244
Job Charges Paid	21023994	18775811
Design Expenses	10013411	6999806
Power & Fuel Expenses	253005179	307045322
Processing Charges	87470506	96387815
Laboratory Expenses	350168	575094
Freight, Clearing & Forwarding Expenses	4921344	5060004
Pollution Control Expenses	12271845	12562471
Total	449127014	507486567

31 Employee benefits expense

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Salaries, wages, bonus and other allowances	122002848	121296028
Gratuity	3805977	3086499
Contribution to Provident Fund and ESI	2721361	3113909
Employees' Welfare Expenses	3732788	5401661
Amortisation of deferred employee benefit	---	4275
Total	132262975	132902372

32 Finance costs

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Interest (Net)	14438226	17346748
Notional Interest on Unsecured Loans	0	354268
Bank Commission & Charges	733180	3124991
Total	15171405	20826007

33 Other expenses

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
E.C.G.C. Premium	418786	317518
Telecommunication Expenses	551082	616124
General Expenses	457290	437004
Insurance Premium	4700225	2796735
Advertisement Expenses	90011	490457
Audit Fees	300000	300000
Corporate Social Responsibility Expenses	1200000	1050000
Car Expenses	823746	888073
Packing Materials Expenses	14342100	12204768
Legal & Consulting Expenses	2900156	3820400
Postage & Courier Expenses	444470	560443
Rent, Rates and Taxes	1423275	1296651
Deffered Revenue Expenses written off	353419	748359
Loss on Sale of Fixed Assets	---	20758
Bus & Truck Expenses	1122598	1139775
Miscellaneous Expenses	2223721	1601283
Amortisation of Leasehold Land	50000	50000
Export Freight	3212727	2714601
Commission Expenses	14774981	19861476
Factory Expenses	188993	425661
Bad Debts written off	958420	943399
Printing & Stationery Expenses	1314351	1444285
Provision for impairment of Assets	466696	
Travelling Expenses	3469373	3789471
Exhibition Expenses	1969488	1822450
Total	57755906	59339693

34 Note : The following is the break-up of Auditors remuneration

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Statutory Audit Fee	300000	300000
For Others (Reports, Certificates, etc.)	106000	96000
Total	406000	396000

35 (a) Financial Instruments by Category

(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:

	As At 31-03-2020		As At 31-03-2019	
	At FVTOCI	Amortised Cost	At FVTOCI	Amortised Cost
Assets:				
Investments (Non Current)	3592442		1565103	
Other Financial Non- current assets		3235167		3037007
Trade Receivables		356132645		373225704
Cash & Cash Equivalents		63402664		59117808
Other Bank Balance		180948968		134326746
Loan		8013987		14443730
Other Financial current assets		29973800		32402385
Total	3592442	641707230	1565103	616553380
Liabilities:				
Borrowings		76401638		88831520
Borrowings (Current)		190205299		225728474
Trade Payables		430326611		417636101
Other Financial Liabilities (Current)		88956198		61191460
Total		785889746		793387555



(b) Fair Value Measurement

(i) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input for the assets or liabilities that are not based on observable market data (unobservable inputs)

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As 31st March 2020

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Long terms Investments				
As at 31.03.2020				
Fair values through OCI	3592442		3592442	
As at 31.03.2019				
Fair values through OCI	1565103		1565103	

36 The details of Contingent Liabilities and Commitments (to the extent not provided for):

(Amt.in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
A Contingent Liabilities:		
1 Outstanding Bank Guarantee	137.29	134.05
2 Outstanding Letter of Credit	0.00	15.05
3 Disputed Service Tax Liability	2.09	2.09
4 Employees' cases pending before labour courts	31.58	103.56
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 Commitments:		
1 Estimated amount of capital contacts (including covered by Letter of Credit remaining to be executed on capital account not provided for (Net of Advances)	104.24	423.61

37 Amortisation of Intangible assets

Commercial Right to use effluent treatment pipeline and CETP has been amortised @ 10% on straight line basis as the useful life thereof has been estimated to be not more than 10 years.

38 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Healthcare including Preventive healthcare, providing Safe drinking water, sanitation facility, promoting education, Old Age Home maintenance, Environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the company during the year is ₹ 11.94 Lakhs. (P.Y. 10.26 Lakhs)

b) Amount spent during the year ₹ 12.00 Lakhs (PY 10.50 Lakhs)

₹ In Lakhs

The amount expended are as follows:	2020	2019
a) Construction / acquisition of any asset	--	--
b) For purposes other than (i) above	12.00	10.50



39 Based on review carried out as on 31.03.2020, impairment loss is provided for as per Accounting Standard 28 on "Impairment of Assets".

40 Calculation of Earning per Share

Earning per Share		AS AT March 31, 2020	AS AT March 31, 2019
Net Profit after Tax	₹	48165966	49315981
Nominal Value of equity share	₹	10	10
Weighted average number of equity shares	Nos.		
- for Basic EPS		13320275	13173289
- for Diluted EPS		13320275	13320275
Basic EPS	₹	3.62	3.74
Diluted EPS	₹	3.62	3.70

41 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.

42 The World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. However units operation have started partially and gradually from the mid of April after obtaining permissions from the appropriate government authorities.

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

43 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:

<u>Name of the Related Party</u>	<u>Relationship</u>
Globale Tessile Private Limited	Subsidiary
Mahalaxmi Exports Private Limited	Subsidiary
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
Rajendra R Mehta	Key Managerial Personnel
Shailesh P Koshti	Key Managerial Personnel
Kevin Dhruve	Key Managerial Personnel
Mohit R Mehta	Relative of Key Managerial Personnel



(b) Transactions during the year with Related Parties:

Nature of Transaction	Associate	Key Managerial	Subsidiary	Relative of KMP
Rent paid				
Shah Jeetmal Champalal	12000			
Rahul Textile	108000			
	120000	0	0	0
Rent Received				
Globale Tessile Private Limited			72000	
Mahalaxmi Exports	60000			
Mahalaxmi Exports Pvt. Ltd.			50000	
Shah Jeetmal Champalal	24000			
	84000	0	122000	0
Remuneration Paid				
Rahul Jeetmal Parekh		1832400		
Anand Jeetmal Parekh		1832400		
Rajendra R Mehta		1560000		
Shailesh P Koshti		342202		
Kevin Dhruve		56000		
	---	5623002	0	0
Purchase				
Mahalaxmi Cal Chem P Ltd.	16950			
Globale Tessile Private Limited			1231162	
Anand Chem Ind. P. Ltd.	16809840			
Mahalaxmi Exports	2514495			
	19341285	0	1231162	0
Job charges Paid				
Mahalaxmi Exports	6722906			
	6722906	0	0	0
Sales				
Mahalaxmi Exports	1747182			
Globale Tessile Private Limited			2415543	
Mahalaxmi Cal Chem P Ltd.	2528667			
Anand Chem Industries Pvt. Ltd.	1532344			
	5808193	0	2415543	0
Job charges Received				
Mahalaxmi Exports	136852549			
Globale Tessile Private Limited			1259160	
	136852549	0	1259160	0
Professional Fees Paid				
Mohit R Mehta				240000
	0	0	0	240000
Interest Received				
Globale Tessile Private Limited	0		670117	
	0	0	670117	0
Loan Recovered				
Globale Tessile Pvt. Ltd.			6847123	
	0	0	6847123	0

Nature of Transaction	Associate	Key Managerial	Subsidiary	Relative of KMP
(c) Outstandings				
Payables				
Anand Chem Industries Pvt. Ltd.	9786101			
Rahul Jeetmal Parekh	121700			
Anand Jeetmal Parekh	121700			
Rajendra R Mehta	114800			
Rahul Textile	108000			
Kevin Dhruve	27800			
Mohit Mehta	18000			
	10298101	0	0	0
Receivables				
Mahalaxmi Exports	97311436			0
Globale Tessile Pvt. Ltd.			1901256	
Mahalaxmi Cal Chem Pvt. Ltd.	2963825			
Shah Jeetmal Champalal	14160			
	100289421	0	1901256	0
Outstanding (Loan)				
Globale Tessile Pvt. Ltd.			8013987	
	0	0	8013987	0

