

22nd
Annual Report
2009-2010



MINAL INDUSTRIES LIMITED

**TWENTY SECOND ANNUAL REPORT
2009-2010****BOARD OF DIRECTORS**

Mr. J. B. Parikh	Chairman
Mr. Shrikant J. Parikh	Managing Director
Mr. J.V. Joshi	Director
Mr. Amul J. Patel	Director
Ms. Arpita Parikh	Director
Mr. Vikram J. Parikh	Director

REGISTERED OFFICE:

214/A, Paradise Complex, Sayajigunj, Baroda - 390 005

AUDITORS:

R.H. Modi & Company,
Chartered Accountants,
23 Ambalal Doshi Marg,
2nd Floor, Fountain,
Mumbai - 400023

BANKERS:

Corporation Bank, Alkapuri, Vadodara

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty second Annual General Meeting of the Company will be held on Tuesday the 30th Day of December, 2010 at 11.30 a.m. at the Registered Office of the Company at 214/A, Paradise complex, Sayajigunj, Vadodara - 390005, Gujarat to transact the following businesses:

ORDINARY BUSINESS:

- 1) To consider, approve and adopt the Balance sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report there on.
- 2) To appoint a director in place of Mr. Amul J Patel, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for reappointment.
- 3) To appoint a director in place of Mr. Vikram Parikh, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers herself for reappointment.
- 4) To consider and if thought fit pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED that M/s R.H. Modi & Company, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by mutual consent of board of directors and the Auditors."
- 5) To consider and if thought fit pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of sections 205 and all other applicable provisions if any of the Companies Act, 1956, the Board Of Directors of the company hereby recommend a dividend at a rate of 10% of equity share capital for the year ended on 31st March 2010, subject to the declaration by the members of the company at the ensuing Annual General Meeting, such dividend be paid to the registered Holders of the equity shares whose names would appear on the register of members on date of closure of books as decoded by the Board"

SPECIAL BUSINESS:

- 6) To consider and if thought fit pass with or without modification(s) the following resolution as Ordinary Resolution:
"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956 (including any modification or re-enactment thereof) and the listing agreement & other applicable provisions, if any, and subject to approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities, the Authorised Share Capital of the Company comprising of 6,00,00,000 (Six Crores) equity shares of the face value of Rs. 10/- each aggregating to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) be and is hereby sub-divided into 30,00,00,000 (Thirty Crores) equity shares of the face value of Re. 2/- each, with effect from the 'Record Date' to be determined by the Board of Directors (hereinafter referred to as "the Board" which expression shall be deemed to include any duly authorized committee thereof)."
Resolved Further that the Capital Clause of the Memorandum of Association of the company be altered and that the same shall now read as under -
The authorized share capital of the company is Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs. 2 (Two Only) Each.
"RESOLVED FURTHER THAT the issued, subscribed and fully paid-up Equity Share Capital of the Company, comprising of 63,70,080 (Sixty Three Lac Seventy Thousand Eighty) equity shares of the face value Rs. 10/- each aggregating to Rs. 6,37,00,800 (Rupees Six Crores Thirty Seven Lac Eight Hundred only) be subdivided into 3,18,50,400 (Three Crores Eighteen Lac Fifty Thousand Four Hundred) equity shares of the face value Re. 2/- each, as on the Record Date that may be fixed by the Board."
"RESOLVED FURTHER THAT the Board be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them to give effect to the above."
- 7) To consider and if thought fit pass with or without modification(s) the following resolution as an Special Resolution:
"RESOLVED that pursuant to the Articles of Association of the company and subject to the consent of the members in the general meeting and in accordance with the Listing agreement & the guidelines of Securities Board of Exchange Board of India , the Board of Directors of the company do and hereby recommend that a sum from General Reserve and share premium account standing to the credit in the books of the company be capitalized and set free for distribution among the holders of existing fully paid equity shares of the company, whose names will appear in the register of members of the company on a date to be decided by the Board in that behalf, as an increase of the amount of share capital of the company held by each such member and not as income or in lieu of dividend credited as fully paid up equity shares as bonus shares in the proportion of 3:2 i.e. 2 new equity share for every 3 existing fully paid equity shares held.
"RESOLVED FURTHER THAT the Board be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them to give effect to the above."

“RESOLVED FURTHER THAT the above proposal will be subject to the following terms and conditions:

- (i) The new equity shares to be allotted as bonus shares will be allotted subject to the terms of the Memorandum and Articles of Association of the company.
 - (ii) The new equity shares shall rank pari passu in all respects with and carry the same rights as the existing fully paid-up equity shares of the company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of the new equity shares pursuant to this Resolution is made.
 - (iii) No letter of allotment will be issued by the company in respect of the new equity shares. However, the equity share certificates in respect thereof will be ready for delivery to the allottees within 3 months from the date of allotment thereof.
 - (iv) If as a result of implementation of this resolution, any member becomes entitled to a fraction of new equity shares to be allotted as bonus shares the company shall not issue any certificate or coupon in respect of such fractional shares but the total number of such new equity shares representing such fractions shall be allotted by the Board to a nominee to be selected by the Board who would hold them as trustee for the equity shareholders who would have been entitled to such fractions, in case the same were issued. Such nominee will as soon as possible sell such equity shares allotted to him at the prevailing market rate and the net sale proceeds of such shares after adjusting the cost and expenses in respect thereof be distributed among such members who are entitled to such fractions in the proportion of their respective holding and allotment of fractions thereof.
- 8) To consider and if thought fit, to pass the following resolution as a Special Resolution.
1. **RESOLVED THAT** pursuant to the provisions of if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and the Articles of Association of the Company and the Listing Agreements with the Stock Exchanges and subject to the provisions of the applicable statutes, rules, regulations, guidelines or laws and / or any approval(s), consent(s), permission(s) and / or sanction(s) of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or Bodies (hereinafter collectively referred to as the “appropriate authorities”), and subject to such conditions as may be prescribed by any one of them while granting any such approval(s), consent(s), permissions), and / or sanction(s) (hereinafter referred to as the “requisite approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constituted or hereinafter constitute to this resolution), the Board be and is hereby authorized to issue, offer and allot, in International offerings, any securities including Global Depositary Receipts convertible into equity shares, preference shares whether cumulative / redeemable / convertible at the option of the Company and / or securities linked to equity shares / preference shares and / or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants convertible into equity shares / depositary receipts underlying equity shares / preference shares, (hereinafter referred to as the “Securities”) to be subscribed by foreign / domestic investors / institutions and / or corporate bodies / entities including mutual funds, banks, insurance companies and / or individuals or otherwise, whether or not such persons / entities / investors are Members of the Company whether in one or more currency, such issue and allotment to be made at such time or times in one or more tranche or tranches, at par or at such price of prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion may deem necessary, expedient, proper or desirable, in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries; provided however that the aggregate amount to be raised by issue of securities as above shall result in increase or the issued and subscribed equity share capital or the Company by Rs 50 crores.
 2. **RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever, and all such other terms as are provided in Securities offerings of this nature including terms for issue of such Securities or variation of the conversion price of the Security during the duration of the Securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, managers, underwriters, bankers, financial, institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offering of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their service or the like, and also to seek the listing of such Securities on one or more stock exchanges including international Stock Exchanges, wherever permissible.
 3. **RESOLVED FURTHER THAT** the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments or this nature and to provide for the tradability or free transferability thereof as per the domestic and / or international practice and regulations, and under the norms and practices prevalent in securities markets.
 4. **RESOLVE DFURTHER THAT** the Board and / or an agency or body authorized by the Board may issue Depositary Receipt(s) or Certificate (s) or Shares, representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and / of International capital markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian / International practices and regulations and under the norms and practice prevalent I the Indian / International markets.
 5. **RESOLVED FURTEHR THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws.

6. **RESOLVED FURTHER THAT** the Board of any Committee thereof be and is hereby authorized to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
7. **RESOLVED FURTHER THAT** such of these Securities to be issued as are not subscribed may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion think fit in the best interest of the Company and as is permissible at law.
8. **RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described in paragraph (a) above, the Board or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters in things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement and institution / trustees / agents and similarly agreements / and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offering of Securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.
9. **RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization or the issue proceeds including but without Limitation to the issue proceeds including but without Limitation to the creation of such mortgage / hypothecation / charge on the Company's assets under Section 293(1)(a) of the Companies Act, 1956 in respect of the aforesaid Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.
10. **RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

**By Order of Board
For Minal Industries Limited**

Sd /-

**J. B. Parikh
Chairman**

**Place : Vadodara
Date : 31.07.2010**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.(FORM ATTACHED HEREWITH)
2. Members are requested to notify immediately their change of address, transfer, transmission deeds and such other correspondence to the Registrar and Transfer Agent MCS Limited, at Neelam Apartment, 88, Sampatrao Colony, Vadodara 390 005.
3. The Register of Members and Share Transfer books of the Company will be closed from 23rd December, 2010 to 29th December, 2010. (Both days inclusive).
4. Members/Proxies should bring the Attendance Slips duly filled in for attending the meeting.
5. Members are requested to bring their copy of Annual Report to the Annual General Meeting.
6. **Members desirous of seeking any information/clarification on the accounts or operations of the company is requested to forward his/ her query to the Registered Office so as to reach at least seven working prior days to the meeting, so the required information can be made available at the meeting.**
7. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No.) for easy identification and recording of attendance at the meeting.
8. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form 2B as prescribed under the Companies Act, 1956.
9. **Explanatory Statement u/s 173(2) for items in 6 & 7 under the head Special Business:**

Explanatory Statement to Item No. 6

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. (BSE) and are actively traded. In order to improve the liquidity of the Equity Shares with higher floating stock in absolute numbers and to make the Equity Shares more affordable to the investors, the Board of Directors of the Company, at its meeting held on July 03rd 2010, has recommended sub-division of the face value of equity shares of the Company from Rs. 10/- each into 5 (Five) shares of the face value of Re. 2/- each.

Consequent to the above sub-division it is necessary to alter the Capital Clause of the Memorandum and Articles of Association of the Company.



The Ordinary Resolution in Item No. 6 seeks to make corresponding amendments in Clause V of the Memorandum of Association of the Company to give effect to the sub-division of shares which is proposed in the Ordinary Resolution mentioned in Item No. 6

The Board of Directors is of the opinion that the aforesaid sub-division of the face value of Equity Shares, is in the best interest of the Company and the investors and hence recommends the passing of the above resolutions.

A copy of the Memorandum and Articles of Association of the Company showing proposed alterations is available for inspection at the Registered Office of the Company from 10.00 a.m. to 12.00 p.m. on any working day upto the date of the Annual General Meeting.

The Directors of the Company may be deemed to be concerned or interested in the resolutions at item 6 only to the extent of their respective shareholding, if any, in the Company to the same extent as that of every other member of the Company.

The Issued and Subscribed Capital of the Company on subdivision will be Rs. 6,37,00,800 divided into 3,18,50,400 Equity Shares of Rs. 2 each.

Explanatory Statement to Item No.7

The Board of Directors of the Company ("the Board") considers it desirable that in the interests of the Company, the Issued Capital should more appropriately be brought into line with the capital employed by the Company in business. The Board therefore recommends that undistributed profits standing to the credit of the General Reserve of the Company and share premium account should be capitalised and applied in paying up in full at par new Equity Shares to be allotted to the Equity Shareholders of the Company who are on the Register of Members on a date to be determined by the Board in the proportion of two new Equity Share for every three Equity Shares held by such Shareholders respectively.

The Resolution is intended to give effect to the proposed capitalisation of the General Reserve and share premium account of the Company and issue of bonus shares to the Equity Shareholders of the Company in the manner set out therein and explained hereinbefore.

