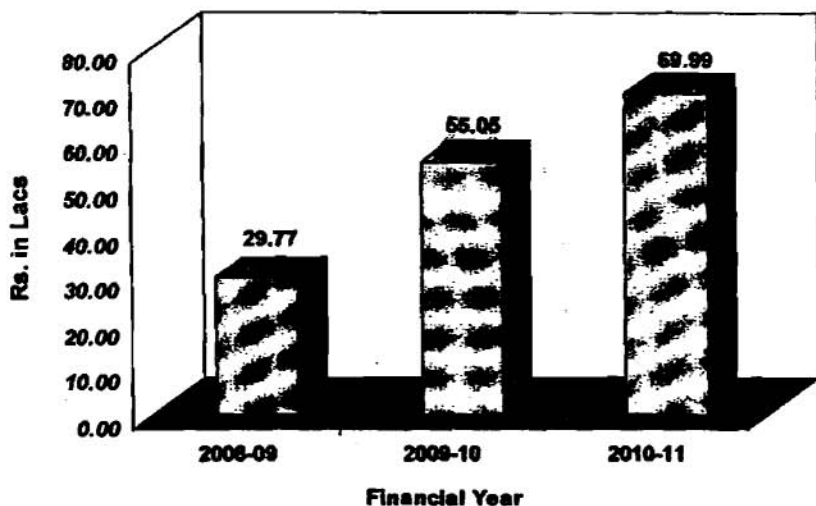


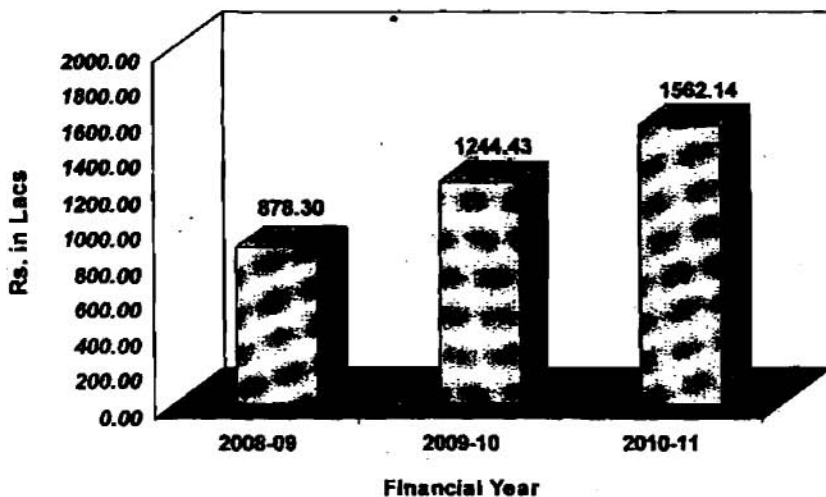


**16TH**  
**ANNUAL REPORT**  
**2010-2011**

**Profit After Tax**



**Turnover**



**Important Communiucation to Shareholders  
"Green Initiative in the Corporate Governance"**

Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a circular No. 17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement or any other communication in electronic mode, and register the said form with Sharepro Services (India) Pvt. Ltd. The said form is also available on the Company's **website [www.minaxitextiles.com](http://www.minaxitextiles.com)**

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors' report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.

**Email Address Registration Form**

(For members who holds shares in Physical Forms)

**MINAXI TEXTILES LIMITED**

Registered office : Plot No.3311, Unit No.2, GIDC Industrial Estate, Village Chhatral,  
Dist. Gandhinagar (N.G)

Ledger Folio No. \_\_\_\_\_ No. of Share(s) held : \_\_\_\_\_

NAME OF THE SHAREHOLDER / JOINT HOLDER : \_\_\_\_\_

Email Address : i) \_\_\_\_\_ ii) \_\_\_\_\_

Contact No. (R) \_\_\_\_\_ M) \_\_\_\_\_

I hereby give my / our consent to receive the Notices calling general meetings, audited financial statements, auditors' director's report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode my/our above mentioned email ID.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

**Note :**

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Sharepro Services (India) Pvt. Ltd. 416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380 006.
- 2) Members are also requested to inform about and change in their email ID immediately to RTA.
- 3) This form is also available on the Company's website [www.minacitextiles.com](http://www.minacitextiles.com)

**BOARD OF DIRECTORS**

Shri. Kanubhai S. Patel  
Shri. Bharatbhai P. Patel  
Shri. Dineshbhai P. Patel  
Shri. Kiritkumar S. Patel  
Shri. Nirmalkumar B. Patel  
Shri. Jashwantkumar K. Patel  
Shri. Vasudevabhai L. Patel  
Shri. Ghanshyam C. Patel  
Shri. Dharmendra N. Patel  
Shri. Sandipkumar J. Patel

Chairman  
Managing Director  
Whole Time Director  
Whole Time Director  
Whole Time Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director

**AUDIT COMMITTEE**

Shri. Jashwantkumar K. Patel  
Shri. Vasudevabhai L. Patel  
Shri. Ghanshyam C. Patel  
Shri. Dharmendra N. Patel  
Shri. Sandipkumar J. Patel

**AUDITORS**

R.R.S. & Associates  
Chartered Accountants  
Opp : State Bank of Saurashtra,  
Nr. Stadium Circle, Navrangpura,  
Ahmedabad-380009

**BANKER**

Bank of India  
Ahmedabad Main Branch  
Bhadra, Ahmedabad.

**REGISTERED OFFICE & WORKS**

Plot No. 3311, Unit No.2  
GIDC Industrial Estate, Phase-IV,  
Village Chhatral, Taluka-Kalol,  
Dist. Gandhinagar (N.G) Gujarat  
Website : [www.minaxitextiles.com](http://www.minaxitextiles.com)  
Tel. No. : 91-02764-234008  
e-mail : [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com)

**REGISTRARS AND SHARES TRANSFER AGENTS**

Sharepro Services (India) Pvt. Ltd.

**Head Office : Mumbai**  
13AB, Samhita Ware-housing Complex,  
2nd Floor,  
Sakinaka Telephone Exchange Lane  
Off. Andheri-Kurla Road,  
Sakinaka, Andheri East,  
Mumbai - 400 072

**Branch Office : Ahmedabad**  
416-420, 4<sup>th</sup> Floor,  
Devnandan Mall, Opp. Sanyas Ashram,  
Ellisbridge, Ahmedabad-380 006  
Phone : 079 26582381 / 82 / 83 / 84  
Fax : 079 26582385  
Mail [sharepro.ahmedabad@shareproservices.com](mailto:sharepro.ahmedabad@shareproservices.com)



**NOTICE**

**NOTICE** is hereby given that the F 16<sup>th</sup> Annual General Meeting of the Members of the Company M/s. Minaxi Textiles Limited will be held on Friday, 30th day of September, 2011 at 10:00 a.m. at Registered office of the Company Plot No.3311, Unit No.2, GIDC Industrial Estate, Phase-IV, Village Chhatral, Taluka Kalol, Dist – Gandhinagar (N.G) to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Accounts for the Financial Year ended on 31st March 2011, and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in Place of Shri. Jashwantkumar K. Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in Place of Shri. Vasudevabhai L. Patel, who retires by rotation and eligible, offers himself for appointment.
4. To appoint a director in Place of Shri. Ghanshyam C. Patel, who retires by rotation and eligible, offers himself for appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** M/s. R.R.S & Associates., Chartered Accountants be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, exclusive of traveling and other out of pocket expenses."

**SPECIAL BUSINESS :**

6. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** Shri. Nirmal Bharatbhai Patel who appointed as an additional director of the company by the Board of directors and who holds office as per Section 260 of the Companies Act, 1956, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation.

7. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** Shri. Sandipkumar J. Patel who appointed as an additional director of the company by the Board of directors and who holds office as per Section 260 of the Companies Act, 1956, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation.

**2. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** pursuant to section 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, if any, the approval of the members of the Company be and is hereby accorded to the Increase in the Monthly remuneration from `80,000 [Rupees Eighty Thousand] per month to `1,00,000 [Rupees One Lac] per month be paid to Shri. Bharatbhai P. Patel, Managing Director of the Company, w.e.f. 1<sup>st</sup> August, 2011."

**"FURTHER RESOLVED THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of the part II of Schedule XIII to the Companies Act for the year, which will be payable to him as minimum remuneration for that year."

**9. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** pursuant to section 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, if any, the approval of the members of the Company be and is hereby accorded to the Increase in the Monthly remuneration from `40,000 [Rupees Forty Thousand only] per month to `50,000 [Rupees Fifty Thousand only] per month be paid to Shri. Kirirktumar S. Patel, Whole Time Director of the Company, w.e.f. 1<sup>st</sup> August, 2011."

**"FURTHER RESOLVED THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of the part II of Schedule XIII to the Companies Act for the year, which will be payable to him as minimum remuneration for that year."

**10. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** pursuant to section 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, if any, the approval of the members of the Company be and is hereby accorded to the Increase in the Monthly remuneration from `40,000 [Rupees Forty Thousand only] per month to `50,000 [Rupees Fifty Thousand only] per month be paid to Shri. Dinesh P. Patel Whole Time Director of the Company, w.e.f. 1<sup>st</sup> August, 2011."

**"FURTHER RESOLVED THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of the part II of Schedule XIII to the Companies Act for the year, which will be payable to him as minimum remuneration for that year."

**"RESOLVED FURTHER THAT** the appointee shall examine the Compliance of the provisions under the Act in respect of the Financial Year ending on 31st March, 2012."

11. THE CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS SPECIAL RESOLUTION

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval be and is hereby accorded to the appointment of Shri. Nirmal B. Patel, as a Whole Time Director, for a period of 5 (five) years with effect from 1<sup>st</sup> August, 2011 on the terms and conditions including remuneration as are set out hereunder.

**"FUNCTIONS :** Shri. Nirmal B. Patel shall, subject to the supervision and control of the Board of Directors and / or the Managing Director of the Company, carry out such duties as may be entrusted to and delegated to him and he shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors and / or Managing Director of the Company.

**REMUNERATION :** The Company shall, in consideration of the performance of his duties, pay to Shri. Nirmal B. Patel the following remuneration :

|    |                            |  |
|----|----------------------------|--|
| 1. | Salary                     | Rs. 40,000 per month   |
| 2. | Conveyance                 | Free use of Company's car with driver for official purpose   |
| 3. | Traveling/Boarding/Lodging | Actual expenditure to be reimbursed Boarding / Lodging by the Company for outstation journey for official work, in India or abroad.  |
| 4. | Leave Travel               | Entitled to travel with family by any Concession Mode, i.e. air / train / road once in two years for visiting any place in India.  |
| 5. | Medical Benefit            | Actual Expenses incurred for Whole Time Director and his family.   |
| 6. | Other Perquisites          | As may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. |

**SITTING FEES :** As long as Shri. Nirmal B. Patel functions as the Whole Time Director, he shall not be paid any sitting fees for attending the meeting of the Board of Directors / Committee thereof."

**"RESOLVED FURTHER THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act for the year, which will be payable to him as minimum remuneration for that year."

**12. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS A SPECIAL RESOLUTION**

**"RESOLVED THAT** pursuant to the provisions of Sections 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be altered as follows :

**99-A : (a) Service of notices / documents to member**

The Company may serve any notices and / or documents, specifically physical copy of Annual Report of the Company comprising of Balance Sheet, Profit and Loss Account, Director's Report, Auditor's Report, to the members of the Company through e-mail, who register their e-mail addresses with the Company from time to time, In case any member has not registered e-mail with the Company, the same will be sent by other modes of service as provided under Section 53 of the Companies Act, 1956

**(b) Electronic platform of agencies for electronic voting process**

The Company may use electronic platform of agencies duly approved by the Ministry of Corporate Affairs (MCA), for capturing accurate electronic voting process as per section 192A of the Companies Act 1956 read with Companies (Passing of resolution by Postal Ballot) Rules 2011.

**13. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** the Company in General Meeting hereby re-appoints M/s. Ashok P. Pathak & Co., Company Secretaries for obtaining from them the Compliance Certificate pursuant to the Provisions under Section 383 A (1) of the Companies Act, 1956 (the Act) and those under the Companies (Compliance Certificate) Rules, 2001, on such remuneration as shall be fixed by the Chairman, exclusive of travelling and other of pocket expense."

**"RESOLVED FURTHER THAT** the appointee shall examine the Compliance of the provisions under the Act in respect of the Financial Year ending on 31<sup>st</sup> March, 2012"

**Regd. Office :**

Plot No. 3311, Unit No. 2,  
GIDC Industrial Estate,  
Village Chhatral, Phase-IV  
Taluka Kalol,  
Dist. Gandhinagar (N.G.)  
Gujarat

**By Order of the Board**

For, Minaxi Textiles Ltd.

**Bharatbhai P. Patel**

Managing Director

Date : 29/07/2011

**NOTES :-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of special business in the Notice is annexed hereto. The relevant details has stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges(s), in respect of Directors seeking appointments / re-appointments as directors under Item Nos. 2 to 4 and 6 to 8 above, are also annexed hereto.
3. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Sundays, between 11 A.m. and 1 p.m. up to the date of meeting.
4. The register of Members and the Share Transfer Books of the Company will remain closed from Friday, 23th day of September, 2011 to Friday, 30th day of September, 2011 (both days inclusive).
5. Members are requested to contact M/s. Sharepro Services (India) Pvt. Ltd, 13AB, Samhita Ware-housing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri-Kurla Road, Sakinaka, Andheri East, Mumbai-400072 for recording any change of address, bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer Shri. Bharatbhai Mehta at the Registered Office of the Company.
6. The equity shares of the company are available for dematerialization, as the company has entered into an agreement with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL). Those shareholders who wish to hold the company's share in electronic form may approach their depository participants.
7. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members are requested to bring their copies of Annual Report at the meeting. Shareholders seeking any information with regard to account are requested to write to the Company early so as to enable the Management to keep the information ready.
9. Members / Proxies are requested to bring with them the attendance slip duly filled in and hand it over at the entrance.

**Regd. Office :**

Plot No. 3311, Unit No. 2,  
GIDC Industrial Estate,  
Village Chhatral, Phase-IV  
Taluka Kalol,  
Dist. Gandhinagar (N.G.)  
Gujarat

**By Order of the Board**

For, Minaxi Textiles Ltd.