44 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
USD	SELL	1	56.83	75000

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

Particulars	As at 31-03-2020	As at 31-03-19
Payable against import of goods & services		
Rupees in Lacs	71	172
US Dollar	73073	38467
GBP	3819	---
Euro	14957	186842
Advance payment to suppliers and for expenses		
Rupees in Lacs	---	---
Euro	---	---
US Dollar	---	---
Receivable against export of goods and services		
Rupees in Lacs	128	117
US Dollar	32842	110839
Euro	123698	51996

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



45 Disclosure pursuant to Accounting Standard-17 "Segment Reporting":

PARTICULARS	2019-20			2018-19		
	Rubber / Technical Textiles Products	Textile Products	Consolidated	Rubber / Technical Textiles Products	Textile Products	Consolidated
BUSINESS SEGMENT						
Segment Revenue						
External sales	274093630	1523834265	1797927894	224775482	1620924558	1845700040
Inter- Segment Sales		34167182	34167182		32397598	32397598
	274093630	1558001447	1832095076	224775482	1653322156	1878097638
Less: Inter- Segment Sales		(34167182)	(34167182)		(32397598)	(32397598)
Total Revenue	274093630	1523834265	1797927894	224775482	1620924558	1845700040
Results						
Segment results before Interest	39307712	28630725	67938437	23233134	36881369	60114504
Interest	(2852025)	(11890989)	(14743014)	(2912290)	(15001006)	(17913296)
Unallocable Expenses	---	---	(4152860)	---	---	(2146305)
Other Income	5401039	4875382	10276421	10575739	10061572	20637311
Unallocable Income	---	---	2914982	---	---	776767
Profit after Interest	41856726	21615118	62233966	30896584	31941935	61468981
Extraordinary Items	---	---	---	---	---	---
Current Tax	---	---	22289000	---	---	18345000
Deferred Tax	---	---	(8221000)	---	---	(6192000)
Net Profit after Tax	---	---	48165966	---	---	49315981
Other Comprehensive Income	---	---	1358124	---	---	265842
Other Information						
Segment Assets	240272924	1307025237	1547298161	280959036	1316582922	1597541957
Unallocable Assets	---	---	97253714	---	---	100733455
Segment Liabilities	123102022	704369580	827471602	68421452	773903027	842324478
Unallocable Liabilities	---	---	26502414	---	---	44359772
Capital Work in Progress						
Segment CWIP	90799123	17640431	108439554	20020983	0	20020983
Unallocable CWIP	---	---	0	---	---	---
Depreciation	30520794	64354937	94875731	28588304	59482779	88071082
Unallocable Depreciation	---	---	5683726	---	---	5289762
GEOGRAPHICAL SEGMENT						
Revenue						
India	204514904	1422198016	1626712920	182327207	1533810545	1716137751
Outside India	66367884	93236027	159603911	42395495	87071204	129466699

46 Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Non-Funded)	
	2019-2020	2018-2019
Defined Benefit obligation at beginning of year	13254798	11379243
Current Service Cost	2209745	2201194
Interest Cost	1032549	885305
Past Service Cost	0	0
Actuarial (gain)/loss	(1354239)	(515261)
Benefits paid	(352583)	(695683)
Defined Benefit obligation at year end	14790270	13254798

Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity (Non-Funded)	
	2019-2020	2018-2019
Fair value of Plan assets at beginning of year	---	---
Expected return on plan assets	---	---
Actuarial gain/loss	---	---
Employer contribution	---	---
Benefits paid	---	---
Fair value of Plan assets at year end	---	---
Actual return on plan assets	---	---

Reconciliation of fair value of assets and obligations

	As at 31.03.20	As at 31.03.19
Fair value of Plan assets	---	---
Present value of obligation	14790270	13254798
Amount recognised in Balance Sheet	14790270	13254798

Expenses recognised in Profit & Loss A/c

	2019-2020	2018-2019
Current Service Cost	2209745	2201194
Interest Cost	1032549	885305
Past Service Cost	0	0
Expected return on Plan assets	---	---
NET COST	3242294	3086499

Expenses recognised in OCI

	2019-2020	2018-2019
Actuarial (gain)/loss	(1354239)	(515261)
Total	(1354239)	(515261)

Investment Details

	31.03.20	31.03.19
GOI Securities	0	0
Public Securities	0	0
State Government Securities	0	0
Insurance Policies	0	0
Others (including bank balances)	0	0

Actuarial assumptions

	Gratuity (Non-Funded)	
	2019-2020	2018-2019
Mortality Table(LIC)		
Attrition Rate	0.00%	0.00%
Discount rate (per annum)	7.79%	7.78%
Expected rate of return on Plan Assets(per annum)	5.00%	5.00%
Rate of escalation in salary (Per Annum)	2.00%	2.00%

47 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies.

The export sales of company comprise around 9% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies.

Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	Foreign Currency	
	As At 31st March 2020	As At 31st March 2019
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
In USD	32842.22	110838.58
In Euro	123698.1	51995.97
Amount hedged through forwards & options # (B)		
In USD	---	108834.86
In Euro	---	---
Net Exposure to Foreign Currency Assets (C=A-B)		
In USD	32842.22	2003.72
In Euro	123698.1	51995.97
b) Exposure on account of Financial Liabilities		
Trade Payables (D)		
In USD	73072.66	38466.61
In Euro	14957.23	186841.77
In CHF	3819.3	
Amount Hedged through forwards & options # (E)		
In USD	---	---
In Euro	---	---
In CHF		
Net Exposure to Foreign Currency Liabilities F=(D-E)		
In USD	73072.66	38466.61
In Euro	14957.23	186841.77
In CHF	3819.3	
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
In USD	-40230.44	-36462.89
In Euro	108740.87	-134845.80
In CHF	-3819.30	

Foreign Currency Risk Sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	Net Impact on Profit before Tax	
	As at 31-Mar-20	As at 31-Mar-19
USD sensitivity		
INR/USD -Increase by 5%	-151970	-126070
INR/USD -Decrease by 5%	151970	126070
EURO sensitivity		
INR/EURO -Increase by 5%	451737	-523573
INR/EURO -Decrease by 5%	-451737	523573
CHF sensitivity		
INR/EURO -Increase by 5%	-14967	---
INR/EURO -Decrease by 5%	14967	---

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term debts from Banks and Financial Institutions	764.02	888.32
Current Maturities of long term debts	673.38	318.48
Unsecured Loan		
- From Bank	0.00	0.00
- From Related Parties	0.00	0.00
Short term Borrowings from Banks	1902.05	1652.81
Overdraft from Bank	0.00	604.47
Total borrowings	3339.45	3464.08
% of Borrowings out of above bearing variable rate of interest	100.00%	82.55%

Interest rate sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	As at March 31, 2020	As at March 31, 2019
50 bps increase would decrease the profit before tax by	-16.70	-14.30
50 bps decrease would increase the profit before tax by	16.70	14.30

(iii) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plans. The company does not actively trade equity investments. Protection principle is given high priority by limiting company's investments to fixed deposits/Fixed Maturity plans only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.



The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Borrowings		
expiring within one year	2575.43	2575.76
expiring beyond one year	764.02	888.32
	3339.45	3464.08
Trade Payables		
expiring within one year	4130.84	3941.38
expiring beyond one year	172.43	234.98
	4303.27	4176.36
Other Financial liabilities		
expiring within one year	211.52	290.98
expiring beyond one year	0.00	2.45
	211.52	293.43

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk for the overseas customers based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by ECGC.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 8

Write off policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

48 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company's gearing ratio was as follows:

(Amount in Lakhs)

Particulars	Financial Year ended 31.03.2020	Financial Year ended 31.03.2019
Total Borrowings	3339.45	3464.08
Less: Cash and cash equivalents	634.03	591.18
Net debt	2705.42	2872.90
Total equity	8834.05	8316.12
Gearing ratio	30.62%	34.55%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March 2020.