ITEM NO. 8

The Company on its own and through its subsidiaries has growth plan for the diamond and bullion business . In order to part finance growth of diamond and bullion business and to enhance its global competitiveness and ability to compete with the peer groups, the Company needs to strengthen its financial position by augmenting long term resources. To achieve the significant competitive advantages, through easy access to large amounts of international capital, with extended maturities, at optimal costs, the Company may need to issue Securities in the international markets, as contemplated in the resolution at Item No. 3 of the accompanying Notice and as may be decided by the Board and found to be expedient and in the interest of the Company.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other expert in accordance with the applicable provisions of law.

The proposed issue of Securities as above may be made in one or more tranches, in the international market in one or more currency, such that the aggregate amount raised by issue of Securities to be issued shall result in increase of the issue and subscribed equity share capital of the Company by Rs 50 crores . The issue price of the security to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions and shall be subject to the applicable rules and regulations. The Securities will be listed on such International / Indian Stock Exchanges as the Board may be advised and as it may decide.

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Members decide otherwise. The Listing Agreements with the Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders, unless the Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of Securities and in the event it is decided to issue Securities convertible in to equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue.

This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalize the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provision of rules, regulations or guidelines, and (b) powers to issue and market any Securities issued pursuant to the international offer including the power to issue such Securities in such tranche or tranches with / without voting rights.

The Board of Directors accordingly recommends the special resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members. None of the Directors and the Manager of the Company is in any way, convened or interested in the said resolution.

**By Order of Board
For Minal Industries Limited
Sd /-
J. B. Parikh
Chairman**

**Place : Vadodara
Date : 31.07.2010**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **22nd Annual Report** together with the Audited Financial Statement along with the Report of the Auditors **for the year ended on 31st March 2010.**

➤ **Financial Results and Profitability:**

	Rs. In Lacs	
FINANCIAL RESULTS	2009-10	2008-09
Total Income	79.43	388.91
Total Expenditure	58.57	188.69
Profit before Depreciation & Tax	20.86	209.63
Less: Depreciation	9.89	9.41
Profit before tax	10.97	200.22
Provision for tax	1.52	4.43
Profit after Tax	9.43	195.78
Profit brought forward	224.97	29.19
Profit available for appropriation	234.40	224.97
Appropriations:		
Dividend	63.70	0.00
Dividend Tax	10.58	0.00
Transfer to General Reserve	0.00	0.00
Balance Carried forward	160.12	224.97
Paid up Equity Share Capital	637.00	637.00
Share Forfeited Account	75.53	75.53
Reserves and Surplus	353.25	418.09

➤ **Operation**

Your directors report that the company has achieved a sales turnover of Rs. 25.01 Lacs as against Rs. 94.82 Lacs in the previous year. The company's Profit reduced to Rs. 20.84 Lacs before depreciation and interest as against Profit of Rs. 209.63 Lacs in the previous year. After providing a sum of Rs. 9.90 Lacs towards depreciation, Income Tax provision of Rs. 1.51 Lacs, the operation resulted in net Profit of Rs. 9.43 Lacs as against profit of Rs. 195.78 Lacs in the previous year.

M/s C. Mahendra Infojewels earned a Profit of Rs 38.93 Lacs during the year, the firm in which the company is a partner.

Your company has started bullion/ jewellery /diamond trading in Dubai and incorporated Minal International FZE, 100 % subsidiary of the company. The subsidiary company has achieved turnover of RS 6717.49 lacs and profit of Rs. 668.14 lacs .

➤ **Amount proposed to be carried to reserves:**

The company has made net profit of Rs. 9.43 Lacs during the year thus no sum is appropriated to the reserves.

➤ **Dividend**

Your Board of Directors have decided to pay 10% dividend on equity shares.

➤ **Conservation of energy, technology adsorptions and foreign exchange earnings and outgo:**

In accordance with the provisions of Section 217(1) (e) of The Companies Act, 1956, read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are as per annexure to the report.

➤ **Deposits:**

The company has neither accepted nor renewed any Public Deposits pursuant to the Section 58A of the Companies Act, 1956.

➤ **Directors :**

Mr. Amul J Patel and Mr. Vikram Parikh, Directors of the company will retire by rotation in the Annual General Meeting, and being eligible offer themselves for reappointment.

➤ **Auditors:**

The Statutory Auditors of the Company M/s R.H. Modi & Company, Chartered Accountants are retiring at conclusion of this Annual General Meeting, being eligible they offers themselves for reappointment. The Auditors have confirmed that, if appointed, their appointment will be within the limits as laid down under section 224(1B) of the Companies Act, 1956.

Notes forming part of the accounts, which are specifically referred to by the Auditors in their Report are self explanatory and therefore do not call for any further comments.

➤ **Subsidiaries:**

The company had Minal International FZE as 100 % subsidiary as on 31st March,2010. The consolidated financial statements presented by the company include financial information of its subsidiaries prepared in compliance with the applicable accounting standards. A statement under section 212 of the companies Act,1956 in respect of the subsidiary company is enclosed herewith for information of members.

➤ **Employee Particulars:**

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and hence no information is required to be furnished.

➤ **Director's Responsibility Statement:**

Pursuant to Section 217(2AA) of The Companies Act, 1956, the directors confirm that, to the best to their knowledge and belief:

- (i) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing the detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

➤ **Report on Corporate Governance and Auditor's Certificate:**

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges form part of Annual Report.

Directors would like to thank the shareholders, customers, dealers, suppliers, bankers and all other business associates for the continued support given by them to the Company and their confidence in its management.

**For and on behalf of the Board of Directors
of Minal Engineering Limited**

Sd/-
J. B. Parikh
Chairman

Place : Vadodara
Date : 31.07.2010

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

1. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken: The Company is taking various steps to conserve the energy.
- b) Impact of the above steps: The impact of above step is positive.
- c) Total energy consumption and energy consumption per unit of production: Refer enclosed Form-A

2. TECHNOLOGY ABSORPTION

- d) Efforts made in technology absorption : Not Applicable

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings : Rs. Nil
Foreign Exchange Outgo : Rs. Nil

Form A (See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel Consumption	Current year
1. Electricity	
a) Purchase Unit	35268.00
Total Amount	212965.00
Rate/ Unit	6.04
b) Own generation	
(i) Through diesel generator UnitUnit per-ltr of diesel oil Cost/unit	
(ii) Through steam turbine/ generator UnitsUnit per-ltr of fuel oil/gas Cost/unit	
2. Coal (specify quantity and where used)	
Quantity (tones)	
Total Cost	
Average Rate	
3. Furnace Oil	
Quantity (tones)	
Total Cost	
Average Rate	
4. Others	
Quantity (tones)	
Total Cost Rate/unit	

Not Applicable

B. Consumption per unit of production	Standards If any	Current Year	Previous Year
Products (with details) unit			
Electricity			
Furnace Oil not ascertained			
Coal (specify quantity)			
Others (specify)			

Not Applicable

FORM B (See Rule 2)

Form for disclosure of particulars with respect to absorption.

Research and Development (R&D)

1. Specific areas in which R & D carried out by the Company.
2. Benefits derived as a result of the above R & D
3. Future plan of action : Not Applicable
4. Expenditure on R& D
 - a) Capital
 - b) Recurring
 - c) Total
 - d) Total R&D expenditure as a percentage of total turnover

Technology absorption, adoption and innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development, import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). Following information may be furnished:
 - (a) Technology Imported
 - (b) Year of Import
 - (c) Has technology been fully absorbed?
 - (d) Of not fully absorbed, areas where this has not take place, reasons therefore and future plans of action.

Not Applicable

REPORT ON CORPORATE GOVERNANCE

In compliance with the Clause 49 of the Listing Agreement entered with Stock Exchanges, the company herewith submits the report on the matters as mentioned in the said clause and practices followed by the company.

The company's philosophy on good corporate governance envisages a combination of business practices that result in enhancement of the value of the company to the shareholders and to fulfill its obligation to its other stakeholders.

MANDATORY REQUIREMENTS:
I. Board of Directors:
(A) Composition of Board:

The board of the company comprise of 6 directors out of it 1 director Mr. Shrikant Parikh, Managing Director is executive director and all the other directors are non- executive directors of the company out of the non executive directors two directors are independent directors. The Directors bring in wide range of expertise and experience to the Board, facilitating proficient and unbiased direction and control to the Company.

The composition of board is as under:

Directors	No of Board Meetings held	Board Meetings attended	No. of directorships held in other Public Ltd. companies	Attendance in the last AGM
Executive Director:				
Mr. Shrikant Parikh, Managing Director	8	4	Nil	No
Non- Executive Directors:				
Mr. J. B. Parikh, Chairman	8	8	Nil	Yes
Mr. Vikram J. Parikh, Director	8	8	Nil	Yes
Mr. Amul J. Patel, Director	8	8	Nil	Yes
Mr. J.V. Joshi, Director	8	8	Nil	Yes
Ms. Arpita S. Parikh	8	3	Nil	No

(B) Board and Committees:

During the year 2009-10, the Board of Directors met on 8 occasions on the following dates: 30/04/2009, 28/05/2009, 30/06/2009, 30/07/2009, 30/10/2009, 30/01/2010, 2/03/2010 & 9/03/2010.

The board complies with Code of Conduct as provided for all Board members and Senior Management of the company. Compliance of the code is affirmed on annual basis every year.

The Board has constituted three committees as under:-

Audit Committee:
Composition:

The company has a qualified and independent audit committee comprising of:

- Mr. J.V.Joshi, Independent Director
- Mr. Amul J. Patel, Independent Director
- Mr. J.B. Parikh

Meetings

All the members of the committee are financially literate and the independent directors are having expertise in accounting and financial management. The constitution of the committee also meets with the requirement under Section 292A of The Companies Act, 1956. The Audit Committee has met four times during the financial year to review the accounting practices including review internal control/ audit system and financial statements of the company. The attendance of the directors was a follows:

Members of Audit Committee	Designation	No. of meetings attended
Mr. Amul J. Patel	Chairman	4
Mr. J. B. Parikh	Member	4
Mr. J. V. Joshi	Member	4

Minutes of the Audit Committee Meetings are noted by Board of Directors at the subsequent Board Meetings. The chairman of the meeting will be present at Annual General Meeting to answer the queries of shareholders, alternatively; he would decide who should answer the queries.

Shareholders/ Investors Grievance Committee:

The company has constituted a Shareholders' Grievance Committee consisting of two directors' viz. Mr. Amul J. Patel and Mr. J. B. Parikh. One Investor's complaint is pending at the end of the year due to non submission of requisite information by the investor.

The functions of the committee are to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc.

Members of Committee	Designation	No. of meetings attended
Mr. Amul J. Patel	Chairman	4
Mr. J. B. Parikh	Member	4

Remuneration Committee:

The board has set up a Remuneration Committee comprising of:

- (i) Mr. J. B. Parikh, Chairman
- (ii) Mr. J. V. Joshi

The committee is set up to determine on behalf of Board of Directors and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. The quorum of the meeting is all the members present. No meeting of Remuneration Committee was held during the year under review.

None of the Directors of the company are members of more than ten committees or acting as chairman of more than five committees.

The board periodically reviews compliance report of all laws applicable to the company.

