

SIXTEENTH ANNUAL REPORT

2003-2004



MINAL ENGINEERING LIMITED



16th Annual Report 2003-2004 MINAL ENGINEERING LIMITED

MINAL ENGINEERING LIMITED

16th Annual Report 2003-2004

BOARD OF DIRECTORS

Shri J. B. Parikh Chairman
Shri Shrikant J. Parikh Managing Director
Shri J. V. Joshi Director
Shri Amul J. Patel Director
Shri Vikram J. Parikh Director

REGD. OFFICE

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

AUDITORS

M/s. Chandrakant & Seventilal &
J. K. Shah & Co.,
Chartered Accountants
Vadodara

BANKERS

Corporation Bank

16th Annual General Meeting

Date : Thursday, 30th September, 2004

Time : 11-00 a.m.

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

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MINAL ENGINEERING LIMITED 16th Annual Report 2003-2004**NOTICE**

NOTICE IS HEREBY given that the 16th ANNUAL GENERAL MEETING of the Share holders of Minal Engineering Ltd. will be held at 214/A, Paradise Complex, Sayajigunj, Vadodara on Thursday the 30th Sept., 2004 at 11:00 AM to transact the following business;

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri J. B. Parikh, who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vikram J. Parikh, who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with provisions of section 269, 198, 309 and all other applicable provisions, if any of the Companies Act, 1956 and subject to the limits specified in schedule XIII to the said Act, the Company hereby approves the re-appointment of Shri Shrikant J. Parikh as

the Managing Director of the Company for a further period of five years with effect from 1st January, 2004 to 31st Dec., 2008 on the remuneration and terms and conditions as set out in the draft of agreement to be entered into between the Company and Shri Shrikant J. Parikh, a draft of which is placed before this meeting and the remuneration as set out in the explanatory statement forming part of this notice is hereby specifically sanctioned and approved with the liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956 without any further reference to the company in General Meeting and as may be agreed to between the Board and Shri Shrikant J. Parikh.

"FURTHER RESOLVED THAT in the event of no profits or inadequacy of profits the remuneration payable to Shri Shrikant J. Parikh as Managing Director of the Company by way of salary and perquisites shall not exceed the limits specified in section II of part II of schedule XIII."

"FURTHER RESOLVED THAT the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By order of the Board of Directors
For **MINAL ENGINEERING LIMITED**

Registered Office :
Minal Engineering Limited
214/A, Paradise Complex,
Sayajigunj, Vadodara - 390 005.
Date : 30/06/2004

SD/-
J.B.PARIKH
Chairman

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
3. Shareholders are requested to send intimation of change of address, transfer, transmission deeds and such other correspondence directly

to the MCS Ltd. at Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 005.

4. The Register of members and share transfer books of the Company will remain closed from Monday the 27th Sept., 2004 to Thursday the 30th Sept., 2004 (both days inclusive) for the purpose of the 16th Annual General Meeting of the Company.
5. Members, who hold shares in the dematerialized form, are requested to bring their depository account number (client ID No.) for easy identification and recording of attendance at the meeting.



6. Shareholders are requested to send their queries in respect of financial accounts of the Company for the year ended 31st March, 2004, at least a week in advance so as to enable the management to keep the information ready at the time of the Annual General Meeting.
7. Relevancy of question and the order of speaking at the meeting will be decided by the Chairman.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 5

The Board of Directors of the Company at its meeting held on 10th May, 2004 has reappointed Shri Shrikant J. Parikh as Managing Director of the Company for a further period of five years i.e. from 1st January, 2004 to 31st Dec., 2008

The remuneration and terms and conditions of the said reappointment was approved by the meeting of Board of Directors held on 10th May, 2004. The terms and conditions and remuneration are within the ceiling of Schedule XIII to the Companies Act, 1956 which requires the approval of the members by way of passing ordinary resolution in the Annual General Meeting. Hence, this special Resolution is recommended by Board for your approval.

The agreement to be entered into between the Company and Shri Shrikant J. Parikh, after approval of the shareholders, inter alia, contains the following particular terms and conditions;

Period of Agreement : Five years from 1st January, 2004 to 31st Dec., 2008

SALARY : Rs. 13,000/- per month (Rupees thirteen thousand only).

PERQUISITES : Perquisites shall be allowed in addition to salary as under :

- A. **Housing :** The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing Director will be subject to a ceiling of sixty percent of the salary, over and above ten percent payable by the Managing Director.

In case accommodation is not provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the aforesaid

ceiling.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Managing Director.

- B. **Medical reimbursement :-** Managing Director is entitled to reimbursement of medical expenses incurred for himself and for his family. However, such medical reimbursement should be limited to salary of one month in a year.

- C. **Leave Travel concession :-** The appointee and his family is entitled to leave travel concession, once in a year in accordance with the rules specified by the Company.

