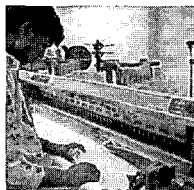
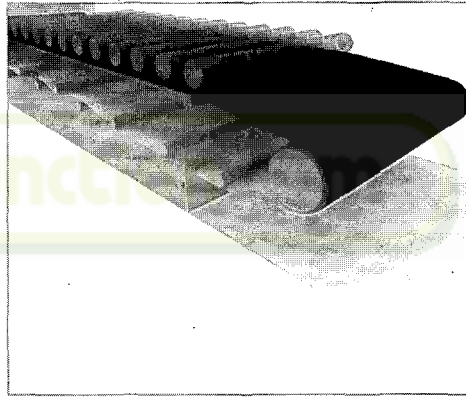
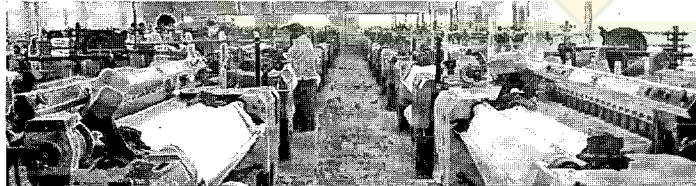


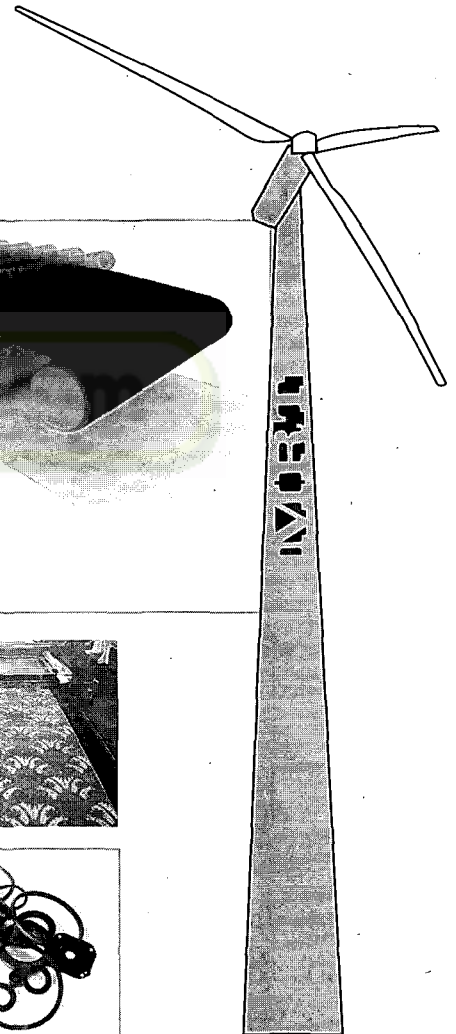
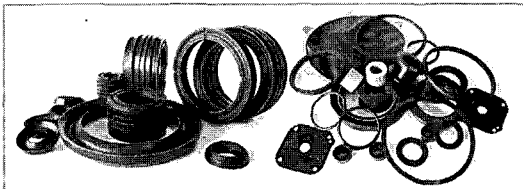
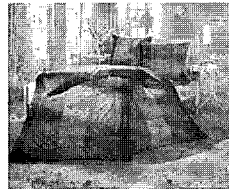
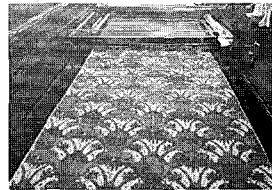
18th ANNUAL REPORT

2009

31st March



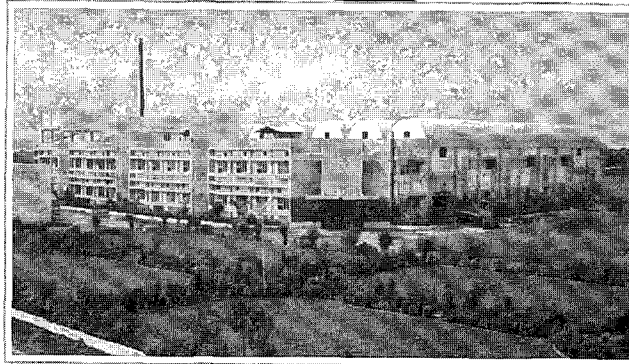
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MAHALAXMI RUBTECH LIMITED

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

MAHALAXMI RUBTECH LIMITED



BOARD OF DIRECTORS

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

GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

COMPLIANCE OFFICER

CHANDRESH B. PANDYA
(COMPANY SECRETARY)

STATUTORY AUDITORS

BHANWAR JAIN & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD.

