



# MAHALAXMI RUBTECH LIMITED

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Ref: MRT/CS/Correspondence/2021-22/32

Date: September 06, 2021

To,  
**BSE Limited**

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

**Company/Scrp 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 2020-21 along with the Notice convening the 30th Annual General Meeting scheduled to be held on September 30, 2021 at 11.30 a.m. (IST) through video conferencing (VC) / Other audio visual means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Please take the same on record and oblige.

Thanking you,

Yours faithfully,

**For, Mahalaxmi Rubtech Limited**

**Kevin Dhruve**

**Company Secretary**

**ICSI Membership No.: A60857**



Encl.: Annual Report for the Financial Year 2020-21.

**CORPORATE OFFICE:**

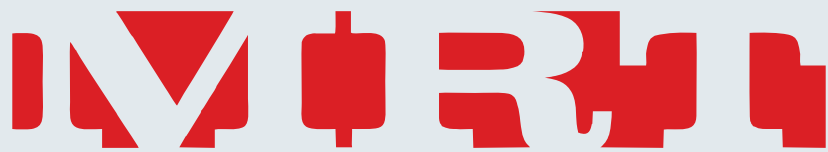
MAHALAXMI HOUSE, YSL AVENUE,  
OPP. KETAV PETROL PUMP, POLYTECHNIC ROAD,  
AMBAWADI, AHMEDABAD - 380 015, INDIA.  
TELEPHONE: +91-79-40008000 FAX: +91-79-40008030

**WORKS:**

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

**REGD. OFFICE:**

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



MAHALAXMI RUBTECH LIMITED



**30th Annual Report**  
**2020-21**





# MAHALAXMI RUBTECH LIMITED

CIN: L25190GJ1991PLC016327

## ◆ BOARD OF DIRECTORS

JEETMAL B. PAREKH

RAHUL J. PAREKH

ANAND J. PAREKH

SANGITA S. SHINGI

CHIRAG Y. SHAH  
(Upto 01st April, 2021)

NIRMAL D. DESAI  
(Upto 01st April, 2021)

BALVEERMAL K. SINGHVI  
(W.e.f. 01st April, 2021)

PRINSA J. PRAJAPATI  
(W.e.f. 31st May, 2021)

## ◆ GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

## ◆ COMPLIANCE OFFICER

SHRI KEVIN J. DHRUVE  
(COMPANY SECRETARY)

## ◆ STATUTORY AUDITORS

JAIN CHOWDHARY & 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 College Corner,  
Off C G Road, Ellisbridge,  
Ahmedabad – 380006.



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 Thirtieth Annual General Meeting of “Mahalaxmi Rubtech Limited” will be held through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OVAM”) on Thursday, September 30, 2021 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, 2021 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 2021 consisting of the balance sheet as at 31st March, 2021 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. ANAND JEETMAL PAREKH (DIN: 00500384), WHO RETIRE BY ROTATION AT THIS AGM AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.**

“RESOLVED THAT Mr. Anand Jeetmal Parekh (DIN: 00500384), 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.”

- 3. TO APPOINT STATUTORY AUDITORS OF THE COMPANY AND FIX THEIR REMUNERATION.**

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, “M/s Jain Chowdhary & Co.”, Chartered Accountants, (Firm No. “113267W”) be and is hereby appointed as Statutory Auditor of the company for a period of 5 (Five) years commencing from the conclusion of the 30th Annual General Meeting till the conclusion of 35th Annual General Meeting at such remuneration including remuneration for other services provided by them as auditor of the company plus applicable taxes and out of pocket expenses incurred by them for the purpose of audit of the company as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

“RESOLVED FURTHER THAT any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do and perform such acts, deeds and things as are necessary or expedient to give effect to this resolution.”

### SPECIAL BUSINESS:

- 4. 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, 2022 at the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes and out of pocket expenses, if any, incurred during the course of above audit.”

- 5. REGULARIZATION OF APPOINTMENT OF MR. BALVEERMAL KEWALMAL SINGHVI (DIN: 05321014) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR :-**

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 Sections 149,150, 152 and Companies (Appointment and Qualification of Directors) Rules, 2014 read with schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) 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) approval of the members of the company be and is hereby given to the appointment of Mr. Balveermal Kewalmal Singhvi (DIN: 05321014), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from April 01,2021 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an



Independent Non-Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be 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"

**6. REGULARIZATION OF APPOINTMENT OF MISS PRINSA J. PRAJAPATI (DIN: 09185859) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR:-**

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 Sections 149,150, 152 and Companies (Appointment and Qualification of Directors) Rules, 2014 read with schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) 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) approval of the members of the company be and is hereby given to the appointment of Miss Prinsa J. Prajapati (DIN: 09185859), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from May 31, 2021 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of the independent directorship as provided in section 149(6) of the Act and she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non-Executive Director of the Company, who shall hold office for a period of one year from the date of appointment and whose office shall not, henceforth, be 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"

**7. TO APPOINT MR. NEHAL MAYURBHAI SHAH (DIN: 00020062) 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 Companies (Appointment and Qualification of Directors) Rules, 2014 read with schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), 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), MR. NEHAL MAYURBHAI SHAH (DIN: 00020062), who is not disqualified from being appointed as Director in terms of Section 164 of the Act and has submitted a declaration that he 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 his 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 01st October, 2021 to 30th September, 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.”

**8. 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 31st May, 2021, 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 : August 13, 2021

Kevin J. Dhruve  
(Company Secretary)



## NOTES

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively and by General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") allowed companies whose AGMs were due to be held in the year 2020 or becoming due in the year 2021, to conduct their AGMs on or before December 31, 2021 through VC/OAVM, without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ('SEBI') also issued Circular No. SEBI / HO / CFD / CMD1 / CIR / P / 2020 / 79 dated May 12, 2020 the validity of which has been extended till December 31, 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars"). In compliance with MCA Circulars, SEBI Circulars, provisions of the Act and the SEBI Listing Regulations, the AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members. The deemed venue for the AGM shall be the Registered Office of the Company. In accordance with the MCA Circulars, Special Business mentioned at Item Nos. 4,5,6,7 and 8 of the Notice are considered as unavoidable in nature by the Board of Directors of the Company. Disclosures for item no. 3 are also provided in the said explanatory statement.
2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. 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.
3. The Register of Members and Transfer Book of the Company will remain closed from Friday the 24th day of September, 2021 to Thursday the 30th day of September, 2021 (both days inclusive) for the purpose of 30th Annual General Meeting.
4. 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
5. 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.
6. 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. 4, 5, 6, 7 and 8 of the accompanying Notice is annexed hereto. Disclosures for item no. 3 are also provided in the said explanatory statement.
7. 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). Currently, there are no dividend outstanding which are required to be transferred to the IEPF.
8. In compliance with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report for Financial Year ended 2020-21, 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 2020-21 will also be available on the Company's website [www.mrtglobal.com](http://www.mrtglobal.com), and website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
9. Notice of the Thirtieth 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 ('LI IPL')/ Depositories, log in details for e-voting shall be sent on the registered e-mail address.
10. In case the shareholder holding shares in physical mode has not registered his/ her e-mail address with the Company/ LI IPL/ Depositories, he/she may do so by sending a duly signed request letter to LI IPL 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](mailto:ahmedabad@linkintime.co.in).
11. 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.
12. 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.



13. 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. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Accordingly, now transfer of shares has to be only through shares held in dematerialised form
14. 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.
15. 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.
16. 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](mailto:cs@mahalaxmigroup.net) till the date of the AGM.
17. 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.
18. 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](mailto:cs@mahalaxmigroup.net) for quick redressal of shareholders/investors grievances.
19. 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
20. Board of Directors has appointed Mr. Bunty Hudda, Proprietor of Bunty Hudda & Associates (Membership No.: A31507 and CP No.: 11560) Address: E-812, Titanium City Center, 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.
21. 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](http://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.
22. 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 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](http://www.mrtglobal.com) on website of Stock Exchange i.e. BSE Ltd. 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 Monday, September 27, 2021 and will end at 5:00 p.m. (IST) on Wednesday, September 29, 2021. 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. Thursday, September 23, 2021 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:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders  | Login Method   |
|---|--|
| <b>Individual Shareholders holding securities in demat mode with NSDL</b> | <ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul> |
| <b>Individual Shareholders holding securities in demat mode with CDSL</b> | <ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>  |





| Type of shareholders  | Login Method  |
|---|---|
| <b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b> | <ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul> |

|   |  |
|---|--|
| <b>Individual Shareholders holding securities in Physical mode &amp; e-voting service Provider is LINKINTIME.</b> | <ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -                             <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> 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.</li> <li><b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                                     <ul style="list-style-type: none"> <li>Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</li> </ul> </li> </ol> </li> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click “confirm” (Your password is now generated).</li> </ul> </li> <li>Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> <li>After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option ‘<b>Favour / Against</b>’ (If you wish to view the entire Resolution details, click on the ‘<b>View Resolution</b>’ file link).</li> <li>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 ‘<b>Yes</b>’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol> |
|---|--|

## Institutional shareholders:

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.

## Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, 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.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - 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”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43. |

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders 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](mailto: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](mailto: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](mailto: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 <u>Run a temporary application</u> .<br>Click on <u>Run a temporary application</u> , 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 : August 13, 2021

Kevin J. Dhruve  
(Company Secretary)

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

### Item No. 3:

M/s Jain Chowdhary & Co, Chartered Accountants, were appointed as auditor of the Company in casual vacancy caused by resignation of M/s P. C. Bothra & Co., Chartered Accountants. Pursuant to section 139 of the Companies Act, M/s Jain Chowdhary & Co. accordingly holds office till the conclusion of this 30th annual general meeting.

M/s Jain Chowdhary & Co., Mumbai has been rendering its invaluable services to the society since 1976. With over 44 years of experience, the firm provides wide range of services in the field of Audit and Assurance, Business & Risk Advisory, Forensic, Taxation and Secretarial related services in almost all sectors. The Firm has also empaneled with various Regulatory bodies. M/s Jain Chowdhary & Co. is registered with the Institute of Chartered Accountants of India (Firm Registration No. 113267W). The firm has a dedicated and expert team duly assisted by qualified professionals with requisite knowledge and experience in the desired areas. M/s Jain Chowdhary & Co. has national presence with offices in 04 cities and one international presence in Taiwan. The head office of the Firm is located at 104, Model Residency, B. J. Marg, Jacob Circle, Opp. Bank of Baroda, Mahalaxmi, Mumbai – 400 011, Maharashtra, India.

The term of appointment of M/s Jain Chowdhary & Co. is five (5) years commencing from conclusion of 30th Annual General Meeting until conclusion of the 35th annual general meeting of the Company. The fee payable to auditors for the term is presently not fixed as the Board proposes to fix the same every year in consultation with the auditors keeping in view nature and scope of audit and other services provided by them in capacity as auditors of the Company. The fee agreed for payment to M/s Jain Chowdhary & Co. for audit of financial statement for FY 2020-21 and other services to be provided by them as auditors of the Company till conclusion of this annual general meeting is ₹3.00 lakhs. Keeping in view nature and scope of work, there is no material change in fee payable to M/s Jain Chowdhary & Co. from that paid to M/s P. C. Bothra & Co.

### Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of M/s. Dalwadi & Associates, Ahmedabad, to conduct the audit of the cost records of the Company for the Financial Year 2021-22.

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 M/s. 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 are, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 4 of the Notice.

The Board of Directors recommends the resolution set forth in item no. 4 to this notice, for your approval.



## Item No. 5:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Sections 149, 150, 152, 161(1) read with Schedule IV of the Act and the Articles of Association of the Company, had appointed Mr. Balveermal Kewalmal Singhvi (DIN: 05321014) as an Additional Independent Director for a term of five (5) consecutive years with effect from April 01, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. Mr. Singhvi, pursuant to Section 152 of the Companies Act, 2013 ('the Act'), has given his consent to act as a Director of the Company and is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and has also given requisite Notice, pursuant to Section 160 of the Act, proposing his appointment as a Director of the Company.

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

The Company has received a declaration from Mr. Balveermal Singhvi that he meets the criteria of independence as prescribed both under Section 149 of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. In the opinion of the Board, he fulfills the conditions for appointment as an Independent Director as specified in the Act and possesses the requisite skills, qualifications, experience, expertise, knowledge and holds the highest standards of integrity. The Company has also received a declaration that he has applied online for inclusion of his name in the data bank maintained by the institute and upon registration he has been exempted for the online proficiency self-assessment test conducted by the institute. Further, in compliance with circular no. LIST/ COMP/14/2018-19 issued by BSE Limited, he has not been debarred from holding the office of Director by virtue of any SEBI order or any other authority.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Balveermal Singhvi is appointed as an Independent Director of the Company, not being liable to retire by rotation for a term of Five (5) consecutive years with effect from April 01, 2021 to March 31, 2026 (both days inclusive) subject to the approval of members.

Upon the confirmation of the appointment of him as Independent Non-Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Non-Executive Independent Director. The Board accordingly recommends the Resolutions at Item No. 5 of this Notice for the approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Balveermal Kewalmal Singhvi and his relative(s) is in any way concerned or interested, financially or otherwise, in the Resolution at Item No. 5 of this Notice.

The Board of Directors recommends the resolution set forth in item no. 5 to this notice, for your approval.

## Item No. 6:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Sections 149, 150, 152, 161(1) read with Schedule IV of the Act and the Articles of Association of the Company, had appointed Miss Prinsa J. Prajapati (DIN: 09185859) as an Additional Independent Director for a term of one (1) year with effect from May 31, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. Miss Prajapati, pursuant to Section 152 of the Companies Act, 2013 ('the Act'), has given her consent to act as a Director of the Company and is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and has also given requisite Notice, pursuant to Section 160 of the Act, proposing her appointment as a Director of the Company.

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

The Company has received a declaration from Miss Prinsa Prajapati that she meets the criteria of independence as prescribed both under Section 149 of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. In the opinion of the Board, she fulfills the conditions for appointment as an Independent Director as specified in the Act and possesses the requisite skills, qualifications, experience, expertise, knowledge and holds the highest standards of integrity. The Company has also received a declaration that she has applied online for inclusion of her name in the data bank maintained by the institute and upon registration she has cleared the online proficiency self-assessment test conducted by the institute. Further, in compliance with circular no. LIST/ COMP/14/2018-19 issued by BSE Limited, she has not been debarred from holding the office of Director by virtue of any SEBI order or any other authority.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Miss Prinsa Prajapati is appointed as an Independent Director of the Company, not being liable to retire by rotation for a term of One (1) year with effect from May 31, 2021 to May 30, 2022 (both days inclusive) subject to the approval of members.

Upon the confirmation of the appointment of her as Independent Non-Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Non-Executive Independent Director. The Board accordingly recommends the Resolutions at Item No. 6 of this Notice for the approval of the Members as Ordinary Resolution.



None of the Directors or Key Managerial Personnel of the Company or their relatives other than Miss Prinsa Prajapati and her relative(s) is in any way concerned or interested, financially or otherwise, in the Resolution at Item No. 6 of this Notice.

The Board of Directors recommends the resolution set forth in item no. 6 to this notice, for your approval.

## **Item No. 7:**

The Members of the Company, at the 23rd Annual General Meeting held on September 29, 2014 had approved the appointment of Mr. Nehal Shah (DIN: 00020062), as Independent Directors of the Company, for a period of five consecutive years for a term upto 28th September, 2019. Thereafter Mr. Nehal Shah has vacated the office pursuant to completion of his tenure as an Independent Director.

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

The Company has received a declaration from Mr. Nehal Shah that he meets the criteria of independence as prescribed both under Section 149 of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. In the opinion of the Board, he fulfills the conditions for appointment as an Independent Director as specified in the Act and possesses the requisite skills, qualifications, experience, expertise, knowledge and holds the highest standards of integrity. The Company has also received a declaration that he has applied online for inclusion of his name in the data bank maintained by the institute and upon registration he has been exempted for the online proficiency self-assessment test conducted by the institute. Further, in compliance with circular no. LIST/ COMP/14/2018-19 issued by BSE Limited, he has not been debarred from holding the office of Director by virtue of any SEBI order or any other authority.

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 him 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 35th 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. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and have given his 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 13th August, 2021 have approved and recommended the reappointment of the aforesaid Independent Director, for a second term as provided in the resolutions, and he 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 his 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. 7 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for his appointment, are in any way concerned or interested in the Resolutions, as set out in item no. 7 of the Notice.

## **Item No. 8:**

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 31st May, 2021 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<br>To get job work done for party and / or<br>To purchase goods and articles and / or<br>To get job work done from party and / or<br>To avail services from party and / or<br>To provide services to party.<br>(Including sell, purchase or otherwise dispose / acquire property if any kind and / or Letting / Leasing of property of any kind.) | M/s Mahalaxmi Exports<br>(Associate concern)   | 75   |
|   | Globale Tessile Private Limited<br>(Wholly Owned Subsidiary)   | 50   |
|   | Anand Chem Industries Pvt. Ltd<br>(Associate concern)  | 15   |
|   | Mahalaxmi Calchem Pvt. Ltd<br>(Associate concern)  | 15   |
|   | Shah Jeetmal Champalal<br>(Associate concern)  | 10   |
|   | Rahul Textile<br>(Associate concern)   | 1  |
|   | Mahalaxmi Exports Private Limited<br>(Wholly Owned Subsidiary)   | 75   |
|   | Parekh Dye Chem Corporation<br>(Associate Concern)   | 1  |
|   | 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. 8 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. 8 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. Anand Jeetmal   | Mr. Balveermal Singhvi   |
|---|---|--|
| Director Identification Number (DIN)  | 00500384  | 05321014   |
| Date of Birth   | 07/06/1976  | 15/04/1949   |
| Date of Appointment   | 19/11/2008  | 01/04/2021   |
| Experience & Expertise in specific functional area  | Mr. Anand Parekh is second generation entrepreneur and joined MRT in 2008 on the Board of the Company He is Chartered Accountant by training and responsible for Company's local as well as export Market. He has experience in corporate finance, legal and export matters. He is responsible for strategic financial matters, including corporate finance, corporate strategy, business development, risk management export obligations and overall affairs of the Company. Presently he is Joint Managing Director of the Company. | Mr. Balveermal Singhvi, is a B.Com. and Diploma in Cost and Works Account by qualification. He is retired Banker (as Asst General Manager) having around 40 years of rich experience in Loans, Accounting, Auditing and Banking related matters. During his banking tenure, he has managed loan portfolio of around Rs. 20,000 Crores for Gujarat region and has also been part of the core team for Banks advances at the bank's head office at New Delhi, overseeing loans and advance of the bank at PAN India level. |
| Number of meetings of the Board attended during the Financial year commenced from 1st April 2020. | 11 (Eleven)   | N.A.   |
| Shareholding in the Company as on 31.03.2021  | 24,51,122 equity shares of ₹ 10/- each  | NIL  |
| Relationship with other Directors and KMPs of the Company   | Son of Mr. Jeetmal B. Parekh (Chairman) and Brother of Mr. Rahul J. Parekh (M.D.)   | N.A.   |
| List of companies* in which outside directorship held   | 1. Anand Chem Industries Private Limited.<br>2. Sonnet Colours Private Limited.<br>3. Rahul Calchem Private Limited.<br>4. Mahalaxmi Exports Private Limited.   | 1. Riddhi Siddhi Gluco Biols Limited.<br>2. Param Jewels Private Limited.  |
| Chairman/Member of the Committee* of Board of Directors of other Indian public companies          | NIL   | 1. Chairman of Audit Committee of Riddhi Siddhi Gluco Biols Limited.<br>2. Chairman of Stakeholder Committee of Riddhi Siddhi Gluco Biols Limited.   |





| Name of the Director  | Miss Prinsa Prajapati   | Mr. Nehal Shah   |
|---|---|--|
| Director Identification Number (DIN)  | 09185859  | 00020062   |
| Date of Birth   | 03/11/1990  | 27/02/1972   |
| Date of Appointment   | 31/05/2021  | -  |
| Experience & Expertise in specific functional area  | Miss Prinsa J. Prajapati, is a Postgraduate in Commerce and Chartered Accountant. She is Fellow Member of The Institute of Chartered Accountants of India having experience for more than 5 years in Auditing and Taxation related matters. She is also Partner in Hiral Prajapati & Co., Chartered Accountant, a well reputed firm in Anand & Ahmedabad, Gujarat since 2015. | Mr. Nehal Shah Holds a degree of Master of Business Administration (MBA). He has been involved in starting a real estate venture about 15 years back. He is having expertise in real estate development and has been instrumental in developing LIH projects. Further, Mr. Shah has served as the AIESEC Association's national VP and has been on the AIESEC Ahmedabad alumni advisory board. Mr. Shah has also been involved in venture in Health and Beauty Wellness industry. Mr. Shah has an experience of a successful marketing entrepreneur with a leading network marketing company |
| Number of meetings of the Board attended during the Financial year commenced from 1st April 2020. | N.A.  | N.A.   |
| Shareholding in the Company as on 31.03.2021  | NIL   | NIL  |
| Relationship with other Directors and KMPs of the Company   | N.A.  | N.A.   |
| List of companies* in which outside directorship held   | NIL   | <ol style="list-style-type: none"> <li>Gccl Infrastructure and Projects Limited.</li> <li>Atmiya Developers Private Limited.</li> <li>Final Touch Beauty and Healthcare Private Limited.</li> <li>Foliage Real Estate Developers Private Limited.</li> <li>Abhijay Infrastructure Private Limited.</li> </ol>  |
| Chairman/Member of the Committee* of Board of Directors of other Indian public companies          | NIL   | <ol style="list-style-type: none"> <li>Member of Audit Committee of Gccl Infrastructure and Projects Limited.</li> <li>Member of Stakeholder Committee of Gccl Infrastructure and Projects Limited.</li> </ol>   |

\* 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, 2021.

### 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 |          |
|---------------------------------------|------------|----------|--------------|----------|
|                                       | 2020-21    | 2019-20  | 2020-21      | 2019-20  |
| Income from Operations & Other Income | 13937.68   | 18247.36 | 14113.95     | 18335.99 |
| Profit before Depreciation            | 1723.35    | 1627.92  | 1719.07      | 1599.64  |
| Less: Depreciation                    | 939.59     | 1005.59  | 939.59       | 1005.59  |
| Profit before Tax                     | 783.76     | 622.33   | 779.48       | 594.05   |
| Less: Provision for Tax               | 216.33     | 222.89   | 216.33       | 222.89   |
| Less: Provision for deferred Tax      | (42.61)    | (82.21)  | (44.28)      | (88.68)  |
| Profit after Tax                      | 610.04     | 481.65   | 607.43       | 459.84   |

### REVIEW OF BUSINESS OPERATIONS AND COMPANY AFFAIRS:

The Company has witnessed the fall in the Total Income from Operations for the financial year 2020-21 mainly affected due to COVID-19 Pandemic. However, The company has seen growth on the profit by controlling the expenses of the company in the financial year 2020-21 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 ₹ 13937.68 Lakhs as against ₹ 18247.36 Lakhs in the previous year. The Profit before Tax amounted to ₹ 783.76 Lakhs as against ₹ 622.23 Lakhs in the previous year. The net profit after tax was amounted to ₹ 610.04 Lakhs as against ₹ 481.65 Lakhs in the previous year and total comprehensive income for the year amounted to ₹ 629.93 Lakhs as against ₹ 495.23 Lakhs in the previous year.

The Consolidated Revenue from Operations amounted to ₹ 14113.95 Lakhs as against ₹ 18335.99 Lakhs in the previous year. The Consolidated Net Profit before Tax amounted to ₹ 779.48 Lakhs as against ₹ 594.05 Lakhs in the previous year. The Consolidated Net Profit after Tax amounted to ₹ 607.43 Lakhs as against ₹ 459.84 Lakhs in previous year and Total Comprehensive Income for the year amounted to ₹ 629.86 Lakhs against ₹ 470.72 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 2020-21. The Board does not propose transfer to reserves for the year 2020-21 and profit earned during the Financial Year 2020-21 is proposed to be retained in profit and loss account for the year ended 31st March, 2021.

### 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, 2021 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, 2021, 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, Eleven (11) 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 Financial Year, The Company has approved Re-appointment of Mrs. Sangita Shingi in the category of Non-Executive Independent Director for the second term of Five Years w.e.f. 31st March, 2021 in its 29th Annual General Meeting held on 07th November, 2020. Further, Mr. Balveermal K. Singhvi was appointed in the Board Meeting dated 01st April, 2021 for one term of 5 years and Miss. Prinsa J. Prajapati was appointed in the Board Meeting dated 31st May, 2021 for one term of 1 year subject to approval by the Members in ensuing Annual General Meeting.

### **(b) Cessation of Directors:**

During the year, No Directors have been ceased to be the Directors of the Company. However, Mr. Chirag Y. Shah (DIN: 00570434) and Mr. Nirmal D. Desai (DIIN: 08534754) were resigned from the Board upon non-registration on Indian Institute of Corporate Affairs ("IICA") Portal w.e.f. 01st April, 2021. 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. Anand Jeetmal Parekh (DIN: 00500384), 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. Anand 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. Kevin J. Dhruve, Company Secretary

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 2020-21.

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, 2021, 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, 2021 and of the profit of the Company for the year ended on March 31, 2021;
- 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. However, vide their letter dated November 13, 2020 have expressed their inability to continue as Statutory Auditors of your Company. The Board thus appointed M/s Jain Chowdhary & Co., Chartered Accountant (ICAI FRN 113267W) as Statutory Auditors of your company effective from December 09, 2020 in the casual vacancy caused by the said resignation till the conclusion of the forthcoming AGM. The Company has taken the approval of the Members of the Company through Postal Ballot passed On March 06, 2020 to appoint them for the Financial Year 2020-2021.

