



MAHALAXMI RUBTECH LIMITED

21st ANNUAL REPORT

2012

31st March





MAHALAXMI RUBTECH LIMITED

BOARD OF DIRECTORS

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

GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

COMPLIANCE OFFICER

JAPAN N. SHAH
(COMPANY SECRETARY)

STATUTORY AUDITORS

BHANWAR JAIN & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD.

INTERNAL AUDITORS

D. TRIVEDI & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD.

BANKERS

BANK OF BARODA

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORY

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

REGISTRAR & TRANSFER AGENT

SHAREPRO SERVICES (INDIA) PVT. LTD.
416-420 4TH FLOOR, DEVNANDAN MALL, OPP. SANYASH ASHRAM,
ELLESBRIDGE, AHMEDABAD - 380 006
Email - sharepro@shareproservices.com

NOTICE TO MEMBERS

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

ORDINARY BUSINESS:

1. To receive consider and if approved, adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on date and the reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company.
3. To appoint Auditors of the company from the conclusion of this meeting to the conclusion of the next Annual General Meeting.
4. To appoint a director in place of Shri Anand J Parekh, who retire by rotation and being eligible offers himself for reappointment

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

Place: Ahmedabad
Date: August 18, 2012

Japan N. Shah
(Company Secretary)

NOTE

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND INSTRUMENT APPOINTING PROXY SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND TRANSFER BOOK OF THE COMPANY WILL REMAIN CLOSED FROM SATURDAY THE 22nd DAY OF SEPTEMBER, 2012 TO FRIDAY THE 28th DAY OF SEPTEMBER, 2012 (BOTH DAYS INCLUSIVE)
3. The Board of Directors has recommend Dividend at the rate of 5% (Rs. 0.05 per Equity Share on the face value of Rs.1/- each) on paid up Equity Share Capital of the company. The Dividend when sanctioned and declared at the Annual General Meeting of the Company will be made payable to the equity shareholders of the Company whose names stand registered on the Company's Register of Members:
 1. in respect of shares held in electronic form, to those members whose names appear in the statements of beneficial ownership furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of September 22nd, 2012.
 2. To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Sharepro Services (India) Pvt.Ltd., Registrar and Share Transfer Agent of the Company before September 22nd, 2012.
4. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the Meeting, Replies will be provided in respect of such queries received in writing, only at the Meeting.
5. A Member or his Proxy is required to bring a copy of the Annual Report to the Meeting as extra copies will not be distributed.
6. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
7. In compliance with the Security and Exchange Board of India (SEBI) circular dated 7th January,2010 it is mandatory for Members holding shares in Physical form to furnish a copy of PAN in the following cases:
 - (i) Deletion of name of deceased shareholders(s),where the shares are held in the name of two or more shareholders.
 - (ii) Transmission of shares to the legal heir(s), where the deceased shareholder was the sole holder of shares.
 - (iii) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
8. Keeping in view the "Green Initiative in Corporate Governance" of Ministry of Corporate Affairs the Company proposes to send notices/ documents including annual reports, etc. to the members in electronic form. Members who have still not registered their e-mail addresses are requested to register their e mail addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings, with the Company's Registrar and Share Transfer Agents, Sharepro Services (I) Pvt Ltd, 416-420, 4th Floor, Devanandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380 006. Gujarat ; e-mail id: sharepro.ahmedabad@shareproservices.com. Those members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants to enable servicing of notices/ documents/ Annual Reports electronically to their e-mail addresses. Please note that as a valued Member of Company, you are always entitled to request and receive all the communication in physical form. Further, the documents served through e-mail are available on company's website www.mrtglobal.com and are also available for inspection at the registered office of the company during office hours.
9. THE COMPANY IS HAVING DEPOSITORY ARRANGEMENT WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL), AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) TO FACILITATE THE SHAREHOLDERS TO HOLD AND TRADE COMPANY'S EQUITY SHARES IN ELECTRONIC FORM. INTERESTED SHAREHOLDERS CAN AVAIL THIS FACILITY BY OPENING A BENEFICIARY ACCOUNT WITH DEPOSITORY PARTICIPANTS. FOR MORE DETAILS SHAREHOLDERS MAY CONTACT THE COMPANY'S DEPOSITORY TRANSFER AGENTS FOR NSDL AND CDSL, SHAREPRO SERVICES (INDIA) PVT. LTD., 416-420, 4TH FLOOR, DEVNANDAN MALL, OPP. SANYASH ASHRAM, ELLISBRIDGE, AHMEDABAD 380 006.

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

Place: Ahmedabad
Date: August 18, 2012

Japan N. Shah
(Company Secretary)

ANNEXURE TO NOTICE

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

Item no. 5

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

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

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

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

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

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

Item no 6

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

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

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

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

DIRECTORS' REPORT

TO
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Directors' Report, along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2012.

FINANCIAL RESULTS:

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

OPERATION AND REVIEW:

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

DIVIDEND:

Considering the past track records of the Company, your Directors are glad to recommend for approval of the members Dividend at the rate of 5% (Rs.0.05 per Equity Share on the face value of Rs. 1/- each) (Last year 5%) on paid up Equity Share Capital of the company. The dividend on the Equity Shares, if declared as above, would involve cash outflow of Rs. 5125573/- (including tax on dividend).