INTERNAL AUDITORS

D. TRIVEDI & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD.

BANKERS

BANK OF BARODA

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORY

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

REGISTRAR & TRANSFER AGENT

PINNACLE SHARE REGISTRY PVT. LTD.
NEAR ASOKA SPINTEX, NARODA ROAD,
AHMEDABAD (INDIA)
TEL: 079 - 22204226 FAX: 079 - 22202963

NOTICE TO MEMBERS

NOTICE TO MEMBERS

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING OF "MAHALAXMI RUBTECH LIMITED" will be held at "Lions Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad- 380 006 on Wednesday, the 16th day of September, 2009 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and if approved, adopt the Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company.
3. To appoint Auditors of the company from the conclusion of this meeting to the conclusion of the next Annual General Meeting.
4. To appoint a director in place of Shri Nikhil K. Parikh, who retire by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

5. To Consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Anand J. Parekh who was appointed as an Additional Director of the Company and who holds office until the date of Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature, be and is hereby appointed as a Director of the Company."

6. To Consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 198, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, as amended from time to time approval of members of the Company be and is hereby granted for appointment of Shri Anand J. Parekh, as a Jt. Managing Director of the Company with effect from November 19, 2008 for a period of 5 years on the following terms and conditions."

Salary of Rs. 40,000/- (Rupees Forty thousand) per month.

Gratuity, P.F. etc. as may be applicable to the executives of the Company from time to time.

The cell phone and telephone facility at residence of managing Director will not be considered as perquisite and personal long distance call on cell phone / telephone shall be reimbursed.

Facility of car shall be provided to the managing Director.

Reimbursement of medical expenses and mediclaim policy for self and family.

Leave Travel Concession for self and family in accordance with the rules of the Company.

The Company shall pay and/or reimburse fees and expenses of clubs, subject to a maximum of two clubs.

"RESOLVED FURTHER THAT the above remuneration payable to him shall be subject to limits as may be prescribed from time to time under the provisions of the Companies Act, 1956, Schedule thereof and rules there under as well as any other statutory provision as may be applicable, including statutory modifications thereof, if any."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, Jt. Managing Director be paid the above remuneration and benefits as the minimum remuneration subject to the ceiling as prescribed in section II of the part II of Schedule XIII of the Companies Act, 1956."

7. To Consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Malav J. Ajmera who was appointed as an Additional Director of the Company and who holds office until the date of Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature, be and is hereby appointed as a Director of the Company."

8. To Consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed up to a sum of Rs. 150 Crores (Rupees One Hundred Fifty Crores only) over and above the aggregate of the then paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purposes) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds, and things and to execute all documents and writings as may be necessary, proper, desirable or expedient in this regard."



9. To Consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1)(a) of the Companies Act, 1956, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of banks / financial institutions, other investing agencies and trustees for the holders of debentures / bonds / other instruments to secure rupee / foreign currency loans and/or the issue of debentures whether partly / fully / non convertible and / or securities linked to Ordinary shares and / or rupee / foreign currency convertible bond and / or bonds with share warrants attached hereinafter collectively referred to as "Loans" provided that the total amount of loan together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the company in respect of the said loans, shall not at any time exceed the limit of Rs. 150 Crores (Rupees one Hundred Fifty Crores only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized and empowered to finalize, settle and execute any such formal contract, agreements, documents, deeds, indemnities, guarantees or other legal undertakings as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid."