(C) Remuneration to directors:

The company has remuneration committee consisting of two directors' viz. Mr. J. B. Parikh and Mr. J. V. Joshi. The details of remuneration paid to directors for the financial year 2009-10 are as under:

Name of Director	Sitting Fee	Salary & Other perquisites	Commission	Total
Mr. J. B. Parikh	—	—	—	—
Mr. Shrikant J. Parikh	—	Rs.1,20,000	—	—
Mr. Vikram J. Patel	—	—	—	—
Mr. Amul J. Patel	—	—	—	—
Mr. J. V. Joshi	—	—	—	—

II. Disclosures

1. Disclosure on materially significant related party transaction that may have potential conflict with the interest of company at large:-
None of the transactions with any of the related parties were in conflict with the interest of the company.
2. There were no instances of penalties imposed on the Company, by the Stock Exchange(s). SEBI, or any statutory on any matter related to capital markets, during last three years.
3. Senior Management discloses all material financial and commercial transactions, where they have material interest that may have potential conflict with the interest of the company at large to the board from time to time.

Management Discussion and Analysis Report:

The company has earned other incomes of Rs 15.48 Lacs. Net Profit of the company stood at Rs.9.43 Lacs..

There was no material development in Human Resources/ Industrial Relations front, the relations with the employees remained cordial throughout the year.

Shareholders:

- The company entered into agreement with M/s M.C.S. Ltd. as the Registrar & Transfer Agent to expedite the register and transfers of shares and to look into the redressal of shareholder and investors complaints, Shareholders/ Investors Grievance Committee consisting of Mr. Amul J. Patel and Mr. J. B. Parikh is formed.
- Material financial and commercial transactions of the management (defined as 'Board of Directors'), where they have personal interest, that may have a potential conflict with the interest of the company at large have been reported to the Board from time to time.

Means of Communication

- Quarterly financial results are submitted to the Stock Exchanges where the shares of the Bank are listed, within the stipulated time frame. Further, the quarterly financial results are also published in Business Standard, Loksatta, Asian Age and News Lines as per the statutory requirement.

□ General Shareholder's Information:
(i) Annual General Meeting:

The Twenty Second Annual General Meeting of the Company will be held on Thursday, 30th December, 2010 at 11.30 a.m. at the registered office of the company.

(ii) Financial year

The financial year of the company is from 1st April to 31st March.

(iii) Date of Book Closure

The Register of members and Share Transfer Books of the company will remain closed from 23rd December, 2010 to 29th December, 2010 to ascertain the members of the company for the purpose of Annual General Meeting of the Company.

(iv) Listing on Stock Exchanges

The Names along with addresses of the Stock Exchanges where the securities of the company are listed are as under:-

- The Stock Exchange, Mumbai (BSE)
25th Floor, P.J. Towers, Dalal Street, Mumbai- 400 001
- Ahmedabad Stock Exchange (ASE)
Kamdhenu Complex, Nr. Polytechnic College, Panjra Pole, Ahmedabad
- Vadodara Stock Exchange (VSE)
Fortune Tower, Sayajigunj, Vadodara

Listing fee has been paid to all the stock exchanges till date.

(v) Stock Code

The Stock Codes of the company at The Sock Exchange, Mumbai is 522235.

(vi) Market Price Data

Market price on BSE from the month of April, 2010 to March, 2010 is as under.

Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
April, 09	7.58	5.45	October 09	14.00	8.96
May, 09	9.27	6.18	November, 09	12.75	8.51
June, 09	15.15	9.73	December, 09	12.00	9.64
July, 09	14.85	10.75	January, 10	18.75	10.30
August, 09	12.54	10.74	February, 10	14.96	10.70
September, 09	14.10	10.30	March, 10	15.74	11.55

(vii) Registrar & Share Transfer Agent

MCS Limited
Neelam Apartment, 88 Sampatrao Colony, Vadodara

(viii) Share Transfer System and Dematerialization:

All the shares of the company are traded compulsory in the dematerialized form. The company has entered into an agreement with both NSDL and CDSL whereby the shareholders have an option to dematerialize their shares with depositories. Demat ISIN Number in NSDL and CDSL, for equity shares is INE097E01010.

As on 31st March, 2010, 5476574 shares were in Dematerialized form representing 85.97% of the total shares.

(ix) Distribution of Shareholding

Nominal value of Shareholding (Rs.)	Shareholders		Amount held	
	Numbers	% to total	In Rs.	% to total
1-5000	1999	97.3697	1025943	16.1057
5001-10000	29	1.4126	203442	3.1937
10001-20000	9	.4384	144525	2.2688
20001-30000	4	.1948	91562	1.4374
30001-40000	1	.0487	38958	.6116
40001-50000	1	.0487	44680	.7014
50001-100000	6	.2923	470489	7.3859
And above	4	.1948	4350481	68.2955
Total	2053	100.00	6370080	100.00

(x) Shareholding Pattern

Category	No. of shares held	percentage of shareholding
1 Promoter Holding	4401655	69.03
2 Mutual Funds and UTI	Nil	Nil
3 Banks, FI, Insurance Companies	Nil	Nil
4 Private Corporate Bodies	498541	7.29
5 NRI's/ OCBs	151904	2.16
6 Indian Public	1317580	21.51
7 Trusts	400	0.01
8 Clearing Members in Transit	Nil	Nil
GRAND TOTAL	63,70,080	100.00

(xi) Site Location:

351, GIDC, Makarpura, Vadodara – 390 010. Tel. 0265- 2638506, 2642570, Fax: 2782254

(xii) Address for Investors' Correspondance:

Registered Office: 214/A, Paradise Complex, Sayajigunj, Vadodara - 390 005.

 Particulars of past three Annual General Meetings:

	2006	2007	2008
Date of the AGM	29th September, 2007	30th September, 2008	30th September, 2009
Venue	Company's Registered Office at Baroda	Company's Registered Office at Baroda	Company's Registered Office at Baroda

Note: All the resolutions set out in the respective Notices for the above Meetings, including the Special Resolutions were duly passed by the Shareholders with the requisite majority in each case. No resolution requiring Postal Ballot was passed at the above meetings.

2. Chief Executive Officer and Chief Finance Officer:

Mr. Shrikant Parikh, Managing Director and Mr. Vikram Parikh, Chief Finance Officer of the company review the financial statements and cash flow statements and also certify to the board regarding non omission of material fact and statements and compliance of existing accounting standards, applicable laws and regulations.

They also accept the responsibility for establishing and maintaining internal control systems and evaluating the effectiveness of the system and disclosing the same to Audit committee and auditors.

3. Corporate Governance Report:

The Statutory Auditors have certified that the company has complied with all the applicable mandatory requirements as provided in Clause 49 of the Listing Agreement entered into with the Stock Exchanges and the same is annexed to the Director's Report.

NON MANDATORY REQUIREMENTS:

The extent of implementation of non-mandatory requirements is furnished hereunder

(1) Remuneration Committee:

The board has set up a Remuneration Committee comprising of:

- (i) Mr. J. B. Parikh, Chairman
- (ii) Mr. J. V. Joshi

The committee is set up to determine on behalf of Board of Directors and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

The quorum of the meeting is all the members present. The chairman of the meeting will be present at Annual General Meeting to answer the queries of shareholders, alternatively; he would decide who should answer the queries

Minal Engineering Limited as a responsible corporate citizen believes that Corporate Governance is not just compliance with statutory requirements but doing what is best in the interest of all the stakeholders and the society at large in a transparent and ethical way.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**To the members of Minal Engineering Limited,**

We have examined the compliance conditions of Corporate Governance by the Minal Engineering Limited for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the Minal Engineering Limited with The Stock Exchange, Mumbai (BSE) and Vadodara Stock Exchange (VSE) and Ahmedabad Stock Exchange (ASE).

The compliance of conditions is the responsibility of management. Our examination is limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

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

We state that no investors' grievances are pending for a period exceeding one month against the bank as per the records maintained by the shareholders'/ Investors' Grievance Committee and certificate given by Registrar & Transfer Agent.

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

**For R.H Modi & Co.
Chartered Accountants**

Place : Mumbai
Date : 31.05.2010

**(R.H Modi)
Proprietor**

COMPLIANCE CERTIFICATE

[As per rule 3 of the Companies (Compliance Certificate) Rules, 2001]

Registration No.: 04-10259

Nominal Capital: 10, 00, 00,000/-

To,
The Members,
Minal Industries Limited,
214/A Paradise Complex,
Sayajigunj, Vadodara – 390 005

I/We have examined the registers, records, books and papers of **Minal Industries 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, 2010. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the afore-said financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and 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 Eight (8) times on 30/04/2009, 28/05/2009, 29/06/2009, 30/07/2009, 30/10/2009, 30/01/2010, 2/03/2010 & 09/03/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed, if any, in the Minutes Book maintained for the purpose.
5. The company had closed its Register of Members from 23rd Sept., 2009 to 29th September, 2009 (both date inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 30/09/2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An Extraordinary General Meeting of the members of the company was duly held on the 8th July 2009.
8. The company has not advanced any loan to its directors or persons or firms or companies referred in section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applica-ble.
12. No duplicate shares certifi-cates were issued during the year under review.
13. The Company has :
 - (i) Not allotted any shares during the year under review.
 - (ii) The company has not declared dividends during the year under review.
 - (iii) The company has not violated the provisions of Section 205A, 205B, 205C of the Companies Act, 1956.
 - (iv) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly consti-tuted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies, if any, has been duly made.
15. The company has appointed Managing Director in compliance with provisions of Section 269 read with Schedule XIII of the Act.
16. The company has not appointed Sole Selling Agent during the year under review.
17. The company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provi-sions of the Act and the rules made there under.
19. The company has not allotted any securities during the financial year under review.
20. The company has not bought back any shares during the financial year ending 31st March, 2010.
21. The company has not redeemed preference shares/deben-tures during the year.
22. The company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provi-sions of the Act.

23. The company has not invited/accepted any deposits including unsecured loans falling within the purview sections 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2010.
25. The company has not made any additional loans and investments, (or not given guarantees or provided securities) to other bodies corporate as per Section 372 A and consequently no entries has been made in the register kept for the purpose.
26. The company has passed a resolution through postal ballot for shifting its registered office from the state of Gujarat to the State of Maharashtra and the petition for the same has been filed with the H'ble Company Law Board Mumbai Bench.
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 altered the provisions of the memorandum with respect to name of the company during the year under scrutiny and has duly complied with the provisions of Companies Act, 1956.
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 altered its articles of association to the extent of change in name of the company.
31. No prosecution initiated against and no show-cause notices received by the company for alleged offences under the Act and also there were no fines and penalties or any other punishment imposed on the company during the year ending 31st March, 2010. However, notices/orders were received from the office of the Securities and Exchange Board of India with respect to shareholder grievances which were duly satisfied.
32. The company has not received any amount as security from its employees during the year under certification.
33. The company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of section 418 of the Act.

Minal Shah

MAS & Associates.

(Practising Company Secretary)

C.P. No. 5503

Place : Vadodara
Date : 31/07/10

ANNEXURE 'A'

Registers as maintained by the company:

1. Register of Members u/s 150
2. Register of Transfer
3. Register of Directors, Managing Director, Manager and Secretary u/s 303
4. Register of Director's Shareholding u/s 307
5. Register of Contracts, companies and firms in which directors are interested u/s 301(3).
6. Minutes of Meeting of Board of Directors.
7. Minutes of Meeting of General Meetings.
8. Register of Loans and Investment u/s 372A.