The Board of Directors recommends to Appoint M/s. Jain Chowdhary & Co., for the term of Five Years from The Conclusion of 30th Annual General Meeting till the Conclusion of 35th Annual General Meeting. M/s. Jain Chowdhary & Co. have consented to act as statutory auditors of the Company for the term of Five Years from The Conclusion of 30th Annual General Meeting till the Conclusion of 35th Annual General Meeting and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company. As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members.

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, 2021 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 & Associates, 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 2019-20 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 31st May, 2021 appointed M/s. Dalwadi & Associates, Cost Accountants as the cost auditors of the Company to conduct the audit of cost records for the Financial Year 2021-22 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 Mr. Bunty Hudda, Proprietor of M/s. Bunty Hudda & Associates, Proprietorship Firm (M. No. A31507 and CP No. 11560) to conduct Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2021 was conducted by Mr. Bunty Hudda, Designated Partner of M/s Hudda & Associates, Company Secretaries LLP (M. No. A31507 and CP No. 11560), 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](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. Shingi 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](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.

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](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 2020-2021.

## 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 entered into any contract / arrangement / transaction with related parties which could be considered material but not 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:

[https://www.mrtglobal.com/images/investor\\_relation/policy/RelatedPartyTransactionPolicy.pdf](https://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

In terms of Section 134(3)(l) of the Act, there have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2021 and the date of this report i.e. 31st May, 2021.

## 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 MGT9 for the FY 2020-21 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 2021-22 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 2021-22.

## 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. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Accordingly, now transfer of shares has to be only through shares held in dematerialised form. 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, 2021, out of the Company's total equity paid-up share capital comprising of 1,33,20,275 equity shares, only 59,870 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 thank 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**

Place: Ahmedabad  
Date : May 31, 2021

**Jeetmal B. Parekh**  
(Chairman)

## 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

|           |                    | 2020-21  | 2019-20   |
|-----------|--------------------|----------|-----------|
| <b>1.</b> | <b>Electricity</b> |          |           |
| (a)       | Purchased:         |          |           |
|           | Units              | 5008525  | 8429016   |
|           | Amount ₹           | 46352753 | 73232892  |
| (b)       | Own Generation:    |          |           |
| (ii)      | Through Windmill   |          |           |
|           | Units              | 1975903  | 2157914   |
| (ii)      | Through Solar      |          |           |
|           | Units              | 416992   | -         |
| <b>2.</b> | <b>Fuel</b>        |          |           |
|           | Waste Wood         |          |           |
|           | Tonnes             | 12856    | 16025     |
|           | Amount ₹           | 52541451 | 66948476  |
|           | <b>Steam Coal</b>  |          |           |
|           | Tonnes             | 13865    | 21460     |
|           | Amount ₹           | 79779251 | 113146782 |

#### (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 | 22.52 ₹ Crore |
| Foreign exchange outgo    | 1.42 ₹ Crore  |

**ANNEXURE – II**

Form No. MR – 3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

[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 2021 ('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 2021 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, 2018 and amendments from time to time (Not applicable to the Company during the audit period);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
  - 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 (Not applicable to the Company during the audit period);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- 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 for meetings other than those held at shorter notice, 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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws rules, regulations, guidelines, standards etc.

**For, Hudda & Associates Company Secretaries LLP,**

**CS Bunty Hudda (Designated Partner)**

ACS No. 31507

C P No: 11560

UDIN: A031507C000400447

Place: Ahmedabad

Date : May 31, 2021

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,**

**CS Bunty Hudda (Designated Partner)**

ACS No. 31507

C P No: 11560

UDIN: A031507C000400447

Place: Ahmedabad

Date : May 31, 2021



## 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]

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

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 2020-21 under CSR are as under:**

- The areas for CSR activities are Promoting Education, Healthcare including Preventive Healthcare, Providing Safe Drinking Water, Sanitation Facility, 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.

**2. 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:

| Sr. No. | Name of Director       | Designation/<br>Nature of Directorship | No.of Meetings<br>of CSR Committee<br>Held during the year. | No.of Meetings of CSR<br>Committee attended<br>during the year. |
|---------|------------------------|--|---|---|
| 1.      | Mr. Rahul J. Parekh    | Chairperson,<br>Managing Director      | 2   | 2   |
| 2.      | Mr. Anand J. Parekh    | Member,<br>Jt. Managing Director       | 2   | 2   |
| 3.      | Mrs. Sangita S. Shingi | Member,<br>Independent Director        | 2   | 2   |

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.mrtglobal.com/>.**

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable

**6. Average net profit of the Company as per Section 135 (5) of the Companies Act, 2013 and Rules made thereunder for last three financial years : ₹ 637.15 Lakh**

| Years                | 2019-20 | 2018-19 | 2017-18 |
|----------------------|---------|---------|---------|
| Net Profit (in Lakh) | 658.99  | 651.34  | 601.13  |

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 12.74 Lakh**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

**(c) Amount required to be set off for the financial year, if any:** NIL

**(d) Total CSR obligation for the financial year (a+b-c):** ₹ 12.74 Lakh



8. (a) Prescribed CSR Expenditure (two percent of the amount as in item III above): ₹ 12.74 Lakh

| Total Amount Spent or the Financial Year in ₹) | Amount Unspent (in ₹)   |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|  | Amount  | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| 12.80 Lakh                                     | NIL   | NOT APPLICABLE   | -   | NIL    | -                |

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sr. No. | Name of the Project  | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project |               | Amount spent on the Project (in ₹) | Mode of Implementation – Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |                      |
|---------|--|---|---------------------|-------------------------|---------------|------------------------------------|--|--|----------------------|
|         |  |   |                     | State                   | District      |                                    |  | Name   | CSR Registration No. |
| 1       | “Vocational Training for Reaching to Unreached” Rural Development , Community Mobilization and Livelihood Promotion Activities | Yes   | Yes                 | Gujarat                 | Surendranagar | 12.80 Lakh                         | No                                       | Shri Jagatbharti Education & Charitable Trust        | Not Available        |

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (b+c+d+e): ₹ 12.80 Lakh

(g) Excess amount for set off, if any:

| Sr. No. | Particulars   | Amount (in ₹) |
|---------|---|---------------|
| 1.      | Two percent of average net profit of the company as per section 135(5)                                      | 12.74 Lakh    |
| 2.      | Total amount spent for the Financial Year   | 12.80 Lakh    |
| 3.      | Excess amount spent for the financial year [(ii)-(i)]   | 0.06 Lakh     |
| 4.      | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL           |
| 5.      | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 0.06 Lakh     |

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

10. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5): Not Applicable

11. 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.

For Mahalaxmi Rubtech Limited

Place: Ahmedabad  
Date : May 31, 2021

**Rahul J. Parekh**  
Chairman of CSR Committee  
& Managing Director  
(DIN: 00500328)

**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   | ₹ (-21,72,874)/-                | ₹ -                               |
| Total assets   | ₹ 53,18,334/-                   | ₹ 2,13,23,960/-                   |
| Total Liabilities  | ₹ 69,91,208/-                   | ₹ 1,98,23,960/-                   |
| Investments  | ₹ -                             | ₹ -                               |
| Turnover   | ₹ 1,75,80,055/-                 | ₹ -                               |
| Profit before taxation   | ₹ (-4,28,003)/-                 | ₹ -                               |
| Provision for taxation   | ₹ (-1,67,053)/-                 | ₹ -                               |
| Profit after taxation  | ₹ (-2,60,950)/-                 | ₹ -                               |
| 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, 2021**



## ANNEXURE – V

### Form 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 2020-21<br>(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. |
| (Including sell, purchase or otherwise dispose / acquire property if any kind and / or Letting / Leasing of property of any kind.)  | M/s Mahalaxmi Exports<br>(Associate concern)                    | ₹ 24.21 Crores  |
|   | Globale Tessile Private Limited.<br>(Wholly Owned Subsidiary)   | ₹ 36.61 Lakhs   |
|   | Anand Chem Industries Private Limited.<br>(Associate concern)   | ₹ 1.61 Crores   |
|   | Mahalaxmi Calchem Private Limited.<br>(Associate concern)       | ₹ 22.80 Lakh  |
|   | Rahul Textile<br>(Associate concern)                            | ₹ 1.08 Lakh   |
|   | Shah Jeetmal Champalal<br>(Associate concern)                   | ₹ 0.12 Lakh   |
|   | Mahalaxmi Exports Private Limited.<br>(Wholly Owned Subsidiary) | ₹ 8.21 Lakh   |
|   | Parekh Dye Chem Corporation<br>(Associate Concern)              | ₹ 11.92 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: 2020-21
- 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: 06.07.2020, 14.09.2020, 10.11.2020 and 12.02.2021
- f) Amount paid as advance, if any : Nil
- g) Justification for the Related Party Transactions held during the Financial Year 2020-21: As mentioned below.





To,  
The Members,  
Mahalaxmi Rubtech Limited.

**Subject: Justification for Related Party Transactions held during the Financial Year 2020-21.**

- 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 06th July, 2020, 14th September, 2020, 10th November, 2020 and 12th February, 2021 as well as by Members of the Company in its 29th Annual General Meeting held for the financial year ended on 07th November, 2020. 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 : May 31, 2021


**ANNEXURE – VI**

Detail 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 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2020-21:**

| 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       | 7.23:1   | NIL  |
| Mr. Anand J. Parekh    | Joint Managing Director | 7.23:1   | NIL  |
| Mr. Jeetmal B. Parekh  | Non-Executive Director  | N.A.   | N.A.   |
| Mr. Chirag Y. Shah     | Independent Director    | N.A.   | N.A.   |
| Mr. Nirmal D. Desai    | Independent Director    | N.A.   | N.A.   |
| Mrs. Sangita S. Shingi | 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 2020-2021: NIL
- C.** There were 416 employees on the rolls of Company as on March 31, 2021.
- D.** Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was [NIL] whereas the increase in the managerial remuneration for the same financial year was [NIL].
- 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, 2021

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

#### 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                              | 79.57%                             |
| 2.      | Manufacturing of Offset Rubber Printing Blankets & Coated Fabrics | 221 & 139                        | 20.43%                             |

#### 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<br>YSL Avenue, Opp. Ketav Petrol Pump,<br>Polytechnic Road, Ambawadi,<br>Ahmedabad – 380015   | U17299GJ2017PTC098506 | Wholly Owned<br>Subsidiary       | 100%             | 2(87)              |
| 2       | Mahalaxmi Exports Private Limited<br>YSL Avenue, Opp. Ketav Petrol Pump,<br>Polytechnic Road, Ambawadi,<br>Ahmedabad – 380015 | U17299GJ2019PTC110673 | Wholly Owned<br>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 |                          |
| <b>A</b>                 | <b>Promoter's</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| (1)                      | Indian   |   |              |                 |                   |   |              |                 |                   |                          |
| a)                       | Individual/ HUF  | 8772620   | 0            | 8772620         | 65.85             | 8819756                                   | 0            | 8819756         | 66.21             | 0.36                     |
|                          | 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          | 6.19              | 823977                                    | 0            | 823977          | 6.19              | 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                     |
|                          | <b>Sub-total (A) (1):-</b>   | <b>9596597</b>                                  | <b>0</b>     | <b>9596597</b>  | <b>72.04</b>      | <b>9643733</b>                            | <b>0</b>     | <b>9643733</b>  | <b>72.40</b>      | <b>0.36</b>              |
| (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                     |
|                          | <b>Sub-total (A) (2):-</b>   | <b>0</b>  | <b>0</b>     | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                  | <b>0</b>     | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
|                          | <b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>                 | <b>9596597</b>                                  | <b>0</b>     | <b>9596597</b>  | <b>72.04</b>      | <b>9643733</b>                            | <b>0</b>     | <b>9643733</b>  | <b>72.40</b>      | <b>0.36</b>              |
| <b>B</b>                 | <b>Public Shareholding</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| 1                        | Institutions   |   |              |                 |                   |   |              |                 |                   |                          |
| a)                       | Mutual Funds   | 7900  | 0            | 7900            | 0.06              | 7900                                      | 0            | 7900            | 0.06              | 0.00                     |
| b)                       | Banks / FI   | 25  | 0            | 25              | 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                     |
|                          | <b>Sub-total (B)(1):-</b>  | <b>7925</b>                                     | <b>0</b>     | <b>7925</b>     | <b>0.06</b>       | <b>7925</b>                               | <b>0</b>     | <b>7925</b>     | <b>0.06</b>       | <b>0.00</b>              |
| 2                        | Non- Institutions  |   |              |                 |                   |   |              |                 |                   |                          |
| a)                       | Bodies Corp.   | 450158  | 3350         | 453508          | 3.40              | 430841                                    | 3350         | 434191          | 3.26              | -0.14                    |
| i)                       | Indian   | 0   | 0            | 0               | 0.00              | 0   | 0            | 0               | 0.00              | 0.00                     |
| ii)                      | Overseas   | 0   | 0            | 0               | 0.00              | 0   | 0            | 0               | 0.00              | 0.00                     |
| b)                       | Individuals  |   |              |                 |                   |   |              |                 |                   |                          |
| i)                       | Individual shareholders holding nominal share capital upto ₹ 1 lakh        | 1357923   | 67245        | 1425168         | 10.70             | 1352115                                   | 53645        | 1405760         | 10.55             | -0.15                    |
| ii)                      | Individual shareholders holding nominal share capital in excess of ₹1 lakh | 1441859   | 0            | 1441859         | 10.82             | 1359726                                   | 0            | 1359726         | 10.21             | -0.62                    |
| c)                       | Others   |   |              |                 |                   |   |              |                 |                   |                          |
| i)                       | NRI  | 22465   | 4000         | 26465           | 0.20              | 24106                                     | 2750         | 26856           | 0.20              | 0.00                     |
| ii)                      | Clearing Member  | 8413  | 0            | 8413            | 0.06              | 7453                                      | 0            | 7453            | 0.06              | 0.00                     |
| iii)                     | Trust  | 2250  | 0            | 2250            | 0.02              | 2250                                      | 0            | 2250            | 0.02              | 0.00                     |
| iv)                      | HUF  | 247934  | 0            | 247934          | 1.86              | 254108                                    | 125          | 254233          | 1.91              | 0.05                     |
| v)                       | IEPF   | 110031  | 0            | 110031          | 0.83              | 178023                                    | 0            | 178023          | 1.33              | 0.50                     |
| vi)                      | NBFC registered with RBI   | 125   | 0            | 125             | 0.00              | 125                                       | 0            | 125             | 0.00              | 0.00                     |
|                          | <b>Sub-total (B)(2):-</b>  | <b>3641158</b>                                  | <b>74595</b> | <b>3715753</b>  | <b>27.90</b>      | <b>3608747</b>                            | <b>59870</b> | <b>3668617</b>  | <b>27.54</b>      | <b>-0.36</b>             |
|                          | <b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>                       | <b>3649083</b>                                  | <b>74595</b> | <b>3723678</b>  | <b>27.96</b>      | <b>3616672</b>                            | <b>59870</b> | <b>3676542</b>  | <b>27.60</b>      | <b>-0.36</b>             |
| <b>C</b>                 | <b>Shares held by Custodian for GDRs &amp; ADRs</b>                        | <b>0</b>  | <b>0</b>     | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                  | <b>0</b>     | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
|                          | <b>Grand Total (A+B+C)</b>   | <b>13245680</b>                                 | <b>74595</b> | <b>13320275</b> | <b>100.00</b>     | <b>13260405</b>                           | <b>59870</b> | <b>13320275</b> | <b>100.00</b>     | <b>0.00</b>              |



(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                | 400364                                    | 3.01                             | 0.00   | 400364                               | 3.01                             | 0.00   | 0.00                                      |
| 6            | Ratna R. Parekh                | 356120                                    | 2.67                             | 0.00   | 356120                               | 2.67                             | 0.00   | 0.00                                      |
| 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   | 4875                                 | 0.04                             | 0.00   | 0.01                                      |
| 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         | 14710                                     | 0.11                             | 0.00   | 61596                                | 0.46                             | 0.00   | 0.35                                      |
| 19           | Rohan Anand Parekh             | 15896                                     | 0.12                             | 0.00   | 15896                                | 0.12                             | 0.00   | 0.00                                      |
| <b>TOTAL</b> |                                | <b>9596597</b>                            | <b>72.04</b>                     | <b>0.00</b>                                      | <b>9643733</b>                       | <b>72.40</b>                     | <b>0.00</b>                                      | <b>0.36</b>                               |

(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 | 9596597                                   | 72.04                            | 9535223                                 | 72.04                            |
| 1       |      | Acquisition during the year  | 47136                                     | 0.36                             | 47136                                   | 0.36                             |
|         |      | At the End of the year       | 9643733                                   | 72.40                            | 9643733                                 | 72.40                            |



(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 <sup>1</sup> |                                  | Date       | Reason                       | Increase / Decrease | Cumulative Shareholding during the year <sup>1</sup> |                                  |
|------------|---|--|----------------------------------|------------|------------------------------|---------------------|--|----------------------------------|
|            |   | No. of shares  | % of total shares of the company |            |                              |                     | No. of shares  | % of total shares of the company |
| 1          | Investor Education and Protection Fund Authority<br>Ministry of Corporate Affairs | 110031   | 0.83                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 31.07.2020 | Transfer                     | 68117               | 178148   | 1.34                             |
|            |   |  |                                  | 08.01.2021 | Transfer                     | (125)               | 178023   | 1.34                             |
|            |   |  |                                  | 31.03.2021 |                              |                     | 178023   | 1.34                             |
| 2          | ENVIRO CONTROL ASSOCIATES (INDIA) PRIVATE LIMITED                                 | 170455   | 1.28                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 31.03.2021 | Nil movement during the year | 0                   | 170455   | 1.28                             |
| 3          | MANAV MERCANTILE PRIVATE LIMITED  | 87671  | 0.66                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 10.07.2020 | Purchase                     | 1500                | 89171  | 0.67                             |
|            |   |  |                                  | 17.07.2020 | Purchase                     | 1557                | 90728  | 0.68                             |
|            |   |  |                                  | 24.07.2020 | Purchase                     | 1450                | 92178  | 0.69                             |
|            |   |  |                                  | 31.07.2020 | Purchase                     | 330                 | 92508  | 0.69                             |
|            |   |  |                                  | 07.08.2020 | Purchase                     | 1093                | 93601  | 0.70                             |
|            |   |  |                                  | 11.09.2020 | Purchase                     | 78                  | 93679  | 0.70                             |
|            |   |  |                                  | 18.09.2020 | Transfer                     | (283)               | 93396  | 0.70                             |
|            |   |  |                                  | 09.10.2020 | Purchase                     | 2699                | 96095  | 0.72                             |
|            |   |  |                                  | 16.10.2020 | Purchase                     | 5506                | 101601   | 0.76                             |
|            |   |  |                                  | 23.10.2020 | Purchase                     | 976                 | 102577   | 0.77                             |
|            |   |  |                                  | 30.10.2020 | Purchase                     | 50                  | 102627   | 0.77                             |
|            |   |  |                                  | 06.11.2020 | Purchase                     | 540                 | 103167   | 0.77                             |
|            |   |  |                                  | 13.11.2020 | Purchase                     | 3138                | 106305   | 0.80                             |
|            |   |  |                                  | 20.11.2020 | Purchase                     | 520                 | 106825   | 0.80                             |
| 31.03.2021 |   |  | 106825                           | 0.80       |                              |                     |  |                                  |
| 4          | SANDHYA R SHAH  | 81251  | 0.61                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 12.07.2020 | Purchase                     | 773                 | 82024  | 0.62                             |
|            |   |  |                                  | 31.03.2021 |                              |                     | 82024  | 0.62                             |
| 5          | RAJESH J KHANDHAR   | 85000  | 0.64                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 25.12.2020 | Transfer                     | (30)                | 84970  | 0.64                             |
|            |   |  |                                  | 01.01.2021 | Transfer                     | (3970)              | 81000  | 0.61                             |
|            |   |  |                                  | 08.01.2021 | Transfer                     | (1000)              | 80000  | 0.60                             |
| 31.03.2021 |   |  | 81251                            | 0.60       |                              |                     |  |                                  |
| 6          | VAST APPRO COMBINES PRIVATE LTD   | 69993  | 0.53                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 31.03.2020 | Nil movement during the year | 0                   | 69993  | 0.53                             |
| 7          | JINAL V KAPADIA   | 42681  | 0.32                             | 01.04.2020 |                              |                     |  |                                  |
|            |   |  |                                  | 03.07.2020 | Purchase                     | 100                 | 42781  | 0.32                             |
|            |   |  |                                  | 10.07.2020 | Purchase                     | 905                 | 43686  | 0.33                             |
|            |   |  |                                  | 17.07.2020 | Purchase                     | 540                 | 44226  | 0.33                             |
|            |   |  |                                  | 24.07.2020 | Purchase                     | 1183                | 45409  | 0.34                             |
| 31.07.2020 | Purchase  | 715  | 46124                            | 0.35       |                              |                     |  |                                  |



(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 <sup>1</sup> |                                  | Date       | Reason                       | Increase / Decrease | Cumulative Shareholding during the year <sup>1</sup> |                                  |
|---------|-----------------------|--|----------------------------------|------------|------------------------------|---------------------|--|----------------------------------|
|         |                       | No. of shares  | % of total shares of the company |            |                              |                     | No. of shares  | % of total shares of the company |
|         |                       |  |                                  | 07.08.2020 | Purchase                     | 6635                | 52759  | 0.40                             |
|         |                       |  |                                  | 14.08.2020 | Purchase                     | 5719                | 58478  | 0.44                             |
|         |                       |  |                                  | 28.08.2020 | Purchase                     | 610                 | 59088  | 0.44                             |
|         |                       |  |                                  | 18.09.2020 | Purchase                     | 100                 | 59188  | 0.44                             |
|         |                       |  |                                  | 25.09.2020 | Purchase                     | 434                 | 59622  | 0.45                             |
|         |                       |  |                                  | 30.09.2020 | Purchase                     | 587                 | 60209  | 0.45                             |
|         |                       |  |                                  | 09.10.2020 | Purchase                     | 550                 | 60759  | 0.46                             |
|         |                       |  |                                  | 08.01.2021 | Transfer                     | (5160)              | 55599  | 0.42                             |
|         |                       |  |                                  | 15.01.2021 | Transfer                     | (6023)              | 49576  | 0.37                             |
|         |                       |  |                                  | 22.01.2021 | Purchase                     | 509                 | 50085  | 0.38                             |
|         |                       |  |                                  | 29.01.2021 | Purchase                     | 1250                | 51335  | 0.39                             |
|         |                       |  |                                  | 12.03.2021 | Purchase                     | 1502                | 52837  | 0.40                             |
|         |                       |  |                                  | 19.03.2021 | Purchase                     | 8896                | 61733  | 0.46                             |
|         |                       |  |                                  | 26.03.2021 | Purchase                     | 4996                | 66729  | 0.50                             |
|         |                       |  |                                  | 31.03.2021 | Purchase                     | 2991                | 69720  | 0.52                             |
|         |                       |  |                                  | 31.03.2021 |                              |                     | 69720  | 0.52                             |
| 8       | ROHIT C SHAH          | 69300  | 0.52                             | 01.04.2020 |                              |                     |  |                                  |
|         |                       |  |                                  |            | Nil movement during the year | 0                   |  |                                  |
|         |                       |  |                                  | 31.03.2021 |                              |                     | 69300  | 0.52                             |
| 9       | ANITADEVI J PAREKH    | 49070  | 0.37                             | 01.04.2020 |                              |                     |  |                                  |
|         |                       |  |                                  |            | Nil movement during the year | 0                   |  |                                  |
|         |                       |  |                                  | 31.03.2021 |                              |                     | 49070  | 0.37                             |
| 10      | MAHAVIRCHAND P PAREKH | 49000  | 0.37                             | 01.04.2020 |                              |                     |  |                                  |
|         |                       |  |                                  |            | Nil movement during the year | 0                   |  |                                  |
|         |                       |  |                                  | 31.03.2021 |                              |                     | 49000  | 0.37                             |
| 11      | SANTOSH DEVI M PAREKH | 49000  | 0.37                             | 01.04.2020 |                              |                     |  |                                  |
|         |                       |  |                                  |            | Nil movement during the year | 0                   |  |                                  |
|         |                       |  |                                  | 31.03.2021 |                              |                     | 49000  | 0.37                             |



(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No.  | Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|--|---|----------------------------------|---|----------------------------------|
|          |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1</b> | <b>Jeetmal B. Parekh, Chairman</b>   |   |                                  |   |                                  |
|          | At the beginning of the year   | 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                            |
| <b>2</b> | <b>Rahul J. Parekh, Managing Director</b>  |   |                                  |   |                                  |
|          | 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                            |
| <b>3</b> | <b>Anand J. Parekh, Jt. Managing Director</b>  |   |                                  |   |                                  |
|          | 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                            |
| <b>4</b> | <b>Sangita S. Shingi, Independent Director</b>   |   |                                  |   |                                  |
|          | 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                                |
| <b>5</b> | <b>Chirag Y. Shah, Independent Director</b>  |   |                                  |   |                                  |
|          | 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                             |
| <b>6</b> | <b>Nirmal D. Desai, Independent Director</b>   |   |                                  |   |                                  |
|          | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0                                | 0                                       | 0                                |
|          | At the End of the year   | 0   | 0                                | 0                                       | 0                                |
| <b>7</b> | <b>Rajendra R. Mehta, Chief Financial Officer</b>  |   |                                  |   |                                  |
|          | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0                                | 0                                       | 0                                |
|          | At the End of the year   | 0   | 0                                | 0                                       | 0                                |
| <b>8</b> | <b>Kevin J. Dhruve, Company Secretary</b>  |   |                                  |   |                                  |
|          | At the beginning of the year   | 0   | 0                                | 0                                       | 0                                |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0                                | 0                                       | 0                                |
|          | At the End of the year   | 0   | 0                                | 0                                       | 0                                |