10. To Consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in pursuance of the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and rules made there under from time to time and subject to such other consents, approvals, permissions as may be required, consent of the Company be and is hereby accorded for Shri Rajendra R. Mehta to hold an office and place of profit in the Company, he being partner of Shri Jeetmal B. Parekh – Chairman, Shri Rahul J. Parekh – Managing Director and Shri Anand J. Parekh Jt. Managing Director of the Company and for increase in remuneration as mentioned below payable to Shri Rajendra R. Mehta to the position of Group President & CFO or under such other designation as the Company may decide from time to time w.e.f. 1-10-2009.

Salary of Rs. 40,000/- p.m. in the scale of Rs. 40,000/- to Rs. 70,000/- p.m. with such annual increments as may be decided by the management, however salary payable cannot exceed Rs. 50,000/- per month without prior approval of the Central Government under section 314 of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 with such other modifications, amendments and variations as the Central Government may suggest at that time."

In addition to salary, Shri Rajendra R. Mehta will be entitled to the perquisites up to Rs. 5000/- p.m. as may be applicable to the executives of the Company from time to time.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the same and further to do all such acts, deeds, and things and to execute all documents and writings as may be necessary, proper, desirable or expedient in this regard."

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND INSTRUMENT APPOINTING PROXY SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND TRANSFER BOOK OF THE COMPANY WILL REMAIN CLOSED FROM THURSDAY THE 10th DAY OF SEPTEMBER, 2009 TO WEDNESDAY THE 16th DAY OF SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE)
3. The Dividend as recommended by the Board of Directors of the Company, when sanctioned and declared at the Annual General Meeting of the Company will be made payable to the equity shareholders of the Company whose names stand registered on the Company's Register of Members :
 - 1) in respect of shares held in electronic form, to those members whose names appear in the statements of beneficial ownership furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of September 10, 2009.
 - 2) to those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Pinnacle Share Registry Pvt. Ltd., Registrar and Share Transfer Agent of the Company before September 10, 2009.
4. The relevant explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of Special Business under item No. 5 TO 10 as set out above is annexed herewith.
5. THE COMPANY IS HAVING DEPOSITORY ARRANGEMENT WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL), AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) TO FACILITATE THE SHAREHOLDERS TO HOLD AND TRADE COMPANY'S EQUITY SHARES IN ELECTRONIC FORM. INTERESTED SHAREHOLDERS CAN AVAIL THIS FACILITY BY OPENING A BENEFICIARY ACCOUNT WITH DEPOSITORY PARTICIPANTS. FOR MORE DETAILS SHAREHOLDERS MAY CONTACT THE COMPANY'S DEPOSITORY TRANSFER AGENTS FOR NSDL AND CDSL, PINNACLE SHARE REGISTRY PVT.LTD., NEAR ASOKA SPINTEX, NARODAROAD, AHMEDABAD – 380 025.

Place: Ahmedabad

Date : 27th JUNE, 2009

By order of the Board of Directors
For Mahalaxmi Rubtech Limited

sd/-

Chandresh Pandya
(Company Secretary)

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

Shri Anand J. Parekh was appointed as an Additional Director of the Company w.e.f. 19.11.2008, pursuant to Section 260 of the Companies Act, 1956 who holds office of Director up to the date of the Annual General Meeting. Shri Anand J. Parekh is a Chartered Accountant and possesses rich knowledge and experience in the field of textile processing and export business. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Shri Anand J. Parekh for the office of Director under the provision of Section 257 of the Companies Act, 1956. None of the Directors of the Company other than Shri Jeetmal B. Parekh and Shri Rahul J. Parekh being his relatives are interested or concerned in the Resolution.

The Board recommends the Resolution set forth in item No. 5 for the approval of the members.

Item No. 6

In view of present and future level of business operations of the Company and increased responsibilities, the Board of Directors of the Company thought it advisable to appoint a Joint a Managing Director in the Company, the Remuneration committee has recommended Shri Anand J. Parekh a Chartered Accountant having vast experience in the field of export business, for the post of Jt. Managing Director and has also approved the remuneration payable to him. Accordingly the Board of Directors has appointed Shri Anand J. Parekh as a Jt. Managing Director of the Company w.e.f. 19.11.2008.