49 Notes forming part of the Financial Statements for the year ended 31 March 2020

A General Information

Mahalaxmi Rubtech Limited (the “Company”) is a listed public limited company domiciled in India and was incorporated on 25th September, 1991 under the provisions of the Companies Act, 1956 applicable in India. Its registered office is located at 47, New Cloth market , Ahmedabad. The Company is primarily engaged in the business of manufacturing of traditional textile and technical textiles products.

B Significant accounting policies

Significant accounting policies adopted by the company are as under:

(a) Basis of Preparation of Financial Statements

(i) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value.

(iii) Current and non current classification

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the Act.

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management’s evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

(c) Property, plant and equipment

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale,



deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

(d) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

(e) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company has amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible asset is 10 years.

(f) Investments in subsidiaries , associates

Investments in subsidiaries , associates are recognised at fair value.

(g) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(h) Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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

(i) Financial Instruments.

Fair value measurement

The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes there after are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

Financial Assets

The company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income or through Profit or loss) and those to be measured at amortised cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable to transaction costs.

(j) Revenue Recognition

The company derives revenues primarily from sale of manufactured goods, traded goods, job work and related services.



The Company has adopted Ind AS 115 'Revenue from contracts with customers' made effective from April 1, 2018. Based on the assessment done by the management, there is no material impact on the revenue recognised during the period;

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

Sale of products:

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales is based on the price specified in the sales contracts, net of all discounts, returns and goods & service tax at the time of sale.

(k) Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

(b) Deferred tax

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

At each balance sheet, the company re-assesses unrecognised deferred tax assets, if any, and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority."

(l) Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(m) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are shown as other non current assets. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, finished goods, semi finished goods, trading goods and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Fent, rags and rejections are stated at net realisable value. In determining the cost, FIFO method is used.

**(o) Impairment of assets**

The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.

(p) Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

(r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial assets**(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized."



(II) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(s) Employee Benefits

I) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.

(II) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

(t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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



(u) Research & Development

Expenditure on research and development is recognised as an expense when it is incurred. Expenditure which results in increase in property, plant and equipment are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income. Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

(w) 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.

(x) Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements including an estimation of the likely outcome of any open tax assessments/ litigations. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available, based on estimates thereof.

(ii) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For P C BOTHRA & CO.
 Chartered Accountants.
 Firm Registration No. : 306034E

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

Chairman (DIN 00512415)	Managing Director (DIN 00500328)	Jt. Managing Director (DIN 00500384)
Director (DIN00570434)	Director (DIN08534754)	Director (DIN06999605)

(P.K. BOTHRA)
 Partner
 Membership No. : 400385
 AHMEDABAD: 06th July, 2020.

Chief Financial Officer
Company Secretary
 M.No. 60857

AHMEDABAD: 06th July, 2020.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHALAXMI RUBTECH LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated financial statements of **MAHALAXMI RUBTECH LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated statement of profit and loss, including Other Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as " Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 as amended ("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 consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note "42" to the Consolidated Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Estimation of provision for sales returns and discounts and volume rebates in the financial statements.</p> <p>Revenue from sale of products is presented net of returns, discounts and volume rebates in the financial statements.</p> <p>The management determines the returns, discounts and rebates on the basis of various factors such as the current and expected operating environment, sales returns variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts and volume rebates on sale of products as a key audit matter in view of it having significant impact on the recognized revenue and the involvement of management judgment in estimating the amounts at which these are expected to be settled.</p> <p>2. Physical verification of inventories</p> <p>The Group's inventories include raw materials, semi-finished goods, finished goods, stock-in-trade, stores, spares and fents & rags.</p> <p>The Group has adequate inventory records and system as also internal controls over inventory movements and records. The Group has established procedures to carry out physical inventories during the year as also at the year-end. Accordingly, physical verification of inventories was carried out during the year and details thereof were provided to the auditors. Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end.</p> <p>At the time of such subsequent verification, it was impracticable for the auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.</p> <p>This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario. [Refer Note "42" of the consolidated financial statements]</p>	<p>In this regard, our audit procedures included:</p> <p>Understanding the policies and procedures applied to estimate the sales returns, discounts and volume rebates including evaluation and testing of the design and operating effectiveness of controls related to these estimates.</p> <p>Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of estimates based on understanding of the market conditions.</p> <p>Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognized in the earlier financial years with their subsequent settlement, ratio analysis of discounts, volume rebates and sales returns as a percentage of sale of last few years.</p> <p>Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.</p> <p>Based on the above procedures performed, the estimates made by the management in respect of sales returns and discounts and rebates on sales were considered to be reasonable.</p> <p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:</p> <ul style="list-style-type: none"> • Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements) whether such controls have operated effectively during the period of audit; • Obtained details/documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be; • The count was carried for all items of inventories on sample basis and in some cases of on the best judgement basis as also on the basis of previous experience of conducting inventory count; • Rollback procedures were applied to arrive at the inventories as verified by the Company as at the year-end; • Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end; • Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.

Information other than the Financial Statements and Auditor's report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report ,but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company as aforesaid.
8. In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Company's ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those the respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - vi) Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit



of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (i) The Consolidated Financial Statements include two subsidiaries which reflect total assets of Rs.209.46 lakhs as at 31st March,2020, total revenue of Rs.88.62 lakhs and net cash inflow of Rs. (1.46) lakhs for the year then ended which have been audited by another auditor.
- (ii) We did not audit the financial statements and other financial information, in respect of subsidiary. These financial statements and other financial information have been audited by other auditor whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, in so far as relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
- (iii) Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor's on separate financial statements and the other financial information of subsidiaries, as noted in the other matter paragraph we report, to the extent applicable , 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 of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated balance sheet, consolidated Statement of profit and loss including the statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements ;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiaries, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate report in the Annexure-A to this report.
 - (g) in our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended 31st March, 2020 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.



- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the "Other Matters" paragraph:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group;
 - ii. The provision has been made in the Consolidated Financial Statements, 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 Holding Company and its subsidiaries during the year ended 31st March, 2020.

**For P.C. BOTHRA & CO.,
Chartered Accountants.
Firm Registration No. 306034E**

**(P. K. BOTHRA)
Partner.
M. No. 400385**

Ahmedabad: 6th July, 2020.

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHALAXMI RUBTECH LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit report of the Consolidated Financial Statements of MAHALAXMI RUBTECH LIMITED as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of MAHALAXMI RUBTECH LIMITED (hereinafter referred to as the “Holding Company”) and its subsidiaries, which are companies incorporated in India, as of that date.

Management’s Responsibility for the Internal Financial Controls.

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Holding Company and its subsidiaries, internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both issued by ICAI, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in "Other Matters" paragraph, the Holding Company and its subsidiaries, which are companies incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting with reference to these consolidated financial statements criteria established by the Holding 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.

Other Matters

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far it relates to separate financial statements of two subsidiaries is based on the corresponding reports of the auditors of such subsidiaries.

**For P.C. BOTHRA & CO.,
Chartered Accountants.
Firm Registration No. 306034E**

**(P. K. BOTHRA)
Partner.
M. No. 400385**

Ahmedabad: 6th July, 2020.