## (v) INDEBTEDNESS

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

(₹ in Crores)

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| 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                     |
| <b>Total (i+ii+iii)</b>                                    | <b>33.39</b>                        | <b>0</b>           | <b>0</b> | <b>33.39</b>          |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| • Addition   | 238.75                              | 0                  | 0        | 238.75                |
| • Reduction  | -233.82                             | 0                  | 0        | -233.82               |
| <b>Net Change</b>  | <b>4.93</b>                         | <b>0.00</b>        | <b>0</b> | <b>4.93</b>           |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 38.33                               | 0                  | 0        | 38.33                 |
| ii) Interest due but not paid                              | 0                                   | 0                  | 0        | 0                     |
| iii) Interest accrued but not due                          | 0                                   | 0                  | 0        | 0                     |
| <b>Total (i+ii+iii)</b>                                    | <b>38.33</b>                        | <b>0</b>           | <b>0</b> | <b>38.33</b>          |

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager              |                | Total Amount   |
|---------|---|--------------------------------------|----------------|----------------|
|         |   | Rahul Parekh                         | Anand Parekh   |                |
| 1       | Gross salary  |                                      |                |                |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1650000                              | 1650000        | 3300000        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 29700                                | 29700          | 59400          |
|         | (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              |
|         | <b>Total (A)</b>  | <b>1679700</b>                       | <b>1679700</b> | <b>3359400</b> |
|         | 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 Director |      |      |      | Total Amount |
|---------|--|------------------|------|------|------|--------------|
|         |  | ----             | ---- | ---- | ---- |              |
|         | <b>Independent Directors</b>                 |                  |      |      |      |              |
|         | • Fee for attending board committee meetings |                  |      |      |      |              |
|         | • Commission                                 |                  |      |      |      |              |
|         | • Others, please specify                     |                  |      |      |      |              |
|         | <b>Total (1)</b>                             |                  |      |      |      |              |
|         | <b>Other Non-Executive Directors</b>         |                  |      |      |      |              |
|         | • Fee for attending board committee meetings |                  |      |      |      |              |
|         | • Commission                                 |                  |      |      |      |              |
|         | • Others, please specify                     |                  |      |      |      |              |
|         | <b>Total (2)</b>                             |                  |      |      |      |              |
|         | <b>Total (B)=(1+2)</b>                       |                  |      |      |      |              |
|         | <b>Total Managerial Remuneration</b>         |                  |      |      |      |              |
|         | <b>Overall Ceiling as per the Act</b>        |                  |      |      |      |              |

\* 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 CEO/Company Secretary/ CFO |                                  |                      | Total Amount |
|---------|---|------------------------------------|----------------------------------|----------------------|--------------|
|         |   | CEO                                | Kevin Dhruve - Company Secretary | Rajendra Mehta - CFO |              |
| 1       | Gross salary  | N.A.*                              |                                  |                      |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                    | 315381                           | 1430000              | 1745381      |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                    | 0                                | 0                    | 00           |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                                    | 0                                | 0                    | 00           |
| 2       | Stock Option  |                                    | 0                                | 0                    | 00           |
| 3       | Sweat Equity  |                                    | 0                                | 0                    | 00           |
| 4       | Commission  |                                    | 0                                | 0                    | 00           |
|         | - as % of profit  |                                    | 0                                | 0                    | 00           |
|         | - Others, specify...  |                                    | 0                                | 0                    | 00           |
| 5       | Others, please specify  |                                    | 0                                | 0                    | 00           |
|         | <b>Total (A)</b>  | <b>315381</b>                      | <b>1430000</b>                   | <b>1745381</b>       |              |

## 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) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                            |                                    |
| Penalty                             |                              |                   |  |                            |                                    |
| Punishment                          |                              |                   |  |                            |                                    |
| Compounding                         |                              |                   |  |                            |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                            |                                    |
| Penalty                             |                              |                   |  |                            |                                    |
| Punishment                          |                              |                   |  |                            |                                    |
| Compounding                         |                              |                   |  |                            |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                    |
| Penalty                             |                              |                   |  |                            |                                    |
| Punishment                          |                              |                   |  |                            |                                    |
| Compounding                         |                              |                   |  |                            |                                    |

**MANAGEMENT DISCUSSION AND ANALYSIS****INDIAN ECONOMIC OVERVIEW**

With an overall slowdown in the global economy which is estimated to have contracted by around 3.3% in 2020 on account of COVID-19 pandemic, the prospects in 2021 have shown sizeable improvement and the negative growth is expected to be reversed with positive growth of 6% expected to moderate to 4.4% in 2022. These are unprecedented and uncertain times. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries.

The vaccination drive has picked up momentum PAN-India and the outlook remains positive with the advent of new vaccines reaching the market. Emerging Markets like India have witnessed a slowdown and there is economic fallout registered on account of sustained lockdowns in various parts of the Country. Growth in India is estimated to have contracted to -7.3% in FY 2021 with the country witnessing a second wave of the pandemic in March, 2021. The localised lockdowns have resumed which are likely to impair economic activity. However, the COVID-19 pandemic has severely impacted economies worldwide. Basis the fallout, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

The measures taken by the government to contain spread of the COVID-19 pandemic have had an impact on the economic activities as well as on the data collection mechanisms. Estimates are, therefore, likely to undergo sharp revisions for the aforesaid causes in due course. V-shaped economic recovery is expected due to mega vaccination drive, recovery in the services sector and strong growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, e-way bills, GST collection, steel consumption, etc.

**GLOBAL TEXTILE INDUSTRY**

The COVID-19 pandemic has impacted each and every business in some way or the other, the global textile industry has been drastically impacted. Asia, being one of the largest markets for textile industry in the world has suffered due to sudden drop in international demand for their products coupled with prolonged lockdowns and restrictions in majority of Asian countries. Shortage of cotton and other raw materials and several supply chain disruptions have worsened the situation globally. It is estimated that exports to major buying regions in the European Union, United States, and Japan might decline by approx. 70%. The key markets in the textile industry are China, European Union, the United States and India, all of which were affected due to the COVID-19 pandemic.

**INDIAN TEXTILE INDUSTRY**

The textiles and apparels sector is a major contributor to the Indian economy in terms of foreign exchange earnings and employment. Textile & garments industry in India is expected to reach US\$223 Billion by 2021 from US\$140.4 Billion in 2018. India is the third-largest textile manufacturing industry and contributes approximately 6% to the total textile production, globally.

India ranks 2nd as the largest producer of textiles and garments and is the 5th largest exporter of textiles spanning apparel, home and technical products.

The Indian textile industry is set for growth, buoyed by both strong domestic consumption as well as export demand. Favourable demographic, rising per capital income and a shift in customer preference to branded products is expected to revive the textile industry which has been severely impacted by the COVID-19 pandemic.

The Government of India is working on major initiatives and reforms in the Textile sector, including launch of a 'Mega Integrated Textile Region and Apparel (MITRA) Park' scheme to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period; starting a focused product scheme; positioning the country as a global hub in the man-made fibre (MMF) and technical textiles segments. Competitive advantage, robust demand, favourable government policies, increasing investments and urbanization are expected to be the key drivers for revival of the industry.

**GLOBAL TEXTILE AND APPAREL INDUSTRY**

FY 2020-21 brought in a lot of changes for the apparel industry. As the COVID-19 pandemic impacted economies around the world, the apparel industry was significantly affected. Consumer behavior shifted, discretionary spends were curtailed, supply chains were disrupted and towards the end of the financial year many regions were in the grip of a second wave of infections which dampened hopes of a spontaneous revival.

The apparel business is considered to be one of the most challenging businesses as factors such as short product life cycle, volatile fashions, unpredictable market trends and impulse purchase nature of the customer are to be given utmost importance by the manufacturers so as to sustain themselves in the apparel segment. The second wave of the pandemic muted the consumer sentiments and discretionary spends that are likely to dominate the consumption landscape.

**INDIAN TEXTILE AND APPAREL INDUSTRY**

The apparels market in India is undergoing a metamorphosis as never seen before. The change being witnessed can be attributed to several



factors including the work from home culture, subdued purchasing power of the masses, shifts in the buying behaviour, demography dynamics, growing urbanisation, opening up of the retail segment to private and foreign players and changing trends/lifestyle. The Indian apparel industry employs approx. 1.3 Crore people as a part of its workforce, even today it is one of the largest providers of employment in the country. The industry contributes to 4.9% of India's total export and India is the 6th largest exporter of Apparel in the world.

As travel was restricted, people sheltered from the virus in their homes and as India Inc. followed work from home policy for its employees, the consumer buying behaviour has undoubtedly shifted over the past year. Digital consumption has taken lead and to ensure sustainability and growth in the coming years. The companies developed engaging and social experiences to encourage consumers to connect.

The year 2020-21 has massively impacted the Indian Apparel industry. Consumer purchase of apparel was badly hit due to lockdowns, loss of job and economic recession. Lockdown restrictions across the country resulted in a slump in the retail sales.

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 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.

## **BUSINESS OVERVIEW**

The Company continues to sustain with its overall performance in the financial year 2020-21 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 ₹ 13937.68 Lakhs as against ₹ 18247.36 Lakhs in the previous year. The Profit before Tax amounted to ₹ 783.76 Lakhs as against ₹ 622.23 Lakhs in the previous year. The net profit after tax was increased to ₹ 610.04 Lakhs as against ₹ 481.65 Lakhs in the previous year and total comprehensive income for the year amounted to ₹ 629.93 Lakhs as against ₹ 495.23 Lakhs in the previous year.

The Consolidated Revenue from Operations amounted to ₹ 14113.95 Lakhs as against ₹ 18335.99 Lakhs in the previous year. The Consolidated Net Profit before Tax amounted to ₹ 779.48 Lakhs as against ₹ 594.05 Lakhs in the previous year. The Consolidated Net Profit after Tax amounted to ₹ 607.43 Lakhs as against ₹ 459.84 Lakhs in previous year and Total Comprehensive Income for the year amounted to ₹ 629.86 Lakhs against ₹ 470.72 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 ₹ 22.52/- 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, the 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. The 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 Offset Rubber Printing Blankets and a range of other niche rubber products. This division is manufacturing Offset Rubber Printing Blankets used in Sheet Fed, Web and Security Printing Applications.

The Company has commenced the project of manufacturing Textile based Digital Print Media substrates for use in digital banners & signage printing. The product range would include Back-lite, Front-lite, Hoardings and Banners. The Company also manufactures 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, The 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 then 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 Affair in the Board of Directors Report.

During FY 2020-21, 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 2020-21 | FY 2019-20 | % change |
|---------------------------------|------------|------------|----------|
| Debtor Turnover (Times)         | 4.60       | 5.05       | -8.96%   |
| Inventory Turnover (Times)      | 4.86       | 5.30       | -8.17%   |
| Interest Coverage Ratio (Times) | 8.71       | 5.31       | 63.95%   |
| Current Ratio (Times)           | 1.66       | 1.41       | 17.81%   |
| Debt Equity Ratio (Times)       | 0.41       | 0.38       | 7.52%    |
| Operating Profit Margin (%)     | 6.48       | 4.26       | 51.96%   |
| Net Profit Margin (%)           | 0.04       | 0.03       | 66.65%   |

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 ₹ 94.03 crore as on March 31, 2021. Return on Net worth for the year 2020-21 stands at 6.49 % as against 5.47 % for 2019-20.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statement.

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

Your Company continues to have cordial and harmonious relations with its employees at all levels during the period under review. The



company also puts emphasis on formal training and development programme to operators and workers, as a core activity and provides continuous training, both internally and externally, for upgradation of employee skills. The operations of the Company across functions have been strengthened through induction of appropriately qualified and experienced manpower.

Management identifies the potential of each employee and endeavors by providing them right opportunity to grow. Management of your Company strongly focuses on the performance of the managers. The Board acknowledges it's thanks to all the shop floor personnel and other employees for making significant contribution to your Company.

Our positive approach to competency, development and retention allows attracting, retaining and built the best team. The Company attaches priority to human resource development, with focus on regular up-gradation of the knowledge and skills of our employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully. Industrial Relations were cordial and satisfactory.

#### **RESEARCH & DEVELOPMENT:**

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

#### **ISO 9001:2015 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 manufactures 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, 2021, 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, 2021.

### **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 Eleven Board Meetings were held on 24.06.2020, 06.07.2020, 26.08.2020, 14.09.2020, 09.10.2020, 14.10.2020, 06.11.2020, 10.11.2020, 09.12.2020, 27.01.2020 and 12.02.2020. The interval between any two meetings did not exceed 120 days. Further, The interval between two Board Meeting till 30th June, 2020 did not exceed 180 days as per MCA General Circular 11/2020 dated March 24, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020.

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 07.11.2020 | No. of other Directorships | Committee of the Board |                  |
|-------------------------------------|--------------------------|--------------------------------|--------------------------------------|----------------------------|------------------------|------------------|
|                                     |                          |                                |                                      |                            | Membership ***         | Chairmanship *** |
| Jeetmal B. Parekh<br>(DIN 00512415) | NED-P                    | 11                             | YES                                  | *6                         | 0                      | 0                |
| Rahul J. Parekh<br>(DIN 00500328)   | MD                       | 11                             | YES                                  | *9                         | 1                      | 0                |
| Anand J. Parekh<br>(DIN 00500384)   | JT. MD                   | 11                             | YES                                  | *4                         | 2                      | 0                |
| Sangita Shingi<br>(DIN 06999605)    | NED-I (WD)               | 11                             | YES                                  | 2                          | 1                      | 0                |
| Chirag Y. Shah<br>(DIN: 00570434)   | NED-I                    | 11                             | YES                                  | *2                         | 0                      | 1                |
| Nirmal D. Desai<br>(DIN: 08534754)  | NED-I                    | 11                             | YES                                  | NIL                        | 0                      | 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.





- 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.

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. Shingi, 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:

| Sl. 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 Shingi (DIN 06999605)    |  | ✓                               | ✓                                 |                                   | ✓  |
| Chirag Y. Shah (DIN: 00570434)   | ✓  | ✓                               | ✓                                 | ✓                                 |  |
| Nirmal D. Desai (DIN: 08534754)  |  | ✓                               | ✓                                 |                                   | ✓  |

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 February 12, 2021. The Familiarization programme for Independent Directors is available at the Company's website i.e. [www.mrtglobal.com](http://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 Shingi – 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 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 7 (Seven) times during the year on 06.07.2020, 14.09.2020, 09.10.2020, 10.11.2020, 13.11.2020, 09.12.2020 and 12.02.2021. The attendance of members at the meetings was as follows:

| Name of Member  | Category                            | Designation | Attendance at Committee Meeting during FY 2020-21 |                          |
|-----------------|-------------------------------------|-------------|---|--------------------------|
|                 |                                     |             | Number of Meetings held                           | No. of Meetings Attended |
| Chirag Y. Shah  | Non-Executive, Independent Director | Chairperson | 7   | 7                        |
| Anand J. Parekh | Jt. Managing Director (Executive)   | Member      | 7   | 7                        |
| Sangita Shingi  | Non-Executive, Independent Director | Member      | 7   | 7                        |

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 Shingi as Chairman and Shri Jeetmal B. Parekh and Shri Chirag Y. Shah as members.

During the year under review, the committee met two times on 06.07.2020 and 02.03.2021. The attendance of members at the meetings was as follows:

| Name of Member    | Category                            | Designation | Attendance at Committee Meeting during FY 2020-21 |                          |
|-------------------|-------------------------------------|-------------|---|--------------------------|
|                   |                                     |             | Number of Meetings held                           | No. of Meetings Attended |
| Sangita Shingi    | Non-Executive, Independent Director | Chairperson | 2   | 2                        |
| Jeetmal B. Parekh | Non-Executive, Chairperson          | Member      | 2   | 2                        |
| Chirag Y. Shah    | Non-Executive, Independent Director | Member      | 2   | 2                        |

Details of Remuneration for the year 2020-21 paid to the Directors are as follows:

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

- Basic Salary ₹ 16,50,000/- (Rupees Sixteen Lakhs Fifty Thousand only), Perquisites: ₹ 29,700/- (Rupees Twenty-nine Thousand Seven Hundred only)

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

- Basic Salary ₹ 16,50,000/- (Rupees Sixteen Lakhs Fifty Thousand only), Perquisites: ₹ 29,700/- (Rupees Twenty-nine Thousand Seven 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 | 78  | Chairman              | 27.08.1993                  | -----                       | 1744481     |
| Rahul J. Parekh   | 49  | Managing Director     | 05.07.1995                  | As Per terms of Appointment | 2551119     |
| Anand J. Parekh   | 45  | Jt. Managing Director | 19.11.2008                  | As Per terms of Appointment | 2451122     |
| Nirmal D. Desai   | 51  | Director              | 18.08.2019                  | -----                       | NIL         |
| Chirag Y. Shah    | 50  | Director              | 12.08.2019                  | -----                       | 30341       |
| Sangita S. Shingi | 50  | Director              | 31.03.2016                  | -----                       | NIL         |



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

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 three times during the year on 26.08.2020, 14.09.2020, and 09.10.2020. The attendance of members at the meetings was as follows:

| Name of Member  | Category                          | Designation | Attendance at Committee Meeting during FY 2020-21 |                          |
|-----------------|-----------------------------------|-------------|---|--------------------------|
|                 |                                   |             | Number of Meetings held                           | No. of Meetings Attended |
| Nirmal D. Desai | Non-Executive, Chairperson        | Chairperson | 3   | 3                        |
| Rahul J. Parekh | Managing Director (Executive)     | Member      | 3   | 3                        |
| Anand J. Parekh | Jt. Managing Director (Executive) | Member      | 3   | 3                        |

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](http://www.mrtglobal.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Company's Chairman and Managing Director is published in this Report.

#### **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](http://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.

Currently, there are no shares outstanding which are required to be transferred to the IEPF.

#### **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, 2015 which was first implemented with effect from October 1, 2002 as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992. The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulation of 1992 which ordain new action steps by corporate and other market intermediaries for the purpose of prevention of Insider Trading. The Code is amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations.
- As per Section 177 of The Companies Act 2013 and Regulation 22 of the LODR, Regulation 2015, the company has adopted whistle Blower / Vigil Mechanism which includes concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. 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, 2021, 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 2020-21.

## 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

- 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.
- 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.
- The Company's financial results and official press releases are displayed on the Company's Website [www.mrtglobal.com](http://www.mrtglobal.com)
- 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.
- 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.
- 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.
- The Company has designated the email id [cs@mahalaxmigroup.net](mailto:cs@mahalaxmigroup.net) exclusively for investor relation and the same is prominently displayed on the Company's website [www.mrtglobal.com](http://www.mrtglobal.com)

## 10. General Body Meeting:

### A. Annual General Meeting:

| Year    | Location  | Day & Date             | Time     | Special Resolutions Passed   |
|---------|---|------------------------|----------|--|
| 2019-20 | The Company has conducted 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. | Saturday<br>07.11.2020 | 11.30 AM | 1. To Re-appoint Mrs. Sangita Shingi as an Independent Director for Next term of 5 Years.  |
| 2018-19 | Lions Hall, Nr. Nalanda Hotel, Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006   | Monday<br>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<br>28.09.2018   | 11.30 AM | 1. To approve conversion of loan into equity.<br>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.<br>3. To change/alter Memorandum of Association – Object clause of the Company. |

### B. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during the Financial Year 2020-2021.

### C. Special Resolution(s):

- Details of the Special Resolution passed in The Annual General Meetings are provided in the above table.
- Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the



voting pattern and procedure of postal ballot:

No special resolution was passed through postal ballot in the last year.

iii. Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

## 11. General Shareholder information

|                                      |   |   |
|--------------------------------------|---|---|
| Annual General meeting to be held on | : | 30th September 2021, Thursday 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 Circular no. 02/2021 dated January 13, 2021 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 2021 to 31st March 2022   |
| Financial Results                    |   |   |
| *First Quarter Results               | : | By 14th August, 2021  |
| *Half Yearly Results                 | : | By 14th November 2021   |
| *Third Quarter Results               | : | By 14th February 2022   |
| *Annual Results                      | : | Within 60 days from 31st March, 2022  |
| Book Closure Date                    | : | From 24th September, 2021 to 30th, September, 2021 (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   |

### Market Price Data: (as per BSE)

| Month           | Highest Rate (₹) | Lowest Rate (₹) |
|-----------------|------------------|-----------------|
| April, 2020     | 34.50            | 25.70           |
| May, 2020       | 31.25            | 23.20           |
| June, 2020      | 34.50            | 24.00           |
| July, 2020      | 34.20            | 27.70           |
| August, 2020    | 34.95            | 28.55           |
| September, 2020 | 34.50            | 25.55           |
| October, 2020   | 36.00            | 26.50           |
| November, 2020  | 47.00            | 28.55           |
| December, 2020  | 48.85            | 37.05           |
| January, 2021   | 53.80            | 40.25           |
| February, 2021  | 48.35            | 38.00           |
| March, 2021     | 43.00            | 38.85           |

The Company has already paid listing fees for the year 2020-21 to all the Stock Exchanges, where listed.





## REGISTRAR AND TRANSFER AGENTS

### Physical Mode:

Link Intime India Private Limited (unit Mahalaxmi Rubtech Limited)

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

### Depository Mode:

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

| 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.<br>Tel No.: 022 - 49186270, Fax No.: 022 - 4918 6060<br>Email: rnt.helpdesk@linkintime.co.in | 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near XT Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006.<br>Tel No.: 079 - 2646 5186, Fax No.: 079 - 2646 5179,<br>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 2021)

| No. of Shares | Shareholders |               | No. of Share held |               |
|---------------|--------------|---------------|-------------------|---------------|
|               | Number       | Total in %    | Number            | Total in %    |
| 1 - 500       | 3239         | 82.65         | 406734            | 3.06          |
| 501 - 1000    | 264          | 6.74          | 212249            | 1.59          |
| 1001 - 2000   | 144          | 3.67          | 219247            | 1.65          |
| 2001 - 3000   | 51           | 1.30          | 129362            | 0.97          |
| 3001 - 4000   | 32           | 0.82          | 114611            | 0.86          |
| 4001 - 5000   | 41           | 1.05          | 188037            | 1.41          |
| 5001 - 10000  | 51           | 1.30          | 364071            | 2.73          |
| 10001 & ABOVE | 97           | 2.47          | 11685964          | 87.73         |
| <b>Total</b>  | <b>3919</b>  | <b>100.00</b> | <b>13320275</b>   | <b>100.00</b> |

### Shareholding Pattern: (As on 31st March 2021)

| Category               | No. of Shares held | % to the Shareholding |
|------------------------|--------------------|-----------------------|
| Promoters & Associates | 96,43,733          | 72.40%                |
| Bodies Corporate       | 4,34,191           | 3.26%                 |
| Non-Resident Indians   | 26,856             | 0.20%                 |
| Banks & Mutual Funds   | 7925               | 0.06%                 |
| Public                 | 32,07,750          | 24.08%                |
| <b>TOTAL</b>           | <b>1,33,20,275</b> | <b>100.00%</b>        |

### 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, 2021, 99.55% 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, 2021, 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 31-03-2021 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
  - i) Significant changes in internal control during the year.
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
  - iii) Instances of significant fraud of which we have become aware if any and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Mahalaxmi Rubtech Limited

Place: Ahmedabad  
Date : May 31, 2021

**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, 2021.

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 : May 31, 2021

**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, 2021 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 Shingi     | 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, Bunty Hudda & Associates,**  
**Bunty Hudda**  
(Proprietor)  
ACS No. 31507  
C P No: 11560  
UDIN: A031507C000400095

Place: Ahmedabad  
Date : May 31, 2021



## 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 2021, 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, 2021.