ANNEXURE 'B'

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

Sr. No	Form No.	Filed under Section	Date of filing Document	For
1	Form 20 B	159	P3949924930/09/2009	Annual Return
2	Form 23 AC, 23 ACA	220	P3851762929/10/2009	Balance Sheet & Profit/loss
3	Form 66	383	31/03/2009	Compliance Certificate
4	Form 1A	21	A6379321019/06/2009	Application for Name Change
5	Form 1B	21 and 31 (1)	A6551139618/07/2009	Application Approval of Central Government for Name Change
6	Form 23	192	A6550878018/09/2009	Registration of Special Resolution for Change in Name of Company
7	Form 61	166	A8061980216/03/2010	Application to the Registrar of Companies

AUDITOR'S REPORT**TO THE MEMBERS OF
MINAL INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **MINAL INDUSTRIES LIMITED**, as at March 31, 2010 and the Profit and Loss Account and 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.
 2. We have conducted our audit in accordance with 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 examining, 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required 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 of India and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. We report that:
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 *except the following*
 - (i) *Non Provision for diminution in value of investment as required by Accounting Standard (AS)-13 'Accounting for investments' issued by the Institute of Chartered Accountants of India for reasons mentioned in note 3 of Schedule '16*
 - (ii) *Accounting Standard (AS)-15 Revised "Accounting for Retirement benefits in the Financial Statements of the Employers" issued by the Institute of Chartered Accountants of India for reasons mentioned in note 4 of Schedule '16 '*
 - e. On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to:*
 - i) *In respect of non provision of diminution in value of investment of Rs. 3.53 Lacs (See note 3)*
 - ii) *In respect of non determination and non provision of gratuity liability and of liability towards leave encashment upon retirement. (See note 4)*
 - iii) *In respect of Trading Division (Jewellery & Consumer Division), the Company has not maintained quantitative records of all the items in which the Company is dealing and in absence of stock statement showing item wise Quantities and value, for the purpose of annual accounts, the inventory of opening stock and closing stock as taken, valued and certified by the directors is relied upon.*
- and read with the other notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010, and
 - (b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.
 - (c) in the case of the Cash Flow Statement. of the cash flow for the year ended on that date.

FOR R. H. MODI & CO.
CHARTERED ACCOUNTANTS
(Registration no. 106486W)

Place : Mumbai
Date : 31/05/2010

R. H. MODI
PROPRIETOR
Membership No. 37643

ANNEXURE TO AUDITOR'S REPORT
(Referred to in paragraph 3 of the Auditor's Report to the members of
MINAL INDUSTRIES LIMITED for the year ended 31st March, 2010)

1. (a) The Company has maintained memorandum of records showing details of fixed assets (except furniture and fittings and electrical installation). However, comprehensive fixed assets register is being complied.
- (b) The fixed assets of the Company have been physically verified by the management during the year; no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed of by Company during the year.
2. (a) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us, the Company is maintaining proper records of its inventory (except Trading Division **(Jewellery and Consumer Division)**). The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has granted unsecured loan to two Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The details of loan are as under:

Name of the Company	Relationship	Maximum Amount involved	Year end Balance
Minal International FZE	Subsidiary Company	71,88,500	71,88,500
Minal Exim Pvt Ltd	Associate Company	1,00,000	1,00,000

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions on which loans have been granted to the above Companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie* prejudicial to the interest of the Company except that no interest has been charged for the year on these loan.
 - (c) The receipt of the principal amount is regular
 - (d) There are no overdue amount and hence the provision of sub-clause (d) of clause 4(iii) of the Order are not applicable to the Company.
 - (e) The Company has taken loan from Director covered in the register maintained under Section 301 of the Act. The details of loan are as under:
- | No of Directors | Maximum Amount outstanding during the year | Amount outstanding at the year end |
|-----------------|--|------------------------------------|
| 1 | Rs.1,75,000/- | Rs.1,75,000/- |
- (f) No interest is paid and other terms and conditions on which loan has been taken from Directors listed in register maintained under section 301 are *Prima facie* not prejudicial for the interest of the Company.
 - (g) The Company is regular in repaying the principal amount as stipulated.
 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
 5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 have been properly entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposit from public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. The company does not have an internal audit system.
8. The matter specified in clause (viii) of paragraph 4 of the Order regarding maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act is not applicable to the Company.
9. (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess, and other statutory dues applicable with the appropriate authorities during the year, and there were no such outstanding dues as at March 31, 2010 for a period exceeding six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess, which have not been deposited on account of dispute.
10. The Company has no accumulated losses as at March 31, 2010 after considering the balance in Reserve and Surplus account as at that date and has also not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, banks. There are no debenture holders.
12. According to the information and explanations give to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. In our opinion, the Company is not a dealer or trader in shares, securities debentures and other investment and hence, requirement of paragraph 4(xiv) are not applicable to the Company.
15. According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the records of the company, the company has not obtained any term loans during the year.
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 no funds raised on short-term basis have been used for long-term investment by the company.
18. According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. As per the information and explanation given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.

FOR R. H. MODI & CO.
CHARTERED ACCOUNTANTS
(Registration no. 106486W)

Place : Mumbai
Date : 31/05/2010

R. H. MODI
PROPRIETOR
Membership No. 37643



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Rs.	As At 31-Mar-10	Rs.	As At 31-Mar-09
Sources Of Funds					
Share Holders Funds					
Share Capital	1	71,253,800		71,253,800	
Reserves & Surplus	2	35,324,655	106,578,455	41,809,455	113,063,255
Loan Funds :					
Secured Loans		—		100,857	
Unsecured Loans	3	175,000	175,000	—	100,857
Deferred Tax Liability			1,035,101		907,759
Total			107,788,556		114,071,871
Application Of Funds					
Fixed Assets :					
Gross Block	4	24,688,949		24,651,889	
Less : Depreciation		9,136,713		8,146,729	
Net Block			15,552,236		16,505,160
Investments	5		55,063,974		40,820,907
Current Assets Loans & Advances					
A) Inventories	6	23,556,394		24,901,926	
B) Sundry Debtors		427,212		1,837,283	
C) Cash & Bank Balance		2,408,854		20,511,222	
D) Loans & Advances		23,559,101		17,775,224	
			49,951,561	65,025,655	
Less : Current Liabilities & Provisions					
A) Current Liabilities	7	5,351,135		8,363,851	
B) Provisions		7,428,080		—	
			12,779,215	8,363,851	
Net Current Assets			37,172,346		56,661,804
Miscellaneous Expenditure	8				
(Extent Not Written Off Or Adjusted)			—		84,000
			107,788,556		114,071,871
Accounting Policies And Notes Thereon Forming Part Of The Accounts	16				

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi

Proprietor

Membership No. 37643

Place : Mumbai

Date : 31/05/2010

Managing Director

Director

PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year Ended 31-Mar-10	Year Ended 31-Mar-09
Income			
Sales/Job Work Income	9	2,500,863	9,482,688
Share In Profit From Partnership Firm		3,893,806	26,093,393
Other Income	10	1,547,947	3,315,211
Total		7,942,616	38,891,292
Expenditure			
Purchase Of Goods	11	277,777	16,132,758
Increase / (Decrease) In Stock	12	1,345,532	(9,783,286)
Manufacturing Expenses	13	270,403	1,009,647
Payments To & Prov. For Employees	14	676,622	904,446
Administrative, Selling & Other Exp.	15	3,067,796	9,424,859
Intrest & Finance Charges		135,642	155,621
Depreciation		989,984	941,582
Preliminery Expnses W/Off		84,000	84,000
Total		6,847,755	18,869,627
Profit Before Taxation		1,094,861	20,021,666
Less : Provision For Taxation		—	—
Less : Deferred Tax Liability		127,342	411,874
Less : Fringe Benefit Tax		—	31,501
Less : Income Tax For Earlier Years		24,239	—
		943,280	19,578,291
Balance As Per Last Year		22,497,161	2,918,870
Amount Available For Appropriation		23,440,441	22,497,161
Appropriation			
Proposed Dividend		6,370,080	—
Tax On Proposed Dividend		1,058,000	—
Balance Carried To Balance Sheet		16,012,361	22,497,161
		23,440,441	22,497,161
No. Of Shares		6,370,080	6,370,080
Basic / Diluted Earning Per Share		0.15	3.07

Accounting Policies & Notes Forming Part Of The Accounts 16

 As Per Our Report Attached
 For **R.H.Modi & Co.**
 Chartered Accountants

For Minal Industries Limited

R.H.Modi

Proprietor

Membership No. 37643

Place : Mumbai

Date : 31/05/2010

Managing Director

Director

**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

	CURRENT YEAR Rs. 31-Mar-10	PREVIOUS YEAR Rs. 31-Mar-09
SCHEDULE '1' : SHARE CAPITAL		
AUTHORISED		
10,000,000 EQUITY SHARES OF RS.10/-EACH (P.Y.10,000,000 Equity Shares of Rs. 10/- each)	100,000,000	100,000,000
ISSUED,SUBSCRIBED & PAID UP :		
6370080 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (P.Y. 6370080 Equity Shares of Rs. 10/- each) (Of the total Equity Shares, 5325130,(P.Y.5325130) Equity shares were issued as fully paid Bonus share capitalising Rs.52029800/- from General Reserve & 1221500/- from Revaluation Reserve)	63,700,800	63,700,800
FORFEITED SHARES		
Amount Originally paid-up on Forfeited Shares	7,553,000	7,553,000
	71,253,800	71,253,800
SCHEDULE '2' : RESERVES & SURPLUS		
INVESTMENT ALLOWANCE RESERVE		
Balance as per Last year Balance Sheet	277,810	277,810
CAPITAL RESERVE		
Balance as per Last year Balance sheet		
State Subsidy	261,231	261,231
Central Subsidy	219,000	219,000
	480,231	480,231
REVALUATION RESERVE		
Balance as per Last year Balance sheet	161,883	161,883
GENERAL RESERVE		
Balance as per Last year Balance sheet	18,392,370	18,392,370
PROFIT & LOSS ACCOUNT		
As per the Annexed Accounts	16,012,361	22,497,161
	35,324,655	41,809,455
SCHEDULE '3' : UNSECURED LOANS		
From Directors	175,000	—

SCHEDULE '4' : FIXED ASSETS

SR. NO.	PARTICULAR	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		AS ON 1-Apr-09	ADDI- TION	DEDUC- TION	AS ON 31-Mar-10	RATE	AS ON 1-Apr-09	FOR THE YEAR	AS ON 31-Mar-10	AS ON 31-Mar-10
1	Leasehold Land	543,235	-	-	543,235	-	-	-	543,235	543,235
2	Factory Building	921,244	-	-	921,244	1.63%	438,735	15,016	453,751	467,493
3	Office Premises	10,812,700	-	-	10,812,700	1.63%	476,604	176,247	652,851	10,159,849
4	Plant & Machinery	5,246,152	-	-	5,246,152	4.75%	4,980,316	249,192	5,229,508	16,644
5	Electric Fittings	839,852	-	-	839,852	4.75%	73,176	39,893	113,069	726,783
6	Office Equipments	118,578	-	-	118,578	4.75%	49,770	5,632	55,402	63,176
7	Computers	405,215	23,500	-	428,715	16.21%	350,479	66,353	416,832	11,883
8	Furniture & Fixtures	3,489,369	13,560	-	3,502,929	6.33%	356,417	221,474	577,891	2,925,038
9	Vehicles	2,275,544	-	-	2,275,544	9.50%	1,421,232	216,177	1,637,409	638,135
	Total Rs.	24,651,889	37,060	-	24,688,949		8,146,729	989,984	9,136,713	15,552,236
	Previous Year	24,359,558	292,331	-	24,651,889		7,205,147	941,582	8,146,729	16,505,160

NOTE:-

Plant and Machinery were revalued on 31.03.1993 by a registered valuer and accordingly the Gross Block of the Plant and Machinery was increased by Rs. 13,83,383/- by transferring the said amount to Revalued Reserve.