**Bharatbhai P. Patel**  
Managing Director

Date : 29/07/2011

**ANNEXURE TO THE NOTICE**

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

**Item No. 2**

Name

Qualification

Experience

Other directorship

Chairman / Member of the Committees  
of the Board of the other companies on  
which he is a director

No. of shares held in the company

Disclosure of the relationships

Shri. Jashwantkumar Kantibhai Patel

B.E. Civil

27 years in the business in which company operates

None

None

NIL

Shri. Jashwantkumar K. Patel is not, in any  
way, concerned / interested / related with any  
of the other directors of the company.

**Item No. 3**

Name

Qualification

Experience

Other directorship

Chairman / Member of the Committees  
of the Board of the other companies on  
which he is a director

No. of shares held in the company

Disclosure of the relationships

Shri. Vasudevabhai Laljibhai Patel

B.E. Civil

24 years in the business in which company operates

None

None

NIL

Shri. Vasudevabhai L. Patel is not, in any way,  
concerned / interested / related with any of  
the other directors of the company.

**Item No. 4**

Name

Qualification

Experience

Other directorship

Chairman / Member of the Committees  
of the Board of the other companies on  
which he is a director

No. of shares held in the company

Disclosure of the relationships

Shri. Ghanshyam Chinubhai Patel

B.E. Civil

12 years in the business in which company operates

None

None

NIL

Shri. Ghanshyam C. Patel is not, in any way,  
concerned / interested / related with any of  
the other directors of the company.



**Item No. 6**

|   |   |
|---|---|
| Name  | Shri. Nirmal Bhartbhai Patel  |
| Qualification   | B Pharm   |
| Experience  | 2 years in the business in which company operates   |
| Other directorship  | None  |
| Chairman / Member of the Committees of the Board of the other companies on which he is a director | None  |
| No. of shares held in the company   | 75000   |
| Disclosure of the relationships   | Shri. Nirmal B. Patel is son of Shri. Bharatbhai P. Patel, Managing Director and nephew of Shri. Kiritkumar S. Patel, Whole Time Director of the Company. |

**Item No. 7**

|   |   |
|---|---|
| Name  | Shri. Sandipkumar J. Patel  |
| Qualification   | B.Com   |
| Experience  | 4 years in commerce field   |
| Other directorship  | None  |
| Chairman / Member of the Committees of the Board of the other companies on which he is a director | None  |
| No. of shares held in the company   | NIL   |
| Disclosure of the relationships   | Shri. Sandipkumar J. Patel is not, in any way, concerned / interested / related with any of the other directors of the company. |

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

The Explanatory statement pursuant to section 173 of the Companies Act, 1956 set out all material facts relating to the Special Business mentioned in the accompanying Notice are as follows :

**ITEM NO 6**

Shri. Nirmal B. Patel was appointed as Additional Director by the Board of directors of the Company at its meeting held on 29<sup>th</sup> day of July, 2011 in terms of section 260 of the Companies Act, 1956 ("the Act") and he shall hold office up to the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from members of the Company under Section 257 of the Act, proposing the candidature of Shri. Nirmal B. Patel for the office of director. In view of the background and valuable and enriched qualification of Shri. Nirmal B. Patel it will be in the interest of the Company to appoint him as director of the Company.

Your director recommends the resolution for approval of the members.

Shri. Nirmal B. Patel and Shri Bharatbhai P. Patel are interested in the resolution as it relates to his appointment. None of the other directors of the Company is, in any way, concerned or interested in the resolution.

**ITEM NO 7**

Shri. Sandipkumar J. Patel was appointed as Additional Director by the Board of directors of the Company at its meeting held on 29<sup>th</sup> day of July, 2011 in terms of section 260 of the Companies Act, 1956 ("the Act") and he shall hold office up to the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from members of the Company under Section 257 of the Act, proposing the candidature of Shri. Sandip J. Patel for the office of director. In view of the background and valuable and experience, in matters relating to accounts and finance, of Shri. Sandipkumar J. Patel it will be in the interest of the Company to appoint him as director of the Company.

Your director recommends the resolution for approval of the members.

Shri. Sandipkumar J. Patel is interested in the resolution as it relates to his appointment. None of the other directors of the Company is, in any way, concerned or interested in the resolution.

**ITEM NO 8**

Subject to approval of the members, the Board of Directors at their meeting held on 29<sup>th</sup> July, 2011 has approved revision in the salary of Shri. Bharatbhai P. Patel, Managing Director from ₹80,000 (Rupees Eighty Thousand Only) per month to ₹1,00,000 (Rupees One Lac Only) per month with effect 1<sup>st</sup> August, 2011. The present term of office of Shri. Bharatbhai P. Patel will be expiring on 31<sup>st</sup> July, 2013. Other terms and conditions will be remained same as per the resolutions passed at the 13<sup>th</sup> annual general meeting held on 30<sup>th</sup> September, 2008.

Taking into account financial position of the company, trend in the industry, and qualifications and experience of Shri. Bharatbhai P. Patel, the increased remuneration set out in the resolution is considered to be just, fair and reasonable

The resolution at Item No 8 of the Notice seeks the approval of the members for the increase in remuneration. Your directors recommend the resolution to the shareholders for adoption.



This shall be treated as circular of abstracts to the members as required under section 302 of the Companies Act, 1956.

Shri. Bharatbhai P. Patel and Shri. Nirmal B. Patel are considered in this resolution. However, none of the other Directors is considered to be concerned or interested in this resolution.

**ITEM NO 9**

Subject to approval of the members, the Board of Directors at their meeting held on 29<sup>th</sup> July, 2011 has approved revision in the salary of Shri. Kiritkumar S. Patel, Whole Time Director from `40,000 [Rupees Forty Thousand only] per month to `50,000 [Rupees Fifty Thousand only] per month with effect from 1<sup>st</sup> August, 2011. The present term of office of Shri. Kiritkumar S. Patel will be expiring on 31<sup>st</sup> January, 2014. Other terms and conditions will be remained same as per the resolutions passed at the 14<sup>th</sup> annual general meeting held on 30<sup>th</sup> September, 2009.

Taking into account financial position of the company, trend in the industry, and qualifications and experience of Shri. Kiritkumar S. Patel, the increased remuneration set out in the resolution is considered to be just, fair and reasonable.

The resolution at Item No 9 of the Notice seeks the approval of the members for the increase in remuneration. Your directors recommend the resolution to the shareholders for adoption.

This shall be treated as circular of abstracts to the members as required under section 302 of the Companies Act, 1956.

Shri. Kiritkumar S. Patel is considered as interested in this resolution. However, none of the other Directors is considered to be concerned or interested in this resolution.

**ITEM NO 10**

Subject to approval of the members, the Board of Directors at their meeting held on 29<sup>th</sup> July, 2011 had approved revision in the salary of Shri. Dinesh P. Patel, Whole Time Director from `40,000 [Rupees Forty Thousand only] per month to `50,000 [Rupees Fifty Thousand only] with effect from 1<sup>st</sup> August, 2011. The present term of office of Shri. Dinesh P. Patel will be expiring on 31<sup>st</sup> July, 2013. Other terms and conditions will be remained same as per the resolutions passed at the 13<sup>th</sup> annual general meeting held on 30<sup>th</sup> September, 2008.

Taking into account financial position of the company, trend in the industry, and qualifications and experience of Shri. Dinesh P. Patel, the increased remuneration set out in the resolution is considered to be just, fair and reasonable.

The resolution at Item No 10 of the Notice seeks the approval of the members for the increase in remuneration. Your directors recommend the resolution to the shareholders for adoption.

This shall be treated as circular of abstracts to the members as required under section 302 of the Companies Act, 1956.

Shri. Dinesh P. Patel is considered as interested in his resolution. However, none of the Directors is considered to be concerned or interested in this resolution.

**ITEM NO 11**

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> July, 2011 appointed Shri. Nirmal B. Patel as Whole Time Director for a period of 5 (Five) years with effect from 1<sup>st</sup> August, 2011 (i.e. up to 31<sup>st</sup> July, 2016) on terms and conditions mentioned in the resolution, subject to the approval by a resolution of the shareholders of the company in a general meeting. Shri. Nirmal B. Patel has two years experience in the business in which company operates. Thus with his knowledge and experience the company can grow at faster rate.

The Special Resolution at Item No 11 of the Notice seeks the approval of the members to the said appointment. Your directors recommend the resolution to the shareholders for adoption.

This shall be treated as circular of abstracts to the members as required under section 302 of the Companies Act, 1956.

Shri. Nirmal B. Patel and Shri. Bharatbhai P. Patel are considered as interested in his appointment. However, none of the Directors is considered to be concerned or interested in this this appointment.

**ITEM NO 12**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode by way of Circular No. 17/2011 dated 21/04/2011, Circular No. 18/2011 dated 29/04/2011 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The Ministry of Corporate Affairs vide its Circular No. 17/2011 dated 21/04/2011 has clarified that a company would have complied with Section 53 of the Companies Act, 1956 if the service of document has been made through electronic mode provided the company has obtained e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the company, the service of document etc will be effected by other modes of service as provide under Section 53 of the Companies Act, 1956

The Ministry of Corporate Affairs vide its Circular No. 18/2011 dated 29/04/2011 has clarified that the company would be in compliance of Sections 219(1) of the Companies Act, 1956 in case, a copy a copy of Balance Sheet etc., is sent by electronic mail to its member subject to the fact that company has obtained -

- a. e-mail address of its member for sending the Notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Director's Report and Explanatory Statement etc through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the company or with the concerned depository.
- b. Company's website display full text of these documents well in advance prior to mandatory period and issue advertisement in prominent newspapers in both vernacular and English stating that the copies of aforesaid documents are available in the website and for inspection at the Registered Office of the Company during office hours. Website must be designed in a way so that documents can be opened easily and quickly.
- c. In cases where any member(s) has not registered his e-mail address for receiving the Balance Sheet etc through e-mail, the Balance Sheet etc, will be sent by other modes of services as provided under Section 53 of the Companies Act, 1956.
- d. In case any member(s) insist for physical copies of above documents, the same should be sent to him physically, by post free of cost.

## **MINAXI TEXTILES LTD.**

**YEAR 2010-2011**

Further, the Ministry of Corporate Affairs vide its Circular No. 21/2011 dated 02/05/2011 has approved appointment of agency for providing electronic platform for electronic voting under the Companies Act, 1956.

In compliance of and be a part of the "Green Initiative in the Corporate Governance" of the Ministry of Corporate Affairs by allowing paperless compliances by the companies through electronic mode by way of Circular No. 17/2011 dated 21/04/2011, Circular No. 18/2011 dated 29/04/2011, Circular No. 21/2011 dated 02/05/2011 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is required to alter its articles of association incorporating the enabling provisions of these initiatives by way of adding new Article No. 99-A after existing Articles No. 99.

Pursuant to Section 31 of the Companies Act, 1956 the alteration in the Articles of Association require special resolution to be passed in the General Meeting.

The Special Resolution at Item No 12 of the Notice seeks the approval of the members. Your directors recommend the resolution to the shareholders for adoption.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

### **ITEM NO 13**

The proviso to Section 383 A (1) of the Companies Act, 1956 read with Rule 2 of the Companies (Appointment and Qualifications of Secretary) Rules 1988, every Company not required to employ a Whole-Time Secretary and having a paid-up Share Capital of Rs. 10.00 Lac or more shall file with the Registrar a Certificate from a Secretary in Whole-Time Practice in such form and within such time and subject to such conditions as may be prescribed, as to whether the Company has complied with the provisions of the Companies Act, 1956 and a copy of such certificate shall be attached with Boards' Report referred to Section 217.

In view of the above amendment to the Companies Act, 1956 vide the Companies (Amendment) Act, 2000, the Company is required to re-appoint the Secretary in Whole-Time Practice for obtaining from him / them the Compliance Certificate pursuant to the provisions under Section 383 A (1) of the Companies Act, 1956 and under the Companies (Compliance Certificate) Rules 2001, as the Paid up Share Capital of the Company is fall within the limits prescribed under Section 383 A (1).

The Board of Directors recommended the passing of the Resolution.

None of the Directors is in any way concerned or interested in this Resolution.

#### **Regd. Office :**

Plot No. 3311, Unit No. 2,  
GIDC Industrial Estate,  
Village Chhatral, Phase-IV  
Taluka Kalol,  
Dist. Gandhinagar (N.G.)  
Gujarat

#### **By Order of the Board**

For, Minaxi Textiles Ltd.

**Bharatbhai P. Patel**  
Managing Director

Date : 29/07/2011

**DIRECTORS' REPORT**

To,  
The Members,  
Minaxi Textiles Ltd,  
Village : Chhatral

Your directors have pleasure in presenting herewith their 16th Annual Report together with the Audited Statements of Accounts for the period ended on 31<sup>st</sup> March, 2011.

**PERFORMANCE HIGHLIGHTS :**

| (Rs.)                                      |  |  |
|--|--|--|
| Particulars                                | Current year<br>Ended on<br>31/03/2011 | Current year<br>Ended on<br>31/03/2010 |
| Sales & Job Work Income                    | 156213856                              | 124442812                              |
| Other Income                               | 4554670                                | 8129908                                |
| Profit Before Tax                          | 9178470                                | 7107264                                |
| Less : Provision for Current Tax           | 1183240                                | 1100000                                |
| Income Tax pertaining to earlier years     | 41391                                  | 50890                                  |
| Deferred Tax                               | 479144                                 | 1551775                                |
| Fringe Benefit Tax                         | NIL                                    | NIL                                    |
| Mat Credit Entitlement                     | (475818)                               | 1100000                                |
| Profit after Tax                           | 6998877                                | 5504599                                |
| Add : Balance Brought Forward              | 7031351                                | 1526751                                |
| Balance carried to Balance Sheet (Surplus) | 14030228                               | 7031351                                |

**DIVIDEND :**

OTo Conserve the resources for the expansion projects under pipeline, your directors do not recommend any dividend for the financial year ended on 31st March, 2011

**BUSINESS PERFORMANCE & PROSPECTS :**

During the year under report, the company has achieved a gross turnover of `1562.14 Lac as compared to `1244.42 Lac during the previous year and the operations for the year under review has resulted into Net Profit of `69.99 Lac. Your company could achieve sustained growth in business due to continued pursuit of our strategy to work with innovation ideas, developing new areas of its activities and reducing cost of products through process innovation. Directors are hoping even better performance during the current year.

During the current year 2010-2011, the company has made addition to machinery for `408.24 Lac for 17 Nos. second hand imported Rapier Weaving Machines Picanol Gamma 6R, 10 Nos. second hand Picanol Gamma 4R and cloth inspection machines in the factory by way of availing term loan from Bank and factory shed for `63.94 Lac.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report, which forms part of this report.

**QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE) AND CORPORATE SOCIAL RESPONSIBILITY :**

Minaxi's commitment towards excellence in Health, Safety and Environment is one of the company's core values by complying with the Laws and Regulations first, and then going beyond the mandate to keep our planet safe for future generations. Minimizing the environment impact of our operations assumes utmost priority.

The company is unwavering in its policy of 'safety of persons overrides all production targets' which drives all employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities in which Minaxi operates. Our comprehensive QHSE Policy, as well as dedicated measures by conducting the Risk Assessment, Identification of significant environment aspects of all manufacturing plants and signatory commitment of Responsible Care, Greatest emphasis is given to safety measures for minimizing accidents and incidents.

**CORPORATE SOCIAL RESPONSIBILITY :**

The Company continued extending helping hand towards Social and Economic Development of the villages and the community located close to its operations and also providing assistance to improving the quality of life.

**FINANCE :**

The Company is at present enjoying financial assistance in the form of working capital facilities and term loan from Bank of India, Main Branch, Bhadra, Ahmedabad **AND** from Bank of India, Kalol Branch. During the year under review, the company regularly paid the principal and interest to the Bank.

**PUBLIC DEPOSIT :**

The Company has not accepted any public deposits as defined under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975, as amended during the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO :**

The information relating to conservation of Energy, Technology, Absorption and Foreign Exchange Earning / Outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given by way of annexure attached hereto which forms part of this report.

**LAUNCHING OF COMPANY'S OWN WEBSITE [www.minaxitextiles.com](http://www.minaxitextiles.com) :**

Shri. Bharatbhai P. Patel, Managing Director of the Company launch the Company's own functional website [www.minaxitextiles.com](http://www.minaxitextiles.com) on 29th July, 2011. The Board of Directors placed on record the initiative taken by Mr. Nirmal B. Patel one of the youngest and dynamic executive director of the Company to develop the website of the company.

All the stakeholders will be immensely benefited to have access all the related information relating to the company namely details of business, financial Information shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements, if any, entered into with the media companies and / or their associates, etc.

**PARTICULARS OF EMPLOYEES :**

The information required under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 is treated as Nil as none of the employees of the Company was in receipt of total remuneration



exceeding of `60,00,000 p.a. or `5,00,000 p.m. for part of the year during the financial year under review. No employee is related to any Director of the Company.

**BOARD OF DIRECTORS :**

In accordance with provisions of Section 256 of the Companies Act, 1956, Shri. Jashwantkumar K. Patel, Shri. Vasudev bhai L. Patel and Shri Ghanshyam C. Patel retires by rotation and being eligible offers themselves for re-appointment. Shri. Nirmal B. Patel is appointed as Additional Director w.e.f. 29/07/2011 and he is appointed as Whole Time Director of the Company w.e.f. 01st August, 2011. Shri. Sandipkumar J. Patel is appointed as Additional Director of the Company w.e.f. 29/07/2011.

**RECONSTITUTION OF AUDIT COMMITTEE :**

The Board of directors of the company at its meeting held 19th July, 2011 has reconstituted an Audit Committee comprising five independent Non-Executive Directors viz. Shri. Jashwantkumar K. Patel, Chairman (having financial and accounting knowledge), Shri. Vasudev bhai L. Patel, Shri. Dharmendra N. Patel, Shri. Ghanshyambhai C. Patel and Shri. Sandipkumar J. Patel. The constitution of Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing agreement of the Stock Exchanges as well.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. Before presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, subject to the Board's approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

**ACCOUNTING STANDARDS AND FINANCIAL REPORTING :**

The Company incorporates the accounting standards as and when issued by the institute of Chartered Accountants of India. The Company complied with the Stock Exchange and legal requirement concerning the Financial Statements at the time of preparing them for the Annual Report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement executed with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

**CORPORATE GOVERNANCE :**

Your Company follows the principles of effective Corporate Governance. The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the revised Clause 49 of the Listing Agreement executed with the Stock Exchange(s).

A separate section on Corporate Governance is included in the Annual Report and Certificate from Company's Auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause-49 of the listing agreement with the Stock Exchange is annexed hereto.

**LISTING :**

The equity shares of the company are listed in the Bombay Stock Exchange Limited which has the connectivity in most of the cities across the country.

**DEMATERIALISATION OF EQUITY SHARES :**

As per direction of the SEBI and the Bombay Stock Exchange Limited, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services India Limited [CDSL] and the demat activation number allotted to the Company is ISIN : INE52C01010. Consequent to sub-division of equity shares of `10 each into the equity shares of `1 each, the new ISIN allotted to the Company is ISIN : INE952C01028. Presently shares are held in electronic and physical mode (96.61% of shares in demat, 3.39% in physical mode.)

**AUDITORS :**

M/s. R.R.S & Associates, Chartered Accountants, Ahmedabad retire at the conclusion of this ensuing Annual General Meeting. The Company has received a certificate under Section 224 (1) (B) of the Companies Act, 1956 to the effect that their re-appointment, if made will be in accordance to the limit specified in the said Section. You are requested to consider their re appointment as Auditors of the Company for the Current Year.

**AUDITORS REPORT :**

The comments in the Auditors Report with Notes on Accounts referred to the Auditor's Report are self explanatory and, therefore do not call for any further explanation.

**RE-APPOINTMENT OF COMPANY SECRETARY IN WHOLE-TIME PRACTICE :**

M/s Ashok P. Pathak & Co., Company Secretaries, retire at the conclusion of ensuing Annual General Meeting. You are requested to consider their appointment for the Financial Year 2011-2012.

**SECRETARIAL COMPLIANCE CERTIFICATE :**

The Compliance Certificate pursuant to the provisions of Section 383A(1) of the Companies Act, 1956 as to be filed separately with e-Form No.66 is forming part of the Directors' Report.

**INSURANCE :**

The company has made necessary arrangements for adequately insuring its insurable interests.

**INDUSTRIAL RELATIONS :**

The directors happy to note that the industrial relations continued to remain cordial during the year. The directors express their apperciation towards the workers, staffs and executive staffs for their coordination and hope for a continued harmonious relations.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Director had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the Financial Year and of the Profit or Loss of the Company for the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of Adequate accounting records in according 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 had prepared the accounts for the Financial Year ended 31st March, 2011, on a going concern basis.
- (v) that the company has adequate internal systems and controls in place to ensure compliance of laws applicable to the company.

**ACKNOWLEDGMENT :**

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the Government, Banks, Customers, Suppliers and Business associates during the year under review. The Directors also express their gratitude to the shareholders for the confidence reposed towards the Company. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable team work and enthusiastic contribution during the year.

**Regd. Office :**

Plot No. 3311, Unit No. 2,  
GIDC Industrial Estate,  
Village Chhatral, Phase-IV  
Taluka Kalol,  
Dist. Gandhinagar (N.G.)  
Gujarat

**By Order of the Board**

For, Minaxi Textiles Ltd.

**Bharatbhai P. Patel**

Managing Director

Date : 29/07/2011



**ANNEXURE FORMING PART OF DIRECTOR'REPORT**

Disclosure of particulars with respect to conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Report of Board of Directors for the ended 31<sup>st</sup> March, 2011.

**A. CONSERVATION OF ENERGY :****(a) Energy Conservation Measures taken :**

All the Possible steps step have taken to ensure reduction in the consumption of electricity and fuel

**(b) Additional investment in proposal if any being implemented for reduction of consumption of energy:**

No additional investment is envisaged.

**(c) Impact of above measures :**

As a result of the measures taken, consumption of electricity and fuel has been kept at possible reasonable level during the year.

**B. TECHNOLOGY ABSORPTION :**

Efforts made in Technology absorption. NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a. Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans.

During the coming year we are actively looking to expand export activity to cover a wider geographical market

b. Foreign exchange outgo : Rs. NIL

Foreign exchange earned. : Rs. NIL

**FORM A****(DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY)**

|            | Particulars                                     | 2010-2011 | 2009-2010 |
|------------|---|-----------|-----------|
| <b>(I)</b> | <b>Power and Fuel Consumption :</b>             |           |           |
|            | <b>1. Electricity</b>                           |           |           |
|            | Purchased Power (units)                         | 1267077   | 1318155   |
|            | Total Amount                                    | 6823175   | 7191877   |
|            | Rate (unit)                                     | 5.38      | 5.46      |
|            | <b>2. Boiler Fuel</b>                           |           |           |
|            | Quantity (kg)                                   | NIL       | NIL       |
|            | Total Amount                                    | NIL       | NIL       |
|            | Average Rate (kg)                               | NIL       | NIL       |
|            | <b>3. (a) LNG Gas</b>                           |           |           |
|            | In SCM  | NIL       | NIL       |
|            | In  | NIL       | NIL       |
|            | Average Rate                                    | NIL       | NIL       |
|            | Total Units                                     | NIL       | NIL       |
|            | Rate per Unit                                   | NIL       | NIL       |
|            | <b>(b) L.E.O.</b>                               |           |           |
|            | In Liters                                       | NIL       | NIL       |
|            | In  | NIL       | NIL       |
|            | Average Rate                                    | NIL       | NIL       |
|            | Total Units                                     | NIL       | NIL       |
|            | Rate per Unit                                   | NIL       | NIL       |
|            | <b>(c) Furnace Oil (Diesel)</b>                 |           |           |
|            | In Liters                                       | NIL       | 2100      |
|            | In Amount                                       | NIL       | 74824     |
|            | Average Rate (Rs/Lt.)                           | NIL       | 35.63     |
| <b>(B)</b> | <b>Consumption per unit of production :</b>     |           |           |
|            | In view of the multiplicity of products, its is |           |           |
|            | not practical to apportion consumption of       |           |           |
|            | utilities per unit of production.               |           |           |

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. BUSINESS HIGHLIGHTS :****Turnover :**

Minaxi Textiles Limited has achieved a turnover of `1562.13 in 2011-2011 as against `1244.42 Lac during the previous year recording a growth of over 25.53%.

**Other Income :**

Other income mainly consists of Interest Income. Other income for the year amounted to `45.55 Lac as against `81.29 Lac during the previous year.

**Material Costs :**

Purchase costs includes raw material consumption for the year was ` 875.36 Lac as against `942.24 Lac during the previous year. Inventory of raw materials has gone up during the year by ` 68.43 Lac.

**Manufacturing Expenses :**

Purchase Cost also includes manufacturing expenses mainly comprises Power & Fuel ` 68.23 Lac, repairs & maintenance ` 10.79 Lac, as against `71.92 Lac and `8.56 Lac respectively during the previous year.

**Employee Emoluments :**

Employees emoluments is ` 63.61 Lac during the year as against `57.67 Lac during the previous year.

**Administrative, Selling and Other Expenses :**

Major components of administrative, selling and other expenses include rent, postage, stationary, audit fees, traveling, commission on sales etc. Administrative, selling and other expenses for the year amounted to ` 56.14 Lac as against `41.87 Lac during the previous year. This expenses accounted for 3.59% of sales during the year as against 3.36% during the previous year.

**Interest and Finance Charges :**

Interest and finance charges during the year come to ` 99.10 Lac as against `54.26 Lac during the previous year.

**Depreciation :**

Depreciation charge for the current year came to ` 70.38 Lac as against `38.56 Lac during the previous year.

**Provision for Tax :**

Provision made during the year towards current tax was `11.83 Lac. The Company has also provided `4.79 Lac towards deferred tax during the year as against `15.51 Lac during the previous year.

**Profit / Loss after Tax :**

Profit after tax for the current year is `69.99 Lac as against Profit of `55.04 Lac occurred during the previous year.

**Earnings per Share :**

Basic and diluted earnings per share for the current year works out to `0.13 as against `0.10 during the previous year.

**Financial Condition :****Secured loans :**

Secured loans stood at `1088.88 Lac as at 31st March, 2011 as against `752.81 Lac as at 31st March, 2010.

**Inventories :**

Major items of inventories as of 31<sup>st</sup> March, 2011 are as under :

|                     |           | (Rs. in Lac) |
|---------------------|-----------|--------------|
| Particulars         | 2010-2011 | 2009-2010    |
| Raw Materials       | 136.30    | 67.87        |
| Stores, spares etc. | 8.68      | 7.97         |
| Finished goods      | 270.72    | 157.30       |

**Debtors :**

Debtors as on 31st March, 2011 amounted to `711.19 Lac as against `347.01 Lac during the previous year.

**Fixed Assets :**

Gross block of the fixed assets at the end of the year was `1226.29 Lac compared to previous year's figure of `1048.18 Lac.

**B. SEGMENT WISE PERFORMANCE :**

The company is operating in only one segment i.e. Textiles. Your company has adopted various marketing strategies for sustained growth including increase in number of clients / customers to reduce the dependency on any single client / customer.

**C. AN INDUSTRY OVERVIEW :**

The management is confident of improvement in the demand of company's products in the near future. The unit of the company is eco-friendly and have already adopted the concept of its products and recycle of waste.

The scenario of the textile industry and economy in general is buoyant even after the industry is exposed to global competition with globalization policy of the government. The industry is facing problems for availability of raw materials and high cost of power and steam. The process of development, increasing thrust of the government on the textiles industry, the future of industry appears quite bright.

**D. SWOT ANALYSIS OF THE COMPANY :****Strength :**

- Management depth and ability to manage client relationships
- R & D capabilities to develop efficient and cost effective process at short notice having a State of the Art dedicated R & D Center
- Multi-purpose and multi-production facilities having Quality Certifications
- Enhanced presence in the market through clientele basis

**Opportunities and Threats :**

The textiles industry is subject to tough competition amongst various segments of manufactures within and outside the country. The threat of competition is comparatively less in the product which your company is manufacturing. The increase in demand from business sector in terms of job works will provide opportunity to your company to increase its sale and capture more market share. Moreover, Indian textiles industry witnessing changes in business dynamics.

**E. RISKS AND CONCERNS :**

Your company is mainly focusing on R & D and manpower and the intelligence. Apart from the risk on account of interest rate and regulatory changes, business of the company are exposed to certain operating business risks, which is mitigated by regular monitoring and corrective actions. The company has taken necessary measures to safeguard its assets and interest etc.

**F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to monitor internal business process, financial reporting an compliance with applicable laws.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business.

A qualified and independent committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

**G. INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT :**

The Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short and long term objectives. The company continues to attract talent both from within and outside India to further its business interests. Industrial relations continue to be cordial.