- D. **Club Fees :** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

- E. **Personal Accident Insurance :** Premium not to exceed Rs. 10,000/- per year.

For the aforesaid purpose Family means the spouse, dependent children and dependent parents of the appointee.

The following perquisites shall not be included in the computation of the ceiling on remuneration.

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a months salary for each completed year of service.
- iii) Encashment of leave at the end of the tenure.

Providing car for use of Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of the car for private purposes shall be billed by the Company to the Managing Director.

Other terms and conditions

1. The Managing Director will be entitled to one month's leave with full pay and allowances for every eleven months of service. Such leave may be accumulated in accordance with the Company's rules and practice in force from time

MINAL ENGINEERING LIMITED 16th Annual Report 2003-2004

to time. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

2. The total payment of remuneration to the Managing Director is subject to the overall ceiling laid down in Schedule XIII to the Companies Act, 1956 and in no case it shall exceed the ceiling prescribed.
3. The remuneration and terms and conditions of this appointment of Managing Director may be varied from time to time subject to the conditions of Schedule XIII to the Companies Act, 1956, as may be agreed to between the Board and the appointee.
4. If at any time the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and this agreement shall terminate forthwith.
5. The Managing Director is appointed by virtue of his Directorship in the Company and his appointment is subject to the provisions of Section 283 of the Companies Act, 1956.
6. This agreement may be terminated by either party, by giving to the other party, three months' notice.
7. The appointee shall also be entitled to

reimbursement of expenses actually and properly incurred by him for the business of the Company.

8. The appointee shall not be liable to retire by rotation at the Annual General Meeting so long as he continues to hold this office.
9. The appointee shall not be entitled to sitting fees for attending meeting of the Board of Directors or committees thereof.

Shri J. B. Parikh and Shri Vikram J. Parikh, are concerned or interested in the said resolution since they are related to Shri Shrikant J. Parikh. None of the other Directors of the Company is in any way, concerned or interested in the said resolution.

The draft of the Agreement to be entered into between the Company and the Shri Shrikant J. Parikh is available for inspection of the members at the Registered Office of the Company on any working day upto the date of this meeting.

This may be treated as an abstract of the agreement proposed to be entered into between the Company and the appointee pursuant to Section 302 of the Companies Act, 1956.

The Board recommend this resolution for approval of the shareholders.

By order of the Board of Directors
For MINAL ENGINEERING LIMITED

SD/-
J.B. PARIKH
Chairman

Registered Office :
Minal Engineering Limited
214/A, Paradise Complex,
Sayajigunj, Vadodara - 390 005.
Date : 30/06/2004



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 16th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2004.

1. FINANCIAL HIGHLIGHTS

Financial Year	[Rupees in thousand]	
	31-3-2004	31-3-2003
Total Income	3,357	5,354
Total Expenditure	2,644	4,267
Profit before Depreciation & Tax	713	1,087
Less: Depreciation	379	339
Tax	156	306
Profit after Tax	178	442
Add: Profit Brought forward	2,887	2,445
Balance carried forward to Balance Sheet	3,065	2,887

Dividend

With a view to conserving financial resources in the business, your Directors do not recommend any dividend during the financial year.

Personnel

During the year under review none of the employees were in receipt of remuneration in excess of the ceiling prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

Fixed Deposits

During the year under review the Company has neither accepted nor renewed deposits from public.

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

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

Directors

Mr. J. B. Parikh and Mr. Vikram J. Parikh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for there re-appointment. The Board of Directors recommends their reappointment.

During the year under review Mr. Shrikant J. Parikh, was re-appointed as Managing Director by the Board at its meeting held on 10th May, 2004. Resolution seeking member's approval for his appointment as Managing Director is proposed under item No 5 of the accompanying notice.

Director's Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed that;

1. in the preparation of annual accounts, for the financial year ended 31st March, 2004 the applicable accounting standards have been followed and given proper explanation relating to material departures;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors have prepared the accounts for the financial year ended 31st March, 2004 on a going concern basis.

Secretarial Audit

A Compliance Certificate issued by M/s. J. J. Gandhi & Co., Practising Company Secretaries, Baroda, pursuant to provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, is attached to this Report.

Auditors

M/s Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants, Vadodara, statutory Auditors of the Company, retires at the ensuing Annual General Meeting of the Company but are eligible for re-appointment. Directors recommend their re-appointment.

Industrial Relations

The Company continued to maintain good and cordial Industrial relations during the year.

Acknowledgments

Your Directors acknowledges with gratitude the co-operation and assistance received from all those associated with the Company during the year under review.