Pursuant to the provisions of section 198, 310, and Schedule XIII and other applicable provisions of the Companies Act, 1956. Your Directors hereby declare that Company has not made any default in repayment of any of its debts and interest thereon.

This may be treated as an abstract under section 302 of the Companies Act, 1956.

Approval of members is now sought to the above appointment of Shri Anand J. Parekh, as a Jt. Managing Director the Company. It is in line with the same the resolution mentioned in the notice at item no. 6 is proposed for your acceptance.

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

The Board recommends the Resolution set forth in item No. 6 for approval of the members.

Item No. 7

Shri Malav J. Ajmera was appointed as an Additional Director of the Company with w.e.f. 19.11.2008, pursuant to Section 260 of the Companies Act, 1956 who holds office of Director up to the date of the Annual General Meeting. Shri Malav J. Ajmera is a Chartered Accountant and possesses rich knowledge and experience in the field of Finance, Accounting, Taxation, Corporate Affairs and Corporate Restructuring. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Shri Malav J. Ajmera for the office of Director under the provision of Section 257 of the Companies Act, 1956. None of the Directors of the Company are interested or concerned in the Resolution.

The Board recommends the Resolution set forth in item No. 7 for approval of the members.

Item No. 8

Under Sections 293 (1) (d) of the Companies Act, 1956 the Board of Directors cannot except with the consent of the Company in General Meeting borrow money apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the Company that is to say, reserves not set apart for specific purpose.

At the Extra ordinary General Meeting of the Company held on 04.01.2007 the shareholders had authorised the Board to borrow money up to Rs. 50 Crores, at any time in excess of the aggregate paid up capital of the Company and its free reserves. In order to meet the financial requirements for the Company and to meet the costs in connection with its expansion and diversification of business activities as well as to meet the long term working capital requirements it is proposed to increase the limit of Rs. 50 Crores to Rs. 150 Crores. Accordingly the sanction of Shareholders under Section 293 (1) (d) of the Act is being requested to enable the Directors to borrow money to the extent of Rs. 150 Crores in suppression to the earlier resolution passed on 04.01.2007.

None of the Directors of the Company are interested in the proposed resolution except to the extent of their shareholding in the Company

The Board recommends the Resolution at item No. 8 for acceptance by the members.

Item No. 9

The Company proposes a resolution authorizing the Board to borrow moneys up to the extent of Rs. 150 Crores in excess of the aggregate paid up capital of the Company and its free reserves. In order to borrow the funds the Board needs authorization to mortgage/Hypothecate the assets of the Company as security/collateral security. In order to hypothecate the assets of the Company the consent of the shareholders in the General Meeting is required under section 293(1)(a) of the Companies Act, 1956 authorizing the Board with necessary powers. The Board therefore recommends the proposed resolution.

None of the Directors of the Company are interested in the proposed resolution except to the extent of their shareholding in the Company.

The Board recommends the Resolution at item No.9 for acceptance by the members.

Item No. 10

The members may note that Shri Rajendra R. Mehta has resigned from the post of Director of the Company w.e.f. 19.11.2008, looking towards the size of business activities and future business plans of the Company, the Board has appointed him as Group President & CFO of the Company w.e.f. 20.11.2008 at a remuneration within the limits of Section 314 of the Companies Act, 1956 as he is a partner of firm in which Shri Jeetmal B. Parekh – Chairman, Shri Rahul J. Parekh – Managing Director and Shri Anand J. Parekh – Jt. Managing Director of the Company are also partners. Shri Rajendra R. Mehta is a Chartered Accountant having vast experience in the field of Finance, Accounting, Taxation and Corporate Affairs. Considering his qualification, responsibilities, position and remuneration as are applicable to other employees of the Company in the same grade it is now proposed to increase the remuneration payable to him more particularly described in the Special Resolution at Item No. 10 of the Notice. Since the remuneration (including perquisites) payable to Shri Rajendra R. Mehta as an employee of the Company is presently not in excess of Rs. 50,000/- per month, hence presently approval of the Central Government is not required, however the approval of members is sought hereby as per Section 314 of the Companies Act, 195, subject to the condition that the salary payable cannot exceed Rs. 50,000/- per month without prior approval of the Central Government, within the meaning of Section 314 of Companies Act, 1956.