	Rs.	CURRENT YEAR 31-Mar-10	Rs.	PREVIOUS YEAR 31-Mar-09
--	-----	------------------------------	-----	-------------------------------

SCHEDULE '5' : INVESTMENTS
a) QUOTED
i) Non Trade Investments

11000 (Previous year 11000) Equity Shares in Estern Mining Ltd. Of Rs.10/- each		352,000		352,000
100 (Previous year 100) Equity Shares in Vardhman Wires & Polymers Ltd. Of Rs.10/-each	1,000	353,000	1,000	353,000

b) UNQUOTED
i) Trade Investment
i) Subsidiary Companies

1 Share in Minal International FZE (Sharjah)

1 Share of 1,50,000 AED each. 1,837,500 —

ii) INVESTMENT IN PARTNERSHIP FIRM

Capital in C.Mahendra Infojewels 52,872,974 40,467,407

iii) Non Trade Investment

Share in Sterling Centre Premises Owners Co-op Society Ltd.
of Rs.500/- each. 500 54,710,974 500 40,467,907

55,063,974 40,820,907

**MINAL INDUSTRIES LIMITED**

	CURRENT YEAR Rs. 31-Mar-10	PREVIOUS YEAR Rs. 31-Mar-09
SCHEDULE '6' : CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
a) INVENTORIES (As taken, valued & Certified by a Director)		
Work-in-process	1,222,328	1,222,328
Finished Goods	22,334,066	23,679,598
	<u>23,556,394</u>	<u>24,901,926</u>
b) SUNDRY DEBTORS (Unsecure, considered Good)		
Exceeding Six months	111,508	1,524,497
Others	315,704	312,786
	<u>427,212</u>	<u>1,837,283</u>
c) CASH & BANK BALANCES		
Cash on Hand	1,352,340	725,700
Balance with Schedule Banks:		
In Current Accounts	427,735	205,124
In Fixed Deposit Accounts	628,779	19,580,398
	<u>2,408,854</u>	<u>20,511,222</u>
d) LOAN & ADVANCES		
Advances recoverable in cash or in kind or value to be received	13,839,364	15,444,264
Advance Income Tax (Net of Provision) (incl Provision for Taxes Rs. 4.39 Lacs, and Rs.0.32 Lacs for P.Y.)	1,279,448	1,102,171
Loan to Wholly Owned Overseas Subsidiary	7,188,500	—
Deposits	1,251,789	1,228,789
	<u>23,559,101</u>	<u>17,775,224</u>
SCHEDULE '7' : CURRENT LIABILITIES & PROVISION		
a) CURRENT LIABILITIES		
Sundry Creditors	5,083,344	8,207,872
Other Liabilities	267,791	155,979
	<u>5,351,135</u>	<u>8,363,851</u>
b) PROVISIONS		
Proposed Dividend	6,370,080	—
Tax on Proposed Dividend	1,058,000	—
	<u>7,428,080</u>	<u>—</u>
	<u>12,779,215</u>	<u>8,363,851</u>
SCHEDULE '8' : MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
PRELIMINARY EXPENSES		
Balance as per last year	84,000	168,000
Less : Written off during the year	84,000	84,000
	<u>—</u>	<u>84,000</u>

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	31-Mar-10	Rs.	31-Mar-09
Schedule '9' : Sales/Job Work				
Manufacturing Sales		201,150		236,510
Trading Sale		2,263,013		8,718,220
Jobwork Income (Tax Deducted Rs.Nil P.Y. Rs.9861)		36,700		527,957
		<u>2,500,863</u>		<u>9,482,687</u>
Schedule '10' : Other Income				
Rent		48,000		48,000
Discount Kasar		5,507		13,593
Service Charges		4,700		—
Exchange Rate Diff (Net)		—		1,618,367
Intrest Received (Tds Rs.148974/- P.Y. Rs.342457/-)		1,489,740		1,635,051
Dividend Received		—		200
		<u>1,547,947</u>		<u>3,315,211</u>
Schedule '11' : Purchase Of Goods				
Purchase		277,777		16,132,758
		<u>277,777</u>		<u>16,132,758</u>
Schedule '12' : Increase / (Decerese) In Stock				
Closing Stock Of Finished Goods	22,334,066		23,679,598	
Closing Stock Of Work-In-Progress	1,222,328	23,556,394	1,222,328	24,901,926
Less: Opening Stock Of Finished Goods	23,679,598		13,925,071	
Opening Stock Of Work- In- Progress	1,222,328	24,901,926	1,193,569	15,118,640
		<u>(1,345,532)</u>		<u>9,783,286</u>
Schedule '13' : Manufacturing Expenses				
Labour Charges		30,240		214,415
Power & Fuel		212,965		487,623
Freight, Octroi Charges		6,500		465
Packing Material		3,666		288,321
Consumable & General Stores		17,032		18,823
		<u>270,403</u>		<u>1,009,647</u>

**MINAL INDUSTRIES LIMITED**

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	31-Mar-10	Rs.	31-Mar-09
Schedule '14' : Payment To & Prov. For Employees				
Salary Wages & Other Allowances		482,920		695,226
Directors Remuneration		120,000		84,250
Contribution To ESI		11,855		12,058
Staff Welfare Expenses		61,847		87,587
Gratuity		—		25,325
		<u>676,622</u>		<u>904,446</u>
Schedule '15' : Administrative, Selling & Other Exp				
Printing & Stationary		86,845		237,922
Postage & Telephone Expenses		110,767		105,830
Travelling & Conveyance		200,207		251,812
Rent,Rates & Taxes		593,177		6,912,791
Auditors Remuneration		60,000		67,534
Professional & Legal Fees		110,842		281,847
Advertisement Expenses		29,636		97,444
Exchange Rate Diff (Net)		532,897		—
Repairs & Maintenance				
Plant & Machinery	77,555		36,980	
Computer	10,000		550	
Others	—	87,555	49,655	87,185
		<u>569,842</u>	<u>49,655</u>	
Sales Promotion Expenses		569,842		878,026
Insurance Premium		334,250		305,279
Miscellaneous Expenses		156,027		74,091
Security Charges		58,848		61,251
Donation		4,617		1,000
Filing Fees		126,853		62,847
Bad Debts Written Off		5,433		—
		<u>3,067,796</u>		<u>9,424,859</u>

1) SIGNIFICANT ACCOUNTING POLICIES.

I) The Accounts have been prepared on historical cost basis, ignoring changes, if any, in the purchasing power of money and on the accounting principles of 'going concern' concept except otherwise stated.

II) REVENUE RECOGNITION:

All revenues and expenses are accounted on accrual basis, except to the extent stated otherwise.

III) FIXED ASSETS

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation.

The costs of assets include direct/indirect and incidental costs incurred to bring them in to their present location and working condition for the intended use.

IV) DEPRECIATION

Depreciation is provided on straight line basis as per the rates and method prescribed under Schedule XIV to the Companies Act, 1956.

V) INVESTMENTS

Long Term Investments are valued at cost, provisions for diminution in value of investment is made if in the opinion of the management, the decline is permanent in nature.

VI) INVENTORIES**Engineering Division**

Inventories are stated at the lower of cost or net realizable value. Cost is determined at the FIFO Method. The cost of work in progress and finished goods comprises direct material, direct labour, other direct cost and related production overhead.

Stores are written off in the year of purchase.

Jewellery Division

Inventories are stated at the lower of cost or net realizable value.

VII) RETIREMENT BENEFITS

- a) Gratuity Liability is accounted as and when paid.
- b) Leave Encashment Liability is accounted as and when paid.

VIII) FOREIGN CURRENCY TRANSACTIONS

All transactions in foreign currency are recorded by applying the exchange rate prevailing at the time of the transaction.

Gains or losses upon settlement of the transaction during the year is recognised in the Profit and Loss Account except those related to acquisition of fixed assets which are adjusted to the cost of fixed assets.

Foreign Currency Transactions remaining unsettled at the end of the year are translated at the year-end rate.

Gains or Losses arising as a result of above are adjusted in the Profit and Loss Account except relating to the loan liability for acquisition of Fixed Assets which is adjusted to the cost of the Fixed Assets.

IX) BORROWING COSTS

Borrowing Costs directly attributed to the acquisition of Fixed Assets are capitalised as a part of the cost of Asset upto the date the Asset is put to use. Other Borrowing Costs are charged to the Profit and Loss Account in the year in which they are incurred.

X) DEFERRED TAX

Deferred Tax is recognised subject to the consideration of prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

XXI) IMPAIRMENT OF FIXED ASSETS:

At balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of company's fixed assets. If any, such indication exists. The assets recoverable amount estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

- 2) In consultation with the Vadodara Stock Exchange and after due compliance of legal requirements, the Company had forfeited 22,58,000 Equity Shares of Rs. 10/- each and resultant paid-up value of Rs. 75,53,000/- of such shares have been shown along with the paid-up capital of the Company.
- 3) There has been a diminution of Rs. 3.53 Lacs in the value of long term investments held by the Company as at 31st March, 2010. No provision against the same has been considered necessary since in the opinion of management such diminution is of temporary in nature.
- 4) a) Total present liability for future payment of gratuity as on 31st March, 2010 is neither provided nor actuarially determined. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.
- b) Leave encashment liability, if any, has not been determined, presently, and would be charged when paid. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.

5) SEGMENT REPORTING
SEGMENT RESULTS OF PRIMARY BUSINESS SEGMENTS
(Rs. in lacs)

Sr No	Particulars	Engineering Division (Rs.)	Jewellery Division (Rs.)	Other (Rs.)	Total (Rs.)
1	Revenue				
	a) External Sales				
	i) Manufactured Goods/ Jobwork	2.38	—	—	2.38
		-7.64	(—)	(—)	-7.64
	ii) Traded Goods	—	22.63	—	22.63
		(—)	-87.18	(—)	-87.18
	b) Unallocated corporate Income				
	Share in Profit / Loss Partnership Firm			38.94	38.94
				-260.93	-260.93
	c) Other Income	0.48	0.10		0.58
		-0.48	-16.32		-16.8
	Total Revenue	2.86	22.73	38.94	64.53
		-8.12	-103.5	-260.93	-372.55
2	Segment Result				
	Profit before Interest, Tax & Depreciation	-2.19	-29.45	38.94	7.3
		-3.41	(-69.51)	-260.93	-194.83
	Less: Depreciation				9.9
					-9.41
	Add.: Interest Received				14.9
					-16.35
	Less: Interest Paid				1.36
					-1.56
	Less: Provision for Taxation				1.52
					-4.43
	Net Profit / Loss				9.43
					-195.78
3	Other Information				
	Segment Assets	158.11	496.93	550.64	1205.68
		-362.99	-432.01	-404.67	-1199.67
	Segment Liabilities	2.87	50.64	74.28	127.79
		-8.08	-60.96	(—)	-69.04
	Capital Expenditure	—	—	-0.37	0.37
		(—)	(—)	—	(—)
	Depreciation	5.49	4.41		9.9
		-3.9	-5.51		-9.41

- 6) During the year the Company has accounted for deferred tax in accordance with the Accounting Standard 22 –“Accounting for Taxes on Income” issued by the Institute of Chartered Accountings of India.