We state that in respect of investor grievances received during the year ended March 31, 2021, 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, Jain Chowdhary & Co.**  
Chartered Accountants  
Firm Registration No. 113267W

**Hitesh A Salecha**  
Partner  
Membership No. 147413  
UDIN: 21147413AAAAABR5352

Place: Ahmedabad  
Date : May 31, 2021



## 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, 2021 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 2021, 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><b>Estimation of provision for sales returns and discounts and volume rebates in the financial statements.</b></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><b>In this regard, our audit procedures included:</b></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> |



## 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021.

**For JAIN CHOWDHARY & CO.,  
Chartered Accountants.  
Firm Registration No.113267W**

**(CA HITESH SALECHA)  
Partner.  
M. No. 147413**

**Ahmedabad: 31st May, 2021.**



## **“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, 2021:

- 1) In respect of fixed assets:
  - (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) In respect of inventories:
  - 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) According to information and explanation given to us, in respect of statutory dues:
  - 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.
  - b. There were no undisputed amounts payable in respect of the above in arrears as at March 31, 2021 for a period of more than six months from the date they become payable.
  - c. There are no dues of income tax, salex tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
- 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 JAIN CHOWDHARY & CO.,  
Chartered Accountants.  
Firm Registration No.113267W**

**(CA HITESH SALECHA)  
Partner.  
M. No. 147413**

**Ahmedabad: 31st May, 2021.**

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

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

**Report on the Internal Financial Controls 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, 2021 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, 2021, 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 JAIN CHOWDHARY & CO.,  
Chartered Accountants.  
Firm Registration No.113267W**

**(CA HITESH SALECHA)  
Partner.  
M. No. 147413**

**Ahmedabad: 31st May,2021.**

# MAHALAXMI RUBTECH LIMITED

## STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021



|  | Notes | As at 31-Mar-21<br>₹ | As at 31-Mar-20<br>₹ |
|--|-------|----------------------|----------------------|
| <b>ASSETS</b>                                      |       |                      |                      |
| <b>Non-current assets</b>                          |       |                      |                      |
| Property, plant and equipment                      | 1     | 636016517            | 582308351            |
| Capital work-in-progress                           | 2     | 13372782             | 108439552            |
| Intangible assets                                  | 3     | 28454554             | 33406132             |
| Financial assets                                   |       |                      |                      |
| Investments  | 4     | 3377220              | 3592443              |
| Loans  |       | --                   | --                   |
| Other financial assets                             | 5     | 8211321              | 3235167              |
| Other non-current assets                           | 6     | 3903920              | 3350867              |
| <b>Total non-current assets</b>                    |       | <b>693336313</b>     | <b>734332510</b>     |
| <b>Current assets</b>                              |       |                      |                      |
| Inventories  | 7     | 281008373            | 339536380            |
| Financial assets                                   |       |                      |                      |
| Investments  |       | ---                  | ---                  |
| Trade receivables                                  | 8     | 297306680            | 356132644            |
| Cash and cash equivalents                          | 9     | 66045118             | 63402664             |
| Bank balances other than cash and cash equivalents | 10    | 301812735            | 180948968            |
| Loans  | 11    | 26686212             | 8013987              |
| Other financial assets                             | 12    | 25816142             | 29973800             |
| Other current assets                               | 13    | 40342212             | 39157564             |
| Assets classified as held for sale                 | 14    | 1559628              | 1492902              |
| <b>Total current assets</b>                        |       | <b>1040577100</b>    | <b>1018658908</b>    |
| <b>TOTAL ASSETS</b>                                |       | <b>1733913414</b>    | <b>1752991418</b>    |
| <b>EQUITY AND LIABILITIES</b>                      |       |                      |                      |
| <b>Equity</b>                                      |       |                      |                      |
| Equity share capital                               | 15    | 133202750            | 133202750            |
| Other Equity                                       | 16    | 811601776            | 750202453            |
| <b>Total Equity</b>                                |       | <b>944804526</b>     | <b>883405203</b>     |
| <b>Liabilities</b>                                 |       |                      |                      |
| <b>Non-current liabilities</b>                     |       |                      |                      |
| Financial liabilities                              |       |                      |                      |
| Borrowings   | 17    | 101241343            | 76401638             |
| Other financial liabilities                        |       | ---                  | ---                  |
| Provisions   | 18    | 14942740             | 14790270             |
| Deferred Tax Liabilities (Net)                     | 19    | 23543701             | 27038207             |
| Other non-current liabilities                      | 20    | 22671371             | 28568315             |
| <b>Total non-current liabilities</b>               |       | <b>162399156</b>     | <b>146798431</b>     |
| <b>Current liabilities</b>                         |       |                      |                      |
| Financial liabilities                              |       |                      |                      |
| Borrowings   | 21    | 199111752            | 190205299            |
| Trade payables                                     | 22    | 308779337            | 430326611            |
| Other financial liabilities                        | 23    | 105992560            | 88956198             |
| Other current liabilities                          | 24    | 4319109              | 6622870              |
| Provisions   |       | ---                  | ---                  |
| Current tax liabilities (net)                      | 25    | 8506974              | 6676806              |
| <b>Total current liabilities</b>                   |       | <b>626709732</b>     | <b>722787784</b>     |
| <b>TOTAL LIABILITIES</b>                           |       | <b>789108888</b>     | <b>869586215</b>     |
| <b>TOTAL EQUITIES AND LIABILITIES</b>              |       | <b>1733913414</b>    | <b>1752991418</b>    |

Summary of significant accounting policies

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 JAIN CHOWDHARY & CO.**

Chartered Accountants.  
Firm Registration No. : 113267W

**Jeetmal B. Parekh**  
Chairman  
(DIN 00512415)

**Rahul J. Parekh**  
Managing Director  
(DIN 00500328)

**Anand J. Parekh**  
Jt. Managing Director  
(DIN 00500384)

Director  
(DIN005321014)

Director  
(DIN09185859)

Director  
(DIN06999605)

**CA Hitesh Salecha**

Partner  
Membership No. : 147413  
AHMEDABAD: 31st May, 2021

**Chief Financial Officer**

AHMEDABAD: 31st May, 2021

**Company Secretary**  
M.No. 60857

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

|   | Notes | For the year ended<br>31-Mar-21<br>₹ | For the year ended<br>31-Mar-20<br>₹ |
|---|-------|--------------------------------------|--------------------------------------|
| <b>INCOME</b>   |       |                                      |                                      |
| Revenue from operations   | 26    | 1366414073                           | 1797927894                           |
| Other income  | 27    | 27354312                             | 26809048                             |
| <b>Total income</b>   |       | <b>1393768384</b>                    | <b>1824736942</b>                    |
| <b>EXPENSES</b>   |       |                                      |                                      |
| Cost of material consumed and Trading Purchase  | 28    | 657556213                            | 1007129654                           |
| Purchase of Trading Goods   |       | 362550                               | 1812077                              |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress             | 29    | 48458996                             | (14933157)                           |
| Manufacturing & Operating Costs   | 30    | 329705373                            | 449127014                            |
| Employee benefits expense   | 31    | 109945368                            | 132262975                            |
| Finance costs   | 32    | 31308524                             | 28789050                             |
| Depreciation and amortization expense   | 1     | 93958827                             | 100559457                            |
| Other expenses  | 33    | 44096421                             | 57755906                             |
| <b>Total expenses</b>   |       | <b>1315392272</b>                    | <b>1762502976</b>                    |
| Profit /(Loss) before tax   |       | 78376112                             | 62233966                             |
| Income tax expense  |       |                                      |                                      |
| Current tax   |       | 21633000                             | 22289000                             |
| Deferred tax  |       | (4261000)                            | (8221000)                            |
| <b>Total income tax expense</b>   |       | <b>17372000</b>                      | <b>14068000</b>                      |
| <b>Profit/(Loss) for the year</b>   |       | <b>61004112</b>                      | <b>48165966</b>                      |
| 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                    |       | 2970356                              | 1354239                              |
| Income tax effect   |       | (826353)                             | (376749)                             |
|   |       | <b>2144003</b>                       | <b>977490</b>                        |
| Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI         |       | (215223)                             | 527340                               |
| Income tax effect   |       | 59875                                | (146706)                             |
|   |       | <b>(155348)</b>                      | <b>380634</b>                        |
| <b>Total other comprehensive income for the year</b>                                      |       | <b>1988655</b>                       | <b>1358124</b>                       |
| Earnings / (Loss) per share   |       |                                      |                                      |
| Basic earnings /(loss) per share (INR)  |       | 4.58                                 | 3.62                                 |
| Diluted earnings /(loss) per share (INR)  |       | 4.58                                 | 3.62                                 |

**Summary of significant accounting policies**

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 JAIN CHOWDHARY & CO.**

Chartered Accountants.

Firm Registration No. : 113267W

**Jeetmal B. Parekh**

Chairman  
(DIN 00512415)

Director  
(DIN005321014)

**Rahul J. Parekh**

Managing Director  
(DIN 00500328)

Director  
(DIN09185859)

**Anand J. Parekh**

Jt. Managing Director  
(DIN 00500384)

Director  
(DIN06999605)

**CA Hitesh Salecha**

Partner

Membership No. : 147413

AHMEDABAD: 31st May, 2021

**Chief Financial Officer**

AHMEDABAD: 31st May, 2021

**Company Secretary**

M.No. 60857

# MAHALAXMI RUBTECH LIMITED



## Standalone Statement of Cash Flows for the year ended 31 March 2021

(Amt in Lakhs)

|   | Year ended<br>31.03.2021 | Year ended<br>31.03.2020 |
|---|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                  |                          |                          |
| Profit before exceptional items and tax                         | 783.76                   | 622.34                   |
| Adjustments for:  |                          |                          |
| Depreciation and amortization expenses                          | 939.59                   | 1005.59                  |
| Interest Paid   | 280.14                   | 280.56                   |
| Interest Received   | -178.43                  | -136.18                  |
| Dividend Income   | (3.08)                   | 0.00                     |
| Provision for gratuity  | 1.52                     | 28.90                    |
| Net exchange differences  | (7.92)                   | (26.16)                  |
| Deferred Revenue Expenses written off                           | 0.00                     | 3.53                     |
| Amortisation of Deferred Income                                 | (40.38)                  | (27.52)                  |
| Amortisation of benefit on unsecured loan                       | 0.00                     | 0.00                     |
| Amortisation of Leasehold Land                                  | 0.50                     | 0.50                     |
| (Gain)/ loss on Disposal of fixed assets                        | (0.39)                   | (34.61)                  |
| Liabilities written back  | (41.25)                  | (39.71)                  |
| Bad Debts written off   | 8.53                     | 9.58                     |
| <b>Operating Profit before working capital changes</b>          | <b>1742.60</b>           | <b>1686.83</b>           |
| <b>Changes in working capital</b>                               |                          |                          |
| Adjustments for:  |                          |                          |
| Decrease in inventories   | 585.28                   | 105.51                   |
| Decrease in trade receivables                                   | 587.65                   | 187.50                   |
| Decrease in other financial assets                              | (145.15)                 | 88.58                    |
| Decrease in other current assets                                | (11.85)                  | (42.61)                  |
| Decrease in non-current financial assets                        | (49.76)                  | (1.98)                   |
| Decrease in non-current assets                                  | (6.03)                   | 87.99                    |
| Increase in trade payables                                      | (1174.23)                | 166.62                   |
| Increase in other current liabilities                           | (23.04)                  | (22.01)                  |
| Increase in non-current liabilities                             | (46.39)                  | (66.82)                  |
| Increase in other financial liabilities                         | 170.36                   | 277.65                   |
| <b>Cash generated from operations</b>                           | <b>1629.45</b>           | <b>2467.27</b>           |
| Net Income tax paid   | (184.25)                 | (133.69)                 |
| <b>Net cash flows used in operating activities (A)</b>          | <b>1445.20</b>           | <b>2333.58</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                  |                          |                          |
| Purchase of property, plant and equipment and intangible assets | (489.23)                 | (1285.95)                |
| Purchase of Investments   | 0.00                     | (15.00)                  |
| Proceeds from sale/ disposal of fixed assets                    | 12.47                    | 100.34                   |
| Net withdrawal of /Investment in fixed deposits                 | -1208.64                 | -466.22                  |
| Interest Received   | 178.43                   | 136.18                   |
| Dividend Received   | 3.08                     | 0.00                     |
| Net cash flow from investing activities (B)                     | (1503.89)                | (1530.66)                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                  |                          |                          |
| Proceeds from long-term borrowings                              | 248.40                   | -124.30                  |
| Proceeds from short-term borrowings                             | 89.06                    | -355.23                  |
| Capital Subsidy Received  | 27.80                    | ---                      |
| Interest paid   | (280.14)                 | (280.56)                 |
| <b>Net cash flow from financing activities (C)</b>              | <b>85.12</b>             | <b>(760.09)</b>          |
| <b>D. Net increase in cash and cash equivalents (A+B+C)</b>     | <b>26.43</b>             | <b>42.84</b>             |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>634.02</b>            | <b>591.18</b>            |
| <b>On current accounts</b>                                      |                          |                          |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>660.45</b>            | <b>634.02</b>            |

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

As per our report of even date

For JAIN CHOWDHARY & CO.

Chartered Accountants.

Firm Registration No. : 113267W

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

Jeetmal B. Parekh

Chairman  
(DIN 00512415)

Director  
(DIN005321014)

Chief Financial Officer

AHMEDABAD: 31st May, 2021

Rahul J. Parekh

Managing Director  
(DIN 00500328)

Director  
(DIN09185859)

Company Secretary

M.No. 60857

Anand J. Parekh

Jt. Managing Director  
(DIN 00500384)

Director  
(DIN06999605)

CA Hitesh Salecha

Partner

Membership No. : 147413

AHMEDABAD: 31st May, 2021

**Statement of changes in equity for the year ended 31 March 2021**

(Amount in INR Rupees, unless otherwise stated)

|   | Equity Share Capital | Reserve and surplus |                  |                 |                   | Items of OCI                   |                            | Total            |
|---|----------------------|---------------------|------------------|-----------------|-------------------|--------------------------------|----------------------------|------------------|
|   |                      | Securities Premium  | General Reserve  | Capital Reserve | Retained earnings | Equity Instruments through OCI | Other Comprehensive Income |                  |
| Balance as at 1 April 2019  | 133202750            | 157500000           | 151562549        | 1500000         | 388218234         | 406158                         | -777544                    | 831612147        |
| Profit for the year   |                      |                     |                  |                 | 48165966          |                                |                            | 48165966         |
| <b>Other comprehensive income</b>   |                      |                     |                  |                 |                   |                                |                            |                  |
| 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           |
| Add:Income tax of earlier years   |                      |                     |                  |                 | 2268966           |                                |                            | 2268966          |
| <b>Balance as at 31 March 2020</b>  | <b>133202750</b>     | <b>157500000</b>    | <b>151562549</b> | <b>1500000</b>  | <b>438653166</b>  | <b>786792</b>                  | <b>199946</b>              | <b>883405202</b> |
| <b>Balance as at 1 April 2020</b>   | <b>133202750</b>     | <b>157500000</b>    | <b>151562549</b> | <b>1500000</b>  | <b>438653166</b>  | <b>786792</b>                  | <b>199946</b>              | <b>883405203</b> |
| Profit for the year   |                      |                     |                  |                 | 61004112          |                                |                            | 61004112         |
| <b>Other comprehensive income</b>   |                      |                     |                  |                 |                   |                                |                            |                  |
| Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)  |                      |                     |                  |                 |                   |                                | 2144003                    | 2144003          |
| Fair Valuation of Investments measured at FVTOCI (Net of tax)                         |                      |                     |                  |                 |                   | -155348                        |                            | -155348          |
| Add: Income tax of earlier years  |                      |                     |                  |                 | -1593445          |                                |                            | -1593445         |
| <b>Balance as at 31 March 2021</b>  | <b>133202750</b>     | <b>157500000</b>    | <b>151562549</b> | <b>1500000</b>  | <b>498063833</b>  | <b>631444</b>                  | <b>2343949</b>             | <b>944804526</b> |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**
**1 Property, plant and equipment  
Tangible Assets**

| Carrying Amounts                                     | Freehold Land    | Building         | Plant & Machinery | Electric Installation | Furniture Fixtures | Office Equipments | Vehicles        | Total             |
|--|------------------|------------------|-------------------|-----------------------|--------------------|-------------------|-----------------|-------------------|
| <b>Year ended March 31, 2020</b>                     |                  |                  |                   |                       |                    |                   |                 |                   |
| Gross carrying amount                                |                  |                  |                   |                       |                    |                   |                 |                   |
| Balance as at April 01, 2019                         | 101192699        | 213696605        | 824693268         | 17330239              | 17663548           | 13339330          | 21903573        | 1209819262        |
| Additions  | -                | 5820934          | 32599382          | 541000                | 433409             | 2329644           | -               | 41724369          |
| Disposals  | -                | 6717567          | 4260932           | -                     | -                  | -                 | 987252          | 11965751          |
| Classified as held for sale                          | -                | -                | -                 | -                     | -                  | -                 | -               | -                 |
| <b>Gross carrying amount as at March 31, 2020</b>    | <b>101192699</b> | <b>212799972</b> | <b>853031718</b>  | <b>17871239</b>       | <b>18096957</b>    | <b>15668974</b>   | <b>20916321</b> | <b>1239577880</b> |
| <b>Year ended March 31, 2021</b>                     |                  |                  |                   |                       |                    |                   |                 |                   |
| Additions  | -                | 31556907         | 106731130         | 3143181               | 1542219            | 930616            | 85679           | 143989733         |
| Disposals  | -                | -                | 10348154          | 3447940               | 2006391            | 3425053           | 1082860         | 20310398          |
| Classified as held for sale                          | -                | -                | 66727             | -                     | -                  | -                 | -               | 66727             |
| Other Adjustments                                    | -                | -                | -                 | -                     | -                  | -                 | -               | -                 |
| <b>Gross carrying Amt as on 31st March 2021</b>      | <b>101192699</b> | <b>244356879</b> | <b>949347967</b>  | <b>17566480</b>       | <b>17632785</b>    | <b>13174537</b>   | <b>19919140</b> | <b>1363190485</b> |
| <b>Accumulated Depreciation/Amortisation</b>         |                  |                  |                   |                       |                    |                   |                 |                   |
| <b>Year ended March 31, 2020</b>                     |                  |                  |                   |                       |                    |                   |                 |                   |
| Balance as at April 01, 2019                         | -                | 61666635         | 471239380         | 11340267              | 9821391            | 8131490           | 7817711         | 570016875         |
| Depreciation For the Year                            | -                | 6533723          | 79301018          | 1063047               | 1342024            | 2089892           | 2414339         | 92744043          |
| Deductions / Adjustments                             | -                | 1507516          | 3268091           | -                     | -                  | -                 | 715784          | 5491391           |
| <b>Accumulated depreciation as at March 31,2020</b>  | <b>-</b>         | <b>66692842</b>  | <b>547272307</b>  | <b>12403314</b>       | <b>11163415</b>    | <b>10221382</b>   | <b>9516266</b>  | <b>657269527</b>  |
| <b>As at 31st March, 2021</b>                        |                  |                  |                   |                       |                    |                   |                 |                   |
| Depreciation For the Year                            | -                | 6544352          | 75758366          | 1134778               | 1283344            | 2003528           | 2282882         | 89007249          |
| Deductions / Adjustments                             | -                | -                | 9669483           | 3280740               | 1948607            | 3253433           | 950545          | 19102807          |
| <b>Accumulated depreciation as at March 31, 2021</b> | <b>-</b>         | <b>73237194</b>  | <b>613361190</b>  | <b>10257352</b>       | <b>10498152</b>    | <b>8971477</b>    | <b>10848603</b> | <b>727173968</b>  |
| <b>Net Carrying Amount</b>                           |                  |                  |                   |                       |                    |                   |                 |                   |
| <b>As at March 31, 2020</b>                          | <b>101192699</b> | <b>146107130</b> | <b>305759411</b>  | <b>5467925</b>        | <b>6933542</b>     | <b>5447592</b>    | <b>11400055</b> | <b>582308353</b>  |
| <b>As at March 31, 2021</b>                          | <b>101192699</b> | <b>171119686</b> | <b>335986778</b>  | <b>7309128</b>        | <b>7134633</b>     | <b>4203061</b>    | <b>9070537</b>  | <b>636016517</b>  |

**2 Capital Work in Progress**

|                             |                  |
|-----------------------------|------------------|
| <b>As at March 31, 2020</b> | <b>108439554</b> |
| <b>As at March 31, 2021</b> | <b>13372782</b>  |

**3 Intangible assets**

|                               | GROSS BLOCK        |           |            | DEPRECIATION        |                    |                |                         | NET BLOCK         |                     |                     |                     |
|-------------------------------|--------------------|-----------|------------|---------------------|--------------------|----------------|-------------------------|-------------------|---------------------|---------------------|---------------------|
|                               | As at 1 April 2020 | Additions | Deductions | As at 31st Mar 2021 | As at 1 April 2020 | For the year   | Deductions/ Adjustments | Other Adjustments | As at 31st Mar 2021 | As at 31st Mar 2021 | As at 31st Mar 2020 |
| Commercial Right-ETP Pipeline | 49515783           | -         | -          | 49515783            | 16109651           | 4951578        | -                       | --                | 21061229            | 28454554            | 33406132            |
| <b>Total</b>                  | <b>49515783</b>    | <b>-</b>  | <b>-</b>   | <b>49515783</b>     | <b>16109651</b>    | <b>4951578</b> | <b>-</b>                | <b>-</b>          | <b>21061229</b>     | <b>28454554</b>     | <b>33406132</b>     |

**Intangible assets**

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



## 4 Financial Assets- Investments

(As valued , verified & certified by the management)

| Financial Assets carried at cost   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Investment in equity instrument designated as at fair value through OCI</b>       |                             |                             |
| <b>1 Investment in Associate Companies : (Unquoted)</b>                              |                             |                             |
| 700 (700) Equity Shares of Rahul Cal Chem Pvt. Ltd. of ₹ 100 each fully paid         | 140477                      | 142091                      |
| 685 (685) Equity Shares of Mahalaxmi Calchem Pvt. Ltd. of ₹ 100 each fully paid      | 1236643                     | 1098227                     |
| <b>2 Investment in Subsidiary Companies : (Unquoted)</b>                             |                             |                             |
| 50000 (50000) Equity Shares of Globale Tessile Pvt. Ltd. of ₹ 10 each fully paid     | 500000                      | 852025                      |
| 150000 (150000) Equity Shares of Mahalaxmi Exports Pvt. Ltd. of ₹ 10 each fully paid | 1500000                     | 1500000                     |
| <b>3 Investment in Others : (Unquoted)</b>   |                             |                             |
| 1 (1) Share of The Social Co-op Bank Ltd. of ₹100 each fully paid up                 | 100                         | 100                         |
| <b>TOTAL</b>   | <b>3377220</b>              | <b>3592443</b>              |

The details of aggregate of quoted and unquoted investment:

| Particulars                   | Book Value (In ₹) |                  | Market Value (In ₹) |                  |
|-------------------------------|-------------------|------------------|---------------------|------------------|
|                               | As at 31.03.2021  | As at 31.03.2020 | As at 31.03.2021    | As at 31.03.2020 |
| Aggregate Quoted Investment   | ----              | ----             | ----                | ----             |
| Aggregate Unquoted Investment | 3377220           | 3592443          | ----                | ----             |

## 5 Non-Current Financial assets - Others

(Unsecured and considered good)

|                         | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|-------------------------|-----------------------------|-----------------------------|
| Margin Money with Banks | 1848626                     | 2422472                     |
| Security Deposits       | 6362695                     | 812695                      |
| <b>Total</b>            | <b>8211321</b>              | <b>3235167</b>              |

## 6 Other non-current assets

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| <b>Non Financial Assets (Unsecured and considered good)</b> |                             |                             |
| Capital advance   | 3603920                     | 3000867                     |
| Leasehold Land  | 300000                      | 350000                      |
| <b>Total</b>  | <b>3903920</b>              | <b>3350867</b>              |

## 7 Inventories

(As verified, valued & certified by management)

|                              | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|------------------------------|-----------------------------|-----------------------------|
| Raw Materials                | 158618886                   | 166125274                   |
| Finished Goods               | 89924111                    | 150866320                   |
| Semi-finished Goods          | 17633418                    | 3315096                     |
| Trading Goods                | 31477                       | 1397234                     |
| Fents, Rags & Scrap          | 1128254                     | 1597606                     |
| Stores, Spares & Consumables | 13672228                    | 16234851                    |
| <b>Total</b>                 | <b>281008373</b>            | <b>339536380</b>            |

**8 Trade receivable**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Receivables from related parties (Refer Note No.43) | 93721533                    | 101265053                   |
| Other Trade Receivables                             | 203585147                   | 254867591                   |
| <b>Total Trade Receivables</b>                      | <b>297306680</b>            | <b>356132644</b>            |
| <b>Break up of Security Details:</b>                |                             |                             |
| Secured, considered good                            | ---                         | ---                         |
| Unsecured , considered good                         | 297139595                   | 355843563                   |
| Doubtful  | 167085                      | 289081                      |
| <b>Total Trade Receivables</b>                      | <b>297306680</b>            | <b>356132644</b>            |

**9 Cash and cash equivalents**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Balances with banks                                   |                             |                             |
| On current accounts                                   | 20466060                    | 891068                      |
| In Fixed deposit with maturity for less than 3 months | 44632148                    | 62133081                    |
| Cash on hand  | 946910                      | 378515                      |
| <b>Total cash and cash equivalents</b>                | <b>66045118</b>             | <b>63402664</b>             |

**10 Bank balances other than Cash and cash equivalent**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date | 280979498                   | 178937565                   |
| Balances with Banks held as margin money  | 830815                      | 1766046                     |
| In Fixed deposit with maturity more than 12 months  | 20000000                    | ---                         |
| Earmarked Balance with banks (pertaining to dividend accounts with banks)                             | 2422                        | 245358                      |
| <b>Total</b>  | <b>301812735</b>            | <b>180948968</b>            |

**11 Current Financial assets - Loans**

|                            | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|----------------------------|-----------------------------|-----------------------------|
| Unsecured, considered good |                             |                             |
| To Subsidiary Companies    | 26686212                    | 8013987                     |
| To Others                  | ---                         | ---                         |
| <b>Total</b>               | <b>26686212</b>             | <b>8013987</b>              |