**Cautionary Statement :**

Statement made in the Management Discussion & Analysis describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

**CORPORATE GOVERNANCE REPORT**

**Corporate Governance and practices in accordance with the provisions of the Revised Clause 49 of the Listing Agreement :**

**1. Company's philosophy on Code of Governance :**

The Company's Philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieving the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

**2. Board of Directors :**

**Composition :**

The present Board of Directors consists of half of non-executive/independent directors. As of date, the Board comprises of 4 (Four) whole time / executive directors and 1 (One) non-executive and 5 (Five) non-executive / independent directors.

The number of non-executive/independent directors is 50% of the total number of directors. The Company, therefore, meets with the requirements relating to the composition of the Board of Directors.

The composition and category of Directors are as follows :

| <b>CATEGORY</b>  | <b>NAME OF DIRECTORS</b>     |                     |
|--|------------------------------|---------------------|
| <b>Promoter<br/>&amp;<br/>Executive Directors</b>        | Shri. Bharatbhai P. Patel    | Managing Director   |
|  | Shri. Dineshbhai P. Patel    | Whole Time Director |
|  | Shri. Kiritkumar S. Patel    | Whole Time Director |
|  | Shri. Nirmal B. Patel        | Whole Time Director |
| <b>Promoter &amp;<br/>Non-Executive Director</b>         | Shri. Kanubhai S. Patel      | Chairman            |
| <b>Independent<br/>&amp;<br/>Non-Executive Directors</b> | Shri. Jashwantkumar K. Patel |                     |
|  | Shri. Vasudevabhai L. Patel  |                     |
|  | Shri. Ghanshyambhai C. Patel |                     |
|  | Shri. Dharmendra N. Patel    |                     |
|  | Shri. Sandipkumar J. Patel   |                     |

**Disclosure of relationships between Directors inter-se :****Name of directors****Relationship with other Director**

Shri. Kanubhai S. Patel

Not, in any way, concern / interested / related with any of the other directors of the company

Shri. Bharatbhai P. Patel

Shri. Bharatbhai P. Patel is brother in law of Shri. Kiritkumar S. Patel.

Shri. Dineshbhai P. Patel

Not, in any way, concern / interested / related with any of the other directors of the company

Shri. Kiritkumar S. Patel\*

Shri. Kiritkumar S. Patel. is brother in law of Shri. Bharatbhai P. Patel.

Shri. Jashwantkumar K. Patel

Not, in any way, concern / interested / related with any of the other directors of the company

Shri. Vasudevabhai L. Patel

Not, in any way, concern / interested / related with any of the other directors of the company

Shri. Ghanshyambhai C. Patel

Not, in any way, concern / interested / related with any of the other directors of the company

Shri. Dharmendra N. Patel\*\*

Not, in any way, concern / interested / related with any of the other directors of the company

Shri. Nirmal B. Patel

Shri. Nirmal B. Patel is son of Shri. Bharatbhai P. Patel and nephew of Shri. Kiritkumar S. Patel

Shri. Sandipkumar J. Patel

Not, in any way, concern / interested / related with any of the directors of the company.

**Attendance of each Director at the Board meetings, Last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Director in various companies, during the year 2010-2011 :**

| Name of Directors            | Attendance particulars |          | No. of Directorship and Committee Membership/Chairmanship |                  |                    |
|------------------------------|------------------------|----------|---|------------------|--------------------|
|                              | Board Meeting          | Last AGM | Other Direc.  | Committee Member | Committee Chairmen |
| Kanubhai S Patel             | 2                      | Present  | None  | None             | None               |
| Bharatbhai P. Patel          | 4                      | Present  | None  | 1                | 1                  |
| Shri. Dineshbhai P. Patel    | 4                      | Present  | None  | 1                | None               |
| Shri. Kiritkumar S. Patel    | 4                      | Present  | None  | 1                | None               |
| Shri. Jashwantkumar K. Patel | 4                      | Present  | None  | 1                | 1                  |
| Shri. Vasudevabhai L. Patel  | 4                      | Present  | None  | 1                | None               |
| Shri. Ghanshyam C. Patel     | 4                      | Present  | None  | 1                | None               |
| Shri. Dharmendra N. Patel    | 4                      | Present  | None  | 1                | None               |
| Shri. Nirmal B. Patel*       | N.A.                   | N.A.     | None  | 1                | None               |
| Shri. Sandipkumar J. Patel** | N.A.                   | N.A.     | None  | 1                | None               |

\*\*Shri. Nirmal B. Patel was appointed as Additional Director w.e.f. 29/07/2011

\*\*Shri. Sandipkumar J. Patel was appointed as Additional Director w.e.f. 29/07/2011



**Note :**

- i) Details of the Committee membership / chairmanship is in accordance with the Revised Clause 49 of Listing Agreement.
- ii) None of the Directors of the Company is a member of more than ten committees nor is the Chairman of more than Committees across all the Companies in which he is a Director.

**Number of Board Meetings held and the dates on which held**

Four (4) Board Meeting were held during the year 2010-2011, The dates on which the meetings were held are : 30/04/2010, 31/07/2010, 27/10/2010, and 31/01/2011.

The Company has held one meeting every quarter and the maximum time gap between any two meetings was not more than four months.

The Information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

**CEO / MD Certification :**

The Managing Director of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

**Code of Conduct :**

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(I)(D) of the Listing Agreement.

**Risk Management Policy :**

The Company has formulated a Corporate Policy applicable to its operations, and duly approved by the Board of Directors at its meeting held on 31<sup>ST</sup> March, 2006 in compliance with the requirement of the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Audit Committee and Board Members are reviewing and updating the said policy periodically.

**3. Audit Committee**

The Board of Directors of the Company has constituted an Audit Committee and has been reconstituted from time to time. The said Committee has been reconstituted by inducting qualified and independent members on the Committee, by the Board of directors of the company at its meeting held on 29<sup>th</sup> July, 2011. Presently, the Audit Committee comprises of 5 (Five) Independent Non-Executive Directors namely Shri. Jashwantkumar K. Patel, chairman, Shri. Vasudevnbhai L. Patel, Shri. Ghanshyambhai C. Patel and Shri. Dharmendra N. Patel, and Shri. Sandipkumar J. Patel members of the committee. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 292A of the Companies Act, 1956 and revised Clause – 49 of the Listing Agreement entered into with the Stock Exchanges.

**Terms of Reference :**

The terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the revised Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956

**Powers of the Audit Committee :**

The Audit Committee has powers that include the following :

- a) To investigate any activity of the Company within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal and other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**MINAXI TEXTILES LTD.****YEAR 2010-2011**

**Attendance of each Member of Audit Committee meetings held during the year ended on 31<sup>st</sup> March, 2011**

| <b>Name of Directors</b>     | <b>Category</b> | <b>Status/<br/>Designation</b> | <b>No. of<br/>Meeting<br/>attended</b> |
|------------------------------|-----------------|--------------------------------|--|
| Shri. Jashwantkumar K. Patel | Non-executive / | Chairman                       | 4                                      |
|                              | Independent     |                                |  |
| Shri. Vasudevbbhai L. Patel  | Non-executive / | Member                         | 4                                      |
|                              | Independent     |                                |  |
| Shri. Ghanshyam C. Patel     | Non-executive / | Member                         | 4                                      |
|                              | Independent     |                                |  |
| Shri. Dharmendra N. Patel    | Non-executive / | Member                         | 4                                      |
|                              | Independent     |                                |  |
| Shri. Sandipkumar J. Patel*  | Non-executive / | Member                         | N.A.                                   |
|                              | Independent     |                                |  |

**\*Shri. Sandipkumar J. Patel was appointed as Additional Director w.e.f. 29/07/2011**

The Committee met 4 (four) times during the year 2010-2011. The dates on which the Audit Committee meetings were held are 30/04/2010, 31/07/2010, 27/10/2010 and 31/01/2011. The maximum time gap between any two meetings was not more than four months. Members of the Audit Committee have requisite financial and management expertise. Shri. Jaswantkumar K. Patel has, being a chairman of the Audit Committee, attended the last Annual General Meeting held on 30th September, 2010.

**4. Remuneration Committee (non-mandatory)**

The Company has not constituted the Remuneration Committee. But the Audit Committee is entrusted with the responsibility of finalizing the remuneration of Executive / Whole Time Directors.

**5. Shareholders' and Investors' Grievance Committee**

The Board of Directors of the Company has constituted a Shareholders' and Investors' Grievance Committee. Presently, the Shareholders and Investors Grievance Committee comprises of Four directors namely Shri. Bharatbhai P. Patel, Chairman of the Committee, Shri. Kirittkumar S. Patel, Shri. Dineshbhai P. Patel. and Shri. Nirmal B. Patel. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board has designated Shri. Bharatbhai Mehta, Manager as the Compliance Officer. As required by the provisions of Clause 47(f) of the Listing Agreement, the Company has designated the below cited email ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors. E-Mail ID : [minaxibx@yahoo.com](mailto:minaxibx@yahoo.com)

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL and outstanding complaints as on 31<sup>st</sup> March, 2011 was NIL.

None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31<sup>st</sup> March, 2011.

**6. Annual General Body Meetings.**

**Location, date and time for last three Annual General Meetings were as follows**

| Year    | Location   | Date       | Time       |
|---------|--|------------|------------|
| 2007-08 | Plot No. 3311, Unit No. 2,<br>GIDC Industrial Estate, Phase-IV,<br>Village: Chhatral, Taluka : Kalol,<br>Dist. : Gandhinagar | 30/09/2008 | 10:00 a.m. |
| 2008-09 | Plot No. 3311, Unit No. 2,<br>GIDC Industrial Estate, Phase-IV,<br>Village: Chhatral, Taluka : Kalol,<br>Dist. : Gandhinagar | 30/09/2009 | 10:00 a.m. |
| 2009-10 | Plot No. 3311, Unit No. 2,<br>GIDC Industrial Estate, Phase-IV,<br>Village: Chhatral, Taluka : Kalol,<br>Dist. : Gandhinagar | 30/09/2010 | 11:00 a.m. |

Pursuant to the provisions of Section 192A of the Companies Act, 1956 there was no matter required to be dealt by the company to be passed through Postal Ballot.

Whether any Special Resolutions :

- (a) Were put in the previous AGM : No
- (b) Were put through Postal Ballot last year : No
- Details of voting pattern : N.A.
- Persons who conducted postal ballot exercise : N.A.
- (c) Are proposed to be conducted through postal ballot : No
- (d) Procedure for postal ballot : N.A.

**7. Disclosures :**

- 7.1** There are no materially significant related party transactions i.e. transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflicts with the interests of the company at large in the financial year 2010-2011.
- 7.2** There has been no instance of non-compliance by the company on any matter related to capital markets, during the last three years and hence no penalties or strictures have been imposed on the company by Stock Exchange(s) or SEBI or any other statutory authority.
- 7.3** The Company has complied with all the mandatory requirements of the Revised Clause 49 of the Listing Agreement.

**8. Means of Communication**

The Company regularly intimates quarterly un-audited as well as yearly audited financial results to the Stock Exchanges, immediately after the same are taken on record by the Board. This results are normally published in an English daily newspaper and in a Gujarati Daily Newspaper. These are not sent individually to the Shareholders.

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the company's share are listed, for dissemination to the Shareholders.

**9. General Shareholder Information**

**9.1 Sixteenth Annual General Meeting**

- Date : 30<sup>th</sup> day of September, 2011
- Time : 10:00 a.m.
- Venue : Plot No. 3311, Unit No. 2, Phase-IV, GIDC Industrial Estate, Village Chhatral, Taluka : Kalol, Dist. Gandhinagar (N.G.)

As required under Clause 49(IV)(G)(i), particulars of Directors seeking appointment/ re-appointment are given in Annexure to the Notice of the Annual General Meeting to be held on 30<sup>th</sup> September, 2011.

**9.2 Financial Year / Calendar (tentative)**

The Company follows April to March as its Financial Year. The results for every quarter beginning from April are being declared in the month following the quarter as per the Listing Agreement.

**9.3 Date of Book Closure**

**From** Friday, 23<sup>th</sup> day of September, 2011 **To** Friday, 30<sup>th</sup> day of September, 2011 (both days inclusive), for holding the Annual General Meeting for the financial year 2010-2011.

**9.4 Listing of Equity Shares on Stock Exchanges at : Bombay Stock Exchange Limited.**

Annual listing fees for the year 2011-2012, as applicable, has been paid.

**Stock Code**

Bombay Stock Exchange Limited : **531456**

Demate ISIN Number in NSDL & CDSL for Equity Shares : **INE952CO1010**

**New ISIN in NSDL & CDSL for Equity Shares** : **INE952C01028**

**9.5 Market Price Information and Other information concerning the shares**

The table below sets forth, for the periods indicated, the Closing high and low and volume of trading activity on the BSE for the shares

| Month           | Bombay Stock Exchange (BSE) |              |                 |
|-----------------|-----------------------------|--------------|-----------------|
|                 | High                        | Low          | Volume          |
|                 | (Rs.)                       | (Rs.)        | Traded          |
| April, 2010     | 1.26                        | 1.03         | 1522309         |
| May, 2010       | 1.22                        | 1.00         | 575060          |
| June, 2010      | 1.06                        | 0.97         | 409476          |
| July, 2010      | 1.59                        | 0.99         | 1728538         |
| August, 2010    | 1.27                        | 1.09         | 770923          |
| September, 2010 | 1.19                        | 1.06         | 988823          |
| October, 2010   | 1.15                        | 1.03         | 1055071         |
| November, 2010  | 1.99                        | 1.03         | 4493010         |
| December, 2010  | 1.48                        | 1.14         | 427222          |
| January, 2011   | 1.21                        | 1.10         | 369036          |
| February, 2011  | 1.24                        | 1.10         | 321357          |
| March, 2011     | 1.26                        | 1.08         | 508020          |
|                 |                             | <b>TOTAL</b> | <b>13168845</b> |



**9.6 Registrar and Transfer Agents****REGISTRARS AND SHARES TRANSFER AGENT**

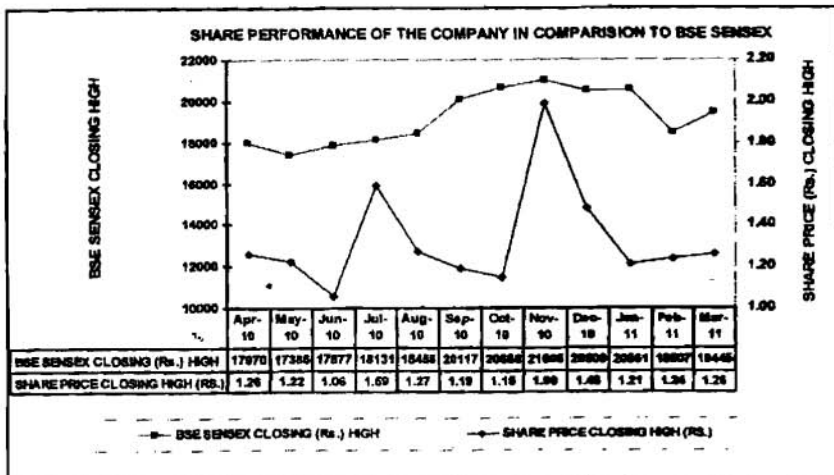
Sharepro Services (India) Private Limited

**Head Office : Mumbai**

13AB, Samhita Ware-housing Complex,  
2nd Floor,  
Sakinaka Telephone Exchange Lane  
Off. Andheri-Kurla Road,  
Sakinaka, Andheri East,  
Mumbai - 400 072

**Branch Office : Ahmedabad**

416-420, 4<sup>th</sup> Floor,  
Devnandan Mall, Opp. Sanyas Ashram,  
Ellisbridge, Ahmedabad-380 006  
Phone : 079 26582381 / 82 / 83 / 84  
Fax : 079 26582385  
Mail sharepro.ahmedabad@shareproservices.com

**9.7 Share Transfer / Demat System**

All the shares related work is now onwards being undertaken by our R & T Agent, Sharepro Services (India) Private Limited, Mumbai-400072. To expedite the process of share transfer, transmission, split, consolidation, re-materialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's R & T Agent under the supervision and control of the Compliance Officer Shri. Bharatbhai Mehta, who is placing a summery statement of transfer / transmission etc. of securities of the Company at the meeting of the Shareholders' and Investors' Grievance Committee.