The break up of deferred tax balance is as under:

(Rs. In Lacs)

Deferred Tax Liability	31/03/2010	31/03/2009
On account of Depreciation	1.27	4.12
Net Deferred Tax Liability	10.35	9.07

7) **TRANSACTIONS WITH RELATED PARTY**

Related Party	Description of Nature of Transactions	Transactions during the year 2009/2010	Outstanding Balance as on 31/03/2010	Transactions during the year 2008/2009	Outstanding Balance as on 31/03/2009
A) With Directors					
Shri S.J.Parikh	Remuneration	1,20,000	—	84,250	—
B) With Subsidiary					
Minal International FZE	Loan Given	71,88,500	Dr. 71,88,500	—	—
C) With Associates					
1) C. Mahendra Info Jewels.	Purchases	—	Cr.38,31,625	42,74,794	Cr.43,25,373
2) C.Mahendra Jewel (USA)	Purchases	—	Cr. 5,70,149	6,30,938	Cr.6,44,834
3) Minal Electrical & Engineering	i) Rent Received	48,000	—	48,000	—
	ii) Job work / Sales	—	Dr. 2,71,323	3,66,582	Dr. 2,74,083
	iii) Loan Receivedi	4,50,000	—	—	—
	v) Loan Repaid	4,50,000	—	—	—
4) Minal Plastics	i) Rent Paid	36,000	Cr 44,500	36,000	Cr. 8,500
5) Minal Exim Pvt Ltd	i) Loan Given	1,00,000	Dr. 1,00,000	—	—
C) With Key Management Personnel					
Anila S.Parikh	Salary	20,000	—	1,20,000	—
Brijal A.Gandhi	Salary	60,000	—	2,60,000	—

- 8) The Company is a Partner in the firm where in the share in profit of each partner, the total capital of all the partners as on 31st March, 2010 are stated as under :

A NAME OF THE FIRM	C. Mahendra Info jewels
B PARTNERS	SHARE OF PROFIT/LOSS
1. SHRI SHRIKANT J. PARIKH	48.25%
2. MINAL ENGINEERING LTD.	18.50%
3. C.MAHENDRA JEWELS PVT LTD.	32.50%
4. SHRI JESINGLAL B.PARIKH	0.75%
	100%
C TOTAL CAPITAL OF THE PARTNERS	RS. 64,58,60,047

9) **REMUNERATION TO AUDITORS**

	2009-10	2008-09
a) Audit Fees	60,000	43,491
b) Taxation Matters	—	5,000
c) Others	—	19,043
Total	60,000	67,534

10) EARNING PER SHARE

Earning per share (EPS) is calculated in accordance with Accounting Standard – 20 as under

	2009-10	2008-09
Net Profit / (Loss) after taxation (Rs.)	9,43,280	1,95,78,291
Weighted average of Equity Shares (Nos)	63,70,080	63,70,080
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)	0.15	3.07

- 11) The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of any of its fixed assets is not lower than its carrying amount. Accordingly no provision for impairment is required as at 31 March 2010.
- 12) Sundry Debtors includes Rs. 2,71,323/- being amount due from the firm in which Directors are interested (Maximum Outstanding during the year Rs.2,74,083 /-)(Previous Year Rs. 2,74,083/-)
- Loans and Advances includes Rs. 71,88,500/- being amount given to Wholly Owned Subsidiary company. (Maximum Outstanding during the year Rs.71,88,500/-)(Previous Year Rs. NIL)
- Loans and Advances includes Rs. 1,00,000/- being amount given to concern in which Directors are interested (Maximum Outstanding during the year Rs.1,00,000/-)(Previous Year Rs. NIL)
- 13) The Company is in process of appointing a full time Company Secretary by the provision of Section 383A of the Companies Act, 1956. In the absence of the Company Secretary, these financial statements have not been authenticated by a whole time Company Secretary under Section 215 of Companies Act, 1956.
- 14) As required by the Notification No. GSR 129(F) dated 22nd February, 1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs there are no small scale undertakings to which the Company owes sum which is outstanding for more than 30 days.
- In the absence of necessary information with the company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.
- 15) In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.
- 16) The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of any of its fixed assets is not lower than its carrying amount. Accordingly no provision for impairment is required as at 31 March 2010.
- 17) Balances of debtors, loans and advances and creditors are subject to confirmations.
- 18) Previous year figures are regrouped, re-arranged and recast wherever felt necessary so as to make them comparable with that of current year.
- 19) Additional information pursuant to provisions of Paragraph 3 & 4 in Part –II of Schedule-VI to the Companies Act, 1956.

Information in respect of goods manufactured / purchased for resale, sold and stocks (As Certified by a Director)

	2009-10	2008-09
A Licensed Capacity	N.A.	N.A.
Installed Capacity	N.A.	N.A.
ACTUAL PRODUCTION		
a) Braille Typewriters	Nil	Nil
b) Parts	Nil	Nil

B) i) STOCK OF MANUFACTURED FINISHED GOODS AND TURNOVER

Particulars	(Rs. In Lac)					
	Opening Stock		Closing Stock		Sales	
	Qty	Value	Qty	Value	Qty	Value
Braille Typewriter	47	3.64	27	1.94	20	2.02
	(71)	(5.42)	(47)	(3.64)	(24)	(2.37)
Job-Work						0.36
						(5.28)
						2.38
						(7.65)

ii) GOODS FOR RESALE / TRADING

Particulars	(Rs. In Lac)							
	Opening Stock		Purchase		Closing Stock		Sales	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Jewellery& Consumer Items	110814	233.15	52.90	2.78	109787	221.40	1079	22.63
	(37887)	(133.82)	(76351)	(161.32)	(110814)	(233.15)	(3424)	(87.18)
								22.63
								(87.18)

Figures in brackets pertain to previous year.

C) DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

a) STORES AND SPARES

Imported		NIL		NIL		NIL		NIL
Indigenous		0.17		100.00		0.19		100.00
TOTAL RS.		0.17		100.00		0.19		100.00

D) CIF Value of Imports					NIL	Rs.42,36,547
E) Expenditure in Foreign Currency					NIL	NIL
F) Earning in Foreign Currency					NIL	NIL

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director

**BALANCE SHEET ABSTRACTS & COMPANY'S GENERAL BUSINESS PROFILE**

(Pursuant to Part IV of Schedule VI of The Companies Act, 1956)

I Registration Details

Registration No.	10259	State Code	04
Balance Sheet Date	31.03.2010		

II Capital raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL
Others	NIL		

III Position of Mobilization & Deployment of funds

Total Liabilities	120576771	Total Assets	120567771
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Sources

Paid up Capital	63700800	Reserves & Surplus	35324655
Share Application Money	—	Secured Loans	—
Unsecured Loans	175000	Deferred Tax Liability	1035101

Applications

Net Fixed Assets	15552236	Investments	55063974
Net Current Assets	37172346	Misc. Expenditure	—
Accumulated Losses	—		

IV Performance of the Company

Turnover	2500863	Total Expenditure	6847755
Profit/Loss before Tax	1094861	Profit/Loss after Tax	943280
Earning per Share (Rs.)	0.15	Dividend Rate (%)	10%

V Generic Names of the Principle Products of the company

Item Code	8469200120
Product Description	BRAILLE TYPEWRITER

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi

Proprietor

Membership No. 37643

Place : Mumbai

Date : 31/05/2010

Managing Director

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 ST MARCH 2010

	RS.	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		1,094,861	20,021,666
ADJUSTMENT FOR:			
Depreciation	989,984		941,582
Interest expenditure	135,642		155,621
Interest / Dividend Income	1,489,740	(364,114)	1,635,251
Operating Profit before working capital changes		730,746	19,483,618
ADJUSTMENT FOR :			
Trade and other receivables	(4,373,806)		(1,071,790)
Inventories	1,345,532		(9,783,286)
Trade payables and other liabilities	4,415,364	1,387,090	7,348,773
Cash generated from operations		2,117,836	15,977,315
Taxes Paid	(24,239)	(24,239)	(399,125)
		2,093,597	15,578,190
Add : Extra ordinary items -PrL. Exp.w/off		84,000	84,000
Net Cash from Operating activities		2,177,597	15,662,190
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(37,060)	(292,331)
Investment in Partnership firm		(12,405,567)	(26,003,393)
Investment in Subsidiary Company		(1,837,500)	—
Interest Income		1,489,740	1,635,251
Net cash used in Investing activities		(12,790,387)	(24,660,473)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings(Net of repayment)		74,143	(4,984,188)
Interest Paid		(135,642)	(155,621)
Dividend paid Including Tax		(7,428,080)	—
Net cash from financing activities		(7,489,578)	(5,139,809)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		(18,102,368)	(14,138,092)
Cash and cash equivalents- opening balance		20,511,222	34,649,314
Cash and cash equivalents- Closing balance		2,408,854	20,511,222
Net increase/(decrease) as disclosed above		(18,102,368)	(14,138,092)

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director

Director



**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
OF MINAL INDUSTRIES LIMITED AND ITS SUBSIDIARY**

To,
The Board of Directors
MINAL INDUSTRIES LIMITED

1. We have audited the attached consolidated balance sheet of Minal Industries Limited ('the Company') and its subsidiary (collectively referred as 'the Group'), as at 31 March 2010, the consolidated profit and loss account and the consolidated cash flow statement 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.
2. We conducted our audit in accordance with 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 examining, 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.
3. We did not audit the financial statements of Minal International FZE the subsidiary company, whose financial statements reflects total assets of Rs.7045.73 Lacs as at 31 March 2010, total revenue (net turnover) of Rs.6694.87 Lacs and net cash outflows amounting to Rs.668.50 Lacs for the year ended on that date as considered in the Consolidated Financial Statement. The financial statements and other financial information have been audited by other auditor whose report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the said subsidiary, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)-21, "Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on the consideration of reports of other auditors on separate financial statements and on other financial information of the components, and to the best of information and according to the explanations given to us, we are of the opinion that the attached Consolidated financial statements read together with the accounting principles generally accepted in India:
 - i. in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2010;
 - ii. in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - iii. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

FOR R H MODI & CO.
CHARTERED ACCOUNTANTS
(Registration no. 106486W)

Place : Mumbai
Date : 31/05/2010

(R H MODI)
Membership No. 37643

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Rs.	As At 31-Mar-10	Rs.	As At 31-Mar-09
Sources Of Funds					
Share Holders Funds					
Share Capital	1	71,253,800		71,253,800	
Reserves & Surplus	2	102,137,768	173,391,568	41,809,455	113,063,255
Loan Funds :					
Secured Loans		—		100,857	
Unsecured Loans	3	1,400,000	1,400,000	—	100,857
Deferred Tax Liability			1,035,101		907,759
TOTAL			175,826,669		114,071,871
Application Of Funds					
Fixed Assets :					
Gross Block	4	24,688,949		24,651,889	
Less : Depreciation		9,136,713		8,146,729	
Net Block			15,552,236		16,505,160
Investments	5		53,226,474		40,820,907
Current Assets Loans & Advances					
A) INVENTORIES		49,326,082		24,901,926	
B) SUNDRY DEBTORS		669,914,077		1,837,283	
C) CASH & BANK BALANCE		11,678,858		20,511,222	
D) LOANS & ADVANCES		16,417,151		17,775,224	
			747,336,168		65,025,655
Less : Current Liabilities & Provisions	7				
A) Current Liabilities		632,860,129		8,363,851	
B) Provisions		7,428,080		—	
			640,288,209		8,363,851
Net Current Assets			107,047,959		56,661,804
Miscellaneous Expenditure (Extent Not Written Off Or Adjusted)	8		—		84,000
			175,826,669		114,071,871
Accounting Policies And Notes Thereon Forming Part Of The Accounts	16				