**12 Current Financial assets - Others**

|                                  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|----------------------------------|-----------------------------|-----------------------------|
| Interest Receivable under TUFs   | 1873337                     | 1611892                     |
| Export Benefit Receivable        | 8075871                     | 9545879                     |
| Stipend Reimbursement Receivable | 22004                       | 234229                      |
| Accrued Income                   | 15844930                    | 18581801                    |
| <b>Total</b>                     | <b>25816142</b>             | <b>29973800</b>             |



## 13 Other current assets

|                                    | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|------------------------------------|-----------------------------|-----------------------------|
| Prepaid Expenses                   | 5943404                     | 5790148                     |
| Advance to employees               | 1048000                     | 837800                      |
| Balance with Statutory Authorities | 8348666                     | 20932847                    |
| Leasehold Land                     | 50000                       | 50000                       |
| Others                             | 24952142                    | 11546770                    |
| <b>Total</b>                       | <b>40342212</b>             | <b>39157564</b>             |

## 14 Assets classified as held for sale

|                   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|-------------------|-----------------------------|-----------------------------|
| Plant & Machinery | 1559628                     | 1492902                     |
| <b>Total</b>      | <b>1559628</b>              | <b>1492902</b>              |

## 15 Equity Share Capital

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Authorized</b>  |                             |                             |
| 25000000 (25000000) Equity Shares of Re.10 each            | 250000000                   | 250000000                   |
|  | <b>250000000</b>            | <b>250000000</b>            |
| <b>Issued, subscribed and paid up</b>                      |                             |                             |
| 13320275 (13320275) Equity Shares of Rs.10 each fully paid | 133202750                   | 133202750                   |
| <b>Total</b>   | <b>133202750</b>            | <b>133202750</b>            |

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

|  | As At 31-03-2021<br>No. of Shares | As At 31-03-2020<br>No. of Shares | As At 31-03-2021<br>Amount | As At 31-03-2021<br>Amount |
|--|-----------------------------------|-----------------------------------|----------------------------|----------------------------|
| Outstanding at the beginning of the year | 13320275                          | 13320275                          | 133202750                  | 133202750                  |
| Add: Issued during the year              | ---                               | ---                               | ---                        | ---                        |
| 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

|                    | As at 31 March 2021 |                           | As at 31 March 2020 |                           |
|--------------------|---------------------|---------------------------|---------------------|---------------------------|
|                    | 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 Rs.10 each issued as fully paid up Bonus Shares and 3646400 shares of Rs. 10 each issued pursuant to a scheme of amalgamation of erstwhile Mahalaxmi Fabric Mills Ltd. with the company without payment received in cash

**16 Other Equity**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>(a) Securities premium reserve</b>                            |                             |                             |
| Opening balance  | 157500000                   | 157500000                   |
| Add : Received during the year                                   | ---                         | ---                         |
| <b>Closing balance</b>   | <b>157500000</b>            | <b>157500000</b>            |
| <b>(b) General reserve</b>                                       |                             |                             |
| Opening balance  | 151562549                   | 151562549                   |
| Addition during the year   | ---                         | ---                         |
| <b>Closing balance</b>   | <b>151562549</b>            | <b>151562549</b>            |
| <b>(c) Capital Reserve</b>                                       |                             |                             |
| Opening balance  | 1500000                     | 1500000                     |
| Addition during the year   | ---                         | ---                         |
| <b>Closing balance</b>   | <b>1500000</b>              | <b>1500000</b>              |
| <b>(d) Retained Earnings</b>                                     |                             |                             |
| Opening balance  | 438653166                   | 388218234                   |
| Add: Net profit for the year                                     | 61004112                    | 48165966                    |
| Less: Income Tax of eariler years                                | 1593445                     | -2268966                    |
| <b>Closing balance</b>   | <b>498063833</b>            | <b>438653166</b>            |
| <b>(e) Equity Instruments through OCI</b>                        |                             |                             |
| Opening Balance  | 786792                      | 406158                      |
| For The Year (net of Tax)  | -155348                     | 380634                      |
| <b>Closing balance</b>   | <b>631444</b>               | <b>786792</b>               |
| <b>(e) Other items of Other Comprehensive Income</b>             |                             |                             |
| Opening balance  | 199946                      | -777544                     |
| Re-measurement gain/(loss) on defined benefit plans (net of tax) | 2144003                     | 977490                      |
| <b>Closing balance</b>   | <b>2343949</b>              | <b>199946</b>               |
| <b>Total Other Equity</b>  | <b>811601775</b>            | <b>750202453</b>            |

**17 Non-Current Borrowings**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Secured</b>                                   |                             |                             |
| Term Loans from Banks and Financial Institutions |                             |                             |
| Term Loans                                       | 101241342                   | 74244853                    |
| Vehicle Loans                                    | ---                         | 2156784                     |
| <b>Total (A)</b>                                 | <b>101241342</b>            | <b>76401638</b>             |
| <b>Unsecured</b>                                 |                             |                             |
| <b>Total (B)</b>                                 | <b>---</b>                  | <b>---</b>                  |
| <b>TOTAL (A+B)</b>                               | <b>101241342</b>            | <b>76401638</b>             |

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

- Rupee term loan from Bank of Baroda having outstanding amount of Rs. 7.22 lacs ( P.Y Rs. 96.26 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 having outstanding amount of Rs.46.60 lacs ( P.Y Rs. 121.60 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 October, 2021.
- 3 Rupee term loan from Bank of Baroda having outstanding amount of Rs.216.00 lacs ( P.Y Rs. 324.00lacs ) 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.
- 4 Rupee term loan from Bank of Baroda having outstanding amount of Rs.138.83 lacs ( P.Y Rs. 215.07 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, 2019. Last installment due in December, 2024.
- 5 Rupee term loan from Bank of Baroda having outstanding amount of Rs.199.76 lacs ( P.Y Rs. 208.86 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 March, 2024.
- 6 Rupee term loan from Bank of Baroda having outstanding amount of Rs.18.55 lacs ( P.Y Rs. 57.55 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 September, 2021.
- 7 Rupee term loan from Bank of Baroda having outstanding amount of Rs.233.65 lacs ( P.Y Rs. 292.01 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 May, 2022.
- 8 Rupee term loan from Bank of Baroda having outstanding amount of Rs.78.60 lacs ( P.Y Rs. 65.36 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from August, 2020. Last installment due in October, 2024.
- 9 Rupee term loan from Bank of Baroda having outstanding amount of Rs.226.67 lacs ( P.Y Rs. 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 18 monthly installments commencing from February 2021. Last installment due in July 2022.
- 10 Rupee term loan from Bank of Baroda having outstanding amount of Rs.48.00 lacs ( P.Y Rs. 60.00 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from May, 2020. Last installment due in April 2025.
- 11 Rupee term loan from Bank of Baroda having outstanding amount of Rs.606.00 lacs ( P.Y Rs. 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 October, 2021. Last installment due on September, 2024.

#### Vehicle Loans

- 1 Vehicle Loan from AXIS Bank having outstanding amount of Rs. 18.21 lacs (p.y.34.95) 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 having outstanding amount of Rs. 3.36 lacs (p.y.6.71) 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<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|------------------------|-----------------------------|-----------------------------|
| Provision for Gratuity | 14942740                    | 14790270                    |
| <b>Total</b>           | <b>14942740</b>             | <b>14790270</b>             |

**19 Deferred Tax Liabilities (Net)**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Deferred Tax Liability</b>  |                             |                             |
| Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting. | 26799000                    | 31016000                    |
| Fair Valuation Gain on Investments   | 298926                      | 358801                      |
| <b>Deferred Tax Asset:</b>   |                             |                             |
| Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.    | 4333000                     | 4289000                     |
| Remeasurements of defined benefit plans  | -778775                     | 47595                       |
| <b>Deferred Tax Liabilities (Net)</b>  | <b>23543701</b>             | <b>27038207</b>             |

**20 Other Non- current Liabilities**

|                                       | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---------------------------------------|-----------------------------|-----------------------------|
| Deferred Income for Capital Subsidy   | 4505372                     | 4215016                     |
| Deferred Income for EPCG Liability    | 5995007                     | 7543363                     |
| Others                                | 12170992                    | 16809936                    |
| <b>Total Non- current Liabilities</b> | <b>22671371</b>             | <b>28568315</b>             |

**21 Short -Term Borrowings**

|                                    | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|------------------------------------|-----------------------------|-----------------------------|
| Working Capital Loans from Banks   |                             |                             |
| Secured                            |                             |                             |
| Cash Credit                        | 140262926                   | 170820058                   |
| Foreign Bills Purchase             | 10804760                    | -                           |
| Overdraft                          | 38849658                    | -                           |
| Export Packing Credit              | 9194408                     | 19385242                    |
| <b>Total short-term borrowings</b> | <b>199111752</b>            | <b>190205299</b>            |

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 deposit receipts of the company.

**22 Trade Payables**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Trade Payables                                |                             |                             |
| Payable to related parties (Refer Note No.43) | 3953824                     | 9894101                     |
| Payable to Others                             | 304825513                   | 420432509                   |
| <b>Total Trade Payables</b>                   | <b>308779337</b>            | <b>430326611</b>            |

**23 Other financial liabilities**

|                                       | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---------------------------------------|-----------------------------|-----------------------------|
| Current Maturities of long term debts | 82902253                    | 67337797                    |
| Salary & Wages Payable                | 6837141                     | 5374314                     |
| Unclaimed Dividend                    | 2422                        | 245358                      |
| Provision for impairment of Assets    | 109559                      | 466696                      |
| Other Payables                        | 16141185                    | 15532032                    |
| <b>Total</b>                          | <b>105992560</b>            | <b>88956198</b>             |

## 24 Other current liabilities

|                          | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--------------------------|-----------------------------|-----------------------------|
| Advances from Customers  | 3121366                     | 4913849                     |
| Security Deposit         | 15000                       | 351899                      |
| Statutory Duties & Taxes | 1182743                     | 1357122                     |
| <b>Total</b>             | <b>4319109</b>              | <b>6622870</b>              |

## 25 Current tax liabilities (net)

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| Current Tax Provision for the year           | 21633000                    | 22289000                    |
| Less: Advance Tax paid (including TDS & TCS) | 13126027                    | 15612195                    |
| <b>Total</b>                                 | <b>8506973</b>              | <b>6676806</b>              |

## 26 Revenue from operations

|                                      | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Sale of products and services        | 962281086                             | 1343419800                            |
| Job Work Charges                     | 388984308                             | 442897031                             |
| <b>Other Operating revenue</b>       |                                       |                                       |
| Export Entitlement Benefits          | 15148678                              | 11611064                              |
| <b>Total revenue from operations</b> | <b>1366414073</b>                     | <b>1797927894</b>                     |

## 27 Other income

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| Exchange Rate Fluctuation                         | 792039                                | 2615515                               |
| Sale of Scrap                                     | 30100                                 | 386907                                |
| Interest Received                                 | 17843225                              | 13617645                              |
| Dividend Received                                 | 308250                                | ---                                   |
| Liability Written Back                            | 4124692                               | 3971165                               |
| Vatav Kasar                                       | 97255                                 | 4636                                  |
| Profit on Sale/disposal of Fixed Assets           | 121250                                | 3460953                               |
| Amortisation of Deferred Income under EPCG Scheme | 1548356                               | 1548356                               |
| Amortisation of Deferred Income (Capital Subsidy) | 2489144                               | 1203870                               |
| <b>Total</b>                                      | <b>27354312</b>                       | <b>26809048</b>                       |

## 28 Cost of raw material consumed

|                                      | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--------------------------------------|---------------------------------------|---------------------------------------|
| <b>Raw Material Consumed:</b>        |                                       |                                       |
| Opening Stock                        | 166125274                             | 184623498                             |
| Add: Purchases                       | 650049825                             | 988631430                             |
| Less: Closing Stock                  | 158618886                             | 166125274                             |
| <b>Cost of raw material consumed</b> | <b>657556213</b>                      | <b>1007129654</b>                     |

**29 Changes in inventories**

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| <b>Inventories at the beginning of the year</b> |                                       |                                       |
| Finished Goods                                  | 150866320                             | 131279655                             |
| Semi Finished Goods                             | 3315096                               | 9616057                               |
| Trading Goods                                   | 1397234                               | 15927                                 |
| Fents, Rags & Scrap                             | 1597606                               | 1331460                               |
|   | <b>157176256</b>                      | <b>142243099</b>                      |
| <b>Less: Inventories at the end of the year</b> |                                       |                                       |
| Finished Goods                                  | 89924111                              | 150866320                             |
| Semi Finished Goods                             | 17633418                              | 3315096                               |
| Trading Goods                                   | 31477                                 | 1397234                               |
| Fents, Rags & Scrap                             | 1128254                               | 1597606                               |
|   | <b>108717260</b>                      | <b>157176256</b>                      |
| <b>Net decrease/ (increase)</b>                 | <b>48458996</b>                       | <b>-14933157</b>                      |

**30 Manufacturing & Operating Cost**

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| Stores, Spares & Maintenance Expenses   | 45259384                              | 60070567                              |
| Job Charges Paid                        | 15272766                              | 21023995                              |
| Design Expenses                         | 5072849                               | 10013411                              |
| Power & Fuel Expenses                   | 178948072                             | 253005179                             |
| Processing Charges                      | 69319519                              | 87470506                              |
| Laboratory Expenses                     | 185659                                | 350168                                |
| Freight, Clearing & Forwarding Expenses | 4185447                               | 4921344                               |
| Pollution Control Expenses              | 11461677                              | 12271846                              |
| <b>Total</b>                            | <b>329705373</b>                      | <b>449127014</b>                      |

**31 Employee benefits expenses**

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| Salaries, wages, bonus and other allowances | 101427614                             | 122002848                             |
| Gratuity                                    | 3590496                               | 3805978                               |
| Contribution to Provident Fund and ESI      | 2120057                               | 2721361                               |
| Employees' Welfare Expenses                 | 2807201                               | 3732788                               |
| <b>Total</b>                                | <b>109945368</b>                      | <b>132262975</b>                      |

**32 Finance costs**

|                           | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---------------------------|---------------------------------------|---------------------------------------|
| Interest                  | 28013809                              | 28055870                              |
| Bank Commission & Charges | 3294715                               | 733180                                |
| <b>Total</b>              | <b>31308524</b>                       | <b>28789050</b>                       |



### 33 Other expenses

|  | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--|---------------------------------------|---------------------------------------|
| E.C.G.C. Premium                         | 425262                                | 418786                                |
| Telecommunication Expenses               | 575443                                | 551083                                |
| General Expenses                         | 413023                                | 457290                                |
| Insurance Premium                        | 4637742                               | 4700225                               |
| Advertisement Expenses                   | 40272                                 | 90011                                 |
| Audit Fees                               | 300000                                | 300000                                |
| Corporate Social Responsibility Expenses | 1280000                               | 1200000                               |
| Car Expenses                             | 805593                                | 823746                                |
| Packing Materials Expenses               | 14985888                              | 14342100                              |
| Legal & Consulting Expenses              | 3083474                               | 2900156                               |
| Postage & Courier Expenses               | 205237                                | 444470                                |
| Rent, Rates and Taxes                    | 1280078                               | 1423275                               |
| Deferred Revenue Expenses written off    | ---                                   | 353419                                |
| Loss on Sale of Fixed Assets             | 82211                                 | ---                                   |
| Bus & Truck Expenses                     | 805208                                | 1122598                               |
| Miscellaneous Expenses                   | 1769116                               | 5693094                               |
| Amortisation of Leasehold Land           | 50000                                 | 50000                                 |
| Export Freight                           | 5484885                               | 3212727                               |
| Commission Expenses                      | 5493487                               | 14774981                              |
| Factory Expenses                         | 198105                                | 188993                                |
| Bad Debts written off                    | 853491                                | 958420                                |
| Printing & Stationery Expenses           | 1218350                               | 1314351                               |
| Provision for impairment of Assets       | 109558                                | 466696                                |
| Exhibition Expenses                      | ---                                   | 1969488                               |
| <b>Total</b>                             | <b>44096421</b>                       | <b>57755906</b>                       |

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

|  | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--|---------------------------------------|---------------------------------------|
| Statutory Audit Fee                      | 300000                                | 300000                                |
| For Others (Reports, Certificates, etc.) | 90000                                 | 106000                                |
| <b>Total</b>                             | <b>390000</b>                         | <b>406000</b>                         |

### 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:

| Particulars                           | As at 31 March 2021 ₹ |                  | As at 31 March 2020 ₹ |                  |
|---------------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                       | At FVTOCI             | Amortised Cost   | At FVTOCI             | Amortised Cost   |
| <b>Assets:</b>                        |                       |                  |                       |                  |
| Investments (Non Current)             | 3377220               |                  | 3592443               |                  |
| Other Financial Non- current assets   |                       | 8211321          |                       | 3235167          |
| Trade Receivables                     |                       | 297306680        |                       | 356132644        |
| Cash & Cash Equivalents               |                       | 66045118         |                       | 63402664         |
| Other Bank Balance                    |                       | 301812735        |                       | 180948968        |
| Loan                                  |                       | 26686212         |                       | 8013987          |
| Other Financial current assets        |                       | 25816142         |                       | 29973800         |
| <b>Total</b>                          | <b>3377220</b>        | <b>725878207</b> | <b>3592443</b>        | <b>641707230</b> |
| <b>Liabilities:</b>                   |                       |                  |                       |                  |
| Borrowings                            |                       | 101241343        |                       | 76401638         |
| Borrowings (Current)                  |                       | 199111752        |                       | 190205299        |
| Trade Payables                        |                       | 308779337        |                       | 430326611        |
| Other Financial Liabilities (Current) |                       | 105992560        |                       | 88956198         |
| <b>Total</b>                          |                       | <b>715124992</b> |                       | <b>785889747</b> |

**(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)

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

**As 31st March 2021**

| Particulars                   | Fair Value | Fair value measurement using |         |         |
|-------------------------------|------------|------------------------------|---------|---------|
|                               |            | Level 1                      | Level 2 | Level 3 |
| <b>Long terms Investments</b> |            |                              |         |         |
| <b>As at 31.03.2021</b>       |            |                              |         |         |
| Fair values through OCI       | 3377220    |                              | 3377220 |         |
| <b>As at 31.03.2020</b>       |            |                              |         |         |
| Fair values through OCI       | 3592443    |                              | 3592443 |         |

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

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>A Contingent Liabilities:</b>   |                        |                        |
| 1 Outstanding Bank Guarantee   | 56.70                  | 137.29                 |
| 2 Disputed Service Tax Liability   | ----                   | 2.09                   |
| 3 Employees' cases pending before labour courts 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. | 34.37                  | 31.58                  |
| <b>B Commitments:</b>  |                        |                        |
| 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)   | 221.61                 | 104.24                 |

**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 Rs. 12.74 Lakhs. ( P.Y. 11.94 Lakhs)

b) Amount spent during the year Rs. 12.80 Lakhs ( PY 12.00 Lakhs)

₹ in Lakhs

| The amount expended are as follows:        | 2021  | 2020  |
|--|-------|-------|
| a) Construction / acquisition of any asset | --    | --    |
| b) For purposes other than (a) above       | 12.80 | 12.00 |



39 Based on review carried out as on 31.03.2021, 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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------|------------------------|------------------------|
| Net Profit after Tax                     | Rs.  | 61004112               | 48165966               |
| Nominal Value of equity share            | Rs.  | 10                     | 10                     |
| Weighted average number of equity shares | Nos. |                        |                        |
| - for Basic EPS                          |      | 13320275               | 13320275               |
| - for Diluted EPS                        |      | 13320275               | 13320275               |
| Basic EPS                                | Rs.  | 4.58                   | 3.62                   |
| Diluted EPS                              | Rs.  | 4.58                   | 3.62                   |

41 The outstanding amount of Rs. 82.30 Lakhs 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 Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statement.

#### 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                            |
| Parekh Dye Chem Corporation       | 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             |
| 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 Personnel | Subsidiary      | Relative of KMP |
|---------------------------------|------------------|--------------------------|-----------------|-----------------|
| <b>Rent paid</b>                |                  |                          |                 |                 |
| Shah Jeetmal Champalal          | 12000            |                          |                 |                 |
| Rahul Textile                   | 108000           |                          |                 |                 |
|                                 | <b>120000</b>    | -                        | -               | -               |
| <b>Rent Received</b>            |                  |                          |                 |                 |
| Globale Tessile Private Limited |                  |                          | 72000           |                 |
| Mahalaxmi Exports Pvt. Ltd.     |                  |                          | 60000           |                 |
| Mahalaxmi Exports               | 60000            |                          |                 |                 |
|                                 | <b>60000</b>     | -                        | <b>132000</b>   | -               |
| <b>Dividend Received</b>        |                  |                          |                 |                 |
| Mahalaxmi Cal Chem P Ltd.       | 308250           |                          |                 |                 |
|                                 | <b>308250</b>    |                          |                 |                 |
| <b>Remuneration Paid</b>        |                  |                          |                 |                 |
| Rahul Jeetmal Parekh            |                  | 1679700                  |                 |                 |
| Anand Jeetmal Parekh            |                  | 1679700                  |                 |                 |
| Rajendra R Mehta                |                  | 1430000                  |                 |                 |
| Kevin Dhruve                    |                  | 315381                   |                 |                 |
|                                 | ---              | <b>5104781</b>           | -               | -               |
| <b>Purchase</b>                 |                  |                          |                 |                 |
| Globale Tessile Private Limited |                  |                          | 372215          |                 |
| Mahalaxmi Cal Chem P Ltd.       | 40076            |                          |                 |                 |
| Anand Chem Ind. P. Ltd.         | 16123133         |                          |                 |                 |
| Parekh Dye Chem Corporation     | 14175            |                          |                 |                 |
| Mahalaxmi Exports               | 4733564          |                          |                 |                 |
|                                 | <b>20910948</b>  | -                        | <b>372215</b>   | -               |
| <b>Job charges Paid</b>         |                  |                          |                 |                 |
| Mahalaxmi Exports               | 10129765         |                          |                 |                 |
|                                 | <b>10129765</b>  | -                        | -               | -               |
| <b>Sales</b>                    |                  |                          |                 |                 |
| Mahalaxmi Exports               | 19493288         |                          |                 |                 |
| Mahalaxmi Cal Chem P Ltd.       | 2240132          |                          |                 |                 |
| Parekh Dye Chem Corporation     | 1177770          |                          |                 |                 |
|                                 | <b>22911190</b>  | -                        | -               | -               |
| <b>Job charges Received</b>     |                  |                          |                 |                 |
| Mahalaxmi Exports               | 207675382        |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                  |                          | 3216643         |                 |
|                                 | <b>207675382</b> | -                        | <b>3216643</b>  | -               |
| <b>Professional Fees Paid</b>   |                  |                          |                 |                 |
| Mohit R Mehta                   |                  |                          |                 | 220000          |
|                                 | -                | -                        | -               | <b>220000</b>   |
| <b>Interest Received</b>        |                  |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                  |                          | 464020          |                 |
| Mahalaxmi Exports Pvt. Ltd.     |                  |                          | 761458          |                 |
|                                 | -                | -                        | <b>1225478</b>  | -               |
| <b>Advance Given</b>            |                  |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                  |                          | 10591408        |                 |
| Mahalaxmi Exports Pvt. Ltd.     |                  |                          | 18447250        |                 |
|                                 | -                | -                        | <b>29038658</b> | -               |
| <b>Advance Recovered</b>        |                  |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                  |                          | 11500000        |                 |
|                                 | -                | -                        | <b>11500000</b> | -               |

| (c) Nature of Transaction       | Associate       | Key Managerial Personnel | Subsidiary      | Relative of KMP |
|---------------------------------|-----------------|--------------------------|-----------------|-----------------|
| <b>Outstandings</b>             |                 |                          |                 |                 |
| <b>Payables</b>                 |                 |                          |                 |                 |
| Anand Chem Industries Pvt. Ltd. | 3927506         |                          |                 |                 |
| Mahalaxmi Cal Chem Pvt. Ltd.    | 9589            |                          |                 |                 |
| Parekh Dye Chem Corporation     | 16729           |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                 |                          | 1405150         |                 |
|                                 | <b>3953824</b>  | -                        | <b>1405150</b>  | -               |
| <b>Receivables</b>              |                 |                          |                 |                 |
| Mahalaxmi Exports               | 93693213        |                          |                 |                 |
| Shah Jeetmal Champalal          | 28320           |                          |                 |                 |
|                                 | <b>93721533</b> | -                        | -               | -               |
| <b>Advances</b>                 |                 |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                 |                          | 7534613         |                 |
| Mahalaxmi Exports Pvt. Ltd.     |                 |                          | 19151599        |                 |
|                                 | -               | -                        | <b>19151599</b> | -               |
| <b>Investments (Unquoted)</b>   |                 |                          |                 |                 |
| <b>Closing Balance</b>          |                 |                          |                 |                 |
| Rahul Cal Chem Pvt. Ltd.        | 140477          |                          |                 |                 |
| Mahalaxmi Cal Chem Pvt. Ltd.    | 1236643         |                          |                 |                 |
| Globale Tessile Pvt. Ltd.       |                 |                          | 500000          |                 |
| Mahalaxmi Exports Pvt. Ltd.     |                 |                          | 1500000         |                 |
|                                 | <b>1377120</b>  | -                        | <b>2000000</b>  | -               |

**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      | -                      | -                | NIL                  | NIL              |