Share lodged for transfer at the R & T Agents address in physical form are normally processed and approved within 15 days from the date of received, subject to the documents been valid and complete in all respect. Normally, all the request for dematerialization of shares are processed and the confirmation is give to the Depository within 15 days. The investors / shareholders grievances are also taken-up by our R & T Agent.

**9.8 Distribution Schedule and Shareholding Pattern as on 31<sup>st</sup> March, 2011**

| <b>Distribution of shareholding as on March 31, 2011</b> |           |                       |               |                      |                   |
|--|-----------|-----------------------|---------------|----------------------|-------------------|
| <b>No. of equity shares held</b>                         |           | <b>No. of holders</b> | <b>%</b>      | <b>No. of shares</b> | <b>% of Total</b> |
| 1  | - 500     | 1157                  | 22.33         | 351256               | 14.78             |
| 501  | - 1000    | 1227                  | 23.68         | 1188649              | 9.00              |
| 1001   | - 2000    | 777                   | 14.99         | 1434683              | 6.55              |
| 2001   | - 3000    | 425                   | 8.20          | 1185725              | 4.25              |
| 3001   | - 4000    | 149                   | 2.86          | 564086               | 2.64              |
| 4001   | - 5000    | 501                   | 9.67          | 2481191              | 1.90              |
| 5001   | - 10000   | 501                   | 9.68          | 4355032              | 7.34              |
| 10001  | and above | 445                   | 8.59          | 37855378             | 53.54             |
| <b>Total</b>   |           |                       | <b>100.00</b> | <b>49416000</b>      | <b>100.00</b>     |

**Shareholding Pattern as on March 31, 2011**

| <b>Sr. No.</b> | <b>Category</b>  | <b>As on March 31, 2011</b> |                          | <b>As on March 31, 2010</b> |                          |
|----------------|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
|                |  | <b>Nos. of Shares held</b>  | <b>Voting Strength %</b> | <b>Nos. of Shares held</b>  | <b>Voting Strength %</b> |
| 1              | Promoters  | 16480828                    | 33.35                    | 16437126                    | 33.26                    |
| 2              | Mutual Fund & UTI  | NIL                         | NIL                      | 24000                       | 0.05                     |
| 3              | Bank, Financial Institutions (FI's), Insurance Companies | NIL                         | NIL                      | NIL                         | NIL                      |
| 4              | Foreign Institutional Investors (FIIs)                   | NIL                         | NIL                      | NIL                         | NIL                      |
| 5              | Private Bodies Corporate                                 | 3269045                     | 6.62                     | 4499731                     | 9.11                     |
| 6              | Indian Public  | 29559152                    | 59.81                    | 28260522                    | 57.19                    |
| 7              | Any other (i) Non Resident Indian                        | 106975                      | 0.22                     | 99525                       | 0.26                     |
|                | (ii) Clearing Member                                     | NIL                         | NIL                      | 95096                       | 0.19                     |
| <b>Total</b>   |  | <b>49416000</b>             | <b>100.00</b>            | <b>49416000</b>             | <b>100.00</b>            |

**9.9 Dematerialization of Shares and Liquidity**

The Company's Shares are in compulsory De-mate segment and Presently shares are held in electronic and physical mode (96.61% of shares in demat, 3.39% in physical mode). Company's shares are easily traded on Bombay Stock Exchange Limited.

**9.10 Out standing GDRs / DRs / Warrants or any Convertible Instruments**

- Not applicable.

**9.11 Plant Location**

Plot No. 3311, GIDC Industrial Estate,  
Phase-IV, Village- Chhatral, Taluka- Kalol,  
Dist. : Gandhinagar (N.G)

**9.12 Address for correspondence :**

|    |  |  |
|----|--|--|
| a) | Investor correspondence for transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the company. | Sharepro Services (India) Private Limited<br>416-420, 4 <sup>th</sup> Floor, Devnandan Mall,<br>Opp. Sanyas Ashram,<br>Elisbridge, Ahmedabad-380 006<br>Phone : 079- 26582381 / 82 / 83 / 84<br>Fax : 079 26582385<br>e-mail: <a href="mailto:sharepro.ahmedabad@shareproservices.com">sharepro.ahmedabad@shareproservices.com</a> |
| b) | Any query on Payment of Dividend on shares and Annual Report   | Plot No. 3311, Unit No.2, GIDC Industrial Estate,<br>Phase-IV, Village Chhatral, Taluka-Kalol,<br>Dist. Gandhinagar (N.G), Gujarat<br>Tel. No. : 91-02764-234008<br>e-Mail : <a href="mailto:minaxitx@yahoo.com">minaxitx@yahoo.com</a>  |

**9.13 Secretarial Audit Report**

The Secretarial Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 reconciling the total shares held in both the depositories, viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company were placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of Minaxi Textiles Limited.

We have examined the compliance of condition of corporate governance by M/s. Minaxi Textiles Limited ('the Company') for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of Listings Agreement of the company with Stock Exchanges. We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2011 and furnished to us for the purpose of the review and the information and explanation given us by the Company during the review.

The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation there of, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that Company has complied with the conditions of corporate governance as stipulated in the above – mentioned Listing Agreement.

As required by the Guidance Note issued by the institute of Chartered Accountants of India, we have to state that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Company.

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 management has conducted the affairs of the Company.

Place : Ahmedabad

Date : 29/07/2011

**R.R.S & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**RAJESH R SHAH**

**PARTNER**

**MEMBERSHIP NO.34549**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of Minaxi Textiles Limited.

We have examined the compliance of condition of corporate governance by M/s. Minaxi Textiles Limited ('the Company') for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of Listings Agreement of the company with Stock Exchanges. We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2011 and furnished to us for the purpose of the review and the information and explanation given us by the Company during the review.

The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation there of, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that Company has complied with the conditions of corporate governance as stipulated in the above – mentioned Listing Agreement.

In our opinion and to the best of our information and according to the explanations given to us, we certified that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

**Place : Ahmedabad**  
**Date : 23/07/2011**

**For, Ashok P. Pathak & Co.**  
**Company Secretaries**

**Ashok P. Pathak**  
**Company Secretary**

**ACS – 9939**  
**CP – 2662**

**CEO / MD CERTIFICATION PURSUANT TO CLAUSE 49 (V)  
OF THE LISTING AGREEMENT**

To  
The Board of Directors  
Minaxi Textiles Limited,  
Plot No. 3311, GIDC  
Chhatral, Dist. Gandhinagar.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR**

I, Bharatbhai P. Patel, Managing Director of the Company M/s. Minaxi Textiles Limited, hereby certify that for the financial year ending 31st March, 2011 on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that :

- 1 These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- 2 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.
- 3 There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2010-2011 which are fraudulent, illegal or in violation of the Company's code of conduct.
- 4 I accept responsibility for establishing and maintaining internal controls. I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
- 5 I further certify that :
  - a) there have been no significant changes in internal control during this year.
  - b) there have been no significant changes in accounting policies during this year.
  - c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

**Place : Chhatral**  
**Date : 29/07/2011**

**Bharatbhai P. Patel**  
**Managing Director**



**SECRETARIAL COMPLIANCE CERTIFICATE**

CIN - L17119GJ1995PLC025007

Nominal Capital: ₹7,00,00,000/-

To,

The Members

**MINAXI TEXTILES LIMITED**

Plot No. 3311, Unit 2,

GIDC Industrial Estate, Phase-IV

Village Chhatral, Taluka Kalol

Dist. Gandhinagar (NG)-382729

We have examined the registers, records, books and papers of **M/s. MINAXI TEXTILES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31ST MARCH, 2011** (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the Rules made there under and generally all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act, and the Rules made there under.
3. The company, being a public limited company, comments are not required.
4. The Board of Directors duly met 4 (Four) times respectively on 30/04/2010, 31/07/2010, 27/10/2010 and 31/01/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed, in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members From Friday, 23th day of September, 2011 To Friday, 30th day of September, 2011 (both days inclusive).

6. The annual general meeting for the financial year ended on 31st March 2010 was held on 30/09/2010 after giving duly notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. As per the information and explanation provided to us, the company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. **The Co mpany has :**
  - (i) not made any allotment of securities during the financial year. The company has delivered all the certificates on lodgment thereof for transfer / transmission of securities during the year.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not required to post warrants to any members of the company as no dividend was declared during the financial year.
  - (iv) not declared any dividend, issued any debentures and has not accepted deposits, and hence, the question of transfer of dividend in the unpaid dividend account, application money due for refund, matured deposits, matured debentures does not arise. The Company is yet to transfer the unpaid dividend amounts, lying in unpaid dividend accounts, of '145530,' '101192' and '101192' and '74618' for the Financial Year 2000-2001, 2001-2002 and 2002-2003 respectively pursuant to Section 205A(5) read with Rule 3 of the Investor Education Protection Fund (Awareness and Protection of Investors) Rules, 2001.
  - (v) duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The company has not appointed any managing director / whole time director / manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has no redemption of preference shares/debentures during the financial year under review.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has unsecured loan from M/s. Ritesh Traders and yet to file Statement in lieu of Advertisement pursuant to the provisions of Section 58A of the Act.
24. The amount borrowed by the company during the financial year are within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.

28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has deducted contribution towards Provident Fund during the financial year.

**ANNEXURE A - SECRETARIAL COMPLIANCE CERTIFICATE****Registers as maintained by the Company**

| <b>Sr. No.</b> | <b>Section Number</b> | <b>Name of the Register</b>                   |
|----------------|-----------------------|---|
| 1.             | 108                   | Register of Transfer                          |
| 2.             | 143                   | Register of Charges                           |
| 3.             | 150                   | Register of the Members                       |
| 4.             | 193                   | Minutes of all meetings of Board of Directors |
| 5.             | 193(1)                | Minutes of General Meetings                   |
| 6.             | 301                   | Register of Contracts                         |
| 7.             | 303                   | Register of Directors                         |
| 8.             | 307                   | Register of Directors' Shareholding           |

**For, Ashok P. Pathak & Co.,  
Company Secretaries**

**Place : Ahmedabad**

**Date : 27/07/2011**

**Ashok P. Pathak  
Proprietor  
C.P. No. 2662**

**ANNEXURE - SECRETARIAL COMPLIANCE CERTIFICATE****Name of the Company : MINAXI TEXTILES LIMITED****CIN : L17119GJ1995PLC025007****Authorized Capital : ₹7,00,00,000**

Forms / Document / Return as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2011.

**FOR THE YEAR 2010-2011 (01/04/2010 To 31/03/2011)  
REGISTRAR OF COMPANIES**

| <b>Sr. No.</b> | <b>e-Form No.</b>          | <b>Relevant Section</b> | <b>Description</b>   | <b>Date of Document</b> |
|----------------|----------------------------|-------------------------|--|-------------------------|
| 1.             | e-Form 8                   | 135                     | Modification of Charge ID-90096567 by way of Supplemental Memorandum of Entry dated 30/03/2010 executed by the company to extend Equitable property to secure, modified, revised and increased fund based and non fund based credit facility of ₹1071.84 Lac in favour of Bank of India, Ahmedabad branch. | 23/04/2010              |
| 2.             | e-Form 8                   | 125                     | Creation of Charge ID-10219966 by way of way of Agreement of Hypothecation dated 29/03/2010 for consumable loan in respect of vehicle to secure ₹716000 in favour of Bank of India, Ahmedabad main branch.   | 27/05/2010              |
| 3.             | e-Form 23                  | 192                     | Increase in monthly remuneration of Managing Director Shri. Bharatbhai P. Patel w.e.f. 01/08/2010 From ₹50000 To ₹80000 vide Board resolution passed on 31/07/2010   | 12/08/2010              |
| 4.             | e-Form 66                  | 383A                    | Compliance Certificate for the Financial Year ended on 31/07/2010.   | 12/10/2010              |
| 5.             | e-Form 23AC & e-Form 23ACA | 220                     | Balance Sheet, Profit Loss Account, Auditors Report, Directors Report etc. for the Financial Year 2009-2010.   | 13/10/2010              |
| 6.             | e-Form 20B                 | 159                     | Annual Return made up to the date of Annual General Meeting dated 30/09/2010.  | 27/11/2010              |

**REGIONAL DIRECTOR****NIL****CENTRAL GOVERNMENT & OTHER AUTHORITIES****NIL****Place: Ahmedabad****Date : 29/07/2011****For, Ashok P. Pathak & Co.,  
Company Secretaries,****Ashok P. Pathak  
Proprietor  
C.P.No. 2662**

**AUDITORS' REPORT**

To,  
The Shareholders,  
**Minaxi Textiles Ltd.,**  
Ahmedabad.

