

**TWENTY FIRST ANNUAL REPORT
2008-2009**

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MINAL ENGINEERING LIMITED



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:

M/s Chandrakant & Sevantilal & J.K. Shah & Company,
Chartered Accountants,
301, Lalita Tower, 3rd Floor,
Near Hotel Rajpath,
Bh. Rly. Station - Akota Road,
Vadodara - 390 007.

Bankers:

Corporation Bank,
Alkapuri, Vadodara.

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The Twenty first Annual General Meeting of the company will be held on 30th September, 2009 at 11.30 a.m. at the Registered Office of the Company at 214/A, Paradise Complex, Sayajigunj, Vadodara.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty first Annual General Meeting of the Company will be held on Wednesday the 30th September, 2009 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, 2009 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. J. V. Joshi, 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 Ms. Arpita 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 Chandrakant & Sevantilal & J.K. Shah & 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."

SPECIAL BUSINESS:

- 5) To consider and if thought fit to pass with or without modification the following resolution as special resolution

"RESOLVED That the company approves, pursuant to the provisions of section 314(1) (b) of the Companies Act 1956, and subject to the consent of the Company at general meeting by special resolution and subject to such other consents, approvals, permissions as may be required, the appointment of Ms. Anila Parikh, to hold an office or place of profit under the Company as Officer - Marketing, for a period of five years and on such terms and conditions and on such remuneration as may be decided by the Board of Directors, provided that the aggregate remuneration payable to Ms. Anila Parikh shall not exceed Rs. 50,000 per month.
- 6) To consider and if thought fit to pass with or without modification the following resolution as special resolution

"RESOLVED that the company approves, pursuant to the provisions of section 314(1) (b) of the Companies Act 1956, and subject to the consent of the Company at general meeting by special resolution and subject to such other consents, approvals, permissions as may be required, the appointment of Ms. Brijal Parikh, to hold an office or place of profit under the Company as Officer - Marketing, for a period of five years and on such terms and conditions and on such remuneration as may be decided by the Board of Directors, provided that the aggregate remuneration payable to Ms. Brijal Parikh shall not exceed Rs. 50,000 per month.

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

**Place: Vadodara
Date: 31/07/2009**

**V. J. Parikh
Director**

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/HER SELF 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 Appartment, 88, Sampatrao Colony, Vadodara 390 005.
3. The Register of Members and Share Transfer books of the Company will be closed from 23rd September, 2009 to 29th September, 2009. (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 days prior 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.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 FOR ITEM NO. 5 & 6

Ms. Anila Parikh and Ms. Brijal Parikh have been appointed as Officer - Marketing in the company at a remuneration of Rs. 10000/- and Rs. 20000/- respectively per month. The above appointments call for compliance of Section 314 (1) (b) of the Act. Your directors have thus in accordance with the 1st proviso to Section 314 (1) of the Act sought your approval.

Mr. Shrikant Parikh, Mr. J B Parikh & Mr. Vikram J Parikh being relative of Ms. Anila Parikh & Ms. Brijal Parikh are interested in the above resolution.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **21st Annual Report** together with the Audited Financial Statement along with the Report of the Auditors **for the year ended on 31st March 2009.**

➤ **Financial Results and Profitability:**

Rs. In Lacs

FINANCIAL RESULTS	2008-09	2007-08
Total Income	388.91	91.85
Total Expenditure	188.69	181.76
Profit before Depreciation & Tax	209.63	(81.13)
Less: Depreciation	9.41	8.78
Profit before tax	200.22	(89.91)
Provision for tax	4.43	1.24
Profit after Tax	195.78	(91.16)
Profit brought forward	29.19	120.35
Profit available for appropriation	224.97	29.18
Appropriations:		
Dividend	0	0
Dividend Tax	0	0
Transfer to General Reserve	0	0
Balance Carried forward	224.97	29.18
Paid up Equity Share Capital	637.00	637.00
Share Forfeited Account	75.53	75.53
Reserves and Surplus	418.09	222.31

➤ **Operation**

Your directors take pleasure in reporting that the company has achieved a turnover of Rs. 94.82 Lacs. The company has recorded a Profit of Rs. 209.63 Lacs before depreciation and interest as against Loss of Rs. 81.13 Lacs in the previous year. After providing a sum of Rs. 9.41 Lacs towards depreciation, Income Tax provision of Rs. 4.11 Lacs and after adjusting a sum of Rs. 0.31 Lacs towards deferred tax, the operation resulted in net Profit of Rs. 195.78 Lacs as against Loss of Rs. 91.16 Lacs in the previous year.