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

	Notes	As at 31-Mar-20 ₹	As at 31-Mar-19 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	1	582308350	642666220
Capital work-in-progress	2	108439551	20020982
Intangible assets	3	33406131	38357710
Financial assets			
Investments	4	1240418	1087973
Loans		--	--
Other financial assets	5	3235166	3037007
Other non-current assets	6	3986535	12563159
Total non-current assets		732616151	717733051
Current assets			
Inventories	7	354425610	358504635
Financial assets			
Investments		---	---
Trade receivables	8	360150052	378075390
Cash and cash equivalents	9	64431828	60293204
Bank balances other than cash and cash equivalents	10	180948968	134326746
Loans	11	0	185725
Other financial assets	12	30192267	32522493
Other current assets	13	39313847	35350863
Assets classified as held for sale	14	1492901	1591088
Total current assets		1030955473	1000850144
TOTAL ASSETS		1763571624	1718583195
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	133202750	133202750
Other Equity	16	748036434	698695802
Total Equity		881239184	831898552
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	76421638	88841520
Other financial liabilities		---	---
Provisions	18	14790271	13254798
Deferred Tax Liabilities (Net)	19	26292970	34742114
Other non-current liabilities	20	28568315	35382459
Total non-current liabilities		146073195	172220891
Current liabilities			
Financial liabilities			
Borrowings	21	190205299	225728475
Trade payables	22	443650579	417388206
Other financial liabilities	23	88966198	61201461
Other current liabilities	24	6760365	8950692
Provisions		---	---
Current tax liabilities (net)	25	6676806	1194918
Total current liabilities		736259247	714463753
TOTAL LIABILITIES		882332441	886684642
TOTAL EQUITIES AND LIABILITIES		1763571625	1718583195
Summary of significant accounting policies			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

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

Chairman
(DIN 00512415)

Director
(DIN00570434)

Chief Financial Officer

AHMEDABAD: 06th July, 2020.

Managing Director
(DIN 00500328)

Director
(DIN08534754)

Company Secretary
M.No. 60857

Jt. Managing Director
(DIN 00500384)

Director
(DIN06999605)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	For the year ended 31-Mar-20 ₹	For the year ended 31-Mar-19 ₹
Income			
Revenue from operations	26	1806781121	1858926820
Other income	27	13199910	21262710
Total income		1819981031	1880189530
Expenses			
Cost of material consumed and Trading Purchase	28	1018681994	1028199600
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	-14927172	-25689090
Manufacturing & Operating Costs	30	449203457	507743735
Employee benefits expense	31	133162975	133802372
Finance costs	32	15848199	21273172
Depreciation and amortization expense	1	100559457	93360844
Other expenses	33	58047283	59649575
Total expenses		1760576193	1818340209
Profit /(Loss) before tax		59404838	61849321
Income tax expense			
Current tax		22289000	18439830
Deferred tax		-8868304	-6192000
Total income tax expense		13420696	12247830
Profit/(Loss) for the year		45984142	49601491
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on post employment defined benefit plan		1354239	515261
Income tax effect		-376749	-143346
		977490	371915
Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI		152445	-124087
Income tax effect		-42410	34521
		110035	-89566
Total other comprehensive income for the year		1087524	282349
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)		3.44	3.77
Diluted earnings /(loss) per share (INR)		3.44	3.72

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

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

Chairman
(DIN 00512415)

Managing Director
(DIN 00500328)

Jt. Managing Director
(DIN 00500384)

Director
(DIN00570434)

Director
(DIN08534754)

Director
(DIN06999605)

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

Chief Financial Officer

AHMEDABAD: 06th July, 2020.

Company Secretary

M.No. 60857

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020

(Amt in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	594.05	618.49
Adjustments for:		
Depreciation and amortization expenses	1005.59	933.61
Interest Paid	151.09	177.85
Dividend Income	0.00	-1.51
Provision for gratuity	28.90	23.91
Net exchange differences	-26.24	-44.07
Deferred Revenue Expenses written off	3.55	7.50
Amortisation of Deferred Income	-27.52	-21.96
Amortisation of benefit on unsecured loan	0.00	3.54
Amortisation of Leasehold Land	0.50	0.50
(Gain)/ loss on Disposal of fixed assets	-34.61	-69.59
Liabilities written back	-39.71	-63.07
Bad Debts written off	9.58	9.43
Operating Profit before working capital changes	1665.18	1574.64
Changes in working capital		
Adjustments for:		
Decrease in inventories	40.79	-251.31
Decrease in trade receivables	195.91	353.92
Decrease in other financial assets	25.16	34.12
Decrease in other current assets	-39.63	77.56
Decrease in non-current financial assets	-1.98	-9.80
Decrease in non-current assets	87.99	-83.00
Increase in trade payables	295.09	-280.86
Increase in other current liabilities	-21.90	-45.03
Increase in non-current liabilities	-66.82	-22.86
Increase in other financial liabilities	277.65	-16.57
Cash generated from operations	2457.43	1330.82
Net Income tax paid	-133.69	-183.81
Net cash flows used in operating activities (A)	2323.74	1147.01
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	-1285.95	-749.70
Purchase of Investments	0.00	0.00
Proceeds from sale/ disposal of fixed assets	100.34	124.33
Net cash flow from investing activities (B)	-1185.61	-625.36
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital	0.00	832.50
Proceeds from exercise of share warrants	0.00	-208.13
Proceeds from long-term borrowings	-124.20	-471.09
Proceeds from short-term borrowings	-355.23	261.41
Capital Subsidy Received	---	---
Dividend Received	0.00	1.51
Interest paid	-151.09	-177.85
Net cash flow from financing activities (C)	-630.52	238.35
Net increase in cash and cash equivalents (A+B+C)	507.61	760.00
Cash and cash equivalents at the beginning of the year	1946.20	1186.20
On current accounts		
Cash and cash equivalents at the end of the year	2453.81	1946.20

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

For P C BOTHRA & CO.

 Chartered Accountants.
 Firm Registration No. : 306034E

Chairman
 (DIN 00512415)

Managing Director
 (DIN 00500328)

Jt. Managing Director
 (DIN 00500384)

Director
 (DIN00570434)

Director
 (DIN08534754)

Director
 (DIN06999605)

(P.K. BOTHRA)

 Partner
 Membership No. : 400385

Chief Financial Officer
Company Secretary
 M.No. 60857

AHMEDABAD: 06th July, 2020.

AHMEDABAD: 06th July, 2020.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Amount in INR Rupees, unless otherwise stated)

	Equity Share Capital	Reserve and surplus				Items of OCI		Money Received against Share Warrants	Total
		Securities Premium	General Reserve	Capital Reserve	Retained earnings	Equity Instruments through OCI	Other Comprehensive Income		
Balance as at 1 April 2018	114702750	92750000	151562549	1500000	339034461	512231	-1149459	20812500	719725032
Profit for the year					49601491				49601491
Other comprehensive income									
Re-measurement gains/ (Losses) on post									
employment defined benefit plans (Net of tax)							371915		371915
<i>Fair Valuation of Investments measured at FVTOCI (Net of tax)</i>						-89566			-89566
Issue of Equity Shares at premium by converting Share Warrants	18500000	64750000						-20812500	62437500
Money received against share warrants								0	0
Income tax of earlier years					-147820				-147820
Balance as at 31 March 2019	133202750	157500000	151562549	1500000	388488132	422665	-777544	0	831898552
Balance as at 1 April 2019	133202750	157500000	151562549	1500000	388488132	422665	-777544	0	831898553
Profit for the year					45984142				45984142
Other comprehensive income									
Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)							977490		977490
Fair Valuation of Investments measured at FVTOCI(Net of tax)						110035			110035
<i>Issue of Equity Shares at premium by converting Share Warrants</i>	---	---						---	---
Income tax of earlier years					2268966				2268966
Balance as at 31 March 2020	133202750	157500000	151562549	1500000	436741240	532700	199946	0	881239185

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

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

Chairman
(DIN 00512415)

Director
(DIN00570434)

Chief Financial Officer
Managing Director
(DIN 00500328)

Director
(DIN08534754)

Jt. Managing Director
(DIN 00500384)

Director
(DIN06999605)

Company Secretary
M.No. 60857

AHMEDABAD: 06th July, 2020.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
1 Property, plant and equipment
Tangible Assets