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi

Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director

Director



CONSOLIDATED PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year Ended 31-Mar-10	Year Ended 31-Mar-09
Income			
Sales/Job Work Income	9	671,987,716	9,482,688
Share In Profit From Partnership Firm		3,893,806	26,093,393
Other Income	10	1,547,947	3,315,211
Increase / (Decrease) In Stock	11	24,424,156	9,783,286
TOTAL		701,853,625	48,674,578
Expenditure			
Purchase Of Goods	12	627,725,509	16,132,758
Manufacturing Expenses	13	270,403	1,009,647
Payments To & Prov. For Employees	14	676,622	904,446
Administrative, Selling & Other Exp.	15	4,063,492	9,424,859
Intrest & Finance Charges		135,642	155,621
Depreciation		989,984	941,582
Preliminery Expnses W/Off		84,000	84,000
TOTAL		633,945,651	28,652,913
Profit Before Taxation		67,907,974	20,021,666
Less : Provision For Taxation		—	—
Less : Deferred Tax Liability		127,342	411,874
Less : Fringe Benefit Tax		—	31,501
Less : Income Tax For Earlier Years		24,239	—
Profit After Taxation		67,756,393	19,578,291
Balance As Per Last Year		22,497,161	2,918,870
Amount Available For Appropriation		90,253,554	22,497,161
Appropriation			
Proposed Dividend		6,370,080	—
Tax On Proposed Dividend		1,058,000	—
Transferred To Statutory Reserve		918,750	—
Balance Carried To Balance Sheet		81,906,724	22,497,161
		90,253,554	22,497,161
No. Of Shares		6,370,080	6,370,080
Basic / Diluted Earning Per Share		10.64	3.07
Accounting Policies & Notes Forming Part Of The Accounts	16		

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi

Proprietor

Membership No. 37643

Place : Mumbai

Date : 31/05/2010

Managing Director

Director

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	CURRENT YEAR Rs. 31-Mar-10	PREVIOUS YEAR Rs. 31-Mar-09
SCHEDULE '1' : SHARE CAPITAL		
AUTHORISED		
10,000,000 EQUITY SHARES OF RS.10/-EACH (P.Y.10,000,000 Equity Shares of Rs. 10/- each)	100,000,000	100,000,000
ISSUED,SUBSCRIBED & PAID UP :		
6370080 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (P.Y. 6370080 Equity Shares of Rs. 10/- each) (Of the total Equity Shares, 5325130,(P.Y.5325130) Equity shares were issued as fully paid Bonus share capitalising Rs.52029800/- from General Reserve & 1221500/- from Revaluation Reserve)	63,700,800	63,700,800
FORFEITED SHARES		
Amount Originally paid-up on Forfeited Shares	7,553,000	7,553,000
	71,253,800	71,253,800
SCHEDULE '2' : RESERVES & SURPLUS		
INVESTMENT ALLOWANCE RESERVE		
Balance as per Last year Balance Sheet	277,810	277,810
CAPITAL RESERVE		
Balance as per Last year Balance sheet		
State Subsidy	261,231	261,231
Central Subsidy	219,000	219,000
	480,231	480,231
REVALUATION RESERVE		
Balance as per Last year Balance sheet	161,883	161,883
STATUTORY RESERVE		
Balance as per Last year Balance sheet	—	
Add : Transferred During the Year	918,750	918,750
GENERAL RESERVE		
Balance as per Last year Balance sheet	18,392,370	18,392,370
PROFIT & LOSS ACCOUNT		
As per the Annexed Accounts	81,906,724	22,497,161
	102,137,768	41,809,455
SCHEDULE '3' : UNSECURED LOANS		
From Directors	175,000	—
From Others	1,225,000	—
	1,400,000	—


SCHEDULE '4' : FIXED ASSETS

SR. NO.	PARTICULAR	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		AS ON 1-Apr-09	ADDI-TION	DEDUC-TION	AS ON 31-Mar-10	RATE	AS ON 1-Apr-09	FOR THE YEAR	AS ON 31-Mar-10	AS ON 31-Mar-10
1	Leasehold Land	543,235	—	—	543,235	—	—	—	543,235	543,235
2	Factory Building	921,244	—	—	921,244	1.63%	438,735	15,016	453,751	467,493
3	Office Premises	10,812,700	—	—	10,812,700	1.63%	476,604	176,247	652,851	10,159,849
4	Plant & Machinery	5,246,152	—	—	5,246,152	4.75%	4,980,316	249,192	5,229,508	16,644
5	Electric Fittings	839,852	—	—	839,852	4.75%	73,176	39,893	113,069	726,783
6	Office Equipments	118,578	—	—	118,578	4.75%	49,770	5,632	55,402	63,176
7	Computers	405,215	23,500	—	428,715	16.21%	350,479	66,353	416,832	11,883
8	Furniture & Fixtures	3,489,369	13,560	—	3,502,929	6.33%	356,417	221,474	577,891	2,925,038
9	Vehicles	2,275,544	—	—	2,275,544	9.50%	1,421,232	216,177	1,637,409	638,135
	Total Rs.	24,651,889	37,060	—	24,688,949		8,146,729	989,984	9,136,713	15,552,236
	Previous Year	24,359,558	292,331	—	24,651,889		7,205,147	941,582	8,146,729	16,505,160

NOTE:-

Plant and Machinery were revalued on 31.03.1993 by a registered valuer and accordingly the Gross Block of the Plant and Machinery was increased by Rs. 13,83,383/- by transferring the said amount to Revalued Reserve.

	CURRENT YEAR	PREVIOUS YEAR
Rs.	31-Mar-10	Rs. 31-Mar-09

SCHEDULE '5' : INVESTMENTS
a) QUOTED
i) Non Trade Investments

11000 (Previous year 11000) Equity Shares in Estern Mining Ltd. Of Rs.10/- each	352,000	352,000
100 (Previous year 100) Equity Shares in Vardhman Wires & Polymers Ltd. Of Rs.10/-each	1,000	1,000
	353,000	353,000

b) UNQUOTED
i) Trade Investment
i) INVESTMENT IN PARTNERSHIP FIRM

Capital in C.Mahendra Infojewels	52,872,974	40,467,407
----------------------------------	------------	------------

ii) Non Trade Investment

Share in Sterling Centre Premises Owners Co-op Society Ltd. of Rs.500/- each.	500	52,873,474	500	40,467,907
		53,226,474		40,820,907

	CURRENT YEAR 31-Mar-10	PREVIOUS YEAR 31-Mar-09
	Rs.	Rs.
SCHEDULE '6' : CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
a) INVENTORIES (As taken, valued & Certified by a Director)		
Work-in-process	1,222,328	1,222,328
Finished Goods	48,103,754	23,679,598
	<u>49,326,082</u>	<u>24,901,926</u>
b) SUNDRY DEBTORS (Unsecured, considered Good)		
Exceeding Six months	111,508	1,524,497
Others	669,802,569	312,786
	<u>669,914,077</u>	<u>1,837,283</u>
c) CASH & BANK BALANCES		
Cash on Hand	1,645,923	725,700
Balance with Schedule Banks:		
In Current Accounts	9,404,155	205,124
In Fixed Deposit Accounts	628,779	19,580,398
	<u>11,678,858</u>	<u>20,511,222</u>
d) LOAN & ADVANCES (Unsecured & Considered Good)		
Advances recoverable in cash or in kind or value to be received	13,839,364	15,444,264
Advance Income Tax (Net of Provision)	1,279,448	1,102,171
Deposits	1,298,339	1,228,789
	<u>16,417,151</u>	<u>17,775,224</u>
SCHEDULE '7' : CURRENT LIABILITIES & PROVISION		
a) CURRENT LIABILITIES		
SUNDRY CREDITORS	632,592,338	8,207,872
OTHER LIABILITIES	267,791	155,979
	<u>632,860,129</u>	<u>8,363,851</u>
b) PROVISIONS		
Proposed Dividend	6,370,080	—
Tax on Proposed Dividend	1,058,000	—
	<u>7,428,080</u>	<u>—</u>
	<u>640,288,209</u>	<u>8,363,851</u>
SCHEDULE '8' : MISCELLANEOUS EXPENDITURE (the extent not written off or adjusted)		
PRELIMINARY EXPENSES		
Balance as per last year	84,000	168,000
Less: Written off during the year	84,000	84,000
	<u>—</u>	<u>84,000</u>

**MINAL INDUSTRIES LIMITED**

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	31-Mar-10	Rs.	31-Mar-09
Schedule '9' : Sales/Job Work				
Manufacturing Sales		201,150		236,510
Trading Sale		671,749,866		8,718,220
Jobwork Income (Tax Deducted Rs.Nil P.Y. Rs.9861)		36,700		527,957
		<u>671,987,716</u>		<u>9,482,687</u>
Schedule '10' : Other Income				
Rent		48,000		48,000
Discount Kasar		5,507		13,593
Service Charges		4,700		—
Exchange Rate Diff (Net)		—		1,618,367
Intrest Received (Tax Deducted Rs.148974/- P.Y. Rs. 342457/-)		1,489,740		1,635,051
Dividend Received		—		200
		<u>1,547,947</u>		<u>3,315,211</u>
Schedule '11' : Increase / (Decerese) In Stock				
Closing Stock Of Finished Goods	48,103,754		—	
Closing Stock Of Work-In-Progress	1,222,328	49,326,082		24,901,926
Less: Opening Stock Of Finished Goods	23,679,598		—	
Opening Stock Of Work- In- Progress	1,222,328	24,901,926		15,118,640
		<u>24,424,156</u>		<u>9,783,286</u>
Schedule '12' : Purchase Of Goods				
Purchase		627,725,509		16,132,758
		<u>627,725,509</u>		<u>16,132,758</u>
Schedule '13' : Manufacturing Expenses				
Labour Charges		30,240		214,415
Power & Fuel		212,965		487,623
Freight, Octroi Charges		6,500		465
Packing Material		3,666		288,321
Consumable & General Stores		17,032		18,823
		<u>270,403</u>		<u>1,009,647</u>

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	31-Mar-10	Rs.	31-Mar-09
Schedule '14' : Payment To & Prov. For Employees				
Salary Wages & Other Allowances		482,920		695,226
Directors Remuneration		120,000		84,250
Contribution To ESI		11,855		12,058
Staff Welfare Expenses		61,847		87,587
Gratuity		—		25,325
		<u>676,622</u>		<u>904,446</u>
Schedule '15' : Administrative, Selling & Other Exp				
Printing & Stationary		86,845		237,922
Postage & Telephone Expenses		110,767		105,830
Travelling & Conveyance		200,207		251,812
Rent,Rates & Taxes		593,177		6,912,791
Auditors Remuneration		121,250		67,534
Professional & Legal Fees		431,180		281,847
Advertisement Expenses		29,636		97,444
Exchange Rate Diff (Net)		570,227		—
Repairs & Maintenance				
Plant & Machinery	77,555		36,980	
Computer	10,000		550	
Others	—	87,555	49,655	87,185
		<u>569,842</u>	<u>49,655</u>	
Sales Promotion Expenses		569,842		878,026
Insurance Premium		334,250		305,279
Miscellaneous Expenses		732,806		74,091
Security Charges		58,848		61,251
Donation		4,617		1,000
Filing Fees		126,853		62,847
Bad Debts Written Off		5,433		—
		<u>4,063,492</u>		<u>9,424,859</u>

SCHEDULE: 16 : NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010
1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.
I) Basis of Consolidation

1. The Consolidated financial statements relate to Minal Industries Limited ('the company'), and its subsidiary company. The Consolidated financial statement has been prepared on the following basis:
 - a) The financial statements of the Company and its subsidiary company have been combined on line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit and loss.
 - b) The Consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards (AS)-21 'Consolidated Financial Statements'. The consolidated financial statements are presented in Indian rupees.
 - c) The excess of the cost to the parent of its investment in the subsidiary entities over its share of the equity in the subsidiary entities at the dates on which the investments are made is recognised in the financial statements as 'Goodwill'. The excess of parent's share of equity in consolidated subsidiary entities as on the date of investments in excess of the cost of investment is recognised in the consolidated financial statements as 'Capital Reserve' and shown under the head 'Reserves and Surplus'.
2. Financial Statements of Foreign Subsidiary – Minal International FZE have been converted in Indian Rupees at the year end rates.
3. The subsidiaries considered in the consolidated financial statements are:

Name of the subsidiaries	Country of incorporation/ constitution	Extent of holding % as at year end*	Reporting currency	Effective date of becoming subsidiary
Minal International FZE	Sharjah	100.00	AED	Since Incorporation (11/02/2010)

2) REVENUE RECOGNITION:

All revenues and expenses are accounted on accrual basis, except to the extent stated otherwise.