In the circumstances consent of the members is being sought for holding such an office or place of profit in the Company by Shri Rajendra R. Mehta and for increase in remuneration payable to him. Accordingly, the Board recommends Special Resolution at item No. 10 for acceptance by the members.

None of the Directors of the Company except Shri Jeetmal B. Parekh, Shri Rahul J. Parekh and Shri Anand J. Parekh are interested in the proposed resolution and except to the extent of their shareholding in the Company.

**DIRECTORS' REPORT**

TO
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Directors' Report, along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009.

FINANCIAL RESULTS:

Particulars	For the year ended 31.03.2009 (Rs. in Lacs)	For the year ended 31.03.2008 (Rs. in Lacs)
Income from Operations & Other Income	8299.00	1738.13
Profit before Depreciation	583.57	344.69
Less: Depreciation	276.68	115.65
Profit before Tax	306.89	229.04
Less: Provision for Tax	35.00	66.00
Less: Provision for deferred Tax	57.11	7.48
Profit after Tax	214.78	155.56

The Current accounting year pertain to the amalgamated entity, whereas the pervious accounting year was for the stand-alone entity. The corresponding figures for the previous year are therefore not comparable with those of the current year.

OPERATION AND REVIEW:

The Company continued to see strong and profitable growth in the financial year 2008-09 driven by good performance in existing and new business.

The total income increased to Rs. 8299.00 lacs from Rs. 1738.13 lacs in the previous year, at a growth rate of 377.47%. Our Textile business aggregated Rs. 7661.74 lacs, up by 528.47% from Rs. 1219.11 in the previous year. The Gross profit amounted to Rs. 306.89 lacs as against Rs. 229.04 lacs in the previous year. The net profit after tax and exceptional item was Rs. 214.78 lacs as against Rs. 155.56 lacs in the previous year. Since the figures for the current financial year include the financial figures of MFMP, the results for previous financial year are not comparable.

DIVIDEND:

Considering the improved financial performance of the Company, your Directors are glad to recommend for approval of the members Dividend at the rate of 5% (Rs. 0.50 per Equity Share) (Last year 5%) on paid up Equity Share Capital of the company. The dividend on the Equity Shares, if declared as above, would involve cash outflow of Rs. 51,59,641/- (including tax on dividend).

AMALGAMATION OF MAHALAXMI FABRIC MILLS PVT. LTD.

The Hon'ble High Court of Gujarat has passed the order of amalgamation of Mahalaxmi Fabric Mills Pvt. Ltd. (hereinafter known as MFMP) with your Company, the assets and liabilities of MFMP were transferred to and vested in your Company with effect from the appointed date i.e. 01.04.2007 in accordance with the scheme of Amalgamation and necessary form has been filed with the Registrar of Companies, Gujarat on 20.11.2008. The Amalgamation has been accounted for under the Purchase Accounting Method as prescribed by Accounting Standard 14 issued by the Institute of Chartered Accountants of India; accordingly the operating results of MFMP have been included in your Company's results of operations. The Assets acquired and liabilities assumed have been recorded at fair values determined consequent to the Scheme of Amalgamation.

SHARE CAPITAL:

Pursuant to the Scheme of Amalgamation and in consideration of transfer and vesting of undertaking of MFMP, your Company has allotted 3646400 equity shares on 30.01.2009 to the shareholders of MFMP as per the exchange ratio of 43 equity shares of your Company for every 1 equity share of MFMP (as per the scheme approved by the Hon'ble High Court of Gujarat) and the paid up capital of your company has increased from Rs. 517.39 lacs to Rs. 882.03 lacs.

The above said shares have been listed on the Bombay Stock Exchange Ltd. with effect from March 27, 2009.