The Profit for the year includes a sum of Rs. 260.93 Lacs, share of profit in C Mahendra Infojewels of which company is a Partner.

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

The company has not declared any dividend and thus the Profit has been carried to reserves.

➤ **Dividend**

Your Board of Directors have decided to plough back the profits in the business and hence not recommended any dividend.

➤ **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. J. V. Joshi and Ms. Arpita 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 Chandrakant & Sevantilal & J. K. Shah & 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.

➤ **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**

Place: Vadodara
Date : 31.07.2009

Sd /-
J. B. Parikh
Chairman

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 : 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 | 33177 |
| Total Amount | 139411.00 |
| Rate/ Unit | 4.202038/- |
| b) Own generation | |
| (i) Through diesel generator Unit | |
| Unit per-ltr of diesel oil Cost/unit | |
| (ii) Through steam turbine/generator Units | |
| Unit 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	Current	Previous
If any	Year	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
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



Addendum to the Director's report u/s 217(3)

Reply of Board of Directors to Audit Report for the year ended 31st March, 2009

➤ **Auditor's qualification(s), reservation(s) or adverse remark(s) in the auditor's report**

- 1) Non provision for diminution in value of investment as required by Accounting Standard 13 "Accounting for Investments" (See Note No. – 4).
- 2) Non Provision for leave encashment and Gratuity Liabilities payable upon retirement as required by accounting standard 15 Employees' benefit (See Note No. – 5).
- 3) 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 account, the inventory of opening stock and closing stock as taken, value and certified by director is relied upon.

➤ **Director's comments on qualification(s), reservation(s) or adverse remark(s) of the auditors as per Board's report**

- 1) 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, 2009. No provision against the same has been considered necessary since in the opinion of management such diminution is temporary in nature.
- 2)
 - a) Total present liability for future payment of gratuity as on 31st March, 2009 is neither provided nor actually determined. These liabilities will be dealt with on cash basis.
 - b) Leave encashment liability, if any, has not been determined, presently, and would be charged when paid.
- 3) Due to large no. of items having different sizes & different quality, it is not possible to maintain a record of all the items.

Place: Vadodara
Date : 31.07.2009

Sd /-
Vikram Parikh
Director

Sd /-
J. B. Parikh
Chairman

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
<i>Executive Director:</i>				
Mr. Shrikant Parikh, Managing Director	7	5	Nil	No
<i>Non- Executive Directors:</i>				
Mr. J. B. Parikh, Chairman	7	7	Nil	Yes
Mr. Vikram J. Parikh, Director	7	7	Nil	Yes
Mr. Amul J. Patel, Director	7	6	Nil	Yes
Mr. J.V. Joshi, Director	7	7	Nil	Yes
Ms. Arpita S. Parikh, Director	7	4	Nil	No

(B) Board and Committees:

During the year 2008-09, the Board of Directors met on 7 occasions on the following dates: 30/04/2008, 07/05/2008, 28/06/2008, 30/07/2008, 24/10/2008, 30/01/2009 & 20/03/2009.

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 as follows:

Members of Audit Committee	Designation	No. of meetings attended
Mr. Amul J. Patel	Chairman	6
Mr. J. B. Parikh	Member	7
Mr. J. V. Joshi	Member	7

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 the Committee	Designation	No. of meetings attended
Mr. Amul J. Patel	Chairman	6
Mr. J. B. Parikh	Member	7

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 2008-09 are as under:

Name of Director	Sitting Fee	Salary & Other perquisites	Commission	Total
Mr. J. B. Parikh	-	-	-	-
Mr. Shrikant J. Parikh	-	Rs. 84250/-	-	-
Mr. Vikram J. Parikh	-	-	-	-
Mr. Amul J. Patel	-	-	-	-
Mr. J. V. Joshi	-	-	-	-
Ms. Arpita Parikh	-	-	-	-

II. Disclosures

- 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.
- 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.