

**TWENTY FIFTH ANNUAL REPORT**

**2012-13**

**MINAL INDUSTRIES LIMITED**

**603, A- WING, MINAL COMPLEX, OPP. SAKI VIHAR ROAD, ANDHERI (EAST), MUMBAI**

**MINAL INDUSTRIES LIMITED**

<b>CONTENTS</b>		<b>Page No.</b>
1	Notice to Shareholders	1
2	Directors Report	3
3	Report on Corporate Governance	6
4	Compliance Certificate	12
5	Auditors Report	15
6	Balance Sheet	21
7	Profit and Loss Accounts	22
8	Accounting Policies and Notes on Accounts	23
9	Schedules	26
10	Balance Sheet abstracts	37
11	Cash Flow Statement	38
12	Consolidate Accounts	39
13	Statement 212	58
14	Form of Proxy	59

**Board of Directors**

<b>Mr. J. B. Parikh</b>	Chairman
<b>Mr. Shrikant J. Parikh</b>	Managing Director
<b>Mr. Shankar Bhagat</b>	Director
<b>Mr. Vikram J. Parikh</b>	Director
<b>Mr. Amulbhai Jethabhai Patel</b>	Director

**Registered Office:**

603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai

**Auditors:**

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

**Bankers:**

Corporation Bank, Alkapuri, Vadodara

The Twenty Fifth Annual General Meeting of the company will be held on Monday the 30<sup>th</sup> day of September, 2013 at 11.30 a.m. at the Registered Office of the Company at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai

**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Monday, the 30<sup>th</sup> Day of September, 2013 at 11.30 a.m. at the Registered Office of the Company at 603, A- Wing, Minal Complex, Opp. Saki Vihar Road, Andheri (east) Mumbai to transact the following businesses:

**ORDINARY BUSINESS:**

- 1) To consider, approve and adopt the Balance sheet as at 31<sup>st</sup> March, 2013 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 Patel, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for reappointment.
- 3) 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."

**Place: Vadodara  
Date: 28/05/2013**

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

**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 23<sup>rd</sup> Sep, 2013 to 29<sup>th</sup> Sep, 2013. (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.

Place: Vadodara  
Date: 28/05/2013

By order of the Board  
For Minal Industries Limited

Sd/-  
J. B. Parikh  
Chairman

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **25<sup>th</sup> Annual Report** together with the Audited Financial Statement along with the Report of the Auditors **for the year ended on 31<sup>st</sup> March 2013.**

➤ **Financial Results and Profitability:**

	<i>Rs. In Lacs</i>	
<b>FINANCIAL RESULTS</b>	<b>2012-13</b>	<b>2011-12</b>
Total Income	1642.00	10148.65
Total Expenditure	1619.20	10167.69
Profit/(Loss) before Depreciation & Tax	22.79	(19.05)
Less: Depreciation	6.76	6.83
<b>Profit/(Loss) before tax</b>	<b>16.04</b>	<b>-(25.87)</b>
Provision for tax	5.11	8.75
<b>Profit/(Loss) after Tax</b>	<b>10.93</b>	<b>-(34.62)</b>
Profit brought forward	0.00	0.00
Profit available for appropriation	0.00	0.00
<b>Appropriations:</b>		
Balance Carried forward	<b>10.93</b>	<b>(34.62)</b>
Paid up Equity Share Capital	3838.01	1438.01
Reserves and Surplus	4.80	4.80

➤ **Operation**

Your directors report that the company has achieved a sales turnover of Rs.1631.88 Lacs as against Rs. 10038.20 Lacs in the previous year. The company's Profit increased to Rs. 22.79 Lacs before depreciation and interest as against Profit of Rs. (19.05) in the previous year. After providing a sum of Rs. 6.76 Lacs towards depreciation, Income Tax provision of Rs 5.11 Lacs, the operation resulted in Net profit of Rs. 10.93 Lacs as against loss of Rs. (34.62) Lacs in the previous year.

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

The Net Profit of the company has increased to Rs. 10.93 Lacs during the year thus no sum is appropriated to the reserves.

➤ **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 Patel Director 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 31<sup>st</sup> March 2013. 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 Industries Limited**

**Place: Vadodara**

**Date : 28/05/2013**

**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

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

2. TECHNOLOGY ABSORPTION

- 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 3871.30  
Total Amount 77054  
Rate/ Unit 19.90

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

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)

- 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

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 5 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
<u>Executive Director:</u>				
Mr. Shrikant Parikh, Managing Director	6	5	Nil	Yes
<u>Non- Executive Directors:</u>				
Mr. J. B. Parikh, Chairman	6	6	Nil	Yes
Mr. Vikram J. Parikh, Director	6	6	Nil	Yes
Mr. Amul J. Patel, Director	6	6	Nil	No
Mr. Shankar Bhagat	6	6	Nil	No

##### (B) **Board and Committees:**

During the year 2012-13, the Board of Directors met on 6 occasions on the following dates 02/04/2012, 15/05/2012, 29/05/2012, 14/08/2012, 10/11/2012 & 15/02/2013

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:

- Shankar Bhagat, Independent Director
- Mr. Amul J. Patel, Independent Director
- Mr. J.B. Parikh, Chairman

##### **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. Shankar Bhagat	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.

<b>Members of the Committee</b>	<b>Designation</b>	<b>No. of meetings attended</b>
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. Amul Patel

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. Amul Patel. The details of remuneration paid to directors for the financial year 2012-13 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	-	-	-	-
Ms.Arпита 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.
- 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 10.12Lacs**. Net Profit of the company stood at Rs 10.93 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 Fifth Annual General Meeting of the Company will be held on Monday 30<sup>th</sup> September, 2013 at 11.30 a.m. at the registered office of the company.

(ii) **Financial year**

The financial year of the company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

(iii) **Date of Book Closure**

The Register of members and Share Transfer Books of the company will remain closed from 23<sup>rd</sup> Sep., 2013 to 29<sup>th</sup> Sep., 2013 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)  
25<sup>th</sup> 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, 2012 to March, 2013 is as under.

Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
<b>April, 12</b>	5.60	3.63	<b>October 12</b>	5.35	4.06
<b>May, 12</b>	4.74	3.65	<b>November, 12</b>	5.05	3.83
<b>June, 12</b>	6.20	3.71	<b>December, 12</b>	4.90	3.65
<b>July, 12</b>	5.27	3.83	<b>January, 13</b>	4.97	3.71
<b>August, 12</b>	4.94	3.71	<b>February, 13</b>	4.45	3.00
<b>September, 12</b>	5.15	3.75	<b>March, 13</b>	3.35	2.08

(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 INE097E01028.

As on 31<sup>st</sup> March, 2013, 51708067 shares were in Dematerialized form representing 26.95% of the total shares.