DIRECTORS:

During the year Shri Anand J. Parekh was appointed as an Additional Director and Jt. Managing Director of the Company with effect from 19.11.2008 and Shri Malav J. Ajmera was appointed as Additional Director of the Company with effect from 19.11.2008. As per the provisions of Section 260 of the Companies Act, 1956, this Additional Directors hold office only up to the date of forthcoming Annual General Meeting of the Company, the Company has received notices under Section 257 of the Companies Act, 1956 along with requisite deposits, in respect of the above persons proposing their appointment as a Director of the Company. Resolutions seeking approval of the members for the appointment of Shri Anand J. Parekh as Director and for his appointment as Jt. Managing Director and of Shri Malav J. Ajmera as a Director of the Company have been incorporated in the notice of the Annual General Meeting along with brief details about them.

During the year under review Shri Rajendra R. Mehta and Smt. Kamla J. Parekh has resigned as a Director of the Company on 19.11.2008. The Board of Directors record its appreciation for contribution made by both the Directors, during their tenure.

Shri Nikhil K. Parikh, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

**DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors state: (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2009 and of the profit of the Company for the year ended on 31.03.2009; (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (iv) that the directors have prepared annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

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

MANAGING DISCUSSION AND ANALYSIS:

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

AUDITORS:

M/s. Bhanwar Jain & Co., Chartered Accountants, Ahmedabad, Auditors of the company retires, and being eligible, offers themselves for reappointment.

FIXED DEPOSITS:

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

WARRANTS:

During the previous financial year your Company has allotted 12,00,000 warrants convertible in to Equity Shares, the warrant holders has not exercised the option of conversion till date therefore the same has not converted into Equity shares till date.

WIND MILL:

During the year under review your Company has entered in to the business of Energy generation by installation of wind mill at Sanodar Dist. Bhavnagar, (Gujarat) having capacity to produce 1.25 M.W. The wind mill has started power generation since March 26, 2009.

CDM PROJECT:

During the year under review your Company has received necessary approvals for CDM project from United Nations Framework Convention for Climate Change (UNFCCC) on 02.05.2008, resulting in direct revenue gains for the company from the resulting CER's (Certified Emission Reduction) for project. This development would now lead into better levels of operating and business performances for the company over the next years.

INSURANCE:

All the assets of the company including the inventories, Building, Plant and Machineries are adequately insured.

COMPULSORY TRADING IN DEMAT:

Trading of the equity shares of your Company are being traded compulsorily in DEMAT FORM from 23/03/2001 pursuant to circular of SEBI.

EMPLOYEES:

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

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

APPRECIATION:

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

Place: Ahmedabad

Date: 27th JUNE, 2009

For and behalf of the Board
For, Mahalaxmi Rubtech Limited

Sd/-
Jeetmal B. Parekh
(Chairman)

ANNEXURE TO DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY

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

FORM 'A'

(a) Power and Fuel Consumption:	2008-09	2007-08
1. Electricity		
Units	12298474	832448
Amount Rs.	6,42,76,379/-	44,27,000/-
2. Fuel:		
Waste Wood/Saw Dust :		
Tonnes	22470	143.11
Amount Rs.	5,93,73,768/-	2,26,831/-
Coal & Lignite		
Tonnes	27550	---
Amount Rs.	7,68,98,842/-	---
3. Diesel		
Ltrs.	2833	---
Amount Rs.	1,08,607/-	---
(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.	
(c) Generation of Electricity :		

During the year under review units generated by Wind Mill are 19303.

(B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings	Rs. 140072985
Foreign exchange outgo	Rs. 5720667

MANAGING DISCUSSION AND ANALYSIS:**A. Business Overview**

The Company's turnover at Rs. 8165.03 lacs has recorded an increase of about 374.16% compared to the previous year. Meanwhile the Net Profit for the year (before depreciation and tax) recorded increase of about 69.29 compared to the previous year. The profit before tax, after absorbing depreciation, for the year stands at Rs. 214.78 lacs.

Your company has continued to put in all possible efforts to boost exports, during the year under review and the same have translated in enhanced earning of valuable foreign exchange from Export sales, which is to the tune of Rs. 1491.59 lacs.

B. Industry Structure and Development:

Your Company operates mainly in two broad areas: Rubber division and Textile division, whereas Textile Division is having two separate units for Weaving and Processing. Your Company believes that sustained focus in each of these areas would unlock significant stakeholders' value over a period of time.