We have audited the attached Balance Sheet of **Minaxi Textiles Ltd. as at 31<sup>st</sup> March, 2011** the Profit & Loss A/c and also the cash flow statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As require by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comment in Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, and Profit & Loss and cash flow statement dealt with by this report are in agreement with the books of Account;
- (iv) In our opinion Balance Sheet, Profit & Loss A/c and cash flow statement dealt with this report comply with the accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31/03/2011 from being appointed as Directors in terms of clauses (g) of sub sections (1) of section 274 of the Companies Act, 1956.



**AUDITORS' REPORT**

- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes thereon and appearing in Schedule of Accounting Policies and Notes on Accounts gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2011 and
  - (ii) In the case of profit and loss account, of the profit for the period ended on that date.
  - (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**FOR R. R. S. & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD  
DATE : 29<sup>th</sup> JULY, 2011.**

**( RAJESH R. SHAH )  
PARTNER  
MEMBERSHIP NO. 34549  
Firm Reg. No. 118336W**

**ANNEXURE TO THE AUDITORS' REPORT 2010-11****[Referred to in paragraph 1 of our report of even date]**

1. a. As informed to us, the Company is in the process of updation of proper records showing full particulars including quantitative details and situation of its fixed assets.  
b. All the Fixed Assets of the Company have been physically verified by the management at reasonable period during the year and no material discrepancies have been noticed on such verification.  
c. In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
2. a. As explained to us, Stock of Finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b. As per information given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
3. a. The Company has neither granted nor taken any loans to or from the firms, companies or the parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence provision of clause (a) and (b) is not applicable to the Company.
4. In our opinion, there is adequate internal control procedures Commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials, including components, plant and machinery, equipment, other assets, and with regard to sale of goods. During the course of our audit, we have not observed any major weakness in internal control.
5. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Company Act, 1956 have been so entered.  
b. In our opinion and according to the information and explanations given to us the above transactions, Wherever they exceed the threshold limit specified, are made at prices which are not prejudicial to the interest of the Company.

**ANNEXURE TO THE AUDITORS' REPORT 2010-11****[Referred to in paragraph 1 of our report of even date]**

6. As per the explanations given to us, the company has not accepted deposits from the public.
7. The company does not have any internal Auditor or any special department/cell for Internal Audit, but looking towards the quantum & value of transactions and the Internal Control Procedures, we are of the opinion that the Company has enough control over the transactions of the business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Company Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9.
  - a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, ESI, Income-tax, Wealth-tax, Custom duty, Excise duty, cess and any other material statutory dues have been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at the last day of the financial year for a period of more than six months from the date they become payable.
  - b. According to the records of the company and on the basis of the information and explanation given to us, there were no dues of sales tax, custom duty, excise duty, wealth tax, and cess, which have not been deposited on account of any dispute.
10. In our opinion and according to the records of the company, the company has not incurred cash losses during the financial year covered by our audit and immediate preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of any dues to a financial institution, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**ANNEXURE TO THE AUDITORS' REPORT  
2010-11****[Referred to in paragraph 1 of our report of even date]**

14. In respect of dealing / trading in units of mutual funds in our opinion and according to the information and explanation given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein.
15. In our opinion and according to the information and explanation given to us, the Company has not given any Guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment and no long-term funds have been used to finance short-term assets except permanent working capital.
18. As the Company has not made any preferential allotment of share, hence the provision of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither came across any instance of fraud on or by the Company, nor such type of the case been reported or informed to us by the management.

**FOR R. R. S. & ASSOCIATES  
CHARTERED ACCOUNTANTS****PLACE: AHMEDABAD  
DATE : 29<sup>th</sup> JULY, 2011.****( RAJESH R. SHAH )  
PARTNER  
MEMBERSHIP NO. 34549  
Firm Regn. No : 118336W**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

| <b>PARTICULARS</b>                     | <b>SCHEDULE</b> | <b>31-03-11<br/>AMOUNT (Rs.)</b> | <b>31-03-10<br/>AMOUNT (Rs.)</b> |
|--|-----------------|----------------------------------|----------------------------------|
| <b>SOURCE OF FUNDS</b>                 |                 |                                  |                                  |
| (1) Shareholders Funds                 |                 |                                  |                                  |
| Share Capital                          | 1               | 55603160                         | 55603160                         |
| Reserves And Surplus./Profit           | 2               | 14030228                         | 7031351                          |
|  |                 | 69633388                         | 62634511                         |
| (2) Deferred Tax Liability             | 3               | 3392699                          | 2913555                          |
| (3) Loan Funds :                       |                 |                                  |                                  |
| Secured Loans                          | 4               | 108888424                        | 75281604                         |
| UNSECURED LOAN                         | 5               | 1000000                          | 1000000                          |
| <b>TOTAL</b>                           |                 | <b>182914511</b>                 | <b>141829669</b>                 |
| <b>APPLICATION OF FUNDS</b>            |                 |                                  |                                  |
| (1) Fixed Assets                       |                 |                                  |                                  |
| Gross Block                            | 6               | 122629070                        | 104818877                        |
| Less: Depreciation                     |                 | 25399179                         | 39503228                         |
| Capital Work in Progress               |                 | 0                                | 1647092                          |
| Net Block                              |                 | 97229890                         | 66962741                         |
| (2) Investments                        |                 | 0                                | 0                                |
| (3) Current Assets, Loans & Advances   | 7               |                                  |                                  |
| Inventories                            |                 | 41689548                         | 23407801                         |
| Sundry Debtors                         |                 | 71118871                         | 34701542                         |
| Cash And Bank Balances                 |                 | 23135984                         | 17366452                         |
| Loans And Advances                     |                 | 15292751                         | 23399012                         |
|  |                 | 151237154                        | 98874807                         |
| Less: Current Liabilities & Provisions | 8               | 65552533                         | 24007879                         |
| Net Current Assets                     |                 | 85684620                         | 74866928                         |
| <b>TOTAL</b>                           |                 | <b>182914511</b>                 | <b>141829669</b>                 |

**As per our Report of even date attached.**
**R R S & ASSOCIATES**  
 CHARTERED ACCOUNTANTS
**FOR, MINAXI TEXTILES LIMITED**
**RAJESH R SHAH**  
 PARTNER  
 MEM. NO. 34549

 PLACE : AHMEDABAD.  
 DATE : 29st July, 2011

**B. P. PATEL**  
 MGD DIRECTOR

**D. P. PATEL**  
 DIRECTOR

**MINAXI TEXTILES LTD.****YEAR 2010-2011****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

| <b>PARTICULARS</b>                            | <b>SCHEDULE</b> | <b>31-03-11<br/>AMOUNT (Rs.)</b> | <b>31-03-10<br/>AMOUNT (Rs.)</b> |
|---|-----------------|----------------------------------|----------------------------------|
| <b>INCOME</b>                                 |                 |                                  |                                  |
| Sales   |                 | 138135198                        | 116695221                        |
| Job Work Income                               |                 | 18078658                         | 7747591                          |
| Other Income                                  | 9               | 4554670                          | 8129908                          |
| Increase in Stock                             | 10              | 11342279                         | 4550105                          |
| <b>TOTAL</b>                                  |                 | <b>172110805</b>                 | <b>137122825</b>                 |
| <b>EXPENDITURE</b>                            |                 |                                  |                                  |
| Raw Material Consumed                         | 11              | 87536073                         | 94224555                         |
| Trading Purchase                              |                 | 25448705                         | 0                                |
| Stores Consumption & Manufacturing Exp        | 12              | 19235935                         | 15594360                         |
| Personnel Expenses                            | 13              | 6360559                          | 5767549                          |
| Administrative & Selling Expenses             | 14              | 5614585                          | 4187028                          |
| Interest and Finance Charges                  | 15              | 9910091                          | 545980                           |
| Director Remuneration                         |                 | 1790000                          | 960000                           |
| Depreciation                                  |                 | 7036354                          | 3856087                          |
| <b>TOTAL</b>                                  |                 | <b>162932335</b>                 | <b>130015561</b>                 |
| <b>PROFIT BEFORE TAX</b>                      |                 | <b>9178470</b>                   | <b>7107264</b>                   |
| Less :-Provision for Current Tax              |                 | 1183240                          | 1100000                          |
| Less :-Income Tax pertaining to earlier years |                 | 41391                            | 50890                            |
| Deferred Tax                                  |                 | 479144                           | 1551775                          |
| Fringe Benefit Tax                            |                 | 0                                | 0                                |
| Mat Credit Entitlement                        |                 | 475818                           | 1100000                          |
| <b>PROFIT AFTER TAX</b>                       |                 | <b>6998877</b>                   | <b>5504599</b>                   |
| Add:Balance Brought Forward.                  |                 | 7031351                          | 1526751                          |
| Available for Appropriations.                 |                 | 14030228                         | 7031351                          |
| <b>Appropriations</b>                         |                 |                                  |                                  |
| Balance Carried to Balance Sheet (Surplus)    |                 | 14030228                         | 7031351                          |
| <b>TOTAL</b>                                  |                 | <b>14030228</b>                  | <b>7031351</b>                   |
| Earning Per Shares ( Basic & Diluted)         |                 | 0.13                             | 0.10                             |

**As per our Report of even date attached.**
**R R S & ASSOCIATES**  
 CHARTERED ACCOUNTANTS
**FOR, MINAXI TEXTILES LIMITED**
**RAJESH R SHAH**  
 PARTNER  
 MEM. NO. 34549

 PLACE : AHMEDABAD.  
 DATE : 29<sup>th</sup> July, 2011

**B. P. PATEL**  
 MD DIRECTOR

**D. P. PATEL**  
 DIRECTOR



**MINAXI TEXTILES LTD.****YEAR 2010-2011****SCHEDULES FORMING PART OF THE STATEMENT OF ACCOUNTS.****SHARE CAPITAL****SCHEDULE-1**

| <b>PARTICULARS</b>   | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|--|------------------------------------|------------------------------------|
| <b>AUTHORISED :</b><br>7 00,00,000 Equity Shares of Rs. 1/- each   | 70000000                           | 70000000                           |
| <b>TOTAL</b>   | <b>70000000</b>                    | <b>70000000</b>                    |
| <b>Issued :</b><br>6,18,00,000 Equity shares of Rs.1/- each  | 61800000                           | 61800000                           |
| <b>TOTAL</b>   | <b>61800000</b>                    | <b>61800000</b>                    |
| Subscribed & paid up<br>5,56,03,160 Equity Shares of Rs. 1/- each Fully paid up<br>(P.Y. 49416000 paid up and 12384000 shares forfeited) | 55603160                           | 55603160                           |
| Forfeited Shares<br>(Amount Paid up on 12384000 Shares of Rs. 1/- each<br>in the P.Y. 2006-07)   | 0                                  | 0                                  |
| <b>TOTAL</b>   | <b>55603160</b>                    | <b>55603160</b>                    |

**RESERVES AND SURPLUS :****SCHEDULE-2**

| <b>PARTICULARS</b>                 | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|------------------------------------|------------------------------------|------------------------------------|
| <b>Profit &amp; Loss A/C:</b>      |                                    |                                    |
| Opening Balance                    | 7031351                            | 1526751                            |
| Add: Profit/(loss) during the year | 6998877                            | 5504600                            |
| <b>TOTAL</b>                       | <b>14030228</b>                    | <b>7031351</b>                     |

**DEFERRED TAX LIABILITY****SCHEDULE-3**

| <b>PARTICULARS</b>              | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|---------------------------------|------------------------------------|------------------------------------|
| Balance as per last year        | 2913555                            | 1361780                            |
| Add :- Provided during the year | 479144                             | 1551775                            |
| <b>TOTAL</b>                    | <b>3392699</b>                     | <b>2913555</b>                     |

**SECURED LOANS****SCHEDULE-4**

| <b>PARTICULARS</b>   | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|--|------------------------------------|------------------------------------|
| A: (1) Cash Credit facilities from Bank of India, against hypothecation of Raw Material, Stock in Process, Finished Goods, Stores and entire Present and future book debts and further secured by first charge on immovable/Movable Properties of Unit-II of the Company.<br>(2) The above facilities are further secured by the personal guarantees of all the Directors. |                                    |                                    |
| B.O.I CCA/c. 1413  | 62582167                           | 43552709                           |
| B.O.I O/D A/C. Against Fdr   | 15820608                           | 15214861                           |
| B.O.I Kalol  | 803778                             | 616970                             |
| B.O.I Term Loan A/c 01   | 0                                  | 570208                             |
| B.O.I Term Loan A/c 18   | 1007993                            | 1459090                            |
| B.O.I Term Loan A/c 23   | 16349129                           | 13014753                           |
| B.O.I Term Loan A/c 24   | 5787437                            | 0                                  |
| B.O.I Term Loan A/c 25   | 5936330                            | 0                                  |
| <b>TOTAL</b>   | <b>108287442</b>                   | <b>74428591</b>                    |
| B: Loan for Motor Car  |                                    |                                    |
| 1. Hdfc Bank Ltd Honda Crv Loan A/C  | 0                                  | 137013                             |
| 2. B.O.I. Xylo Car Loan A/C  | 600982                             | 716000                             |
| <b>TOTAL</b>   | <b>600982</b>                      | <b>853013</b>                      |
| <b>TOTAL (A+B)</b>   | <b>108888424</b>                   | <b>75281604</b>                    |

**UNSECURED LOANS****SCHEDULE-5**

| <b>PARTICULARS</b> | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|--------------------|------------------------------------|------------------------------------|
| RITESH TRADERS     | 1000000                            | 1000000                            |
|                    | <b>1000000</b>                     | <b>1000000</b>                     |