Carrying Amounts	Freehold Land	Building	Plant & Machinery	Electric Installation	Furniture Fixtures	Office Equipments	Vehicles	Total
Year ended March 31, 2019								
Gross carrying amount								
Balance as at April 01, 2018	95268517	206296349	795509376	17413422	17650273	15255300	20987367	1168380604
Additions	5924182	7400256	76084969	1761929	13275	2309743	1029079	94523433
Disposals	---	---	42540344	---	---	---	22143	42562487
Classified as held for sale	---	---	4001264	---	---	---	---	4001264
Gross carrying Amt as on 31st March 2019	101192699	213696605	825052737	19175351	17663548	17565042	21994303	1216340285
Year ended March 31, 2020								
Additions	0	5820934	32599382	541000	433409	2329644	0	41724369
Disposals	---	6717567	4260932	---	---	---	987252	11965751
Classified as held for sale	0	0	0	0	0	0	0	0
Other Adjustments	----	----	----	----	----	----	----	----
Gross carrying Amt as on 31st March 2020	101192699	212799972	853391187	19716351	18096957	19894686	21007051	1246098903
Accumulated Depreciation/Amortisation								
Year ended March 31, 2019								
Balance as at April 01, 2018	---	55117213	435197056	12204316	8517458	10616560	5571897	527224500
Depreciation For the Year	---	6549422	75476624	981063	1303934	1740644	2357580	88409267
Deductions / Adjustments	---	---	41938666	---	---	---	21036	41959702
Accumulated depreciation as at March 31, 2019	----	61666635	468735014	13185379	9821392	12357203	7908442	573674065
As at 31st March, 2020								
Depreciation For the Year	---	6533724	82164853	1063047	1342023	2089893	2414339	95607879
Deductions / Adjustments	---	1507516	3268091	0	0	0	715784	5491391
Depreciation as on 31st March 2020		66692843	547631776	14248426	11163415	14447096	9606997	663790553
Net Carrying Amount								
As at March 31, 2019	101192699	152029970	356317722	5989972	7842156	5207839	14085861	642666220
As at March 31, 2020	101192699	146107129	305759411	5467925	6933542	5447590	11400055	582308351

2 Capital Work in Progress

As at March 31, 2019

20020982

As at March 31, 2020

108439552
3 Intangible assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1 April 2019	Additions	Deductions	As at 31st March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	Other Adjustemnts	As at 31st March 2020	As at 31st March 2020	As at 31 March 2019
Commercial Right-ETP Pipeline	49515783	0	---	49515783	11158073	4951578	0	--	16109651	33406132	38357710
Total	49515783	0	---	49515783	11158073	4951578	0	--	16109651	33406132	38357710

Intangible assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1 April 2018	Additions	Deductions	As at 31st March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	Other Adjustemnts	As at 31st March 2019	As at 31st March 2019	As at 31 March 2018
Commercial Right-ETP Pipeline	49515783	0	0	49515783	6206495	4951578	0	0	11158073	38357710	43309288
Total	49515783	0	0	49515783	6206495	4951578	0	0	11158073	38357710	43309288

4 Financial Assets- Investments
(As valued , verified & certified by the management)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Financial Assets carried at cost		
Investment in equity instrument designated as at fair value through OCI		
1 Investment in Associate Companies : (Unquoted)		
700 (700) Equity Shares of Rahul Cal Chem Pvt. Ltd. of ₹100 each fully paid	142091	107956
685 (685) Equity Shares of Mahalaxmi Calchem Pvt. Ltd. of ₹10 each fully paid	1098227	979917
1 (1) Share of The Social Co-op Bank Ltd. of ₹100 each fully paid up	100	100
TOTAL	1240418	1087973

The details of aggregate of quoted and unquoted investment:

Particulars	Book Value (In ₹)		Market Value (In ₹)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Aggregate Quoted Investment	----	----	----	----
Aggregate Unquoted Investment	1240418	1087973	----	----

5 Non-Current Financial assets - Others
(Unsecured and considered good)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Margin Money with Banks	2422472	2255287
Security Deposits	812695	781720
Total	3235167	3037007

6 Other non-current assets

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Non Financial Assets (Unsecured and considered good)		
Capital advance	3000867	11800020
Issue Expenses	635669	358864
Deferred Employee Cost	---	4275
Leasehold Land	350000	400000
Total	3986536	12563159

7 Inventories
(As verified, valued & certified by management)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Raw Materials (including goods in transit)	180002477	192022728
Finished Goods	151878347	132297667
Semi-finished Goods	3315096	9616057
Fents & Rags	1597606	1331460
Stores, Spares, Coal, Packing & Design Materials	16234851	23220797
Trading Goods	1397234	15927
Total	354425610	358504635

8 Trade receivable

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Trade Receivables	258932199	350387797
Receivables from related parties (Refer Note No.43)	101217853	27687593
Total Trade Receivables	360150052	378075390
	360150052	378075390
Break up of Security Details:		
Secured, considered good	---	---
Unsecured , considered good	359813771	372267489
Doubtful	289081	1085575
Total Trade Receivables	360102852	373353064

9 Cash and cash equivalents

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Balances with banks		
On current accounts	1898091	9681886
In Fixed deposit with maturity for less than 3 months	62133081	50000000
Cash on hand	400656	611317
Total cash and cash equivalents	64431828	60293204

10 Bank balances other than Cash and cash equivalent

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	178937565	130924123
Balances with Banks held as margin money	1766046	3157265
In Fixed deposit with maturity more than 12 months	---	---
Earmarked Balance with banks (pertaining to dividend accounts with banks)	245358	245358
Total	180948969	134326746

11 Current Financial assets - Loans

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Unsecured, considered good		
To Employees	---	185725
Total	0	185725

12 Current Financial assets - Others

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Interest Receivable under TUFs	1611892	904031
Export Benefit Receivable	9545879	4894760
Stipend Reimbursement Receivable	234229	381000
Accrued Income	18800268	26342702
Total	30192268	32522493



13 Other current assets

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Prepaid Expenses	5790148	5409164
Advance to employees	841800	1287100
Balance with Statutory Authorities	21096630	18978652
Leasehold Land	50000	50000
Others	11535270	9625947
Total	39313848	35350863

14 Assets classified as held for sale

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Plant & Machinery	1492902	1591088
Total	1492902	1591088

15 Equity Share Capital

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Authorized		
25000000 (25000000) Equity Shares of Re.10 each	250000000	250000000
	250000000	250000000
Issued, subscribed and paid up		
13320275 (13320275) Equity Shares of ₹10 each fully paid	133202750	133202750
Total	133202750	133202750

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As At 31-03-2020		As At 31-03-2019	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	13320275	133202750	11470275	114702750
Add: Issued during the year	0	0	1850000	18500000
Outstanding at the end of the year	13320275	133202750	13320275	133202750

(b) Rights, preferences and restrictions attached to shares

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.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As At 31-03-2020		As At 31-03-2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Jeetmal B. Parekh	1744481	13.10%	1744481	13.10%
Rahul J. Parekh	2551119	19.15%	2551119	19.15%
Kamlaben J. Parekh	756570	5.68%	756570	5.68%
Anand J. Parekh	2451122	18.40%	2451122	18.40%

(d) Aggregate number of shares issued for consideration other than cash:

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

16 Other Equity

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
(a) Securities premium reserve		
Opening balance	157500000	92750000
Add : Received during the year	---	64750000
Closing balance	157500000	157500000
(b) General reserve		
Opening balance	151562549	151562549
Addition during the year	---	---
Closing balance	151562549	151562549
(c) Capital Reserve		
Opening balance	1500000	1500000
Addition during the year	---	---
Closing balance	1500000	1500000
(d) Retained Earnings		
Opening balance	388488131	339034461
Add: Net profit for the year	45984142	49601491
Less: Income Tax of eariler years	-2268966	147820
Closing balance	436741239	388488131
(e) Equity Instruments through OCI		
Opening Balance	422665	512231
For The Year (net of Tax)	110035	-89566
Closing balance	532700	422665
(f) Other items of Other Comprehensive Income		
Opening balance	-777544	-1149459
Re-measurement gain/(loss) on defined benefit plans (net of tax)	977490	371915
Closing balance	199946	-777544
(g) Money Received against Share Warrants		
Opening balance	---	20812500
Less: Utilized during the year	---	-20812500
Closing balance	---	0
Total Other Equity	748036434	698695802

17 Non-Current Borrowings

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Secured		
Term Loans from Banks and Financial Institutions		
Term Loans	74244853	84665602
Vehicle Loans	2156785	4165918
Total (A)	76401638	88831520
Unsecured		
From Holding Company	20000	10000
Total (B)	20000	10000
TOTAL (A+B)	76421638	88841520

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

- Rupee term loan from Bank of Baroda amounting to ₹ 96.26 lacs (PY ₹ 185.30 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.