Since inception, we at Rubber Division have always focused our vision for value creation. Certainly we are one of the largest Textile Printing Blankets manufacturers which are widely used in the textile screen printing industry. What set us apart from others is our long track-record and excellence in quality in this industry. Your Company holds larger share in the domestic market. Since long time MRT has been exporting its products to more than 25 countries, with major countries of export being China, Pakistan, Brazil, Colombia, Thailand and Indonesia. The Company has been regularly participating in international exhibitions which enable us to keep abreast with the latest global trends. Apart from Printing Blankets, MRT also manufactures Polymer Coated Engineered Fabrics, which has diverse end-uses in products like defense equipment, safety & protective clothing, gaskets, diaphragms, bellows, expansion joints and many more.

In Rubber division, MRT operates across multiple products and business in diverse markets and environment. These include manufacturing Air Cell, Hydraulic seals and spares which are supplied to transformer manufacturers and users of hydraulic equipments.

In order to give effects to its expansion cum modernization plans during the previous year MRT has already imported a complete plant from France, for manufacturing of wide width Textile Printing Blankets, it has started commercial activities during the current financial year. In order to grow beyond the obvious, MRT has plans to expand its ambit and scope of activities in the technical textile space. The diversification and expansion is planned with a special focus on Coated and Laminated Textiles and Polymer Coated Engineered Composites. Some of the emerging areas of technical textiles which the company plans to explore are in the field of Geotextiles, Healthcare, Safety, Industrial, Aerospace, Marine and Military sector.

Your Company continues to focus on the strategic efforts initiated in the previous years and as a result of the same your Company has completed strategic acquisition plan of MFMP in the year under review and the same has been absorbed as a separate unit in textile division. As a result of amalgamation, your company now enjoys complete facility from warping, sizing, weaving, dyeing, bleaching, printing, processing and finishing of various types of cloth like cotton, polyester, Bottom-weight etc. By this strategic step your company has gained some other benefits also like reduction in common expenditures, better synchronization in operations, execution of key assignments as a single entity through consolidation and all these has culminated in overall increase in profitability of your company.



The Indian Textile industry has a significant presence in the Indian economy as well as in the International economy. In textile division MRT operates in two separate units i.e. Maheeka Textech a weaving unit and Mahalaxmi Fabric Mills a Processing unit. Maheeka Textech is a high-tech weaving unit which includes warping, sizing and world-class automatic rapier looms. Maheeka Textech has facility of manufacturing specialty fabrics used for the technical textiles. Mahalaxmi Fabric Mills a processing unit is engaged in dyeing, bleaching, printing and processing of various types of fabrics and at the end of chain its fabric range goes in to high quality Apparel and Home textiles catering to Domestic as well as Global Market.

C. Research & Development:

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

D. Internal Control System:

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

The Company has appointed D. Trivedi & Associates, Chartered Accountants as Internal Auditor to carry out concurrent internal audit. The scope of its internal audit programme is laid down by the Audit Committee of the Board of Directors. 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.

E. Human Resources:

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

F. ISO 9001:2008 Certification:

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

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

G. Cautionary Statement:

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

CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

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

During the year 9 Board Meetings were held on 23.06.2008, 23.07.2008, 07.10.2008, 25.10.2008, 04.11.2008, 19.11.2008, 20.11.2008, 08.01.2009 and 30.01.2009. The interval between any two meetings did not exceed 4 months.

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

Name of Director	Category of Directorship	No. of Board Meetings Attended	Whether Attended Last AGM 25.09.2008	No. of other Directorships	Committee	
					Membership ***	Chairmanship ***
Jeetmal B. Parekh	NED-P	8	YES	*4	----	----
Rahul J. Parekh	MD	9	YES	*6	1	----
Anand J. Parekh****	JT.MD	4	NO	*3	2	----
Rajendra R. Mehta **	ED	6	YES	*1	----	----
Kamlaben J. Parekh**	NED	4	NO	*2	----	----
Nikhil K. Parikh	NED-I	8	YES	NIL	----	1
Nehal M. Shah	NED-I	8	YES	10	----	1
Malav J. Ajmera****	NED-I	4	NO	NIL	1	----