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

| Particulars  | As at 31/03/2021 | As at 31/03/2020 |
|--|------------------|------------------|
| <b>Payable against import of goods &amp; services</b>  |                  |                  |
| Rupees in Lakhs  | 39               | 71               |
| US Dollar  | 47159            | 73073            |
| GBP  | ---              | 3819             |
| CHF  | 6261             | ---              |
| Euro   | ---              | 14957            |
| <b>Advance payment to suppliers and for expenses</b>   |                  |                  |
| Rupees in Lacs   | ---              | ---              |
| Euro   | ---              | ---              |
| US Dollar  | ---              | ---              |
| <b>Receivable against export of goods and services</b> |                  |                  |
| Rupees in Lacs   | 218              | 128              |
| US Dollar  | 252398           | 32842            |
| Euro   | 39624            | 123698           |

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                     | 2020-21                              |                  |              | 2019-20                              |                  |              |
|---------------------------------|--------------------------------------|------------------|--------------|--------------------------------------|------------------|--------------|
|                                 | Rubber / Technical Textiles Products | Textile Products | Consolidated | Rubber / Technical Textiles Products | Textile Products | Consolidated |
| <b>BUSINESS SEGMENT</b>         |                                      |                  |              |                                      |                  |              |
| Segment Revenue                 | 278660198                            | 1131582154       | 1410242353   | 274093630                            | 1558001447       | 1832095076   |
| Less: Inter-Segment Sales       |                                      | (43828280)       | (43828280)   |                                      | (34167182)       | (34167182)   |
| Net Revenue from operations     | 278660198                            | 1087753874       | 1366414073   | 274093630                            | 1523834265       | 1797927894   |
| <b>Results</b>                  |                                      |                  |              |                                      |                  |              |
| Segment results before Interest | 63590980                             | 19497121         | 83088100     | 39307712                             | 28630725         | 67938437     |
| Interest                        | (3570321)                            | (23057951)       | (26628272)   | (2852025)                            | (11890989)       | (14743014)   |
| Unallocable Expenses            | ---                                  | ---              | (19084574)   | ---                                  | ---              | (4152860)    |
| Other Income                    | 3333887                              | 21429000         | 24762887     | 5401039                              | 4875382          | 10276421     |
| Unallocable Income              | ---                                  | ---              | 16237970     | ---                                  | ---              | 2914982      |
| Profit after Interest           | 63354546                             | 17868169         | 78376112     | 41856726                             | 21615118         | 62233966     |
| Extraordinary Items             | ---                                  | ---              | ---          | ---                                  | ---              | ---          |
| Current Tax                     | ---                                  | ---              | 21633000     | ---                                  | ---              | 22289000     |
| Deferred Tax                    | ---                                  | ---              | (4261000)    | ---                                  | ---              | (8221000)    |
| Net Profit after Tax            | ---                                  | ---              | 61004112     | ---                                  | ---              | 48165966     |
| Other Comprehensive Income      | ---                                  | ---              | 1988655      | ---                                  | ---              | 1358124      |
| <b>Other Information</b>        |                                      |                  |              |                                      |                  |              |
| Segment Assets                  | 383894858                            | 1233655702       | 1617550560   | 240272924                            | 1307025237       | 1547298161   |
| Unallocable Assets              | ---                                  | ---              | 102990071    | ---                                  | ---              | 97253714     |
| Segment Liabilities             | 116123246                            | 576121024        | 692244270    | 123102022                            | 704369580        | 827471602    |
| Unallocable Liabilities         | ---                                  | ---              | 96864615     | ---                                  | ---              | 26502414     |
| <b>Capital Work in Progress</b> |                                      |                  |              |                                      |                  |              |
| Segment CWIP                    | 0                                    | 13372782         | 13372782     | 90799123                             | 17640431         | 108439554    |
| Unallocable CWIP                | ---                                  | ---              | 0            | ---                                  | ---              | 0            |
| Depreciation                    | 29704166                             | 58666634         | 88370800     | 30520794                             | 64354937         | 94875731     |
| Unallocable Depreciation        | ---                                  | ---              | 5588027      | ---                                  | ---              | 5683726      |
| <b>GEOGRAPHICAL SEGMENT</b>     |                                      |                  |              |                                      |                  |              |
| Revenue                         |                                      |                  |              |                                      |                  |              |
| India                           | 199747491                            | 943524219        | 1143271710   | 204514904                            | 1422198016       | 1626712920   |
| Outside India                   | 78912707                             | 144229656        | 223142363    | 66367884                             | 93236027         | 159603911    |

**46 Reconciliation of opening and closing balances of Defined Benefit Obligation**
**Gratuity (Non-Funded)**

|   | 2020-21         | 2019-20         |
|---|-----------------|-----------------|
| Defined Benefit obligation at beginning of year | 14790270        | 13254798        |
| Current Service Cost                            | 2571446         | 2209745         |
| Interest Cost                                   | 1019050         | 1032549         |
| Past Service Cost                               | -               | -               |
| Actuarial (gain)/loss                           | (2970356)       | (1354239)       |
| Benefits paid                                   | (467670)        | (352583)        |
| <b>Defined Benefit obligation at year end</b>   | <b>14942740</b> | <b>14790270</b> |

**Reconciliation of opening and closing balances of fair value of Plan Assets**
**Gratuity (Non-Funded)**

|  | 2020-21 | 2019-20 |
|--|---------|---------|
| 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          | ---     | ---     |
| <b>Actual return on plan assets</b>            | ---     | ---     |

**Reconciliation of fair value of assets and obligations**

|                                    | As at 31.03.2021 | As at 31.03.2020 |
|------------------------------------|------------------|------------------|
| Fair value of Plan assets          | ---              | ---              |
| Present value of obligation        | 14942740         | 14790270         |
| Amount recognised in Balance Sheet | 14942740         | 14790270         |

**Expenses recognised in Profit & Loss A/c**

|                                | 2020-21        | 2019-20        |
|--------------------------------|----------------|----------------|
| Current Service Cost           | 2571446        | 2209745        |
| Interest Cost                  | 1019050        | 1032549        |
| Past Service Cost              | -              | -              |
| Expected return on Plan assets | -              | -              |
| <b>NET COST</b>                | <b>3590496</b> | <b>3242294</b> |

**Expenses recognised in OCI**

|                       | 2020-21          | 2019-20          |
|-----------------------|------------------|------------------|
| Actuarial (gain)/loss | (2970356)        | (1354239)        |
| <b>Total</b>          | <b>(2970356)</b> | <b>(1354239)</b> |

**Investment Details**

|                                  | 31.03.2021 | 31.03.2020 |
|----------------------------------|------------|------------|
| GOI Securities                   | -          | -          |
| Public Securities                | -          | -          |
| State Government Securities      | -          | -          |
| Insurance Policies               | -          | -          |
| Others (including bank balances) | -          | -          |

**Actuarial assumptions**
**Gratuity (Non-Funded)**

|   | 2020-21 | 2019-20 |
|---|---------|---------|
| Mortality Table(LIC)                              |         |         |
| Attrition Rate                                    | 0.00%   | 0.00%   |
| Discount rate (per annum)                         | 6.89%   | 7.79%   |
| 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 17% 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:

#### Foreign currency

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| <b>a) Exposure on account of Financial Assets</b>         |                          |                          |
| Trade receivables (net of bill discounted) (A)            |                          |                          |
| In USD  | 252397.68                | 32842.22                 |
| In Euro   | 39624.01                 | 123698.1                 |
| Amount hedged through forwards & options # (B)            |                          |                          |
| In USD  | ---                      | ---                      |
| In Euro   | ---                      | ---                      |
| Net Exposure to Foreign Currency Assets (C=A-B)           |                          |                          |
| In USD  | 252397.68                | 32842.22                 |
| In Euro   | 39624.01                 | 123698.1                 |
| <b>b) Exposure on account of Financial Liabilities</b>    |                          |                          |
| Trade Payables (D)  |                          |                          |
| In USD  | 47159.41                 | 73072.66                 |
| In Euro   | ---                      | 14957.23                 |
| In GBP  | ---                      | 3819.3                   |
| In CHF  | 6261                     | ---                      |
| Amount Hedged through forwards & options # (E)            |                          |                          |
| In USD  | ---                      | ---                      |
| In Euro   | ---                      | ---                      |
| In CHF  |                          |                          |
| Net Exposure to Foreign Currency Liabilities F=(D-E)      |                          |                          |
| In USD  | 47159.41                 | 73072.66                 |
| In Euro   | 0                        | 14957.23                 |
| In GBP  |                          | 3819.3                   |
| In CHF  | 6261                     | 0                        |
| Net Exposure to Foreign Currency Assets/(Liability) (C-F) |                          |                          |
| In USD  | 205238.27                | -40230.44                |
| In Euro   | 39624.01                 | 108740.87                |
| In GBP  |                          | -3819.30                 |
| In CHF  | -6261.00                 |                          |



**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 31/03/2021                | As at 31/03/2020 |
| <b>USD sensitivity</b>   |                                 |                  |
| INR/USD -Increase by 5%  | 750249                          | -151970          |
| INR/USD -Decrease by 5%  | -750249                         | 151970           |
| <b>EURO sensitivity</b>  |                                 |                  |
| INR/EURO -Increase by 5% | -169967                         | 451737           |
| INR/EURO -Decrease by 5% | 169967                          | -451737          |
| <b>CHF sensitivity</b>   |                                 |                  |
| INR/EURO -Increase by 5% | -24280                          | -14967           |
| INR/EURO -Decrease by 5% | 24280                           | 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 Lakhs

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Long term debts from Banks and Financial Institutions          | 1012.41              | 764.02               |
| Current Maturities of long term debts                          | 829.02               | 673.38               |
| Unsecured Loan   |                      |                      |
| - From Bank  | -                    | -                    |
| - From Related Parties   | -                    | -                    |
| Short term Borrowings from Banks                               | 1602.62              | 1902.05              |
| Overdraft from Bank  | 388.50               | -                    |
| <b>Total borrowings</b>  | <b>3832.55</b>       | <b>3339.45</b>       |
| % of Borrowings out of above bearing variable rate of interest | 89.86%               | 100.00%              |

**Interest rate sensitivity**

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

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| 50 bps increase would decrease the profit before tax by | -17.22               | -16.70               |
| 50 bps decrease would increase the profit before tax by | 17.22                | 16.70                |

**(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.1

## 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:

₹ in Lakhs

| Particulars                        | As at 31-3-2021 | As at 31-3-2020 |
|------------------------------------|-----------------|-----------------|
| <b>Borrowings</b>                  |                 |                 |
| expiring within one year           | 2820.14         | 2575.43         |
| expiring beyond one year           | 1012.41         | 764.02          |
|                                    | <b>3832.55</b>  | <b>3339.45</b>  |
| <b>Trade Payables</b>              |                 |                 |
| expiring within one year           | 2829.70         | 4130.84         |
| expiring beyond one year           | 258.10          | 172.43          |
|                                    | <b>3087.79</b>  | <b>4303.27</b>  |
| <b>Other Financial liabilities</b> |                 |                 |
| expiring within one year           | 229.81          | 216.13          |
| expiring beyond one year           | -               | -               |
|                                    | 229.81          | 216.13          |

## 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:

₹ in Lakhs

| Particulars                     | Financial Year ended 31.03.2021 | Financial Year ended 31.03.2020 |
|---------------------------------|---------------------------------|---------------------------------|
| Total Borrowings                | 3832.55                         | 3339.45                         |
| Less: Cash and cash equivalents | 660.45                          | 634.03                          |
| <b>Net debt</b>                 | <b>3172.10</b>                  | <b>2705.42</b>                  |
| Total equity                    | 9448.05                         | 8834.05                         |
| Gearing ratio                   | 33.57%                          | 30.62%                          |

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March 2021.



## 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 textile 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.

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.

#### (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.

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 companys 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.

Summary of significant accounting policies

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 JAIN CHOWDHARY & CO.**

Chartered Accountants.  
Firm Registration No. : 113267W

**Jeetmal B. Parekh**  
Chairman  
(DIN 00512415)

**Rahul J. Parekh**  
Managing Director  
(DIN 00500328)

**Anand J. Parekh**  
Jt. Managing Director  
(DIN 00500384)

Director  
(DIN005321014)

Director  
(DIN09185859)

Director  
(DIN06999605)

**CA Hitesh Salecha**

Partner  
Membership No. : 147413  
AHMEDABAD: 31st May, 2021

**Chief Financial Officer**

**Company Secretary**  
M.No. 60857

AHMEDABAD: 31st May, 2021





## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
MAHALAXMI RUBTECH LIMITED

Report on the Audit of the Consolidated Financial Statements

### Opinion

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, 2021, 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”).

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 2021, 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

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

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

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, 2021. 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><b>Estimation of provision for sales returns and discounts and volume rebates in the financial statements.</b></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><b>In this regard, our audit procedures included:</b></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> |



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

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. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

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

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.

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.

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

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.

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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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.

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 consolidated financial statements for the financial year ended March 31, 2021 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.266.42 lakhs as at 31st March,2021, total revenue of Rs.176.26 lakhs and net cash inflow of Rs. (7.32) lakhs for the year then ended which have been audited by other auditors.
- (ii) We did not audit the financial statements and other financial information, in respect of subsidiaries. These financial statements and other financial information have been audited by other auditors 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 subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (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, 2021 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, 2021 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, 2021 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.

**For JAIN CHOWDHARY & CO.,  
Chartered Accountants.  
Firm Registration No.113267W**

**(CA HITESH SALECHA)**

**Partner.**

**M. No. 147413**

**Ahmedabad: 31st May, 2021.**



## **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, 2021, 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, 2021, 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 JAIN CHOWDHARY & CO.,  
Chartered Accountants.  
Firm Registration No.113267W**

**(CA HITESH SALECHA)  
Partner.  
M. No. 147413**

**Ahmedabad: 31st May, 2021.**

**MAHALAXMI RUBTECH LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021**



|  | Notes | As at 31-Mar-21<br>₹ | As at 31-Mar-20<br>₹ |
|--|-------|----------------------|----------------------|
| <b>ASSETS</b>                                      |       |                      |                      |
| <b>Non-current assets</b>                          |       |                      |                      |
| Property, plant and equipment                      | 1     | 655114345            | 582308350            |
| Capital work-in-progress                           | 2     | 14804912             | 108439551            |
| Intangible assets                                  | 3     | 28454554             | 33406131             |
| <b>Financial assets</b>                            |       |                      |                      |
| Investments  | 4     | 1377220              | 1240418              |
| Loans  |       | --                   | --                   |
| Other financial assets                             | 5     | 8211321              | 3235166              |
| Other non-current assets                           | 6     | 4567774              | 3986535              |
| <b>Total non-current assets</b>                    |       | <b>712530125</b>     | <b>732616151</b>     |
| <b>Current assets</b>                              |       |                      |                      |
| Inventories  | 7     | 282709833            | 354425610            |
| <b>Financial assets</b>                            |       |                      |                      |
| Investments  |       | ---                  | ---                  |
| Trade receivables                                  | 8     | 300435978            | 360150052            |
| Cash and cash equivalents                          | 9     | 66342252             | 64431828             |
| Bank balances other than cash and cash equivalents | 10    | 301812735            | 180948968            |
| Loans  | 11    | 0                    | 0                    |
| Other financial assets                             | 12    | 25909619             | 30192267             |
| Other current assets                               | 13    | 40569331             | 39313847             |
| Assets classified as held for sale                 | 14    | 1559628              | 1492902              |
| <b>Total current assets</b>                        |       | <b>1019339375</b>    | <b>1030955474</b>    |
| <b>TOTAL ASSETS</b>                                |       | <b>1731869500</b>    | <b>1763571625</b>    |
| <b>EQUITY AND LIABILITIES</b>                      |       |                      |                      |
| <b>Equity</b>                                      |       |                      |                      |
| Equity share capital                               | 15    | 133202750            | 133202750            |
| Other Equity                                       | 16    | 809428899            | 748036435            |
| <b>Total Equity</b>                                |       | <b>942631649</b>     | <b>881239185</b>     |
| <b>Liabilities</b>                                 |       |                      |                      |
| <b>Non-current liabilities</b>                     |       |                      |                      |
| <b>Financial liabilities</b>                       |       |                      |                      |
| Borrowings   | 17    | 101466460            | 76421638             |
| Other financial liabilities                        |       | ---                  | ---                  |
| Provisions   | 18    | 14942740             | 14790271             |
| Deferred Tax Liabilities (Net)                     | 19    | 22729353             | 26292970             |
| Other non-current liabilities                      | 20    | 22671371             | 28568315             |
| <b>Total non-current liabilities</b>               |       | <b>161809924</b>     | <b>146073195</b>     |
| <b>Current liabilities</b>                         |       |                      |                      |
| <b>Financial liabilities</b>                       |       |                      |                      |
| Borrowings   | 21    | 199111752            | 190205300            |
| Trade payables                                     | 22    | 309295289            | 443650578            |
| Other financial liabilities                        | 23    | 106012560            | 88966198             |
| Other current liabilities                          | 24    | 4501353              | 6760364              |
| Provisions   |       | ---                  | ---                  |
| Current tax liabilities (net)                      | 25    | 8506973              | 6676806              |
| <b>Total current liabilities</b>                   |       | <b>627427927</b>     | <b>736259246</b>     |
| <b>TOTAL LIABILITIES</b>                           |       | <b>789237851</b>     | <b>882332440</b>     |
| <b>TOTAL EQUITIES AND LIABILITIES</b>              |       | <b>1731869500</b>    | <b>1763571625</b>    |

Summary of significant accounting policies

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 JAIN CHOWDHARY & CO.**

Chartered Accountants.  
 Firm Registration No. : 113267W

**Jeetmal B. Parekh**  
 Chairman  
 (DIN 00512415)

**Rahul J. Parekh**  
 Managing Director  
 (DIN 00500328)

**Anand J. Parekh**  
 Jt. Managing Director  
 (DIN 00500384)

**Director**  
 (DIN005321014)

**Director**  
 (DIN09185859)

**Director**  
 (DIN06999605)

**CA Hitesh Salecha**

Partner  
 Membership No. : 147413  
 AHMEDABAD: 31st May, 2021

**Chief Financial Officer**

AHMEDABAD: 31st May, 2021

**Company Secretary**  
 M.No. 60857

# MAHALAXMI RUBTECH LIMITED



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

|   | Notes | For the year ended<br>31st Mar, 2021<br>₹ | For the year ended<br>31st Mar, 2020<br>₹ |
|---|-------|---|---|
| <b>INCOME</b>   |       |   |   |
| Revenue from operations   | 26    | 1383994128                                | 1806781121                                |
| Other income  | 27    | 27400377                                  | 26817556                                  |
| <b>Total income</b>   |       | <b>1411394504</b>                         | <b>1833598677</b>                         |
| <b>Expenses</b>   |       |   |   |
| Cost of material consumed and Trading Purchase  | 28    | 672918947                                 | 1014362869                                |
| Purchase of Trading Goods   |       | 362550                                    | 4319125                                   |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress             | 29    | 49471023                                  | -14927172                                 |
| Manufacturing & Operating Cost  | 30    | 329775856                                 | 449203457                                 |
| Employee benefits expense   | 31    | 110845368                                 | 133162975                                 |
| Finance costs   | 32    | 31782959                                  | 29465844                                  |
| Depreciation and amortization expense   | 1     | 93958827                                  | 100559457                                 |
| Other expenses  | 33    | 44330865                                  | 58047285                                  |
| <b>Total expenses</b>   |       | <b>1333446395</b>                         | <b>1774193841</b>                         |
| Profit /(Loss) before tax   |       | 77948109                                  | 59404836                                  |
| Income tax expense  |       |   |   |
| Current tax   |       | 21633000                                  | 22289000                                  |
| Deferred tax  |       | (4428053.00)                              | (8868304.00)                              |
| <b>Total income tax expense</b>   |       | <b>17204947</b>                           | <b>13420696</b>                           |
| <b>Profit/(Loss) for the year</b>   |       | <b>60743162</b>                           | <b>45984140</b>                           |
| 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                    |       | 2970356                                   | 1354239                                   |
| Income tax effect   |       | (826353)                                  | (376749)                                  |
|   |       | 2144003                                   | 977490                                    |
| Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI         |       | 136802                                    | 152445                                    |
| Income tax effect   |       | (38058)                                   | (42410)                                   |
|   |       | 98743                                     | 110035                                    |
| <b>Total other comprehensive income for the year</b>                                      |       | <b>2242746</b>                            | <b>1087524</b>                            |
| Earnings / (Loss) per share   |       |   |   |
| Basic earnings /(loss) per share (INR)  |       | 4.56                                      | 3.44                                      |
| Diluted earnings /(loss) per share (INR)  |       | 4.56                                      | 3.44                                      |

Summary of significant accounting policies

As per our report of even date

**For JAIN CHOWDHARY & CO.**

Chartered Accountants.

Firm Registration No. : 113267W

**CA Hitesh Salecha**

Partner

Membership No. : 147413

AHMEDABAD: 31st May, 2021

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

**Jeetmal B. Parekh**

Chairman

(DIN 00512415)

**Director**

(DIN005321014)

**Chief Financial Officer**

AHMEDABAD: 31st May, 2021

**Rahul J. Parekh**

Managing Director

(DIN 00500328)

**Director**

(DIN09185859)

**Company Secretary**

M.No. 60857

**Anand J. Parekh**

Jt. Managing Director

(DIN 00500384)

**Director**

(DIN06999605)



# MAHALAXMI RUBTECH LIMITED



## Consolidated Statement of Cash Flows for the year ended 31st March 2021

(Amt in Lakhs)

|  | Year ended<br>31.03.2021 | Year ended<br>31.03.2020 |
|--|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                           |                          |                          |
| Profit before exceptional items and tax                                  | 779.48                   | 594.05                   |
| Adjustments for:   |                          |                          |
| Depreciation and amortization expenses                                   | 939.59                   | 1005.59                  |
| Interest Paid  | 284.78                   | 287.27                   |
| Interest Received  | (178.43)                 | (136.18)                 |
| Dividend Received  | (3.08)                   | 0.00                     |
| Provision for gratuity   | 1.52                     | 28.90                    |
| Net exchange differences   | (8.37)                   | (26.24)                  |
| Deferred Revenue Expenses written off                                    | 0.02                     | 3.55                     |
| Amortisation of Deferred Income  | (40.38)                  | (27.52)                  |
| Amortisation of benefit on unsecured loan                                | 0.00                     | 0.00                     |
| Amortisation of Leasehold Land   | 0.50                     | 0.50                     |
| (Gain)/ loss on Disposal of fixed assets                                 | (0.39)                   | (34.61)                  |
| Liabilities written back   | (41.25)                  | (39.71)                  |
| Bad Debts written off  | 8.53                     | 9.58                     |
| <b>Operating Profit before working capital changes</b>                   | <b>1742.53</b>           | <b>1665.19</b>           |
| <b>Changes in working capital</b>  |                          |                          |
| Adjustments for:   |                          |                          |
| Decrease in inventories  | 717.16                   | 40.79                    |
| Decrease in trade receivables  | 596.98                   | 195.91                   |
| Decrease in other financial assets                                       | 42.83                    | 25.16                    |
| Decrease in other current assets   | (12.55)                  | (39.63)                  |
| Decrease in non-current financial assets                                 | (49.76)                  | (1.98)                   |
| Decrease in non-current assets   | (6.33)                   | 87.99                    |
| Increase in trade payables   | (1302.31)                | 295.09                   |
| Increase in other current liabilities                                    | (22.49)                  | (21.90)                  |
| Increase in non-current liabilities                                      | (46.39)                  | (66.82)                  |
| Increase in other financial liabilities                                  | 170.36                   | 277.65                   |
| <b>Cash generated from operations</b>                                    | <b>1830.01</b>           | <b>2457.44</b>           |
| Net Income tax paid  | (184.25)                 | (133.69)                 |
| <b>Net cash flows used in operating activities (A)</b>                   | <b>1645.75</b>           | <b>2323.75</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                           |                          |                          |
| Purchase of property, plant and equipment and intangible assets          | (694.53)                 | (1285.95)                |
| Purchase of Investments  | 0.00                     | 0.00                     |
| Proceeds from sale/ disposal of fixed assets                             | 12.47                    | 100.34                   |
| Net withdrawal of /Investment in fixed deposits                          | (1208.64)                | (466.22)                 |
| Interest Received  | 178.43                   | 136.18                   |
| Dividend Received  | 3.08                     | 0.00                     |
| Net cash flow from investing activities (B)                              | (1709.19)                | (1515.66)                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                           |                          |                          |
| Proceeds from long-term borrowings                                       | 250.45                   | (124.20)                 |
| Proceeds from short-term borrowings                                      | 89.06                    | (355.23)                 |
| Capital Subsidy Received   | 27.80                    | ---                      |
| Interest paid  | (284.78)                 | (287.27)                 |
| <b>Net cash flow from financing activities (C)</b>                       | <b>82.53</b>             | <b>-766.70</b>           |
| <b>D. Net increase in cash and cash equivalents (A+B+C)</b>              | <b>19.10</b>             | <b>41.39</b>             |
| <b>Cash and cash equivalents at the beginning of the year</b>            | <b>644.32</b>            | <b>602.92</b>            |
| <b>On current accounts</b>   |                          |                          |
| <b>Cash and cash equivalents at the end of the period (refer Note 9)</b> | <b>663.42</b>            | <b>644.32</b>            |

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

As per our report of even date

**For JAIN CHOWDHARY & CO.**

Chartered Accountants.