- 2 Rupee term loan from Bank of Baroda amounting to ₹121.60 lacs (P.Y ₹ 196.60 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 June, 2017. Last installment due in May, 2022.
- 3 Rupee term loan from Bank of Baroda amounting to ₹324.00 lacs (P.Y ₹ 432.00) 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, 2018. Last installment due in April, 2023.
- 4 Rupee term loan from Bank of Baroda amounting to ₹215.07 lacs (P.Y ₹ 234.74) 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, 2019. Last installment due in April, 2024.
- 5 Rupee term loan from Bank of Baroda amounting to ₹208.86 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 May, 2020. Last installment due in April, 2025.
- 6 Rupee term loan from Bank of Baroda amounting to ₹57.55 lacs (P.Y ₹ 96.55 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 April, 2018. Last installment due in March 2023.
- 7 Rupee term loan from Bank of Baroda amounting to ₹292.01 lacs (P.Y ₹ Nil 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 March, 2020. Last installment due in February 2025.
- 8 Rupee term loan from Bank of Baroda amounting to ₹65.36 lacs (P.Y ₹ Nil 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 August, 2020. Last installment due in July 2025.
- 9 Rupee term loan from Bank of Baroda amounting to ₹60.00 lacs (P.Y ₹ Nil 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, 2020. Last installment due in April 2025.

Vehicle Loans

- 1 Vehicle Loan from AXIS Bank amounting to ₹ 34.95 lacs (p.y.50.34) secured by way of hypothecation of Motor Car Repayable in 48 monthly installments commencing from April 2018. Last installment due in March, 2022
- 2 Vehicle Loan from HDFC Bank amounting to ₹ 6.71 lacs (p.y.9.76) secured by way of hypothecation of Commercial Vehicle Repayable in 36 monthly installments commencing from March 2019. Last installment due in February, 2022

18 Provisions (Non Current)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Provision for Gratuity	14790270	13254798
Total	14790270	13254798

19 Deferred Tax Liabilities (Net)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.	31016000	38792000
Fair Valuation Gain on Investments	260868	218458
Deferred Tax Asset:		
Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.	4289000	3844000
Remeasurements of defined benefit plans	47595	424344
Deferred Tax Liabilities (Net)	26940273	34742114



20 Other Non- current Liabilities

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Deferred Income for Capital Subsidy	4215016	2798886
Deferred Income for EPCG Liability	7543363	9091719
Others	16809936	23491854
Total	28568315	35382459

21 Short -Term Borrowings

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Working Capital Loans from Banks		
Secured		
Cash Credit	170820057	145304844
Foreign Bills Purchase	---	7507429
Overdraft	---	60447434
Export Packing Credit	19385242	12468767
Total short-term borrowings	190205299	225728474

Details of securities for working capital borrowings Cash Credit, Foreign Bills Purchase and Export packing Credit 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 receipts of the company.

22 Trade Payables

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Trade Payables	---	---
Payable to related parties (Refer Note No.43)	10266461	10567838
Payable to Others	433384117	406820368
Total Trade Payables	443650578	417388206

23 Other financial liabilities

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Current Maturities of long term debts	67337797	31847795
Salary & Wages Payable	5374314	7486507
Provision for impairment of Assets	466696	---
Unclaimed Dividend	245358	245358
Other Payables	15542032	21621801
Total	88966197	61201460

24 Other current liabilities

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Advances from Customers	4913849	2439830
Security Deposit	351899	80000
Statutory Duties & Taxes	1494616	1687827
Capital Creditors	---	4743035
Total	6760364	8950691

25 Current tax liabilities (net)

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Current Tax Provision for the year	22289000	18439830
Less: Advance Tax paid (including TDS & TCS)	15612195	17244912
	6676806	1194918

26 Revenue from operations

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Sale of products and services	1351979191	1293401254
Job Work Charges	442897032	553295999
Export Entitlement Benefits	11904899	12229567
Total revenue from operations	1806781121	1858926820

27 Other income

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Exchange Rate Fluctuation	2624001	4407317
Sale of Scrap	386907	1179207
Liability Written Back	3971165	6306526
Vatav Kasar	4658	38871
Dividend Received	---	150700
Profit on Sale/disposal of Fixed Assets	3460953	6979740
Amortisation of Deferred Income under EPCG Scheme	1548356	1548356
Amortisation of Deferred Income (Capital Subsidy)	1203870	647718
Notional Interest Income on Loan to employees & subsidiaries	---	4275
Total	13199910	21262710

28 Cost of raw material consumed and trading purchase

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Raw Material Consumed:		
Opening Stock	184623498	196845534
Add: Purchases	1009741848	1018495782
Less: Closing Stock	180002477	192022728
Cost of raw material consumed	1014362869	1023318589
Purchase of Trading Goods	4319126	4881012
Total	1018681994	1028199601

29 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Inventories at the beginning of the year		
Finished Goods	132297667	106336055
Semi Finished Goods	9616057	3670866
Trading Goods	15927	104530
Fents & Rags	1331460	7460570
	143261111	117572021
Less: Inventories at the end of the year		
Finished Goods	151878347	132297667
Semi Finished Goods	3315096	9616057
Trading Goods	1397234	15927
Fents & Rags	1597606	1331460
	158188283	143261111
Net decrease/ (increase)	-14927172	-25689090

30 Manufacturing & Operating Cost

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Stores, Spares & Maintenance Expenses	60070567	60080244
Job Charges Paid	21023994	18775811
Design Expenses	10013411	6999806
Power & Fuel Expenses	253005179	307045322
Processing Charges	87470506	96387815
Laboratory Expenses	350168	575094
Freight, Clearing & Forwarding Expenses	4997787	5317172
Pollution Control Expenses	12271845	12562471
Total	449203457	507743735

31 Employee benefits expense

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Salaries, wages, bonus and other allowances	122902848	122196028
Gratuity	3805977	3086499
Contribution to Provident Fund and ESI	2721361	3113909
Employees' Welfare Expenses	3732788	5401661
Amortisation of deferred employee benefit	---	4275
Total	133162975	133802372

32 Finance costs

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Interest (Net)	15109001	17785122
Notional Interest on Unsecured Loans	0	354268
Bank Commission & Charges	739199	3133782
Total	15848199	21273172

33 Other expenses

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
E.C.G.C. Premium	418786	317518
Telecommunication Expenses	551082	616124
General Expenses	464290	437004
Insurance Premium	4700225	2800372
Advertisement Expenses	90011	490457
Audit Fees	310000	310900
Corporate Social Responsibility Expenses	1200000	1050000
Car Expenses	823746	888073
Packing Materials Expenses	14342100	12213760
Legal & Consulting Expenses	2909592	3830776
Postage & Courier Expenses	518439	651344
Rent, Rates and Taxes	1495275	1363651
Deferred Revenue Expenses written off	355234	750174
Loss on Sale of Fixed Assets	---	20758
Bus & Truck Expenses	1122598	1139775
Miscellaneous Expenses	2224721	1617363
Amortisation of Leasehold Land	50000	50000
Export Freight	3283283	2805612
Commission Expenses	14820581	19861476
Factory Expenses	188993	425661
Bad Debts written off	958420	943399
Printing & Stationery Expenses	1314351	1450455
Provision for impairment of Assets	466696	---
Travelling Expenses	3469373	3792471
Exhibition Expenses	1969488	1822450
Total	58047283	59649575

34 *Note : The following is the break-up of Auditors remuneration

	For the year ended 31.03.2020 ₹	For the year ended 31.03.2019 ₹
Statutory Audit Fee	310000	310900
For Others (Reports, Certificates, etc.)	106000	96000
Total	406900	358000

35 (a) Financial Instruments by Category

(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:

	As At 31-03-2020		As At 31-03-2019	
	At FVTOCI	Amortised Cost	At FVTOCI	Amortised Cost
Assets:				
Investments (Non Current)	1240418		1087973	
Other Financial Non- current assets		3235166		3037007
Trade Receivables		360150052		378075390
Cash & Cash Equivalents		64431828		60293204
Other Bank Balance		180948968		134326746
Loan		0		185725
Other Financial current assets		30192267		32522493
Total	1240418	638958281	1087973	608440565
Liabilities:				
Borrowings		76421638		88841520
Borrowings (Current)		190205299		225728475
Trade Payables		443650579		417388206
Other Financial Liabilities (Current)		88966198		61201461
Total		799243714		793159663

(b) Fair Value Measurement
(i) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input for the assets or liabilities that are not based on observable market data (unobservable inputs)

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As 31st March 2020

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Long terms Investments				
As at 31.03.2019				
Fair values through OCI	1087973	---	1087973	---
As at 31.03.2018				
Fair values through OCI	1240418	---	1240418	---

36 The details of Contingent Liabilities and Commitments (to the extent not provided for):

(Amt.in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
A Contingent Liabilities:		
1 Outstanding Bank Guarantee	137.29	134.05
2 Outstanding Letter of Credit	0.00	15.05
3 Disputed Service Tax Liability	2.09	2.09
4 Employees' cases pending before labour courts	31.58	103.56
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 Commitments:		
1 Estimated amount of capital contacts (including covered by Letter of Credit remaining to be executed on capital account not provided for (Net of Advances)	104.24	423.61

37 Amortisation of Intangible assets

Commercial Right to use effluent treatment pipeline and CETP has been amortised @ 10% on straight line basis as the useful life thereof has been estimated to be not more than 10 years.

38 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Healthcare including Preventive healthcare, providing Safe drinking water, sanitation facility, promoting education, Old Age Home maintenance, Environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the company during the year is ₹ 11.94 Lakhs. (P.Y. 10.26 Lakhs)

b) Amount spent during the year ₹ 10.50 Lakhs (PY Nil)

₹ In Lakhs

The amount expended are as follows:	2020	2019
a) Construction / acquisition of any asset	--	--
b) For purposes other than (i) above	12.00	10.50

39 Based on review carried out as on 31.03.2019, no impairment loss is required to be provided for as per Accounting Standard 28 on "Impairment of Assets".



40 Calculation of Earning per Share

Earning per Share		AS AT	AS AT
		March 31, 2020	March 31, 2019
Net Profit after Tax	₹	45984142	49601491
Nominal Value of equity share	₹	10	10
Weighted average number of equity shares	Nos.		
- for Basic EPS		13370275	13173289
- for Diluted EPS		13370275	13370275
Basic EPS	₹	3.44	3.77
Diluted EPS	₹	3.44	3.71

41 The outstanding amount of ₹ 86.72 Lacs due to those Micro, Small and Medium Enterprises who have reported to the company as MSME Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME). 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.

42 The World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. However units operation have started partially and gradually from the mid of April after obtaining permissions from the appropriate government authorities. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

43 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
Rajendra R Mehta	Key Managerial Personnel
Shailesh P Koshti	Key Managerial Personnel
Kevin Dhruve	Key Managerial Personnel
Mohit R Mehta	Relative of Key Managerial Personnel

(b) Transactions during the year with Related Parties:

Nature of Transaction	Associate	Key Managerial	Relative of KMP
Rent paid			
Shah Jeetmal Champalal	12000		
Mahalaxmi Rubtech Limited	10000		
Rahul Textile	108000		
	120000	---	---
Rent Received			
Mahalaxmi Exports	60000		
Shah Jeetmal Champalal	24000		
	84000	0	---

Nature of Transaction	Associate	Key Managerial	Relative of KMP
Remuneration Paid			
Rahul Jeetmal Parekh		1832400	
Anand Jeetmal Parekh		1832400	
Rajendra R Mehta		1560000	
Shailesh P Koshti		342202	
Kevin Dhruve		56000	
	---	5623002	---
Purchase			
Mahalaxmi Cal Chem P Ltd.	16950		
Anand Chem Ind. P. Ltd.	16809840		
Mahalaxmi Exports	2514495		
	19341285	---	---
Job charges Paid			
Mahalaxmi Exports	6722906		
	6722906	---	---
Sales			
Mahalaxmi Exports	1747182		
Mahalaxmi Cal Chem P Ltd.	2528667		
Anand Chem Ind. P. Ltd.	1532344		
	5808193	---	---
Job charges Received			
Mahalaxmi Exports	136852549		
	136852549	---	---
Professional Fees Paid			
Mohit R Mehta			240000
	---	---	240000
Outstandings			
Payables			
Anand Chem Industries Pvt. Ltd.	9786101		
Rahul Jeetmal Parekh	121700		
Anand Jeetmal Parekh	121700		
Rajendra R Mehta	114800		
Rahul Textile	108000		
Kevin Dhruve	27800		
Mohit Mehta	18000	---	---
	10298101	---	---
Receivables			
Mahalaxmi Exports	97311436		
Mahalaxmi Cal Chem Pvt. Ltd.	2963825		
Shah Jeetmal Champalal	14160		
	100289421	---	---

44 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
USD	SELL	1	56.83	75000



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

Particulars	As at 31-03-20	As at 31-03-19
Payable against import of goods & services		
Rupees in Lakhs	70.63	172
US Dollar	73073	38467
GBP	3819	---
Euro	14957	186842
Advance payment to suppliers and for expenses		
Rupees in Lacs	---	---
Euro	---	---
US Dollar	---	---
Receivable against export of goods and services		
Rupees in Lacs	127.59	117
US Dollar	32842	110839
Euro	123698	51996

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

45 Disclosure pursuant to Accounting Standard-17 "Segment Reporting":

PARTICULARS	2019-20			2018-19		
	Rubber / Technical Textiles Products	Textile Products	Consolidated	Rubber / Technical Textiles Products	Textile Products	Consolidated
BUSINESS SEGMENT						
Segment Revenue						
External sales	274093630	1532687492	1806781121	224775482	1633934932	1858710414
Inter- Segment Sales		34167182	34167182		32397598	32397598
	274093630	1566854674	1840948303	224775482	1666332530	1891108012
Less: Inter- Segment Sales		-34167182	-34167182		-32397598	-32397598
Total Revenue	274093630	1532687492	1806781121	224775482	1633934932	1858710414
Results						
Segment results before Interest	39470221	26944193	66414414	23233134	37700083	60933217
Interest	-2852025	-11890989	-14743014	-2912290	-15439380	-18351670
Unallocable Expenses	---	---	-4152860	---	---	-2146305
Other Income	5401039	4883889	10284928	10575739	10061572	20637311
Unallocable Income	---	---	2914982	---	---	776767
Profit after Interest	42019235	19937093	60718449	30896583	32322275	61849319
Extraordinary Items	---	---	---	---	---	---
Current Tax	---	---	22289000	---	---	19439830
Deferred Tax	---	---	-8868304	---	---	-6192000
Net Profit after Tax	---	---	45984141	---	---	49315981
Other Comprehensive Income	---	---	1087524			282349
Other Information						
Segment Assets	240272924	1327971458	1568244382	280959036	1316869720	1597828756
Unallocable Assets	---	---	97253714	---	---	100733455
Segment Liabilities	123102022	725129792	842325015	68421452	773903563	842325015
Unallocable Liabilities	---	---	26502414	---	---	44359772
Capital Work in Progress						
Segment CWIP	90799123	17640431	108439554	20020983	0	20020983
Unallocable CWIP	---	---	0	---	---	0
Depreciation	30520794	64354937	88071082	28588304	59482779	88071082
Unallocable Depreciation	---	---	5683726	---	---	5289762
GEOGRAPHICAL SEGMENT						
Revenue						
India	204514904	1424583131	1723096455	182327207	1540769249	1723096455
Outside India	66367884	9346119	135518369	42395495	93122874	135518369