**DEPRECIATION AS PER BOOKS FOR THE YEAR 2010-2011**  
**FIXED ASSETS**
**SCHEDULE-6**

| Sr. No. | PARTICULARS                 | GROSS BLOCK    |           |             |           |                | DEPRECIATION   |              |           |                | NET BLOCK      |                |
|---------|-----------------------------|----------------|-----------|-------------|-----------|----------------|----------------|--------------|-----------|----------------|----------------|----------------|
|         |                             | As at 01.04.10 |           | Addition    | Deduction | As at 31.03.11 | UP to 31.03.10 | For the Year | Deduction | Up to 31.03.11 | As at 31.03.10 | As at 31.03.11 |
| 1       | LAND                        | 0              | 2473352   | 0           | 0         | 2473352        | 0              | 0            | 0         | 0              | 2473352        | 2473352        |
| 2       | FACTORY BLDG UNIT-2         | 3.34%          | 14062937  | 6394084     | 0         | 20457021       | 4199017        | 472042       | 0         | 4671059        | 9863920        | 15785962       |
|         | VEHICLES                    | 9.50%          | 3152621   | 0           | 10402     | 3142219        | 531232         | 299498       | 0         | 830730         | 2621389        | 2311489        |
| 4       | FURNITURE & FIXTURES        | 6.33%          | 2439141   | 0           | 0         | 2437141        | 1517277        | 154397       | 0         | 1671674        | 921864         | 767467         |
| 5       | D.G.SET UNIT-2              | 7.42%          | 610476    | 0           | 610476    | 0              | 475079         | 19608        | 494687    | 0              | 135397         | 0              |
| 6       | AVERY WEIGHING SCALE        | 7.42%          | 43000     | 0           | 0         | 43000          | 40850          | 0            | 0         | 40850          | 2150           | 2150           |
| 7       | AIR CONDITIONER             | 4.75%          | 117210    | 42500       | 33750     | 125960         | 65508          | 5754         | 5542      | 65720          | 51702          | 60240          |
| 8       | MACINERY UNIT - 2           | 7.42%          | 80295824  | 40824154    | 288159179 | 2304061        | 31596126       | 5980006      | 20640173  | 16935959       | 48699698       | 75368102       |
| 9       | COMPUTER                    | 16.21%         | 225948    | 20000       | 0         | 245948         | 208974         | 8111         | 0         | 217085         | 16974          | 28863          |
| 10      | HUMIDIFICATION PLANT UNIT-2 | 7.42%          | 260000    | 0           | 0         | 260000         | 206553         | 19292        | 0         | 225845         | 53447          | 34155          |
| 11      | HUMIDIFICATION PLANT UNIT-2 | 7.42%          | 882954    | 0           | 0         | 882954         | 558709         | 65515        | 0         | 624224         | 324245         | 258730         |
| 12      | LABORATOR EQUIPMENT         | 4.75%          | 255414    | 0           | 0         | 255414         | 103902         | 12131        | 0         | 116033         | 151512         | 139381         |
|         | TOTAL                       |                | 104818877 | 47280737.65 | 29470545  | 122629070      | 39503227       | 7036354      | 21140402  | 25399179       | 65315650       | 97228890       |
|         |                             |                | 78023827  | 27962607    | 1167757   | 104818877      | 36485333       | 3856089      | 838194    | 39503228       | 41538494       | 65315649       |

**NOTES :**

1. Depreciation has been provided as per the rates specified by schedule XIV of the Companies Act, 1956 Using straight line method

**CURRENT ASSETS****SCHEDULE-7**

| <b>PARTICULARS</b>   | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|--|------------------------------------|------------------------------------|
| <b>A: INVENTORIES</b><br>(As verified, valued and certified by the management) |                                    |                                    |
| Raw Material   | 13630096                           | 6786628                            |
| Stores and Spares  | 867884                             | 796714                             |
| Fuel   | 0                                  | 5550                               |
| Finished Goods & WIP   | 27072452                           | 15730173                           |
| Packing Material   | 119116                             | 88736                              |
| <b>TOTAL</b>   | <b>41689548</b>                    | <b>23407801</b>                    |
| <b>B: Sundry Debtors</b><br>(Unsecured-considered Goods)                       |                                    |                                    |
| Outstanding for a Period Less than Six Months                                  | 64191707                           | 27084988                           |
| Outstanding for a Period More than Six Months                                  | 6927164                            | 7616554                            |
| <b>TOTAL</b>   | <b>71118871</b>                    | <b>34701542</b>                    |
| Cash on Hand   | 988423                             | 827691                             |
| Fixed Deposits with Bank under lien with Bank of India                         | 21456652                           | 15847802                           |
| Bank of India Dividend A/c   | 690909                             | 690959                             |
| <b>TOTAL</b>   | <b>23135984</b>                    | <b>17366452</b>                    |
| <b>D: Loans and Advances:</b>  |                                    |                                    |
| Advances Recoverable in cash or in kind of<br>for value to be received         |                                    |                                    |
| Unsecured Considered Good  | 11049998                           | 15543678                           |
| Sundry Deposits  | 4166300                            | 2869819                            |
| Advance to Suppliers   | 76453                              | 4985515                            |
| <b>TOTAL</b>   | <b>15292751</b>                    | <b>23399012</b>                    |

**MINAXI TEXTILES LTD.****YEAR 2010-2011****CURRENT LIABILITIES AND PROVISIONS****SCHEDULE-8**

| <b>PARTICULARS</b>                            | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|---|------------------------------------|------------------------------------|
| <b>A: Current Liabilities</b>                 |                                    |                                    |
| Sundry Creditors for Goods & Stores           | 52244418                           | 15893175                           |
| Sundry Creditors for Expenses                 | 6432861                            | 2741400                            |
| Advance From Customers                        | 2500000                            | 2162765                            |
| Advance From Capital Goods                    | 1500000                            | 1750000                            |
| TDS Payable                                   | 153761                             | 42827                              |
| Unclaimed Dividend                            | 690979                             | 691029                             |
| <b>TOTAL-A</b>                                | <b>63622818</b>                    | <b>23281196</b>                    |
| <b>B: Provisions for Expenses</b>             |                                    |                                    |
| Provision for Fringe Benefit Tax              | 4000                               | 4000                               |
| Provision for Income Tax (net of advance tax) | -177565                            | -713025                            |
| Provision for Expenses                        | 2204080                            | 1435708                            |
| <b>TOTAL-B</b>                                | <b>2030515</b>                     | <b>726683</b>                      |
| <b>TOTAL A+B</b>                              | <b>65652533</b>                    | <b>24007879</b>                    |

**OTHER INCOME****SCHEDULE-9**

| <b>PARTICULARS</b>           | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|------------------------------|------------------------------------|------------------------------------|
| Other Interest               | 1583203                            | 76140                              |
| Sundry Creditors Written off | 0                                  | 53768                              |
| Profit on sale of Machinery  | 2937256                            | 0                                  |
| Profit on sale of D.G. set   | 34211                              | 0                                  |
| Insurance Claim              | 0                                  | 8000000                            |
| <b>TOTAL</b>                 | <b>4554670</b>                     | <b>8129908</b>                     |

**INCREASE / DECREASE IN STOCK****SCHEDULE-10**

| <b>PARTICULARS</b>                           | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|--|------------------------------------|------------------------------------|
| Closing Stock of WIP & Finished Goods        | 27072452                           | 15730173                           |
|  | 27072452                           | 15730173                           |
| Less : Opening Stock of WIP & Finished Stock | 15730173                           | 11180068                           |
|  | 15730173                           | 11180068                           |
| <b>TOTAL</b>                                 | <b>11342279</b>                    | <b>4550105</b>                     |

**RAW MATERIAL CONSUMED****SCHEDULE-11**

| <b>PARTICULARS</b>                | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|-----------------------------------|------------------------------------|------------------------------------|
| Stock at Opening                  | 6786628                            | 9017131                            |
| Add: Purchase                     | 93466682                           | 90995091                           |
| Add :Transportation Exp ( Inward) | 912859                             | 998961                             |
| Less : Closing                    | 13630096                           | 6786628                            |
| <b>TOTAL</b>                      | <b>87536073</b>                    | <b>94224555</b>                    |

**MANUFACTURING & STORES EXPENSES****SCHEDULE-12**

| <b>PARTICULARS</b>               | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|----------------------------------|------------------------------------|------------------------------------|
| <b>A : Stores Consumed</b>       |                                    |                                    |
| Stock at Commencement            | 796714                             | 519358                             |
| Add:- Purchase                   | 6009485                            | 3329032                            |
| Less: Stock at the End of year   | 867884                             | 796714                             |
| <b>TOTAL</b>                     | <b>5938315</b>                     | <b>3051676</b>                     |
| <b>B: Manufacturing Expenses</b> |                                    |                                    |
| Electric Power                   | 6823175                            | 7191877                            |
| Factory Expenses                 | 260395                             | 261626                             |
| Fuel Consumption                 | 56938                              | 74824                              |
| Job and Process Charges          | 4899597                            | 4074124                            |
| Packing Material Expenses        | 119620                             | 11724                              |
| Repairs and Maintenance          | 1078576                            | 856515                             |
| Water Charges                    | 59322                              | 71994                              |
| <b>TOTAL</b>                     | <b>13297623</b>                    | <b>12542684</b>                    |
| <b>TOTAL A+B</b>                 | <b>19235938</b>                    | <b>15594360</b>                    |



**MINAXI TEXTILES LTD.****YEAR 2010-2011****PERSONNEL EXPENSES****SCHEDULE-13**

| <b>PARTICULARS</b>         | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|----------------------------|------------------------------------|------------------------------------|
| Salary, Wages & Allowance  | 5105063                            | 4920715                            |
| Contribution to P.F & ESIC | 184174                             | 142234                             |
| Bonus Exp                  | 700000                             | 500000                             |
| Staff Welfare Exp          | 211194                             | 204600                             |
| Gratuity Exp.              | 160128                             | 0                                  |
| <b>TOTAL</b>               | <b>6360559</b>                     | <b>5767549</b>                     |

**ADMINISTRATIVE AND SELLING EXPENSES****SCHEDULE-14**

| <b>PARTICULARS</b>                        | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|---|------------------------------------|------------------------------------|
| Advertisement Exp                         | 36576                              | 28453                              |
| Audit Fees                                | 126845                             | 121330                             |
| Bad Debts                                 | 615037                             | 1907827                            |
| Brokerage & Commission                    | 2549130                            | 524210                             |
| Rent                                      | 127083                             | 0                                  |
| Donation                                  | 11000                              | 5000                               |
| Insurance Premium                         | 819520                             | 175230                             |
| Legal, Professional & Consultancy Charges | 263799                             | 181635                             |
| Loss on Sale of Assets                    | 24874                              | 134325                             |
| Rates and Taxes                           | 122726                             | 147591                             |
| Miscellaneous Expense                     | 245498                             | 740039                             |
| Vehicle Expense                           | 154348                             | 144710                             |
| Postage & Telephone Expense               | 174504                             | 76678                              |
| Prior Period Expense                      | 63198                              | 0                                  |
| Foreign Exchange Loss                     | 280447                             | 0                                  |
| <b>TOTAL</b>                              | <b>5614585</b>                     | <b>4187028</b>                     |

**INTEREST AND FINANCE CHARGES****SCHEDULE-15**

| <b>PARTICULARS</b>          | <b>31-03-2011<br/>AMOUNT (Rs.)</b> | <b>31-03-2010<br/>AMOUNT (Rs.)</b> |
|-----------------------------|------------------------------------|------------------------------------|
| Bank Interest Account (net) | 9246240                            | 4948430                            |
| Bank Charges Account        | 365873                             | 425277                             |
| Car Loan Interest           | 68376                              | 36698                              |
| Other Interest              | 229602                             | 15575                              |
| <b>TOTAL</b>                | <b>9910091</b>                     | <b>5425980</b>                     |

**SCHEDULE: 16****NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****(a) ACCOUNTING CONCEPT**

The financial statements have been prepared under the historical cost convention and on the accounting principle of a going concern.

Accounting policies not specifically referred to otherwise are consistent and in consonance with accepted accounting principle.

**(b) RECOGNISATION OF INCOME & EXPENDITURE**

1. Sales are recognized, net of returns, on dispatch of goods to customers and are Reflected in the accounts at net realizable value.
2. Incomes from interest on deposits are accounted on accrual basis.
3. Miscellaneous Expenditure has been amortized over a period of 10 years. Except otherwise stated Company accounts Incomes and Expenses on accrual basis in accordance with the generally accepted accounting principle.

**(c) USE OF ESTIMATES**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

**(d) FIXED ASSETS & DEPRECIATION**

1. Fixed assets are shown at their historical cost less depreciation and impairment loss. The cost of fixed assets includes the cost of acquisition including freight, taxes, duties and other identifiable direct expenses and interest on borrowing attributable to acquisition of assets up to the date the asset put to use less the accumulated depreciation on it.
2. Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

**SCHEDULE: 16****A. SIGNIFICANT ACCOUNTING POLICIES****(a) INVESTMENT**

Long-term investments are carried at cost, less provision for diminution, other than temporary, in value of such investments. Current investments are carried at lower of Cost and fair market value.

**(b) INVENTORIES**

Inventories are valued at lower of cost (on FIFO basis) and net realizable value after providing for obsolescence and other losses, where considered necessary. Work in progress and finished goods includes appropriate proportion of overheads.

**(c) CONTINGENT LIABILITIES**

Contingent liabilities are not provided (unless otherwise stated) and are disclosed by way of notes on account.

**(d) TAXATION**

Current income tax and fringe benefit tax liability is estimated considering the provision of the I.T. Act, 1961. The deferred tax Liability for timing difference between the book and tax profit for the year is accounted using the rates and Tax Laws that have been enacted or substantially enacted at the balance sheet date. Deferred Tax assets arising from the timing difference are recognized to the extent that there is reasonable certainty that sufficient future taxable income will be available.

**(e) RETIREMENT BENEFITS**

1. Short Term Employee Benefits: The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee is recognized during the period when the employee render the service.
2. Post Employee Benefits: Contribution to defined contribution scheme such as provident fund etc. is charged to P&L Account as incurred.

**SCHEDULE: 16****B. NOTES ON ACCOUNTS**

1. The previous year figures have been regrouped / reclassified, wherever necessary to confirm with the figures of current year.
2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current Assets, Loans and Advances in the ordinary course of the business will not be less than the amount stated in the Balance Sheet.
3. the basis of information provided by the management of the company, small scale Industrial undertaking to whom an amount Rs. 1 Lac. Or more was payable and outstanding for more than 30 days are: **Nil**.

**4. Micro and Small Scale Business Entities:**

As informed to us by the management, the Company is in the process of identifying enterprises which have been providing goods and services to the Company and which qualify under the definition of micro and small enterprises, as define under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure requirement is not given hereunder.

**5. DEFERRED TAX LIABILITY:**

Deferred tax liability, being the timing difference of depreciation as per books and I.T. Act, of Rs. 4,79,144/- for the current year has been adjusted from the current year profits.