Firm Registration No. : 113267W

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

**Jeetmal B. Parekh**

Chairman  
(DIN 00512415)

**Director**  
(DIN005321014)

**Chief Financial Officer**

AHMEDABAD: 31st May, 2021

**Rahul J. Parekh**

Managing Director  
(DIN 00500328)

**Director**  
(DIN09185859)

**Company Secretary**

M.No. 60857

**Anand J. Parekh**

Jt. Managing Director  
(DIN 00500384)

**Director**

(DIN06999605)

**CA Hitesh Salecha**

Partner

Membership No. : 147413

AHMEDABAD: 31st May, 2021

**Statement of changes in equity for the year ended 31 March 2021**

(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 2019  | 133202750            | 157500000           | 151562549        | 1500000         | 388488134         | 422665                         | -777544                    |                                       | 831898554        |
| Profit for the year   |                      |                     |                  |                 | 45984140          |                                |                            |                                       | 45984140         |
| <b>Other comprehensive income</b>   |                      |                     |                  |                 |                   |                                |                            |                                       |                  |
| 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>                 | ---                  |                     |                  |                 |                   |                                |                            |                                       | 0                |
| Income tax of earlier years   |                      |                     |                  |                 | 2268966           |                                |                            |                                       | 2268966          |
| <b>Balance as at 31 March 2020</b>  | <b>133202750</b>     | <b>157500000</b>    | <b>151562549</b> | <b>1500000</b>  | <b>436741240</b>  | <b>532700</b>                  | <b>199946</b>              |                                       | <b>881239185</b> |
| <b>Balance as at 1 April 2020</b>   | <b>133202750</b>     | <b>157500000</b>    | <b>151562549</b> | <b>1500000</b>  | <b>436741240</b>  | <b>532700</b>                  | <b>199946</b>              | <b>0</b>                              | <b>881239185</b> |
| Profit for the year   |                      |                     |                  |                 | 60743162          |                                |                            |                                       | 60743162         |
| <b>Other comprehensive income</b>   |                      |                     |                  |                 |                   |                                |                            |                                       |                  |
| Re-measurement gains/ (Losses) on post employment defined benefit plans (Net of tax)  |                      |                     |                  |                 |                   |                                | 2144003                    |                                       | 2144003          |
| Fair Valuation of Investments measured at FVTOCI (Net of tax)                         |                      |                     |                  |                 |                   | 98743                          |                            | ---                                   | 98743            |
| <i>Issue of Equity Shares at premium by converting Share Warrants</i>                 | ---                  | ---                 |                  |                 |                   |                                |                            |                                       |                  |
| Add: Income tax of earlier years  |                      |                     |                  |                 | -1593445          |                                |                            |                                       | -1593445         |
| <b>Balance as at 31 March 2021</b>  | <b>133202750</b>     | <b>157500000</b>    | <b>151562549</b> | <b>1500000</b>  | <b>495890957</b>  | <b>631443</b>                  | <b>2343949</b>             | <b>0</b>                              | <b>942631649</b> |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**
**1 Property, plant and equipment  
Tangible Assets**

| Carrying Amounts                                     | Freehold Land    | Building         | Plant & Machinery | Electric Installation | Furniture Fixtures | Office Equipments | Vehicles        | Total             |
|--|------------------|------------------|-------------------|-----------------------|--------------------|-------------------|-----------------|-------------------|
| <b>Year ended March 31, 2020</b>                     |                  |                  |                   |                       |                    |                   |                 |                   |
| Gross carrying amount                                |                  |                  |                   |                       |                    |                   |                 |                   |
| Balance as at April 01, 2019                         | 101192699        | 213696605        | 824693268         | 17330239              | 17663548           | 13339330          | 21903573        | 1209819262        |
| Additions  | 0                | 5820934          | 32599382          | 541000                | 433409             | 2329644           | 0               | 41724369          |
| Disposals  | 0                | 6717567          | 4260932           | 0                     | 0                  | 0                 | 987252          | 11965751          |
| Classified as held for sale                          | 0                | 0                | 0                 | 0                     | 0                  | 0                 | 0               | 0                 |
| <b>Gross carrying Amt as on 31st March 2020</b>      | <b>101192699</b> | <b>212799972</b> | <b>853031718</b>  | <b>17871239</b>       | <b>18096957</b>    | <b>15668974</b>   | <b>20916321</b> | <b>1239577880</b> |
| <b>Year ended March 31, 2021</b>                     |                  |                  |                   |                       |                    |                   |                 |                   |
| Additions  | 19097823         | 31556907         | 106731130         | 3143181               | 1542219            | 930616            | 85679           | 163087556         |
| Disposals  | 0                | 0                | 10348154          | 3447940               | 2006391            | 3425053           | 1082860         | 20310398          |
| Classified as held for sale                          | 0                | 0                | 66727             | 0                     | 0                  | 0                 | 0               | 66727             |
| Other Adjustments                                    | 0                | 0                | 0                 | 0                     | 0                  | 0                 | 0               | 0                 |
| <b>Gross carrying Amt as on 31st March 2021</b>      | <b>120290522</b> | <b>244356879</b> | <b>949347967</b>  | <b>17566480</b>       | <b>17632785</b>    | <b>13174537</b>   | <b>19919140</b> | <b>1382288312</b> |
| <b>Accumulated Depreciation/Amortisation</b>         |                  |                  |                   |                       |                    |                   |                 |                   |
| <b>Year ended March 31, 2020</b>                     |                  |                  |                   |                       |                    |                   |                 |                   |
| Balance as at April 01, 2019                         | 0                | 61666635         | 471239380         | 11340267              | 9821391            | 8131490           | 7817711         | 570016874         |
| Depreciation For the Year                            | 0                | 6533723          | 79301018          | 1063047               | 1342024            | 2089892           | 2414339         | 92744043          |
| Deductions / Adjustments                             | 0                | 1507516          | 3268091           | 0                     | 0                  | 0                 | 715784          | 5491391           |
| <b>Accumulated depreciation as at March 31, 2020</b> | <b>----</b>      | <b>66692842</b>  | <b>547272307</b>  | <b>12403314</b>       | <b>11163415</b>    | <b>10221381</b>   | <b>9516267</b>  | <b>657269526</b>  |
| <b>As at 31st March, 2021</b>                        |                  |                  |                   |                       |                    |                   |                 |                   |
| Depreciation For the Year                            | 0                | 6544352          | 75758366          | 1134778               | 1283344            | 2003528           | 2282882         | 89007249          |
| Deductions / Adjustments                             | 0                | 0                | 9669483           | 3280740               | 1948607            | 3253433           | 950545          | 19102807          |
| <b>Depreciation as on 31st March 2021</b>            |                  | <b>73237194</b>  | <b>613361190</b>  | <b>10257352</b>       | <b>10498152</b>    | <b>8971476</b>    | <b>10848604</b> | <b>727173967</b>  |
| <b>Net Carrying Amount</b>                           |                  |                  |                   |                       |                    |                   |                 |                   |
| As at March 31, 2020                                 | 101192699        | 146107130        | 305759411         | 5467925               | 6933542            | 5447592           | 11400055        | 582308354         |
| As at March 31, 2021                                 | 120290522        | 171119686        | 335986778         | 7309128               | 7134633            | 4203061           | 9070537         | 655114345         |

**2 Capital Work in Progress**

As at March 31, 2020 108439554

As at March 31, 2021 14804912

**3 Intangible assets**

|                               | GROSS BLOCK        |           |            |                     | DEPRECIATION       |                |                         |                   | NET BLOCK           |                     |                     |
|-------------------------------|--------------------|-----------|------------|---------------------|--------------------|----------------|-------------------------|-------------------|---------------------|---------------------|---------------------|
|                               | As at 1 April 2020 | Additions | Deductions | As at 31st Mar 2021 | As at 1 April 2020 | For the year   | Deductions/ Adjustments | Other Adjustments | As at 31st Mar 2021 | As at 31st Mar 2021 | As at 31st Mar 2020 |
| Commercial Right-ETP Pipeline | 49515783           | 0         | 0          | 49515783            | 16109651           | 4951578        | 0                       | --                | 21061229            | 28454554            | 33406132            |
| <b>Total</b>                  | <b>49515783</b>    | <b>0</b>  | <b>0</b>   | <b>49515783</b>     | <b>16109651</b>    | <b>4951578</b> | <b>0</b>                | <b>0</b>          | <b>21061229</b>     | <b>28454554</b>     | <b>33406132</b>     |

**Intangible assets**

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

## 4 Financial Assets- Investments

(As valued , verified & certified by the management)

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Financial Assets carried at cost</b>  |                             |                             |
| <b>Investment in equity instrument designated as at fair value through OCI</b>       |                             |                             |
| <b>1 Investment in Associate Companies : (Unquoted)</b>                              |                             |                             |
| 700 (700) Equity Shares of Rahul Cal Chem Pvt. Ltd..of ₹ 100 each fully paid         | 140477                      | 142091                      |
| 685 (685) Equity Shares of Mahalaxmi Calchem Pvt. Ltd..of ₹ 100 each fully paid      | 1236643                     | 1098227                     |
| <b>2 Investment in Subsidiary Companies : (Unquoted)</b>                             |                             |                             |
| 50000 (50000) Equity Shares of Globale Tessile Pvt. Ltd..of ₹ 10 each fully paid     | ---                         | ---                         |
| 150000 (150000) Equity Shares of Mahalaxmi Exports Pvt. Ltd..of ₹ 10 each fully paid | ---                         | ---                         |
| <b>3 Investment in Others : (Unquoted)</b>   |                             |                             |
| 1 (1) Share of The Social Co-op Bank Ltd. of ₹100 each fully paid up                 | 100                         | 100                         |
| <b>TOTAL</b>   | <b>1377220</b>              | <b>1240418</b>              |

The details of aggregate of quoted and unquoted investment:

| Particulars                   | Book Value (In ₹) |                  | Market Value (In ₹) |                  |
|-------------------------------|-------------------|------------------|---------------------|------------------|
|                               | As at 31.03.2021  | As at 31.03.2020 | As at 31.03.2021    | As at 31.03.2020 |
| Aggregate Quoted Investment   | ----              | ----             | ----                | ----             |
| Aggregate Unquoted Investment | 1377220           | 1240418          | ----                | ----             |

## 5 Non-Current Financial assets - Others

(Unsecured and considered good)

|                         | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|-------------------------|-----------------------------|-----------------------------|
| Margin Money with Banks | 1848626                     | 2422472                     |
| Security Deposits       | 6362695                     | 812695                      |
| <b>Total</b>            | <b>8211321</b>              | <b>3235166</b>              |

## 6 Other non-current assets

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| <b>Non Financial Assets (Unsecured and considered good)</b> |                             |                             |
| Capital advance   | 3633920                     | 3000867                     |
| Issue Expenses  | 633854                      | 635669                      |
| Deferred Employee Cost                                      | ---                         | ---                         |
| Leasehold Land  | 300000                      | 350000                      |
| <b>Total</b>  | <b>4567774</b>              | <b>3986537</b>              |

## 7 Inventories

(As verified, valued & certified by management)

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| Raw Materials                                    | 160320345                   | 180002476                   |
| Finished Goods                                   | 89924111                    | 151878347                   |
| Semi-finished Goods                              | 17633418                    | 3315096                     |
| Trading Goods                                    | 31477                       | 1397234                     |
| Fents & Rags                                     | 1128254                     | 1597606                     |
| Stores, Spares, Coal, Packing & Design Materials | 13672228                    | 16234851                    |
| <b>Total</b>                                     | <b>282709833</b>            | <b>354425610</b>            |

**8 Trade receivable**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Receivables from related parties (Refer Note No.43) | 93721533                    | 101217853                   |
| Other Trade Receivables                             | 206714445                   | 258932199                   |
| <b>Total Trade Receivables</b>                      | <b>300435978</b>            | <b>360150052</b>            |
| <b>Break up of Security Details:</b>                |                             |                             |
| Secured, considered good                            | ---                         | ---                         |
| Unsecured, considered good                          | 300268893                   | 359860971                   |
| Doubtful  | 167085                      | 289081                      |
| <b>Total Trade Receivables</b>                      | <b>300435978</b>            | <b>360150052</b>            |

**9 Cash and cash equivalents**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Balances with banks                                   |                             |                             |
| On current accounts                                   | 20733002                    | 1898091                     |
| In Fixed deposit with maturity for less than 3 months | 44632148                    | 62133081                    |
| Cash on hand  | 977101                      | 400656                      |
| <b>Total cash and cash equivalents</b>                | <b>66342251</b>             | <b>64431828</b>             |

**10 Bank balances other than Cash and cash equivalent**

|   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date | 280979498                   | 178937565                   |
| Balances with Banks held as margin money  | 830815                      | 1766046                     |
| In Fixed deposit with maturity more than 12 months  | 20000000                    | ---                         |
| Earmarked Balance with banks (pertaining to dividend accounts with banks)                             | 2422                        | 245358                      |
| <b>Total</b>  | <b>301812735</b>            | <b>180948969</b>            |

**11 Current Financial assets - Loans**

|                            | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|----------------------------|-----------------------------|-----------------------------|
| Unsecured, considered good |                             |                             |
| To Subsidiary Companies    | ---                         | ---                         |
| Others                     | ---                         | ---                         |
| <b>Total</b>               | <b>0</b>                    | <b>0</b>                    |

**12 Current Financial assets - Others**

|                                  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|----------------------------------|-----------------------------|-----------------------------|
| Interest Receivable under TUFs   | 1873337                     | 1611892                     |
| Export Benefit Receivable        | 8075871                     | 9545879                     |
| Stipend Reimbursement Receivable | 22004                       | 234229                      |
| Accrued Income                   | 15938407                    | 18800268                    |
| <b>Total</b>                     | <b>25909619</b>             | <b>30192268</b>             |

**13 Other current assets**

|                                    | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|------------------------------------|-----------------------------|-----------------------------|
| Prepaid Expenses                   | 5943404                     | 5790148                     |
| Advance to employees               | 1048000                     | 837800                      |
| Balance with Statutory Authorities | 8575785                     | 21089131                    |
| Leasehold Land                     | 50000                       | 50000                       |
| Others                             | 24952142                    | 11546770                    |
| <b>Total</b>                       | <b>40569331</b>             | <b>39313850</b>             |

**14 Assets classified as held for sale**

|                   | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|-------------------|-----------------------------|-----------------------------|
| Plant & Machinery | 1559628                     | 1492902                     |
| <b>Total</b>      | <b>1559628</b>              | <b>1492902</b>              |

**15 Equity Share Capital**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Authorized</b>  |                             |                             |
| 25000000 (25000000) Equity Shares of Re.10 each            | 250000000                   | 250000000                   |
|  | <b>250000000</b>            | <b>250000000</b>            |
| <b>Issued, subscribed and paid up</b>                      |                             |                             |
| 13320275 (13320275) Equity Shares of Rs.10 each fully paid | 133202750                   | 133202750                   |
| <b>Total</b>   | <b>133202750</b>            | <b>133202750</b>            |

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

|  | As At 31-03-2021<br>No. of Shares | As At 31-03-2020<br>No. of Shares | As At 31-03-2021<br>Amount | As At 31-03-2021<br>Amount |
|--|-----------------------------------|-----------------------------------|----------------------------|----------------------------|
| Outstanding at the beginning of the year | 13320275                          | 13320275                          | 133202750                  | 133202750                  |
| Add: Issued during the year              | ---                               | ---                               | ---                        | ---                        |
| 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 2021 |                           | As at 31 March 2020 |                           |
|-------------------------|---------------------|---------------------------|---------------------|---------------------------|
|                         | 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 Rs.10 each issued as fully paid up Bonus Shares and 3646400 shares of Rs. 10 each issued pursuant to a scheme of amalgamation of erstwhile Mahalaxmi Fabric Mills Ltd. with the company without payment received in cash

**16 Other Equity**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>(a) Securities premium reserve</b>                            |                             |                             |
| Opening balance  | 157500000                   | 157500000                   |
| Add : Received during the year                                   | ---                         | ---                         |
| <b>Closing balance</b>   | <b>157500000</b>            | <b>157500000</b>            |
| <b>(b) General reserve</b>                                       |                             |                             |
| Opening balance  | 151562549                   | 151562549                   |
| Addition during the year   | ---                         | ---                         |
| <b>Closing balance</b>   | <b>151562549</b>            | <b>151562549</b>            |
| <b>(c) Capital Reserve</b>                                       |                             |                             |
| Opening balance  | 1500000                     | 1500000                     |
| Addition during the year   | ---                         | ---                         |
| <b>Closing balance</b>   | <b>1500000</b>              | <b>1500000</b>              |
| <b>(d) Retained Earnings</b>                                     |                             |                             |
| Opening balance  | 436741240                   | 388488134                   |
| Add: Net profit for the year                                     | 60743162                    | 45984140                    |
| Less: Income Tax of eariler years                                | 1593445                     | -2268966                    |
| <b>Closing balance</b>   | <b>495890957</b>            | <b>436741240</b>            |
| <b>(e) Equity Instruments through OCI</b>                        |                             |                             |
| Opening Balance  | 532700                      | 422665                      |
| For The Year (net of Tax)  | 98743                       | 110035                      |
| <b>Closing balance</b>   | <b>631443</b>               | <b>532700</b>               |
| <b>(e) Other items of Other Comprehensive Income</b>             |                             |                             |
| Opening balance  | 199946                      | -777544                     |
| Re-measurement gain/(loss) on defined benefit plans (net of tax) | 2144003                     | 977490                      |
| <b>Closing balance</b>   | <b>2343949</b>              | <b>199946</b>               |
| <b>Total Other Equity</b>  | <b>809428899</b>            | <b>748036435</b>            |

**17 Non-Current Borrowings**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Secured</b>                                   |                             |                             |
| Term Loans from Banks and Financial Institutions |                             |                             |
| Term Loans                                       | 101241342                   | 74244853                    |
| Vehicle Loans                                    | ---                         | 2156784                     |
| <b>Total (A)</b>                                 | <b>101241342</b>            | <b>76401637</b>             |
| <b>Unsecured</b>                                 | <b>225117</b>               | <b>20000</b>                |
| <b>From Holding Company</b>                      |                             |                             |
| <b>Total (B)</b>                                 | <b>225117</b>               | <b>20000</b>                |
| <b>TOTAL (A+B)</b>                               | <b>101466459</b>            | <b>76421637</b>             |

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

- 1 Rupee term loan from Bank of Baroda having outstanding amount of Rs. 7.22 lacs ( P.Y Rs. 96.26 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 having outstanding amount of Rs.46.60 lacs ( P.Y Rs. 121.60 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 October, 2021.
- 3 Rupee term loan from Bank of Baroda having outstanding amount of Rs.216.00 lacs ( P.Y Rs. 324.00lacs ) 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.
- 4 Rupee term loan from Bank of Baroda having outstanding amount of Rs.138.83 lacs ( P.Y Rs. 215.07 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, 2019. Last installment due in December, 2024.
- 5 Rupee term loan from Bank of Baroda having outstanding amount of Rs.199.76 lacs ( P.Y Rs. 208.86 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 March, 2024.
- 6 Rupee term loan from Bank of Baroda having outstanding amount of Rs.18.55 lacs ( P.Y Rs. 57.55 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 September, 2021.
- 7 Rupee term loan from Bank of Baroda having outstanding amount of Rs.233.65 lacs ( P.Y Rs. 292.01 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 May, 2022.
- 8 Rupee term loan from Bank of Baroda having outstanding amount of Rs.78.60 lacs ( P.Y Rs. 65.36 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from August, 2020. Last installment due in October, 2024.
- 9 Rupee term loan from Bank of Baroda having outstanding amount of Rs.226.67 lacs ( P.Y Rs. 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 18 monthly installments commencing from February 2021. Last installment due in July 2022.
- 10 Rupee term loan from Bank of Baroda having outstanding amount of Rs.48.00 lacs ( P.Y Rs. 60.00 lacs) secured by way of hypothecation of stock, book debts, plant & machineries & other movables and equitable mortgage of land and buildings and further secured by personal guarantee of promoter directors and repayable in 60 monthly installments commencing from May, 2020. Last installment due in April 2025.
- 11 Rupee term loan from Bank of Baroda having outstanding amount of Rs.606.00 lacs ( P.Y Rs. 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 October, 2021. Last installment due on September, 2024.

#### Vehicle Loans

- 1 Vehicle Loan from AXIS Bank amounting to Rs. 18.21 lacs (p.y.34.95) 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 Rs. 3.36 lacs (p.y.6.71) 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<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Provision for post employment benefit obligations |                             |                             |
| Provision for Gratuity                            | 14942740                    | 14790270                    |
| <b>Total</b>                                      | <b>14942740</b>             | <b>14790270</b>             |



**19 Deferred Tax Liabilities (Net)**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Deferred Tax Liability</b>  |                             |                             |
| Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting. | 26799000                    | 31016000                    |
| Fair Valuation Gain on Investments   | 298926                      | 260868                      |
| <b>Deferred Tax Asset:</b>   |                             |                             |
| Employees retirement benefits charged to statement of profit & loss but allowed for tax on payment basis.    | 4333000                     | 4289000                     |
| Remeasurements of defined benefit plans  | 35573                       | 694899                      |
| <b>Deferred Tax Liabilities (Net)</b>  | <b>22729353</b>             | <b>26292969</b>             |

**20 Other Non- current Liabilities**

|                                       | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---------------------------------------|-----------------------------|-----------------------------|
| Deferred Income for Capital Subsidy   | 4505372                     | 4215016                     |
| Deferred Income for EPCG Liability    | 5995007                     | 7543363                     |
| Others                                | 12170992                    | 16809936                    |
| <b>Total Non- current Liabilities</b> | <b>22671371</b>             | <b>28568315</b>             |

**21 Short -Term Borrowings**

|                                    | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|------------------------------------|-----------------------------|-----------------------------|
| Working Capital Loans from Banks   |                             |                             |
| Secured                            |                             |                             |
| Cash Credit                        | 140262926                   | 170820058                   |
| Foreign Bills Purchase             | 10804760                    | 0                           |
| Overdraft                          | 38849658                    | 0                           |
| PC                                 | 9194408                     | 19385242                    |
| <b>Total short-term borrowings</b> | <b>199111752</b>            | <b>190205300</b>            |

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<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---|-----------------------------|-----------------------------|
| Trade Payables                                | ---                         | ---                         |
| Payable to related parties (Refer Note No.43) | 3953824                     | 10266461                    |
| Payable to Others                             | 305341465                   | 43384117                    |
| <b>Total Trade Payables</b>                   | <b>309295289</b>            | <b>443650578</b>            |

**23 Other financial liabilities**

|                                       | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|---------------------------------------|-----------------------------|-----------------------------|
| Current Maturities of long term debts | 82902253                    | 67337797                    |
| Salary & Wages Payable                | 6837141                     | 5374314                     |
| Unclaimed Dividend                    | 2422                        | 245358                      |
| Provision for impairment of Assets    | 109559                      | 466696                      |
| Other Payables                        | 16161185                    | 15542032                    |
| <b>Total</b>                          | <b>106012560</b>            | <b>88966197</b>             |

**24 Other current liabilities**

|                          | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--------------------------|-----------------------------|-----------------------------|
| Advances from Customers  | 3121366                     | 4913849                     |
| Security Deposit         | 15000                       | 351899                      |
| Statutory Duties & Taxes | 1364987                     | 1494616                     |
| Capital Creditors        | 0                           | 0                           |
| <b>Total</b>             | <b>4501353</b>              | <b>6760364</b>              |

**25 Current tax liabilities (net)**

|  | As at<br>31 March 2021<br>₹ | As at<br>31 March 2020<br>₹ |
|--|-----------------------------|-----------------------------|
| Current Tax Provision for the year           | 21633000                    | 22289000                    |
| Less: Advance Tax paid (including TDS & TCS) | 13126027                    | 15612195                    |
| <b>Total</b>                                 | <b>8506973</b>              | <b>6676806</b>              |

**26 Revenue from operations**

|                                      | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Sale of products and services        | 979861141                             | 1351979192                            |
| Job Work Charges                     | 388984308                             | 442897031                             |
| <b>Other Operating revenue</b>       |                                       |                                       |
| Export Entitlement Benefits          | 15148678                              | 11904899                              |
| <b>Total revenue from operations</b> | <b>1383994128</b>                     | <b>1806781121</b>                     |

**27 Other income**

|  | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--|---------------------------------------|---------------------------------------|
| Exchange Rate Fluctuation                                    | 837104                                | 2624001                               |
| Sale of Scrap  | 30100                                 | 386907                                |
| Interest Received  | 17843225                              | 13617645                              |
| Dividend Received  | 308250                                | ---                                   |
| Liability Written Back                                       | 4125692                               | 3971165                               |
| Vatav Kasar  | 97255                                 | 4658                                  |
| Profit on Sale/disposal of Fixed Assets                      | 121250                                | 3460953                               |
| Amortisation of Deferred Income under EPCG Scheme            | 1548356                               | 1548356                               |
| Amortisation of Deferred Income (Capital Subsidy)            | 2489144                               | 1203870                               |
| Notional Interest Income on Loan to employees & subsidiaries | 0                                     | 0                                     |
| <b>Total</b>   | <b>27400377</b>                       | <b>26817556</b>                       |