For and on behalf of the Board

Sd/-

J. B. Parikh
Chairman

Place : Vadodara
Date : 30-06-2004

MINAL ENGINEERING LIMITED 16th Annual Report 2003-2004**ANNEXURE TO DIRECTOR'S REPORT**

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

FORM B

(See rule 2)

A. CONSERVATION OF ENERGY**a) ENERGY CONSERVATION MEASURES TAKEN:**

The Company is taking various steps to conserve the Energy.

b) IMPACT OF ABOVE STEPS :

The impact of the above steps is positive.

c) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

Refer enclosed Form-A.

B. TECHNOLOGY ABSORPTION**d) EFFORTS MADE IN TECHNOLOGY ABSORPTION**
Not Applicable.**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earning	51,705
Foreign Exchange outgo	NIL

FORM A (See rule 2)

Form for disclosure of particulars with respect to conservation of energy.

A. Power and Fuel Consumption

	Current year	Previous year
1. Electricity		
a) Purchase Unit	58131	66865
Total amount	287735	325127
Rate/Unit	4.95	4.86

b) Own generation

- (i) Through diesel generator Unit
Unit per-ltr. of diesel oil Cost/unit
- (ii) Through steam turbine/generator Units
Units per ltr. of fuel oil/gas Cost/units

2. Coal (Specify quality and where used)

Quantity (tonnes)	-
Total cost	-
Average rate	-

3. Furnace oil

Quantity (K. ltrs.)	-
Total amount	-
Average rate	-

4. Others/internal generation (Please give details)

Quantity	-
Total Cost	-
Rate/Unit	-

B. Consumption per unit of production

	Standards (if any)	Current year	Previous year
		1	2

Products (with details) unit

Electricity

Furnace Oil not ascertained

Coal (Specify quality)

Others (specify)

From 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

4. Expenditure on R & D :

a) Capital

b) Recurring

c) Total

d) Total R & D expenditure as a percentage of total turnover

Technology absorption, adaption and innovation

1. Efforts, in brief, made towards technology, absorption, adaption 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) If not fully absorbed, areas where this has not take place, reasons therefore and future plans of action.

Not
Applicable



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages commitment to ensure customer satisfaction through better services and satisfaction of grievances if any, of all its stake holders and with due concern for social responsibility.

2. Board of Directors

A. Composition of Board :

The Board of Directors of the Company comprises of five Directors, of which Managing Director is Executive Director. Chairman and all other Directors are Non Executive Directors. The composition and category of directors are as under:

Name of Director	Designation	Category	Other Directorships	Committee Member-ships
Mr. J. B. Parikh	Chairman	Non-Executive (Promoter)	—	3
Mr. Shrikant J. Parikh	Managing Director	Executive (Promoter)	C. Mahendra Jewels Pvt. Ltd.	
Mr. Vikram J. Parikh	Director	Non-Executive (Promoter)	—	—
Mr. Amul J. Patel	Director	Non-Executive and Independent Director	—	2
Mr. J.V. Joshi	Director	Non-Executive and Independent Director	—	2

B. Details of Board Meetings held in financial year 2003-04 and attendance of Directors

Six Board Meetings were held during the financial year 2003-04 on 20th May, 2003, 30th June, 2003, 30th July, 2003, 31st Oct., 2003, 3rd Nov., 2003 and 31st Jan., 2004. The particulars of attendance of each of the Directors at these meetings was as follows

Sr.	Name of Directors	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. J.B. Parikh	6	Yes
2.	Mr. Shrikant J. Parikh	2	No
3.	Mr. Vikram J. Parikh	6	Yes
4.	Mr. Amul J. Patel	4	Yes
5.	Mr. J.V. Joshi	3	No

C. Appointment/ Re-appointment of Directors

Mr. J. B. Parikh and Mr. Vikram J. Parikh are retiring by rotation at the forthcoming AGM and being eligible offer themselves for their reappointment.

3. Committees of Directors

A. Audit Committee :

The Board of Directors of the Company has constituted an Audit Committee comprising of three Non-Executive Directors, of which Mr. J.V. Joshi and Amul J. Patel are Independent Directors, who have adequate financial accounting knowledge. The constitution of Audit

Committee also meets with the requirement under Section 292A of the Companies Act, 1956. The Audit Committee met three times on 30th June, 2003, 21st October, 2003 and 21st January, 2004 during the financial year 2003-04 to review the accounting practices including reviewing

internal control/ audit system and Financial Statements of the Company. The attendance of each of the Directors at these meetings were as under:

Members of Audit Committee	Designation	No. of Meetings attended
Mr. Amul J. Patel	Chairman	3
Mr. J. V. Joshi	Member	3
Mr. J. B. Parikh	Member	3

The terms of reference of the Audit Committee are wide enough covering the matter specified under the Listing Agreement and the Companies Act, 1956.

B. Remuneration Committee

The Company has Remuneration Committee consisting of two Directors viz. Mr. J. B. Parikh