DIRECTORS:

Shri Anand J. Parekh, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors state: (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2012 and of the profit of the Company for the year ended on 31.03.2012; (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (iv) that the directors have prepared annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

AUDIT:

M/s. Bhanwar Jain & Co., Chartered Accountants, Ahmedabad, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2012-13. As required under the provisions of the Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. Bhanwar Jain & Co that their appointment if made would be in conformity with the limits specified in the Section.

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to Textile Division every year. Subject to the approval of the Central Government, the Company has appointed M/s Dalwadi & Associates, Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2012-13. The cost audit report for the Financial year 2010-2011 which was due to be filed with the Ministry of Corporate Affairs on September 30, 2011 was filed on the same date.

FIXED DEPOSITS:

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

RIGHTS ISSUE :

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

INSURANCE:

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

COMPULSORY TRADING IN DEMAT:

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

EMPLOYEES:

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

- (a) Employees employed throughout the year and who were in receipt of remuneration of not less than Rs. 60,00,000/- per annum in terms of section 217 (2A) (a) (i) None.
- (b) Employees employed for the part of the year and who were in receipt of remuneration of not less than Rs. 5,00,000/- per month in terms of section 217(2A) (a) (ii) None.
- (c) None of the employees is covered under section 217 (2A) (a) (iii).

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

LISTING:

The Securities of your company are listed with the Bombay Stock Exchange Limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2012-13 have been paid to them well before the due date. The Company has also paid the annual custodian fees to NSDL & CDSL for the Securities of the Company held in dematerialized mode with them for year 2012-13.

APPRECIATION:

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

For and behalf of the Board
Mahalaxmi Rubtech Limited

Place: Ahmedabad
Date: May 30, 2012

Jeetmal B. Parekh
(Chairman)

ANNEXURE TO DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY

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

FORM 'A'

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

(b) Consumption per unit of production

It is not possible to ascertain the same as company is having different process for different kind of production.

(B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings : Rs. 41430080
Foreign exchange outgo : Rs. 56831073

MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

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

Your company has continued to put in all possible efforts to boost exports, during the year under review Export sales to the tune of Rs. 438.34 Lacs.

B. Industry Structure and Development:

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

Polymer Based Technical Textile Division at MRT manufactures world class Textile Printing Blankets and range of other niche rubber products having a dedicated R & D wing for technical textiles. Being widely used on all types of textile screen printing machines, we are today one of the largest Textile Printing Blanket manufacturer in the country with a long track-record and excellence in quality in this industry. Since long time MRT has been exporting its products to more than 25 countries, with major countries of export being China, Pakistan, Bangladesh, and Thailand. The Company has been regularly participating in international exhibitions which enable us to keep abreast with the latest global trends.

In Technical Textile division your Company operates across multiple products and business in diverse markets and environment. These includes manufacturing of Polymer Coated Engineered Fabrics, which has diverse end-uses in products like defense equipment, safety & protective clothing, gaskets, diaphragms, bellows, expansion joints and many more and manufacturing of Air Cell, Hydraulic seals and spares which are supplied to transformer manufacturers and users of hydraulic equipments. Your company confirms to ASTM standards, Bureau of Indians standards, DIN standards, Federal Standards etc. and is an ISO 9001:2008 Company.

Your Company has already implemented project plan in the technical textile space. The diversification and expansion is implemented with a special focus on Indutech manufacturing of Offset Printing Blankets (used in Sheet Fed and Web Fed printing machines), Coated and Laminated Textiles, and Polymer Coated Engineered Composites. Some of the emerging areas of technical textiles which the company plans to explore are in the field of Meditech, Packtech, Sporttech, Builttech, Geotech, Protech, Clothtech, Hometech, Oekotech etc.

In textile division your Company operates in two separate units i.e. "Maheeka Textech" a weaving unit and "Mahalaxmi Fabric Mills" a Processing unit. Maheeka Textech is a high-tech weaving unit which includes warping, sizing and world-class automatic rapier looms for weaving of various types of fabrics. Maheeka Textech also has facility of manufacturing specialty fabrics used for the technical textiles. Your Company has complete facility from warping, sizing, weaving, dyeing, bleaching, printing, processing and finishing of various types of fabrics such as cotton, polyester, Bottom-weight etc. Mahalaxmi Fabric Mills a processing unit is engaged in dyeing, bleaching, printing and processing of various types of fabrics and at the end of the chain its fabric range goes in to high quality Apparel and Home textiles catering to Domestic as well as Global Market.

C. Research & Development:

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

D. Internal Control System:

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

The internal audit programme is finalized in consultation with the internal auditors and the audit committee of the Board. The Audit Committee is briefed on the findings by the internal auditors, every quarter, along with the remedial actions that have been recommended or have been taken by the management to plug systemic weaknesses. The audit committee of the Board meets periodically to review various aspects of the performance of the company and also review the adequacy and effectiveness of the internal control system and suggests improvement for strengthening then from time to time.

E. Human Resources:

Your Company continues to have cordial and harmonious relations with its employees at all levels during the period under review. The operations of the Company across functions have been strengthened through induction of appropriately qualified and experienced manpower. Management of your Company strongly focuses on the performance of the managers. The Board acknowledges it's thanks to all the shop floor personnel and other employees for making significant contribution to your Company

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

F. ISO 9001:2008 Certification:

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

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

G. Cautionary Statement:

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