**28 Cost of raw material consumed and trading purchase**

|                               | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|-------------------------------|---------------------------------------|---------------------------------------|
| <b>Raw Material Consumed:</b> |                                       |                                       |
| Opening Stock                 | 180002476                             | 192022729                             |
| Add: Purchases                | 653236816                             | 1002342616                            |
| Less: Closing Stock           | 160320345                             | 180002476                             |
| <b>Total</b>                  | <b>672918947</b>                      | <b>1014362869</b>                     |

**29 Changes in inventories**

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| <b>Inventories at the beginning of the year</b> |                                       |                                       |
| Finished Goods                                  | 151629701                             | 132297667                             |
| Semi Finished Goods                             | 3315096                               | 9616057                               |
| Trading Goods                                   | 1397234                               | 15927                                 |
| Fents & Rags                                    | 1846252                               | 1331460                               |
|   | <b>158188283</b>                      | <b>143261111</b>                      |
| <b>Less: Inventories at the end of the year</b> |                                       |                                       |
| Finished Goods                                  | 89924111                              | 151629701                             |
| Semi Finished Goods                             | 17633418                              | 3315096                               |
| Trading Goods                                   | 31477                                 | 1397234                               |
| Fents & Rags                                    | 1128254                               | 1846252                               |
|   | <b>108717260</b>                      | <b>158188283</b>                      |
| <b>Net decrease/ (increase)</b>                 | <b>49471023</b>                       | <b>-14927172</b>                      |

**30 Manufacturing & Operating Cost**

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| Stores, Spares & Maintenance Expenses   | 45259384                              | 60070567                              |
| Job Charges Paid                        | 15272766                              | 21023995                              |
| Design Expenses                         | 5072849                               | 10013411                              |
| Power & Fuel Expenses                   | 178948072                             | 253005179                             |
| Processing Charges                      | 69319519                              | 87470506                              |
| Laboratory Expenses                     | 185659                                | 350168                                |
| Freight, Clearing & Forwarding Expenses | 4255930                               | 4997787                               |
| Pollution Control Expenses              | 11461677                              | 12271846                              |
| <b>Total</b>                            | <b>329775856</b>                      | <b>449203457</b>                      |

**31 Employee benefits expenses**

|   | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---|---------------------------------------|---------------------------------------|
| Salaries, wages, bonus and other allowances | 102327614                             | 122902848                             |
| Gratuity                                    | 3590496                               | 3805978                               |
| Contribution to Provident Fund and ESI      | 2120057                               | 2721361                               |
| Employees' Welfare Expenses                 | 2807201                               | 3732788                               |
| <b>Total</b>                                | <b>110845368</b>                      | <b>133162975</b>                      |

**32 Finance costs**

|                           | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|---------------------------|---------------------------------------|---------------------------------------|
| Interest (Net)            | 28477829                              | 28726645                              |
| Bank Commission & Charges | 3305130                               | 739199                                |
| <b>Total</b>              | <b>31782959</b>                       | <b>29465844</b>                       |

**33 Other expenses**

|  | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--|---------------------------------------|---------------------------------------|
| E.C.G.C. Premium                         | 425262                                | 418786                                |
| Telecommunication Expenses               | 575443                                | 551083                                |
| General Expenses                         | 413023                                | 464290                                |
| Insurance Premium                        | 4637742                               | 4700225                               |
| Advertisement Expenses                   | 40272                                 | 90011                                 |
| Audit Fees                               | 320000                                | 310000                                |
| Corporate Social Responsibility Expenses | 1280000                               | 1200000                               |
| Car Expenses                             | 805593                                | 823746                                |
| Packing Materials Expenses               | 14985888                              | 14342100                              |
| Legal & Consulting Expenses              | 3088724                               | 2910592                               |
| Postage & Courier Expenses               | 209191                                | 518439                                |
| Rent, Rates and Taxes                    | 1352078                               | 1495275                               |
| Deffered Revenue Expenses written off    | 1815                                  | 355234                                |
| Loss on Sale of Fixed Assets             | 82211                                 | ---                                   |
| Bus & Truck Expenses                     | 805208                                | 1122598                               |
| Miscellaneous Expenses                   | 1775552                               | 5693094                               |
| Amortisation of Leasehold Land           | 50000                                 | 50000                                 |
| Export Freight                           | 5484885                               | 3283283                               |
| Commission Expenses                      | 5493487                               | 14820582                              |
| Factory Expenses                         | 198105                                | 188993                                |
| Bad Debts written off                    | 853491                                | 958420                                |
| Prior Period Expenses                    | 124990                                | ---                                   |
| Printing & Stationery Expenses           | 1218350                               | 1314351                               |
| Provision for impairment of Assets       | 109558                                | 466696                                |
| Exhibition Expenses                      | ---                                   | 1969488                               |
| <b>Total</b>                             | <b>44330865</b>                       | <b>58047285</b>                       |

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

|  | For the year ended<br>31.03.2021<br>₹ | For the year ended<br>31.03.2020<br>₹ |
|--|---------------------------------------|---------------------------------------|
| Statutory Audit Fee                      | 310000                                | 310000                                |
| For Others (Reports, Certificates, etc.) | 90000                                 | 106000                                |
| <b>Total</b>                             | <b>406900</b>                         | <b>358000</b>                         |

**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:

| Particulars                           | As at 31 March 2021 ₹ |                  | As at 31 March 2020 ₹ |                  |
|---------------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                       | At FVTOCI             | Amortised Cost   | At FVTOCI             | Amortised Cost   |
| <b>Assets:</b>                        |                       |                  |                       |                  |
| Investments (Non Current)             | 1377220               |                  | 1240418               |                  |
| Other Financial Non- current assets   |                       | 8211321          |                       | 3235166          |
| Trade Receivables                     |                       | 300435978        |                       | 360150052        |
| Cash & Cash Equivalents               |                       | 66342252         |                       | 64431828         |
| Other Bank Balance                    |                       | 301812735        |                       | 180948968        |
| Loan                                  |                       | 0                |                       | 0                |
| Other Financial current assets        |                       | 25909619         |                       | 30192267         |
| <b>Total</b>                          | <b>1377220</b>        | <b>702711904</b> | <b>1240418</b>        | <b>638958281</b> |
| <b>Liabilities:</b>                   |                       |                  |                       |                  |
| Borrowings                            |                       | 101466460        |                       | 76421638         |
| Borrowings (Current)                  |                       | 199111752        |                       | 190205300        |
| Trade Payables                        |                       | 309295289        |                       | 443650578        |
| Other Financial Liabilities (Current) |                       | 106012560        |                       | 88966198         |
| <b>Total</b>                          |                       | <b>715886060</b> |                       | <b>799243714</b> |

**(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)

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

**As 31st March 2021**

| Particulars                   | Fair Value | Fair value measurement using |         |         |
|-------------------------------|------------|------------------------------|---------|---------|
|                               |            | Level 1                      | Level 2 | Level 3 |
| <b>Long terms Investments</b> |            |                              |         |         |
| <b>As at 31.03.2021</b>       |            |                              |         |         |
| Fair values through OCI       | 1240418    | ---                          | 1240418 | ---     |
| <b>As at 31.03.2020</b>       |            |                              |         |         |
| Fair values through OCI       | 1377220    | ---                          | 1377220 | ---     |

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

₹ in Lakhs

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>A Contingent Liabilities:</b>   |                        |                        |
| 1 Outstanding Bank Guarantee   | 56.70                  | 137.29                 |
| 2 Disputed Service Tax Liability   | ----                   | 2.09                   |
| 3 Employees' cases pending before labour courts 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. | 34.37                  | 31.58                  |
| <b>B Commitments:</b>  |                        |                        |
| 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)   | 221.61                 | 104.24                 |

**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 Rs. 12.74 Lakhs. ( P.Y. 11.94 Lakhs)

b) Amount spent during the year Rs. 12.80 Lakhs ( PY 12.00)

₹ in Lakhs

| The amount expended are as follows:        | 2021  | 2020  |
|--|-------|-------|
| a) Construction / acquisition of any asset | --    | --    |
| b) For purposes other than (a) above       | 12.80 | 12.00 |



39 Based on review carried out as on 31.03.2021, 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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------|------------------------|------------------------|
| Net Profit after Tax                     | Rs.  | 60743162               | 45984140               |
| Nominal Value of equity share            | Rs.  | 10                     | 10                     |
| Weighted average number of equity shares | Nos. |                        |                        |
| - for Basic EPS                          |      | 13320275               | 13370275               |
| - for Diluted EPS                        |      | 13320275               | 13370275               |
| Basic EPS                                | Rs.  | 4.56                   | 3.44                   |
| Diluted EPS                              | Rs.  | 4.56                   | 3.44                   |

41 The outstanding amount of Rs. 82.30 Lakhs 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 Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statement.

#### 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>                  |
|----------------------------------|--------------------------------------|
| Shah Jeetmal Champalal           | Associate                            |
| Mahalaxmi Cal Chem Pvt. Ltd      | Associate                            |
| Anand Chem Industries Pvt. Ltd.  | Associate                            |
| Mahalaxmi Exports                | Associate                            |
| Rahul Textile                    | Associate                            |
| Parekh Dye Chem Corporation      | 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             |
| 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 Personnel | Subsidiary | Relative of KMP |
|---------------------------------|------------------|--------------------------|------------|-----------------|
| <b>Rent paid</b>                |                  |                          |            |                 |
| Shah Jeetmal Champalal          | 12000            |                          |            |                 |
| Rahul Textile                   | 108000           |                          |            |                 |
|                                 | <b>120000</b>    | ---                      | ---        | ---             |
| <b>Rent Received</b>            |                  |                          |            |                 |
| Mahalaxmi Exports               | 60000            |                          |            |                 |
|                                 | <b>60000</b>     | <b>0</b>                 | ---        | ---             |
| <b>Dividebd Received</b>        |                  |                          |            |                 |
| Mahalaxmi Cal Vhem Pvt. Ltd.    | 308250           |                          |            |                 |
|                                 | <b>308250</b>    | <b>0</b>                 | ---        | ---             |
| <b>Remuneration Paid</b>        |                  |                          |            |                 |
| Rahul Jeetmal Parekh            |                  | 1679700                  |            |                 |
| Anand Jeetmal Parekh            |                  | 1679700                  |            |                 |
| Rajendra R Mehta                |                  | 1430000                  |            |                 |
| Kevin Dhruve                    |                  | 315381                   |            |                 |
|                                 | ---              | <b>5104781</b>           | ---        | ---             |
| <b>Purchase</b>                 |                  |                          |            |                 |
| Mahalaxmi Cal Chem P Ltd.       | 40076            |                          |            |                 |
| Anand Chem Ind. P. Ltd.         | 16123133         |                          |            |                 |
| Parekh Dye Chem Corporation     | 14175            |                          |            |                 |
| Mahalaxmi Exports               | 4733564          |                          |            |                 |
|                                 | <b>20910948</b>  | ---                      | ---        | ---             |
| <b>Job charges Paid</b>         |                  |                          |            |                 |
| Mahalaxmi Exports               | 10129765         |                          |            |                 |
|                                 | <b>10129765</b>  | ---                      | ---        | ---             |
| <b>Sales</b>                    |                  |                          |            |                 |
| Mahalaxmi Exports               | 19493288         |                          |            |                 |
| Mahalaxmi Cal Chem P Ltd.       | 2240132          |                          |            |                 |
| Parekh Dye Chem Corporation     | 1177770          |                          |            |                 |
|                                 | <b>22911190</b>  | ---                      | ---        | ---             |
| <b>Job charges Received</b>     |                  |                          |            |                 |
| Mahalaxmi Exports               | 207675382        |                          |            |                 |
|                                 | <b>207675382</b> | ---                      | ---        | ---             |
| <b>Professional Fees Paid</b>   |                  |                          |            |                 |
| Mohit R Mehta                   |                  |                          |            | 220000          |
|                                 | ---              | ---                      | ---        | <b>220000</b>   |
| <b>Outstandings</b>             |                  |                          |            |                 |
| Payables                        |                  |                          |            |                 |
| Anand Chem Industries Pvt. Ltd. | 3927506          |                          |            |                 |
| Mahalaxmi Cal Chem P Ltd.       | 9589             |                          |            |                 |
| Parekh Dye Chem Corporation     | 16729            |                          |            |                 |
|                                 | <b>3953824</b>   | ---                      | ---        | ---             |
| <b>Receivables</b>              |                  |                          |            |                 |
| Mahalaxmi Exports               | 93693213         |                          |            |                 |
|                                 | <b>93693213</b>  | ---                      | ---        | ---             |
| <b>Investments (Unquoted)</b>   |                  |                          |            |                 |
| Closing Balance                 |                  |                          |            |                 |
| Rahul Cal Chem Pvt. Ltd.        | 140477           |                          |            |                 |
| Mahalaxmi Cal Chem Pvt. Ltd.    | 1236643          |                          |            |                 |
|                                 | <b>1377120</b>   | -                        | -          | -               |



**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      | -                      | -                | NIL                  | NIL              |

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

| Particulars  | As at 31/03/2021 | As at 31/03/2020 |
|--|------------------|------------------|
| <b>Payable against import of goods &amp; services</b>  |                  |                  |
| Rupees in Lakhs  | 39               | 71               |
| US Dollar  | 47159            | 73073            |
| GBP  | ---              | 3819             |
| CHF  | 6261             | ---              |
| Euro   | ---              | 14957            |
| <b>Advance payment to suppliers and for expenses</b>   |                  |                  |
| Rupees in Lacs   | ---              | ---              |
| Euro   | ---              | ---              |
| US Dollar  | ---              | ---              |
| <b>Receivable against export of goods and services</b> |                  |                  |
| Rupees in Lacs   | 218              | 128              |
| US Dollar  | 252398           | 32842            |
| Euro   | 39624            | 123698           |

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                     | 2020-21                              |                  |              | 2019-20                              |                  |              |
|---------------------------------|--------------------------------------|------------------|--------------|--------------------------------------|------------------|--------------|
|                                 | Rubber / Technical Textiles Products | Textile Products | Consolidated | Rubber / Technical Textiles Products | Textile Products | Consolidated |
| <b>BUSINESS SEGMENT</b>         |                                      |                  |              |                                      |                  |              |
| Segment Revenue                 |                                      |                  |              |                                      |                  |              |
| Segment Sales                   | 278660198                            | 1149162209       | 1427822408   | 274093630                            | 1532687492       | 1806781122   |
| Less: Inter-Segment Sales       |                                      | -43828280        | -43828280    |                                      | -34167182        | -34167182    |
| Net Revenue from operations     | 278660198                            | 1105333929       | 1383994128   | 274093630                            | 1498520310       | 1772613940   |
| <b>Results</b>                  |                                      |                  |              |                                      |                  |              |
| Segment results before Interest | 63590980                             | 19487072         | 83078052     | 39470221                             | 26944193         | 66414414     |
| Interest                        | -3570321                             | -23521971        | -27092292    | -2852025                             | -11890989        | -14743014    |
| Unallocable Expenses            | ---                                  | ---              | -19084574    | ---                                  | ---              | -4152860     |
| Other Income                    | 3333887                              | 21475065         | 24808952     | 5401039                              | 4883889          | 10284928     |
| Unallocable Income              | ---                                  | ---              | 16237970     | ---                                  | ---              | 2914982      |
| Profit after Interest           | 63354546                             | 17440166         | 77948107     | 42019235                             | 19937093         | 60718449     |
| Extraordinary Items             | ---                                  | ---              | ---          | ---                                  | ---              | ---          |
| Current Tax                     | ---                                  | ---              | 21633000     | ---                                  | ---              | 22289000     |
| Deferred Tax                    | ---                                  | ---              | -4428053     | ---                                  | ---              | -8868304     |
| Net Profit after Tax            | ---                                  | ---              | 60743160     | ---                                  | ---              | 47297753     |
| Other Comprehensive Income      | ---                                  | ---              | 2242746      |                                      |                  | 1087524      |
| <b>Other Information</b>        |                                      |                  |              |                                      |                  |              |
| Segment Assets                  | 383894858                            | 1231611783       | 1615506641   | 240272924                            | 1327971458       | 1568244382   |
| Unallocable Assets              | ---                                  | ---              | 102990071    | ---                                  | ---              | 97253714     |
| Segment Liabilities             | 116123246                            | 576249980        | 692373226    | 123102022                            | 725129792        | 848231814    |
| Unallocable Liabilities         | ---                                  | ---              | 96864615     | ---                                  | ---              | 26502414     |
| <b>Capital Work in Progress</b> |                                      |                  |              |                                      |                  |              |
| Segment CWIP                    | 0                                    | 13372782         | 13372782     | 90799123                             | 17640431         | 108439554    |
| Unallocable CWIP                | ---                                  | ---              | 0            | ---                                  | ---              | 0            |
| Depreciation                    | 29704166                             | 58666634         | 88370800     | 30520794                             | 64354937         | 94875731     |
| Unallocable Depreciation        | ---                                  | ---              | 5588027      | ---                                  | ---              | 5683726      |
| <b>GEOGRAPHICAL SEGMENT</b>     |                                      |                  |              |                                      |                  |              |
| Revenue                         |                                      |                  |              |                                      |                  |              |
| India                           | 199747491                            | 961104274        | 1160851765   | 204514904                            | 1424583131       | 1629098034   |
| Outside India                   | 78912707                             | 144229656        | 223142363    | 66367884                             | 9346119          | 75714003     |

**46 Reconciliation of opening and closing balances of Defined Benefit Obligation**
**Gratuity (Non-Funded)**

|   | 2020-21         | 2019-20         |
|---|-----------------|-----------------|
| Defined Benefit obligation at beginning of year | 14790270        | 13254798        |
| Current Service Cost                            | 2571446         | 2209745         |
| Interest Cost                                   | 1019050         | 1032549         |
| Past Service Cost                               | -               | -               |
| Actuarial (gain)/loss                           | (2970356)       | (1354239)       |
| Benefits paid                                   | (467670)        | (352583)        |
| <b>Defined Benefit obligation at year end</b>   | <b>14942740</b> | <b>14790270</b> |

**Reconciliation of opening and closing balances of fair value of Plan Assets**
**Gratuity (Non-Funded)**

|  | 2020-21 | 2019-20 |
|--|---------|---------|
| 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          | ---     | ---     |
| <b>Actual return on plan assets</b>            | ---     | ---     |

**Reconciliation of fair value of assets and obligations**

|                                    | As at 31.03.2021 | As at 31.03.2020 |
|------------------------------------|------------------|------------------|
| Fair value of Plan assets          | ---              | ---              |
| Present value of obligation        | 14942740         | 14790270         |
| Amount recognised in Balance Sheet | 14942740         | 14790270         |

**Expenses recognised in Profit & Loss A/c**

|                                | 2020-21        | 2019-20        |
|--------------------------------|----------------|----------------|
| Current Service Cost           | 2571446        | 2209745        |
| Interest Cost                  | 1019050        | 1032549        |
| Past Service Cost              | -              | -              |
| Expected return on Plan assets | -              | -              |
| <b>NET COST</b>                | <b>3590496</b> | <b>3242294</b> |

**Expenses recognised in OCI**

|                       | 2020-21          | 2019-20          |
|-----------------------|------------------|------------------|
| Actuarial (gain)/loss | (2970356)        | (1354239)        |
| <b>Total</b>          | <b>(2970356)</b> | <b>(1354239)</b> |

**Investment Details**

|                                  | 31.03.2021 | 31.03.2020 |
|----------------------------------|------------|------------|
| GOI Securities                   | -          | -          |
| Public Securities                | -          | -          |
| State Government Securities      | -          | -          |
| Insurance Policies               | -          | -          |
| Others (including bank balances) | -          | -          |

**Actuarial assumptions**
**Gratuity (Non-Funded)**

|   | 2020-21 | 2019-20 |
|---|---------|---------|
| Mortality Table(LIC)                              |         |         |
| Attrition Rate                                    | 0.00%   | 0.00%   |
| Discount rate (per annum)                         | 6.89%   | 7.79%   |
| 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 17% 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:

#### Foreign currency

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| <b>a) Exposure on account of Financial Assets</b>         |                          |                          |
| Trade receivables (net of bill discounted) (A)            |                          |                          |
| In USD  | 252397.68                | 32842.22                 |
| In Euro   | 39624.01                 | 123698.1                 |
| Amount hedged through forwards & options # (B)            |                          |                          |
| In USD  | ---                      | ---                      |
| In Euro   | ---                      | ---                      |
| Net Exposure to Foreign Currency Assets (C=A-B)           |                          |                          |
| In USD  | 252397.68                | 32842.22                 |
| In Euro   | 39624.01                 | 123698.1                 |
| <b>b) Exposure on account of Financial Liabilities</b>    |                          |                          |
| Trade Payables (D)  |                          |                          |
| In USD  | 47159.41                 | 73072.66                 |
| In Euro   | ---                      | 14957.23                 |
| In GBP  | ---                      | 3819.3                   |
| In CHF  | 6261                     | ---                      |
| Amount Hedged through forwards & options # (E)            |                          |                          |
| In USD  | ---                      | ---                      |
| In Euro   | ---                      | ---                      |
| In CHF  |                          |                          |
| Net Exposure to Foreign Currency Liabilities F=(D-E)      |                          |                          |
| In USD  | 47159.41                 | 73072.66                 |
| In Euro   | 0                        | 14957.23                 |
| In GBP  | 0                        | 3819.3                   |
| In CHF  | 6261                     | 0                        |
| Net Exposure to Foreign Currency Assets/(Liability) (C-F) |                          |                          |
| In USD  | 205238.27                | -40230.44                |
| In Euro   | 39624.01                 | 108740.87                |
| In GBP  | 0.00                     | -3819.30                 |
| In CHF  | -6261.00                 | 0.00                     |

**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 31/03/2021                | As at 31/03/2020 |
| <b>USD sensitivity</b>   |                                 |                  |
| INR/USD -Increase by 5%  | 750249                          | -151970          |
| INR/USD -Decrease by 5%  | -750249                         | 151970           |
| <b>EURO sensitivity</b>  |                                 |                  |
| INR/EURO -Increase by 5% | -169967                         | 451737           |
| INR/EURO -Decrease by 5% | 169967                          | -451737          |
| <b>CHF sensitivity</b>   |                                 |                  |
| INR/EURO -Increase by 5% | -24280                          | -14967           |
| INR/EURO -Decrease by 5% | 24280                           | 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 Lakhs

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Long term debts from Banks and Financial Institutions          | 1014.66              | 764.22               |
| Current Maturities of long term debts                          | 829.02               | 673.38               |
| Unsecured Loan   |                      |                      |
| - From Bank  | 0.00                 | 0                    |
| - From Related Parties   | 2.25                 | 0.2                  |
| Short term Borrowings from Banks                               | 1602.62              | 1902.05              |
| Overdraft from Bank  | 388.50               | 0                    |
| <b>Total borrowings</b>  | <b>3837.06</b>       | <b>3339.85</b>       |
| % of Borrowings out of above bearing variable rate of interest | 89.88%               | 100.00%              |

**Interest rate sensitivity**

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

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| 50 bps increase would decrease the profit before tax by | -17.24               | -16.70               |
| 50 bps decrease would increase the profit before tax by | 17.24                | 16.70                |

**(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 31-3-2021 | As at 31-3-2020 |
|------------------------------------|-----------------|-----------------|
| <b>Borrowings</b>                  |                 |                 |
| expiring within one year           | 2822.39         | 2575.63         |
| expiring beyond one year           | 1014.66         | 764.22          |
|                                    | <b>3837.06</b>  | <b>3339.85</b>  |
| <b>Trade Payables</b>              |                 |                 |
| expiring within one year           | 2834.86         | 4264.07         |
| expiring beyond one year           | 258.10          | 172.43          |
|                                    | <b>3092.95</b>  | <b>4436.50</b>  |
| <b>Other Financial liabilities</b> |                 |                 |
| expiring within one year           | 229.98          | 209.16          |
| expiring beyond one year           | 0.02            | 2.45            |
|                                    | <b>230.01</b>   | <b>211.61</b>   |

**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:

₹ in Lakhs

| Particulars                     | Financial Year ended 31.03.2021 | Financial Year ended 31.03.2020 |
|---------------------------------|---------------------------------|---------------------------------|
| Total Borrowings                | 3837.06                         | 3339.85                         |
| Less: Cash and cash equivalents | 663.42                          | 644.32                          |
| <b>Net debt</b>                 | <b>3173.63</b>                  | <b>2695.53</b>                  |
| Total equity                    | 9426.32                         | 8812.39                         |
| Gearing ratio                   | 33.67%                          | 30.59%                          |

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March 2021.



## 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, 2021.

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

## Summary of significant accounting policies

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 JAIN CHOWDHARY & CO.**

Chartered Accountants.

Firm Registration No. : 113267W

**Jeetmal B. Parekh**

Chairman  
(DIN 00512415)

**Rahul J. Parekh**

Managing Director  
(DIN 00500328)

**Anand J. Parekh**

Jt. Managing Director  
(DIN 00500384)

Director  
(DIN005321014)

Director  
(DIN09185859)

Director  
(DIN06999605)

**CA Hitesh Salecha**

Partner

Membership No. : 147413

AHMEDABAD: 31st May, 2021

**Chief Financial Officer**

AHMEDABAD: 31st May, 2021

**Company Secretary**

M.No. 60857



**Regd. Office :**

47, New Cloth Market, Ahmedabad-380 002, Gujarat.

Ph.: 079 4000 8000 • Fax: 079-4000 8030

E-mail : [cs@mahalaxmigroup.net](mailto:cs@mahalaxmigroup.net) • Website : [www.mrtglobal.com](http://www.mrtglobal.com)