3) FIXED ASSETS

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation.

The costs of assets include direct/indirect and incidental costs incurred to bring them in to their present location and working condition for the intended use.

4) DEPRECIATION

Depreciation is provided on straight line basis as per the rates and method prescribed under Schedule XIV to the Companies Act, 1956.

5) INVESTMENTS

Long Term Investments are valued at cost, provisions for diminution in value of investment is made if in the opinion of the management, the decline is permanent in nature.

6) INVENTORIES
Engineering Division

Inventories are stated at the lower of cost or net realizable value. Cost is determined at the FIFO Method. The cost of work in progress and finished goods comprises direct material, direct labour, other direct cost and related production overhead.

Stores are written off in the year of purchase.

Jewellery Division

Inventories are stated at the lower of cost or net realizable value.

7) RETIREMENT BENEFITS

- a) Gratuity Liability is accounted as and when paid.
- b) Leave Encashment Liability is accounted as and when paid.

8) FOREIGN CURRENCY TRANSACTIONS

All transactions in foreign currency are recorded by applying the exchange rate prevailing at the time of the transaction.

Gains or losses upon settlement of the transaction during the year is recognised in the Profit and Loss Account except those related to acquisition of fixed assets which are adjusted to the cost of fixed assets.

Foreign Currency Transactions remaining unsettled at the end of the year are translated at the year-end rate.

Gains or Losses arising as a result of above are adjusted in the Profit and Loss Account except relating to the loan liability for acquisition of Fixed Assets which is adjusted to the cost of the Fixed Assets.

Indian Rupee is the reporting currency of the Company. However, the functional currency of foreign subsidiary is their local currency as disclosed above. The translation of functional currency of foreign subsidiary into Indian Rupees is performed for assets and liabilities (except for capital, opening reserves and surplus), using the exchange rate as at the balance sheet date and for revenues, cost and expenses using yearly average exchange rates. Resultant currency translation exchange gain / loss is disclosed as "Translation Reserve" in reserves and surplus. Contingent liabilities are translated at the closing rate.

9) BORROWING COSTS

Borrowing Costs directly attributed to the acquisition of Fixed Assets are capitalised as a part of the cost of Asset upto the date the Asset is put to use. Other Borrowing Costs are charged to the Profit and Loss Account in the year in which they are incurred.

10) TAXATION

Tax expenses for the year comprises of current income tax and deferred tax.

a) Indian Companies

Provision for income tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Deferred Tax is recognised subject to the consideration of prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

b) Foreign Companies

Foreign Companies recognize tax liabilities and assets in accordance with the applicable local laws.

11) IMPAIRMENT OF FIXED ASSETS:

At each balance sheet date, the Group determines whether a provision should be made for impairment loss on fixed assets (including intangible assets), by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS)- 28 'Impairment of Assets'. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

- 2) In consultation with the Vadodara Stock Exchange and after due compliance of legal requirements, the Company had forfeited 22,58,000 Equity Shares of Rs. 10/- each and resultant paid-up value of Rs. 75,53,000/- of such shares have been shown alongwith the paid-up capital of the Company.
- 3) There has been a diminution of Rs. 3.53 Lacs in the value of long term investments held by the Company as at 31st March, 2010. No provision against the same has been considered necessary since in the opinion of management such diminution is of temporary in nature.
- 4) a) Total present liability for future payment of gratuity as on 31st March, 2010 is neither provided nor actuarially determined. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.
- b) Leave encashment liability, if any, has not been determined, presently, and would be charged when paid. This liability will be dealt with on cash basis which is not in accordance with Accounting Standard (AS) 15- 'Employee Benefit' issued by the Institute of Chartered Accountants of India.

5) SEGMENT REPORTING
SEGMENT RESULTS OF PRIMARY BUSINESS SEGMENTS
(Rs. in lacs)

Sr No	Particulars	Engineering Division (Rs.)	Jewellery Division (Rs.)	Other (Rs.)	Total (Rs.)
1	Revenue				
	a) External Sales				
	i) Manufactured Goods/ Jobwork	2.38 -7.64	— (—)	— (—)	2.38 -7.64
	ii) Traded Goods	— (—)	6717.50 -87.18	— (—)	6717.50 -87.18
	b) Unallocated corporate Income				
	Share in Profit / Loss Partnership Firm			38.94 -260.93	38.94 -260.93
	c) Other Income	0.48 -0.48	0.10 -16.32		0.58 -16.8
	Total Revenue	2.86 -8.12	6717.50 -103.5	38.94 -260.93	6759.40 -372.55
2	Segment Result				
	Profit before Interest, Tax & Depreciation	-2.19 -3.41	638.69 (-69.51)	38.94 -260.93	675.44 -194.83
	Less: Depreciation				9.90 -9.41
	Add.: Interest Received				14.90 -16.35
	Less: Interest Paid				1.36 -1.56
	Less: Provision for Taxation				1.52 -4.43
	Net Profit / Loss				677.56 -195.78
3	Other Information				
	Segment Assets	86.23 -362.99	7542.66 -432.01	532.26 -404.67	8161.15 -1199.67
	Segment Liabilities	2.87 -8.08	6325.73 -60.96	74.28 (—)	6402.88 -69.04
	Capital Expenditure	— (—)	— (—)	-0.37 —	0.37 (—)
	Depreciation	5.49 -3.9	4.41 -5.51		9.9 -9.41

6) During the year the Company has accounted for deferred tax in accordance with the Accounting Standard 22 –“Accounting for Taxes on Income” issued by the Institute of Chartered Accountings of India.

The break up of deferred tax balance is as under:

(Rs. In Lacs)

Deferred Tax Liability	31/03/2010	31/03/2009
On account of Depreciation	1.27	4.12
Net Deferred Tax Liability	10.35	9.07

7) TRANSACTIONS WITH RELATED PARTY

Related Party	Description of Nature of Transactions	Transactions during the year 2009/2010 on 31/03/2010	Outstanding Balance as year 2008/2009	Transactions during the on 31/03/2009	Outstanding Balance as
A) With Directors					
Shri S.J.Parikh	Remuneration	1,20,000	—	84,250	—
B) With Associates					
1) C. Mahendra Info Jewels.	Purchases	—	Cr.38,31,625	42,74,794	Cr.43,25,373
2) C.Mahendra Jewel (USA)	Purchases	—	Cr. 5,70,149	6,30,938	Cr.6,44,834
3) Minal Electrical & Engineering	i) Rent Received	48,000	—	48,000	—
	ii) Job work / Sales	—	Dr. 2,71,323	3,66,582	Dr. 2,74,083
	iii) Loan Received	4,50,000	—	—	—
	v) Loan Repaid	4,50,000	—	—	—
4) Minal Plastics	i) Rent Paid	36,000	Cr 44,500	36,000	Cr. 8,500
5) Minal Exim Pvt Ltd	i) Loan Given	1,00,000	Dr. 1,00,000	—	—
C) With Key Management Personnel					
Anila S.Parikh	Salary	20,000	—	1,20,000	—
Brijal A.Gandhi	Salary	60,000	—	2,60,000	—

8) The Company is a Partner in the firm where in the share in profit of each partner, the total capital of all the partners as on 31st March, 2010 are stated as under :

A NAME OF THE FIRM	C. Mahendra Info jewels
B PARTNERS	SHARE OF PROFIT/LOSS
1. SHRI SHRIKANT J. PARIKH	48.25%
2. MINAL ENGINEERING LTD.	18.50%
3. C.MAHENDRA JEWELS PVT LTD.	32.50%
4. SHRI JESINGLAL B.PARIKH	0.75%
	100%
C TOTAL CAPITAL OF THE PARTNERS	RS. 64,58,60,047

9) EARNING PER SHARE

Earning per share (EPS) is calculated in accordance with Accounting Standard – 20 as under

	2009-10	2008-09
Net Profit / (Loss) after taxation (Rs.)	6,77,56,393	1,95,78,291
Weighted average of Equity Shares (Nos)	63,70,080	63,70,080
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)	10.64	3.07



- 10) The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of any of its fixed assets is not lower than its carrying amount. Accordingly no provision for impairment is required as at 31 March 2010.
- 11) Sundry Debtors includes Rs. 2,71,323/- being amount due from the firm in which Directors are interested (Maximum Outstanding during the year Rs.2,74,083 /-)(Previous Year Rs. 2,74,083/-)
- 12) The Company is in process of appointing a full time Company Secretary by the provision of Section 383A of the Companies Act, 1956. In the absence of the Company Secretary, these financial statements have not been authenticated by a whole time Company Secretary under Section 215 of Companies Act, 1956.
- 13) As required by the Notification No. GSR 129(F) dated 22nd February, 1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs there are no small scale undertakings to which the Company owes sum which is outstanding for more than 30 days.

In the absence of necessary information with the company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.

- 14) In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.
- 15) The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of any of its fixed assets is not lower than its carrying amount. Accordingly no provision for impairment is required as at 31 March 2010.
- 16) Balances of debtors, loans and advances and creditors are subject to confirmations.
- 17) Previous year figures are regrouped, re-arranged and recast wherever felt necessary so as to make them comparable with that of current year.

As Per Our Report Attached
For **R.H.Modi & Co.**
Chartered Accountants

For Minal Industries Limited

R.H.Modi
Proprietor
Membership No. 37643
Place : Mumbai
Date : 31/05/2010

Managing Director Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

1	Name of the Subsidiary Company	Minal International FZE (Sharjah)
2	Financial year ended on	31.03.2010
3	Holding Company's Interest No of Equity Shares Extent of Holding	1 Equity Shares of 1,50,000 AED each 100 %
4	The net aggregate amount of the subsidiary company's profit/loss so far as it concerns members of the Holding Company's accounts	
	(i) Not dealt with in the Holding Company's Accounts.	
	(a) for the financial year of the subsidiary	66850443
	(b) for the previous financial years of the subsidiary since it became the Holding company's subsidiary	NA
	(ii) Dealt with in the Holding Company's Accounts.	
	(a) for the financial year of the subsidiary	NIL
	(b) for the previous financial years of the subsidiary since it became the Holding company's subsidiary	NA
5	Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company	NA



MINAL INDUSTRIES LIMITED

214/A, Paradise Complex, Sayajigunj, Baroda- 390 005

FORM OF PROXY

I/We of in the district of being a member/
members of the above-named company hereby appoint.....of..... in the district of
..... or failing himof in the district of.....
as my/our proxy to vote for me/us on my/our behalf at Twenty Second annual general meeting of the company to be held on the 30th day of December, 2010 and at any adjournment thereof.

Signed this..... day of 2010



MINAL INDUSTRIES LIMITED

214/A, Paradise Complex, Sayajigunj, Baroda- 390 005

**FORM FOR AFFORDING MEMBERS AN OPPORTUNITY OF VOTING
FOR OR AGAINST A RESOLUTION [*]**

I/We of in the district of, being a member/
members of the above-named Company, hereby appoint, in the district of
....., or failing him, of in the district
of, as my/our proxy to vote for me/us on my/our behalf at the Twenty second annual general meeting of the
company to be held on the 30th day of December, 2010 and at any adjournment thereof.

Signed thisday of..... 2010

[This form is to be used †in favour of/†against the resolution. Unless otherwise instructed the proxy will act as he thinks fit.]

†Strike out whichever is not desired.

Book-Post

If undelivered please return to :

Minal Industries Limited
214/A, Paradise Complex,
Sayajigunj, Baroda- 390 005