46 Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Non-Funded)	
	2019-2020	2018-2019
Defined Benefit obligation at beginning of year	13254798	11379243
Current Service Cost	2209745	2201194
Interest Cost	1032549	885305
Past Service Cost	0	0
Actuarial (gain)/loss	(1354239)	-515261
Benefits paid	(352583)	-695683
Defined Benefit obligation at year end	14790270	13254798

Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity (Non-Funded)	
	2019-2020	2018-2019
Fair value of Plan assets at beginning of year	---	---
Expected return on plan assets	---	---
Actuarial gain/loss	---	---
Employer contribution	---	---
Benefits paid	---	---
Fair value of Plan assets at year end	---	---
Actual return on plan assets	---	---

Reconciliation of fair value of assets and obligations

	As at 31.03.20	As at 31.03.19
Fair value of Plan assets	---	---
Present value of obligation	14790270	13254798
Amount recognised in Balance Sheet	14790270	13254798

Expenses recognised in Profit & Loss A/c

	2019-2020	2018-2019
Current Service Cost	2209745	2201194
Interest Cost	1032549	885305
Past Service Cost	0	0
Expected return on Plan assets	---	---
NET COST	3242294	3086499

Expenses recognised in OCI

	2019-2020	2018-2019
Actuarial (gain)/loss	-1354239	-515261
Total	-1354239	-515261

Investment Details

	31.03.20	31.03.19
GOI Securities	0	0
Public Securities	0	0
State Government Securities	0	0
Insurance Policies	0	0
Others (including bank balances)	0	0

Actuarial assumptions

	Gratuity (Non-Funded)	
	2019-2020	2018-2019
Mortality Table(LIC)		
Attrition Rate	0	0
Discount rate (per annum)	7.79%	7.78%
Expected rate of return on Plan Assets(per annum)	5.00%	5.00%
Rate of escalation in salary (Per Annum)	2.00%	2.00%



47 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies.

The export sales of company comprise around 9% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies.

Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	Foreign Currency	
	As At 31st March 2020	As At 31st March 2019
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
In USD	32842.22	110838.58
In Euro	123698.1	51995.97
Amount hedged through forwards & options # (B)		
In USD	---	108834.86
In Euro	---	---
Net Exposure to Foreign Currency Assets (C=A-B)		
In USD	32842.22	2003.72
In Euro	123698.1	51995.97
b) Exposure on account of Financial Liabilities		
Trade Payables (D)		
In USD	73072.66	38466.61
In Euro	14957.23	186841.77
In CHF	3819.3	
Amount Hedged through forwards & options # (E)		
In USD	---	---
In Euro	---	---
In CHF		
Net Exposure to Foreign Currency Liabilities F=(D-E)		
In USD	73072.66	38466.61
In Euro	14957.23	186841.77
In CHF	3819.3	
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
In USD	-40230.44	-36462.89
In Euro	108740.87	-134845.8
In CHF	-3819.30	

Foreign Currency Risk Sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	Net Impact on Profit before Tax	
	As at 31-Mar-20	As at 31-Mar-19
USD sensitivity		
INR/USD -Increase by 5%	-151970	-126070
INR/USD -Decrease by 5%	151970	126070
EURO sensitivity		
INR/EURO -Increase by 5%	451737	-523573
INR/EURO -Decrease by 5%	-451737	523573
CHF sensitivity		
INR/EURO -Increase by 5%	-14967	---
INR/EURO -Decrease by 5%	14967	---

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term debts from Banks and Financial Institutions	764.22	888.32
Current Maturities of long term debts	673.38	318.48
Unsecured Loan		
- From Bank	0.00	0
- From Related Parties	0.20	0
Short term Borrowings from Banks	1902.05	1652.81
Overdraft from Bank	0.00	614.47
Total borrowings	3339.85	3474.08
% of Borrowings out of above bearing variable rate of interest	100.00%	82.31%

Interest rate sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	As at March 31, 2020	As at March 31, 2019
50 bps increase would decrease the profit before tax by	-16.70	-14.30
50 bps decrease would increase the profit before tax by	16.70	14.30

(iii) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plans. The company does not actively trade equity investments. Protection principle is given high priority by limiting company's investments to fixed deposits/Fixed Maturity plans only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The



company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Borrowings		
expiring within one year	2575.63	2575.76
expiring beyond one year	764.22	888.32
	3339.85	3464.08
Trade Payables		
expiring within one year	4264.07	3938.9
expiring beyond one year	172.43	234.98
	4436.51	4173.88
Other Financial liabilities		
expiring within one year	209.16	291.08
expiring beyond one year	2.45	2.45
	211.62	293.53

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk for the overseas customers based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by ECGC.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 8

Write off policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

48 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company's gearing ratio was as follows:

(Amount in Lakhs)

Particulars	Financial Year ended 31.03.2020	Financial Year ended 31.03.2019
Total Borrowings	3339.85	3464.08
Less: Cash and cash equivalents	644.32	602.93
Net debt	2695.53	2861.15
Total equity	8812.39	8318.99
Gearing ratio	30.59%	34.39%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March 2019.



49 Significant accounting policies

1 The Company overview

The Consolidated Financial Statements comprise financial Statements of “Mahalaxmi Rubtech Limited” (‘the Holding Company’) and its subsidiary (collectively referred to as “the Group”) for the year ended 31st March, 2019.

The principal activities of the Group, is manufacturing of traditional textile and technical textiles products.

2 Summary of Significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The Consolidated financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value.

All the amounts included in the consolidated financial statements are reported in Indian rupees, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/ re- arranged , wherever necessary.

2.2 Principles of Consolidation

- The financial statements of the Holding company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income , expenses and cash flows, after fully eliminating intra-group balances and intra group transactions.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The carrying amount of the parent’s investment in subsidiary is offset (eliminated) against the parent’s portion of equity in the subsidiary.
- The financial statements of the following subsidiary company have been considered for consolidation

Name of the Entity	Relationship	% of holding
Globale Tessile Private Limited	Subsidiary	100%
Mahalaxmi Exports Private Limited	Subsidiary	100%

2.3 Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management’s evaluation of the relevant facts and circumstances as at the date of the financial statements.

Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The



management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

2.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.6 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company has amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible asset is 10 years.

2.7 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

The Company has adopted Ind AS 115 'Revenue from contracts with customers' made effective from April 1, 2018. Based on the assessment done by the management, there is no material impact on the revenue recognised during the period;

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Advance from Customers".

Sale of products:

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales is based on the price specified in the sales contracts, net of all discounts, returns and goods and service tax at the time of sale.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows: Raw materials, finished goods, semi finished goods, trading goods and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Fent, rags and rejections are stated at net realisable value. In determining the cost, FIFO method is used.

2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are shown as other non current assets. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.10 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an

entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.13 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are "recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.14 Financial Instruments.

Fair value measurement

The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

Financial Assets

The company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income or through Profit or loss) and those to be measured at amortised cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable to transaction costs.

2.15 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

(b) Deferred tax

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.16 Impairment of assets

The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The impairment loss is recognised for such excess amount.

2.17 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.



Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is recognised only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost . Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized .

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

2.19 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.



(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations apart from the contributions made on a monthly basis which are charged to the Statement of profit and loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.21 Research & Development

Expenditure on research and development is recognised as an expense when it is incurred. Expenditure which results in increase in property, plant and equipment are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income.

Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

2.23 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.

2.24 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements including an estimation of the likely outcome of any open tax assessments/ litigations. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available, based on estimates thereof.



(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For P C BOTHRA & CO.

Chartered Accountants.

Firm Registration No. : 306034E

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

Chairman
(DIN 00512415)

Managing Director
(DIN 00500328)

Jt. Managing Director
(DIN 00500384)

Director
(DIN00570434)

Director
(DIN08534754)

Director
(DIN06999605)

(P.K. BOTHRA)

Partner

Membership No. : 400385

AHMEDABAD: 06th July, 2020.

Chief Financial Officer

Company Secretary
M.No. 60857

AHMEDABAD: 06th July, 2020.





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