**6. EARNING PER SHARE:**

The numerators and denominators used to calculate Basis and Diluted Earnings per share:

|  | Year Ended<br>March 31,2011 | Year Ended<br>March 31,2010 |
|--|-----------------------------|-----------------------------|
| Profit attributable to the Equity Shareholder (Rs.)                        | 69,98,877                   | 55,04,600                   |
| Basic/Weighted average number of equity shares outstanding during the year | 5,56,03,160                 | 5,56,03,160                 |
| Nominal Value of Equity Share (Rs.)  | 1                           | 1                           |
| Basic / Diluted EPS (Rs.)  | 0.13                        | 0.10                        |

**SCHEDULE: 16****B. NOTES ON ACCOUNTS****7. SEGMENT REPORTING**

The Company is engaged in Textiles Business only and therefore there is no other reportable segment in accordance with the accounting standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India.

**8. TRANSACTIONS WITH RELATED PARTIES**

|                          |                |                |
|--------------------------|----------------|----------------|
| Remuneration to Director | <b>2010-11</b> | <b>2009-10</b> |
|                          | 17,90,000      | 9,60,000       |

**9. CONTINGENT LIABILITIES :**

|  | Year Ended<br>March 31,2011 | Year Ended<br>March 31, 2010 |
|--|-----------------------------|------------------------------|
|  | 3,13,500                    | 3,13,500                     |

(i) Disputed Liabilities against claims Against purchase of Yam from Tai Chonbang Textile Industries Ltd.

(ii) During the accounting year 2010-2011, company had imported 17 machineries worth Rs. 198.97 by obtaining import license under EPGC scheme under concessional duty 03% The company saved the custom duty of Rs. 42.57 lacs by availing import license under the EPCG scheme. Since the unit availed EPCG scheme, It is under an obligation to Export its Product worth Rs. 340.56 before 02/08/2018, in the event of non-fulfillment of Export obligation the company will have to pay the customs department the amount of custom duty saved with interest and penalty. The amount payable cannot be determined. The company has given the bank guarantee of Rs. 6.39 lacs in favor of president of Indi, Through the commissioner of customs, Mumbai.

**10. INFORMATION PURSUANT TO THE PROVISION OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956.**

|  | <b>31-3-2011</b><br>Rs. | <b>31-3-2010</b><br>Rs. |
|--|-------------------------|-------------------------|
| A. Licensed Capacity : (Mtrs.)                                       | -                       | -                       |
| B. Installed Capacity : (Mtrs.)<br>(As certified by the Management.) | 32,30,000               | 25,25,000               |

## SCHEDULE: 16

### B. NOTES ON ACCOUNTS

10. INFORMATION PURSUANT TO THE PROVISION OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956.

| C. Production :  |         | 2010-2011 | 2009-2010 |
|------------------|---------|-----------|-----------|
| Cloth (Suiting)  | (mtrs.) | 1855912   | 1449349   |
| Cloth (Shirting) | (mtrs.) | -         | -         |

### D. Sales:

|                      |                            |           |           |
|----------------------|----------------------------|-----------|-----------|
| Grey Cloth (Suiting) |                            |           |           |
|                      | Value (Rs.)                | 138135198 | 116695221 |
|                      | Quantity (Manuf.) (mtrs.)  | 1326288   | 1391899   |
|                      | Quantity (Trading) (mtrs.) | 444838    | 335830    |

### E.. Opening Stock:

|                           |                      |          |         |
|---------------------------|----------------------|----------|---------|
| Yarn (Raw material)       |                      |          |         |
|                           | Value (Rs.)          | 5587167  | 9017131 |
|                           | Quantity (mtrs.)     | 46215    | 100977  |
|                           | Value (WIP) (Rs.)    | 1199461  | 1308406 |
|                           | Quantity (WIP) (Kg.) | 8241     | 11701   |
| Gray Cloth (trading)      |                      |          |         |
|                           | Value (Rs.)          | 725684   | 725949  |
|                           | Quantity (mtrs.)     | 13389    | 13389   |
| Finished Goods (Suiting)  |                      |          |         |
|                           | Value (Rs.)          | 14347961 | 8489185 |
|                           | Quantity (mtrs.)     | 211082   | 153632  |
| Finished Goods (Shirting) |                      |          |         |
|                           | Value (Rs.)          | 656528   | 656528  |
|                           | Quantity (mtrs)      | 10005    | 10005   |

### F. Closing Stock :

|                          |                      |          |          |
|--------------------------|----------------------|----------|----------|
| Yarn (Raw material)      |                      |          |          |
|                          | Value (Rs.)          | 13630096 | 5587167  |
|                          | Quantity (Kgs.)      | 73752    | 46215    |
|                          | Value (WIP) (Rs.)    | 4885990  | 1199461  |
|                          | Quantity(WIP) (Kgs.) | 22884    | 8241     |
| Finished Goods (Suiting) |                      |          |          |
|                          | Value (Rs.)          | 20803985 | 14347961 |
|                          | Quantity (mtrs)      | 236333   | 211082   |

**SCHEDULE: 16****B. NOTES ON ACCOUNTS****10. INFORMATION PURSUANT TO THE PROVISION OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956.****Finished Goods (Shirting)**

|          |        |        |        |
|----------|--------|--------|--------|
| Value    | (Rs.)  | 656528 | 656528 |
| Quantity | (mtrs) | 10005  | 10005  |

**Grey Cloth (Trading)**

|          |        |        |        |
|----------|--------|--------|--------|
| Value    | (Rs.)  | 725949 | 725684 |
| Quantity | (mtrs) | 13389  | 13389  |

**G. Raw material consumed**

|            |       |          |          |
|------------|-------|----------|----------|
| Yarn Value | (Rs.) | 87536073 | 94224555 |
| Quantity   | (Kgs) | 416399   | 749927   |

**H. Stores & Spares Consumed**

|       |       |         |         |
|-------|-------|---------|---------|
| Value | (Rs.) | 5938315 | 3051676 |
|-------|-------|---------|---------|

**I. Job Charges recovered:**

|          |        |          |         |
|----------|--------|----------|---------|
| Value    | (Rs.)  | 18078658 | 7747591 |
| Quantity | (mtrs) | 1128781  | 716354  |

**J. Value of imports on CIF basis**

|       |          |     |
|-------|----------|-----|
| (Rs.) | 19897061 | NIL |
|-------|----------|-----|

**SCHEDULE: 16**
**B. NOTES ON ACCOUNTS**

10. INFORMATION PURSUANT TO THE PROVISION OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956.
11. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF THE SCHEDULE VI OF Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile;

**A. Registration Details:**

|                    |            |               |
|--------------------|------------|---------------|
| Registration No.   | 04-25007   | State Code 04 |
| Balance Sheet Date | 31-03-2011 |               |

**B. Capital Raised during the year: (Rs in Lacs)**

|              |                   |
|--------------|-------------------|
| Public Issue | Right Issue       |
| NIL          | NIL               |
| Bonus Issue  | Private Placement |
| NIL          | NIL               |

**C. Position of mobilization and deployment of Funds :**

|                      |                   |                      |
|----------------------|-------------------|----------------------|
|                      | Total Liabilities | Total Assets         |
|                      | 18,29,14,511      | 18,29,14,511         |
| i) Sources of Funds: |                   |                      |
|                      | Paid – up Capital | Reserves and Surplus |
|                      | 5,56,03,160*      | 1,40,30,228          |
|                      | Secured Loans     | Unsecured Loans      |
|                      | 10,88,88,424      | 10,00,000            |
|                      | Deferred Tax      |                      |
|                      | 33,92,699         |                      |

\* Include forfeited balance of Rs. 6187160



**SCHEDULE: 16****11. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF THE SCHEDULE VI OF Companies Act, 1956****ii) Application of Funds :**

|                    |                           |
|--------------------|---------------------------|
| Net Fixed Assets   | Investment                |
| 9,72,29,890        | NIL                       |
| Net Current Assets | Miscellaneous Expenditure |
| 8,56,84,620        | NIL                       |
|                    | Deferred Tax Assets       |
|                    | NIL                       |

**A. Performance of the Company**

|                          |                         |
|--------------------------|-------------------------|
| Total Income             | Total Expenditure       |
| 17,21,10,805             | 16,29,32,335            |
| Profit / Loss Before Tax | Profit / Loss after Tax |
| 91,78,470                | 69,98,877               |
| EPS (Rs.)                | Dividend                |
| 0.13                     | NIL                     |

**B. Generic Names of Principal Products / Services of the Company:**

|                          |                    |
|--------------------------|--------------------|
| Item code no. (ITC Code) | 54075403           |
| Product description      | Polyester Shirting |
| Item Code No. (ITC Code) | 54075202           |
| Product description      | Polyester Suiting  |

**FOR R R S & ASSOCIATES  
CHARTERED ACCOUNTANTS****FOR, MINAXI TEXTILES LIMITED**

**RAJESH R. SHAH**  
Partner  
Membership No. 34549  
Firm Regn No. 118336W  
Place : Ahmedabad  
Dated : 29<sup>th</sup> July, 2011

**B. P. PATEL**  
Managing Director

**D. P. PATEL**  
Director

**AUDITORS' CERTIFICATE**

We have examined the above Cash Flow statement of **MINAXI TEXTILES LIMITED** for the year ended 31<sup>st</sup> March, 2011. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Ahmedabad and Mumbai Stock Exchanges, and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report.

Place : Ahmedabad

**FOR, R. R. S & ASSOCIATES**  
Chartered Accountants

Dated : 29th July, 2011

**RAJESH R. SHAH**  
Partner  
**MEMBERSHIP NO.34549**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011**

|          | <b>PARTICULAR</b>                                   | <b>For the Year<br/>2010-11</b> | <b>For the Year<br/>2009-10</b> |
|----------|---|---------------------------------|---------------------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>          |                                 |                                 |
|          | Net Profit before Taxes & Extra-Ordinary Items      | 91.78                           | 71.07                           |
|          | <b>Adjustments for :</b>                            |                                 |                                 |
|          | Depreciation  | 70.36                           | 38.56                           |
|          | Interest & Other Financial Charges                  | 99.10                           | 54.26                           |
|          | (Profit)/Loss on Sale of Asset                      | (29.47)                         | 0.00                            |
|          | (Profit)/Loss on Sale of Mutual Funds               | 0.00                            | 0.00                            |
|          | Interest / Dividend Received                        | (15.83)                         | (0.76)                          |
|          | Balances written off                                | 124.17                          | 92.06                           |
|          | Operating Profit before Working Capital Changes     | 215.95                          | 163.13                          |
|          | (Increase) / Decrease in Inventory                  | (182.82)                        | -26.26                          |
|          | (Increase) / Decrease in Trade & Others Receivables | (283.20)                        | (203.10)                        |
|          | Increase / (Decrease) in Trade Payables             | 410.09                          | 94.32                           |
|          | Cash Generated from Operation                       | (55.93)                         | (135.05)                        |
|          | Direct Taxes Paid                                   | 160.02                          | 28.09                           |
|          | Net Cash from Operating Activities                  | (11.56)                         | (7.13)                          |
|          |   | 148.47                          | 20.96                           |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>          |                                 |                                 |
|          | Purchase of Fixed Assets                            | (456.34)                        | (279.63)                        |
|          | Sale of Fixed Assets                                | 112.77                          | 11.68                           |
|          | (Purchase)/ Sale of Investments                     | 0.00                            | 0.00                            |
|          | Interest / Dividend Received                        | 15.83                           | 0.76                            |
|          | Net Cash (used in) / from Investing Activities      | (327.74)                        | (267.19)                        |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>          |                                 |                                 |
|          | Increase in Share Capital                           | 0                               | 0                               |
|          | Increase in Long Term Loans & Other Borrowings      | 336.07                          | 317.12                          |
|          | Dividend Paid (with Tax)                            | 0.00                            | 0.00                            |
|          | Interest Paid                                       | (99.10)                         | (54.26)                         |
|          | Net Cash (used in) / from Financing Activities      | 236.97                          | 262.86                          |
|          | <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>    | 57.70                           | 16.62                           |
|          | Cash & Cash Equivalents as at 01-04-2009            | 173.66                          | 157.04                          |
|          | Cash & Cash Equivalents as at 31-03-2011            | 231.36                          | 173.66                          |
|          |   | 57.70                           | 16.62                           |

**As per our Report of even date attached.**
**R R S & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**
**FOR, MINAXI TEXTILES LIMITED**
**RAJESH R SHAH**  
**PARTNER**  
**MEM. NO. 34549**
**PLACE : AHMEDABAD.**  
**DATE : 29th July, 2011**
**B. P. PATEL**  
**MGD DIRECTOR**
**D. P. PATEL**  
**DIRECTOR**

**MINAXI TEXTILES LTD.****Registered Office:**

Plot No.3311, Unit No.2, GIDC Industrial Estate, Village Chhatral, Dist. Gandhinagar (N.G)

**FORM OF PROXY**I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_Being a member / members of the above named company hereby appoint \_\_\_\_\_  
Of the District of \_\_\_\_\_ or failing him, her \_\_\_\_\_  
of \_\_\_\_\_ in thedistrict of \_\_\_\_\_ as my / our proxy to vote for / me / us on  
my / our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the members of the  
company to be held on Friday, 30<sup>th</sup> September, 2011 at 10-00 a.m. and at any adjournment  
thereof.

Signed this \_\_\_\_\_ days of \_\_\_\_\_ 2011

Signed \_\_\_\_\_

L.F.No.: \_\_\_\_\_ No. of Shares (s) held \_\_\_\_\_

DP ID\* \_\_\_\_\_ No. of Shares (s) held \_\_\_\_\_

1 Rupees  
Revenue  
Stamp

- Note :- 1. A Member entitled to attend and vote is entitled to appoint a proxy to attend vote instead of himself
2. A Proxy need not be a member.
3. The proxy form duly completed must be deposited at the registered Office of the Company not less that 48 hours before the time for holding the Meeting.
- The proxy need not be a Member of the Company .

\* Applicable for investors holding shares in electronic form.

**MINAXI TEXTILES LIMITED****Registered Office :**

Plot No.3311, Unit No.2, GIDC Industrial Estate, Village Chhatral, Dist. Gandhinagar (N.G)

**ATTENDANCE SLIP**

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

Client ID\* \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the Sixteenth Annual General Meeting of the company at Plot No.3311, Unit No.2, G.I.D.C, Industrial Estate Village : Chhatral, Dist -Gandhinagar (N.G) at 10-00 a.m. On 30<sup>th</sup> day of September, 2011.**Member's / Proxy's name**  
In Block Letters**Member's / Proxy's Signature**

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

\* Applicable for investors holding shares in electronic form.