

**22<sup>nd</sup>**  
**Annual Report**  
**2009-2010**



**MINAL INDUSTRIES LIMITED**

**TWENTY SECOND ANNUAL REPORT  
2009-2010**

**BOARD OF DIRECTORS**

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

<p><b>The Twenty second Annual General Meeting of the company will be held on Thursday 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.</b></p>	<b><u>CONTENTS</u></b>	<b><u>Page No.</u></b>
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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 nay 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. **REOSLVED 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 of 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**

**Place : Vadodara  
Date : 31.07.2010**

**Sd /-  
J. B. Parikh  
Chairman**

**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**.

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

**Place : Vadodara**  
**Date : 31.07.2010**

**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 : 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&amp;D)

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

Technology absorption, adoption and innovation

- Efforts, in brief, made towards technology absorption, adoption and innovation
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development, import substitution etc.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). Following information may be furnished:
  - Technology Imported
  - Year of Import
  - Has technology been fully absorbed?
  - 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
<b>Executive Director:</b>				
Mr. Shrikant Parikh, Managing Director	8	4	Nil	No
<b>Non- Executive Directors:</b>				
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 as 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